

**Shrem Infra Invest Private Limited****Investment Policy****Index**

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**1. Introduction / Objective / Regulation**

Shrem Infra Invest Private Limited (the Company / SIPL) is a registered Core Investment Company ('CIC') with Reserve Bank of India (RBI) having registration no. N-13.02469 dated 3<sup>rd</sup> Oct 2024.

As required under paragraph 14 of the **Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016**, every CIC is required to formulate an Investment Policy. Accordingly, the Board of Directors of the Company approved the Policy at its meeting held on 19<sup>th</sup> February, 2024

. The Investment Policy lays down the broad guidelines for making investment decisions.

The meeting of the long-term investment goals of the Company is primarily dependent on a number of factors which not only includes the safety of the investment, capital appreciation and reasonable rate of return, but also inflation and taxes.

The purpose of the Company to hold the investments is to get optimum safety, and returns from the investments which can be in any of the following manner:

- A. Financial Income in the form of Interest and Dividend
- B. Capital Appreciation
- C. Other benefits.

Regulation under para 14

During the course of its business, the Company shall strictly adhere to various guidelines as may be stipulated by the RBI from time to time. These guidelines shall include:

- a. Company shall strictly adhere to various clauses applicable for CIC under Paragraph 2 **Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016**,
- b. Guidelines for investments in unencumbered securities
- c. Circulars, Guidelines and Clarifications as may be issued from time to time by the Reserve Bank of India, as applicable to Middle Layer size of the NBFCs and extended to the CICs including but not limited to corporate governance, assurance functioning and reporting requirements.
- d. Company shall adapt to all the terms mentioned in Definition section of Chapter II of the Master Direction.

**2. Overseas Investment**

Currently company does not have any overseas investments and as and when required, company shall form a policy for the same and suitably integrate with the Investment policy accordingly.

**3. Authority to make Investments**

The Company shall make all investment decisions only at the meetings of the Board of Directors of the Company. The Board by way of a resolution, may delegate the said power to any committee of directors, the Company Secretary, Authorised Signatory, or the Principal Officer (hereinafter collectively referred to as the "delegatee") of the Company.

While taking the investments' decision, the company shall also adhere to the conditions laid down in Paragraph 2 of the Master Direction.

Any decision taken by Delegatee shall be placed before Board of Directors for taking note, adoption and retification wherever necessary..

**4. Liquidity Risk Management**

The Investment Department shall keep the Risk Management Desk informed of its investment plans to put in place the Liquidity Risk Management Process and the funding programmes to take into account lending, investment, and other activities, and ensure that adequate liquidity is maintained at the head and each constituent entity within the group.

**5. Classification of Investments**

The Investments, that the Company holds and shall be treated as the assets of the Company held for earning income by way of dividends, interest, capital appreciation, etc. The investments of the Company shall be classified into the following two categories:

- a. Current Investments : All the investments made which have maturity / intended to hold for less than 12 months will be considered as current investments. (held to sell)
- b. Long Term Investments : Any investments other than current investments will be considered as long term investments. (held to maturity)

The Company being a CIC may generally make long term strategic Investments (and not merely for trading purpose) in securities of its own subsidiaries/ step down subsidiaries / Joint Ventures, and associates i.e. bodies corporate (within the meaning of the "Companies in the same Group" as defined by RBI) engaged in

business operations which would be strategically synergistic with the Company's own business activities or the business activities of its Subsidiary Company(ies), if any.

#### **6. Transfer of Investments**

The investments shall be re-caliberated scrip-wise, from current investments to long term investments, at cost or fair value, whichever is lower.

(Fair value: Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction, under appropriate circumstances, market value or net realisable value provides an evidence of fair value.)

The investments shall be transferred scrip-wise, from long term investments to current investments, at cost or carrying amount, whichever is lower.

(Carrying Amount : The carrying amount for current investments is the lower of cost and fair value.)

Any diminution in the investments value of each script on transfer to other category will be fully provided in the books of account immediately and such diminution shall not be set off against appreciation in other script.

#### **7. Accounting for Investments and Valuation**

##### **General Accounting principles**

- a. The cost of the investment(s) shall include the acquisition charges such as brokerage, fees and duties.
- b. If the Company acquires any investment in exchange, or part exchange, for another asset, the acquisition cost of the investment will be determined by reference to the fairvalue of the asset.
- c. If the Company subscribes for any right shares offered, the cost of the right shares is added to the carrying amount of the original holding. If rights are not subscribed for but are sold in the market, the sale proceeds are taken to the profit and loss statement.
- d. Where income receivable on investments has been accrued and has not been received for a period of 12 months beyond the due date, provision shall be made by debit to the revenue account for the income so accrued and no further accrual of income should be made in respect of such investment.

**Quoted Investments**

Quoted investments shall be categorised as follows:

- a. Equity Shares
- b. Preference Shares
- c. Debenture and Bonds
- d. Units of Mutual Funds
- e. Other equity instruments like Units of InvIT
- f. Others

**All the above investments shall be valued at cost or market price which ever is lower except for other equity investments for which the company has elected to present the value changes in “Other Comprehensive Income (OCI).**

All unquoted investments shall be valued at Cost or Fair price (wherever available) which ever is lower.

**8. Acquisition and disposal of Investments**

Transactions for purchase / sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year is recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction shall be recorded, in the event of a purchase, as of the date on which the scheme imposes an enforceable obligation to pay the price or, in the event of a sale, when the scheme gives rise to an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

On sale of an investment, the difference between the carrying amount and the sale proceeds, net of expenses, is recognised in the statement of profit and loss.

When disposing of a part of the holding of an individual investment, the carrying amount to be allocated to that part is to be determined on the basis of the average carrying amount of the total holding of the investment.

**9. Review of Policy**

This Policy shall be reviewed as and when required but at least once in year.