



## **Edel Finance Company Limited**

### **INVESTMENT POLICY**

## **1) Purpose**

Edel Finance Company Limited ('Company') is a Core Investment Company (CIC) registered under the relevant provisions with the Reserve Bank of India. The primary objective of the Company is to hold investments in/provide loans to the Subsidiaries and the Group Companies, in accordance with the limits prescribed by the Reserve Bank of India from time to time.

## **2) Policy**

The objective of this Policy is to provide guidance for investments of the Company's funds.

The Policy shall be duly updated as and when necessary to take into account the change in market environment and adherence to the changes in Regulations.

## **3) Classification of Investments**

The investments of the Company would be broadly classified as under:

<b>Current Investments</b>	<b>Long-term investments</b>
a. Loans to Subsidiaries	Investments in Share Capital of Subsidiaries and the Group Companies
b. Investment of surplus funds in Bank Deposits and in liquid Mutual Fund schemes	

### **4. i) Investments in Share Capital of Subsidiaries/Group Companies**

The Company can make investments in Share Capital of Subsidiaries as per the approved Business Plans of the Company and the Subsidiaries/Group Companies. The investment shall be with the approval of the Board/Committee and/or the person as may be authorized by the Board/Committee from time to time.

### **ii) Loans to Subsidiaries/Group Companies**

The Company can provide loans to its Subsidiaries to meet its short and medium requirements. Such loans shall be within the limits and terms approved by the Board/such person as may be authorized by the Board from time to time.

### **iii) Investment of short-term surplus funds**

#### **a) Deposits with Banks**

The short-term surplus funds can be invested in deposits with any Scheduled Commercial Banks.

#### **b) Investments in liquid Mutual Fund schemes**

The Investments under this category shall include Liquid Funds, Ultra Short-term, Short term etc. The funds will be selected based on the Assets under Management of the scheme.

### **5. Inter-class transfer**

- i. There shall be no such transfer on ad-hoc basis
- ii. Such transfer, if warranted, shall be effected only on April 1 or October 1, with the approval of the Board/such person as may be authorized by the Board from time to time.
- iii. The investments shall be transferred scrip-wise, from current to long-term or vice-versa, at book value or market value, whichever is lower.
- iv. The depreciation, if any, in each scrip shall be fully provided for and appreciation, if any, shall be ignored.
- v. The depreciation in one scrip shall not be set off against appreciation in another scrip, at the time of such inter-class transfer, even in respect of the scrips of the same category

### **6. Valuation**

(a) Quoted current investments for each category shall be valued at fair value in compliance with the Ind AS 109 requirements.

(b) Unquoted equity shares in the nature of current investments shall be valued at cost subject to impairment, if any

(c) Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme.

(d) Commercial papers shall be valued at carrying cost.

(e) A long term investment in subsidiary / group company shall be valued at cost in accordance with the Ind AS requirements issued by ICAI.

## **7. Deviation**

Any deviation to the Policy will be placed before the Board with sufficient justifications and approval/ratification by the Board.

## **8. Reporting to the Board**

Summary of the investments made during the period and outstanding position as at the end of the period to be placed before the Board on a quarterly basis for review.

## **9. Review of the Policy**

The Policy shall be reviewed by the Board as and when necessary or at least once in two years.