**C.**

A and B are not applicable

1. If loans or guarantees given, securities provided or subscription made in securities of wholly owned subsidiary or Joint venture

2. Investment made in right issue of shares of company or body corporate.

Note:

1. Before making any investment or providing loan or security or guarantee,

- a board resolution should be passed with consent of all directors; and

- permission of public financial institution should be obtained if investments, loans, security or Guarantee are above limit specified in A or if there is default in repayment of term loan.

2. No loan should be granted at a rate below than the prevailing yield of one year three years five years or ten years government security closed to the tenor of the loan.

3. Government Security Interest Rates for FY 2018-19 -

|  |  |
| --- | --- |
| Tenor | Interest Rate |
| 1 year | 6.49% |
| 2 year | 7.00% |
| 5 year | 7.32% |
| 10 year | 7.26% |

**A.**

Loans, guarantees, securities or subscriptions of securities of any other body corporate up to higher amongst the following:

1. 60% of paid up share capital(+)free reserves(+)Sec Premium Account; or

2. 100% of free reserves(+)Sec Premium Account

**B.**

If Loans, guarantees, securities or subscriptions of securities of any other body corporate is higher than limit specified in ‘A’ then pass special Resolution in general meeting.

Not Permitted

Section 186

More than 2 layers of investment subsidiaries

Permitted