

MINI MUTHOOTTU FINANCIERS LTD – INVESTMENT POLICY

Objective

The investment securities portfolio of Mini Muthoottu Financiers shall be managed to maximize portfolio yield over the long term in a manner that is consistent with liquidity needs, loan requirements, asset/liability management strategies and safety of principal. Portfolio strategies will be utilized to assist the company, through means established in this Policy, in the attainment of a level of interest rate sensitivity consistent with the goals of the Asset/Liability Management Policy.

Responsibilities

The Board of Directors of the company will be responsible for making the investment of the funds of the company.

Permissible Investments

The company will purchase/ invest in the following type of securities

- 1) Securities issued by Govt of India & state governments
- 2) Fixed deposit with banks
- 3) Shares and debentures of listed companies
- 4) Shares of Banks
- 5) Shares and debentures of unlisted any other companies other entities
- 6) Units of Mutual Funds
- 7) Land & Buildings and Fixed Assets
- 8) Others

Unaccepted investments

- 1) Commercial Paper
- 2) Derivatives of any kind

Investment Ceiling

Extant RBI guidelines on single party/ group investment ceilings have to be complied with

Investment valuation

- a) Govt securities – will be valued on a marked-to-market basis on the year-end price of the invested security or security of comparable maturity
- b) Fixed deposits – Principal amount invested
- c) Quoted shares/ debentures – marked-to-market
- d) Unquoted shares/ debentures – at cost
- e) Mutual Fund units – Marked-to-market

Income recognition

- a) on fixed income securities on accrual basis
- b) on others on cash basis on actual receipt
- c) loss on valuation will be charged to profit while gains will be ignored

Default/ NPA

Full provisioning on default/ delay in payment of principal and/or interest as per extant RBI guidelines

Revision/ change in Investment Policy

Board is authorized to make suitable changes in the Investment Policy if deemed so in the best interest of the company

Investment Committee

All investments of the company other than routine deposit of surplus/ idle funds will be carried out only after taking the approval of the Investment Committee of the Company. Proposed composition of the investment committee is given below

Chairman/ Managing Director	Chairperson
Executive Director	Alternate Chairperson
Chief Operating Officer	Member
Chief Financial Officer	Member Secretary

Company Secretary is entrusted to submit the summary & recommendations of the meetings of the Investment Committee to the Board