

Resource Planning Policy



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1. **Preamble**

The Board of Directors (**the “Board”**) of DMI Housing Finance Private Limited (**the “Company” or “DMI”**), has adopted the following policy regarding planning of various resources of raising funds by the Company.

2. **Purpose**

The Policy has been framed in terms of the **Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021** issued by Reserve Bank of India (**“RBI”**) effective from February 17, 2021 (**“RBI Directions”**) including any amendment, revision in the directions made thereunder and issuance of any guidelines, notification, circular by the RBI in this regard from time to time.

This Policy intends to establish resource planning which inter-alia, should cover the planning horizon and the periodicity of private Placement of Non-Convertible Debentures.

3. **Definitions:**

“Company” shall mean DMI Housing Finance Private Limited

“Private Placement” means non-public offering of Non-Convertible Debentures (NCDs) by the Company to such number of select subscribers and such subscription amounts, as may be specified by the Reserve Bank of India, from time to time.

“Public Issue” means an invitation by a company to public to subscribe to the securities offered through a prospectus.

4. **Policy**

1) Policy for resource Planning.

- Long term objective.

The long-term target of the company for resource mobilization shall be by below-mentioned methods met by different products including but not limited to:

Banks/Institutional funding	:
By the issue of NCD	:
By the issue of Subordinated debt -instruments	:
By the issue of Commercial papers or other money	:
By way of External commercial Borrowing (ECB)	:
By way of Pass Through Certificates/Direct	:

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Assignment Transactions

The proportion of the long term and short-term resources for the company shall be based on prevailing market conditions and the most suitable options prevailing in the market in-line with the ALM requirements.

The borrowings decisions shall be based on the best possible terms and pricings and

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accordingly the borrowing decision shall be made.

Planning for short term and long-term resources.

The resource planning of the company shall be based on its Asset Liability Matching (ALM) requirement. Broadly the planning horizon shall be of following two categories;

A. Long Term Resources and

B. Short term resources.

A. Policy on raising long term resources.

1. Tenure

The company is primarily engaged into the business of providing housing and non-housing loans to individuals and corporates and the period for which the loan is provided is between 24-300 months on case to case basis. Further, the Company seeks to classify the resources with a maturity profile of more than 12 months as a long-term resource. The proportion of the long term and short term resources for the company shall be based on prevailing market conditions and most suitable options prevailing in the market in-line with the ALM requirements.. ***Manner of raising long term resources***

1.1 Borrowings from banks and other Financial Institutions.

The company may plan for raising long term resources from banks and financial institutions. The major source of funding for the company as of now is nationalized and other scheduled commercial banks, All India Financial Institutions and larger NBFCs. While these organized sector shall continue to be the biggest source for meeting the long term as well as short term funding requirement, the company shall develop alternative sourcing of funds from other markets depending on the business requirements.

1.2 Issue of Debt Securities.

- The company shall subject to the applicable laws and regulations, issue debt securities depending on its business requirements and the market conditions. The debt securities may be issued in the following manner.

a. Public issue of Rated Secured Redeemable Non-convertible Debentures (NCDs)

b. Private placement of Rated and Listed NCDs

c. Private placement of Un-Listed, Rated NCDs

(All the aforesaid issuances of NCDs shall be in compliance with “Guidelines on Private Placement of Non-Convertible Debentures” (“Guidelines”) as prescribed by Reserve Bank of India in Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 (as amended from time to time).

- The Company if intending to issue non-convertible debentures to have minimum Net Owned Fund as prescribed in Paragraph 5 of the aforesaid guidelines and shall obtain credit rating for

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the same from one of the credit rating agencies as prescribed in the said guidelines. The Company should have minimum credit rating of moderate degree of safety regarding timely servicing of financial obligations and shall ensure at the time of issuance of the non-convertible debentures that the rating so obtained is current and has not fallen due for review.

a) Public issue of NCDs

The company may subject to the compliance with the applicable provisions of laws/ and regulations may issue Secured Redeemable Non-convertible Debentures with maturity period of 12 months and above (NCDs/Bonds) at such intervals by way of public issue at such coupon rates as the company think fit from time to time and shall be listed in one or more recognized stock exchanges in India. The frequency of the issue may be decided by the Board / Committee of the Board from time to time depending on the business environment, market conditions and regulatory provisions in this behalf. Further, the tenor of the non-convertible debentures shall not exceed the validity period of the credit rating of the instrument, if any.

b) Private Placement of Listed NCDs

The company may subject to the compliance with the applicable provisions of laws and regulations may issue Secured Redeemable Non-convertible Debentures (NCDs/Bonds) at such intervals by way of private placement to such number of subscribers with minimum subscription amount or such higher minimum subscription as may be prescribed under any law or regulation in force from time to time to such eligible investors including High Net worth Individuals and Institutions. The securities may be listed in one or more recognized stock exchanges in India.

The timing or periodicity of private placement in this manner may be decided by the Board or Loan, Investment and Borrowing Committee of the Board based on the market conditions, availability of funds and the business plan of the company and subject to compliance with the statutory/ regulatory requirements.

c) Private Placement of Unlisted NCDs

Based on the business plan of the company for each year, the company may issue Unlisted NCDs to individuals/ institutions or such other class or category of investors. The timing and the amount of issue shall be decided by the Board or Loan, Investment and Borrowing Committee of the Board and shall be subject to the statutory and regulatory compliances as may be required from time to time. However, the total number of subscribers in each issue shall not exceed the maximum number of subscribers fixed under any of the applicable laws or regulations.

The issue of debentures covered under sub clause a, b, and c above can be only secured. For, secured NCDs, it shall be secured by the assets of the company and a charge shall be registered in accordance with the provisions of the Companies Act, 2013.

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Further the company shall issue NCDs for the purpose of its own Balance sheet only and not to facilitate resource requests of group entities / parent company / associates.

Further, the company shall not extend loans against the security of its own debentures (issued either by way of private placement or public issue).

The Company as per the guidelines prescribed by RBI at the time of issuing non-convertible debentures shall appoint a Debenture Trustee for each issue.

1.3 Issue of Subordinated Debt instruments.

The Company may issue UnSecured Subordinated Debt instruments which are not classified as deposits under the applicable directions of the Reserve Bank of India with a maturity period exceeding 5 years from the date of allotment. This instrument may be issued to such class or category of investors as the Board or Loan, Investment and Borrowing Committee of the Board decides from time to time:

Securitization – The company may enter into securitization transactions from time to time, in compliance with the regulations of Reserve Bank of India. The assets eligible for the securitization shall be as per the eligibility criteria as defined in the framework.

1.4 External Commercial Borrowing – The company can raise ECB subject to compliances of Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 as modified from time to time or any other applicable regulatory guidelines.

B. Short-Term Resources

Resources with a maturity of 12 months and less shall be treated as short term resources. The main sources of such resources are bank limits and Commercial papers (CP). Depending on the ALM requirements the company may borrow funds from banks and other financial institutions from time to time and continue to issue commercial papers with maturity ranging from one month to 12 months.

Subject to applicable laws and regulations the company may also avail inter corporate loans which are exempt from the purview of public deposit under the applicable directions of RBI.

I) Annual Plan for Mix of resources.

II) The ideal mix of resources for the company and the resource mobilization program for each financial year shall be based on prevailing market conditions and most suitable options prevailing in the market in-line with the ALM requirements.. Amendment to the policy.

The policy may be amended from time to time by the Board of Directors on the recommendation of the ALCO which is monitoring the ALM or pursuant to requirement of any amendment in the

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regulatory directions and prescribed guidelines.

III) Applicability

The policy shall be effective from the date notified by the Board of Directors.

5. Review of the Policy:

The Policy shall be amended or modified with approval of the Board on the recommendation of ALCO. The Policy shall be reviewed by the Board on an annual basis. Consequent upon any amendments in applicable laws or any change in the position of the Company, necessary changes in this Policy shall be incorporated and approved by the Board.

Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this Policy with any existing legislations, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this Policy.

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