

**Corporate Office:** Plot No. A9, Sector 3, Noida - 201301  
**Registered Office:** CP-3, Sector-8, IMT Manesar,  
Gurgaon, Haryana-122051  
Tel: +91 120 4306000 Fax: +91 120 4310288  
CIN: U65923HR2008PTC046947

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## **VAMA SUNDARI INVESTMENTS(DELHI) PRIVATE LIMITED**

### **CORPORATE INVESTMENT POLICY**

(Confidential)

**(Approved in the Board dated July 19, 2019 and reviewed on March 16, 2021, 15<sup>th</sup> March, 2022, 17<sup>th</sup> November, 2022 and 28<sup>th</sup> September, 2023 )**

#### **1. Scope**

This policy applies to the investment of all operating funds of Vama Sundari Investments(Delhi) Private Limited.

Vama Sundari Investments (Delhi) Private Limited is engaged in investment activity and is holding investments in various entities within the Group and shall satisfy the following conditions as stipulated in Master Direction-Core Investment Companies(Reserve Bank Directions, 2016 :

1. It shall hold not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies;
2. Its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitute not less than 60% of its net assets as mentioned in clause 1 above.
3. It shall not trade in its investments in shares, bonds, debenture, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
4. It shall not carry on any other financial activity referred to in Section 45I(c) and 45I (f) of the Reserve Bank of India Act, 1934 except
  - (a) investment in
    - (i) bank deposits,
    - (ii) money market instruments, including money market mutual funds and liquid mutual funds
    - (iii) government securities, and
    - (iv) bonds or debentures issued by group companies,
  - (b) granting of loans to group companies and
  - (c) issuing guarantees on behalf of group companies.

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**Composition of Treasury Committee** The composition of Treasury Committee("TC") is as under :

- |                                    |             |
|------------------------------------|-------------|
| 1. Mrs.Roshni Nadar Malhotra       | Chairperson |
| 2. Mr. Shiv Nadar                  | Member      |
| 3. Mrs. Kiran Nadar                | Member      |
| 4. Mrs. Shikhar Neelkamal Malhotra | Member      |

The TC shall meet atleast once in a quarter and atleast four meetings of TC are held in a year.

The investment portfolio will be managed by the Board of the Company who will strive to invest with the judgment and care that prudent individuals would exercise in the execution of their own affairs, to maintain the safety of principal, maintain liquidity to meet cash flow needs and to provide competitive investment returns for Vama Sundari Investments(Delhi) Private Limited.

The investments shall be classified as current and long term investments at the time of making each investment as under:

- 1. Current Investments** : A current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made. Current investment is carried at the lower of cost and fair value.
- 2. Long Term Investments** : Long-term investments are assets that a company intends to hold for more than a year. Long term investments shall be carried at cost less provision for diminution in value other than temporary.

In case of inter-class transfer –

- (i) There shall be no such transfer on ad-hoc basis.
- (ii) Such transfer, if warranted, shall be effected only at the beginning of each half year, on April 1 or October 1, with the approval of the Board;
- (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;

From time to time investments will be managed through external programs, facilities and professionals. To constitute compliance these must be managed in a manner consistent with this policy.

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Commercial papers shall be valued at carrying cost.

## **2. Investment Objectives**

### **2.1. Safety**

Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The idea of safety is to mitigate credit risk, interest rate risk.

#### **2.1.1 Credit Risk**

Vama Sundari Investments (Delhi) Private Limited will minimize the credit risk, the risk of loss due to failure of the security issuer or banker, by:

1. Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which Vama Sundari Investments(Delhi) Private Limited will do business.
2. Diversifying the Portfolio so that potential losses on individual securities will be minimized.

#### **2.1.2 Interest rate risk**

Vama Sundari Investments(Delhi) Private Limited will minimize credit risk, the risk of loss due to the failure of the security issuer or banker, by:

1. Structuring the investment portfolio so that securities mature to meet cash requirement for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
2. Investing operating funds primarily in shorter-term securities.

### **2.2 Liquidity**

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This will be accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets. Negotiable securities may be sold prior to their maturity to provide liquid funds as needed for cash flow purpose.

### **2.3 Yield**

The investment portfolio shall be managed with the objective of attaining a competitive rate of return given the constraints of the aforementioned safety and liquidity objectives. To ensure long-term objectives are met, securities shall not be sold prior to maturity with the following exceptions:

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1. A security with declining credit may be sold early to minimize loss of principal.
2. Liquidity needs of the portfolio require that the security be sold.

### **3. Standards of Care**

#### **3.1. Prudence**

Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of capital as well as the probable income to be derived. Vama Sundari Investments(Delhi) Private Limited recognizes that no investment is totally free from risk and that occasional measured losses are inevitable in a diversified portfolio and will be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of Vama Sundari Investments(Delhi) Private Limited.

Investment Officials acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market prices, provided deviations from expectations are reported in a timely fashion to the Board of Directors and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

#### **3.2. Ethics & Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose their interest in financial institutions in which they conduct business. They shall further disclose any personal investment positions that could be related to the performance of the investment portfolio. Employees and officials shall refrain from undertaking personal investment transactions with the same individual or company with which business is conducted on behalf of Vama Sundari Investments(Delhi) Private Limited..

#### **3.3. Delegation of Authority**

Authority to manage the investment program is granted to Directors, who shall act in accordance with the established written procedures and internal controls for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Directors shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

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### **3.4. Checks & Balances**

The following guidelines have been established to enhance the integrity and transparency of Vama Sundari Investments(Delhi) Private Limited. and internal procedures for investing Vama Sundari Investments(Delhi) Private Limited funds and accounting for those investments.

## **4. Investment Transactions**

### **4.1. Internal Controls**

The Directors are responsible for establishing and maintaining an internal control structure that will be reviewed annually with Vama Sundari Investments(Delhi) Private Limited's internal auditor. The internal control structure will be designed to ensure that the assets of Vama Sundari Investments(Delhi) Private Limited are protected from loss, theft or misuse and to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived.

### **4.2. Authorized Financial Dealers and Institutions**

Vama Sundari Investments(Delhi) Private Limited will ensure that all financial institutions being dealt with are registered with respective agencies like SEBI or RBI and funds floated by such institutions only will be approved for the purpose of investment. Any investment which is not approved by either SEBI or RBI will not qualify for investment unless prior approval for the same is taken from Board of Directors.

### **4.3 Criteria for Classification**

At the time of making the investment, the investment so made by the Company is to be classified mainly into two criteria:

- a. Long Term Investment**
- b. Short- Term Investment**

## **5. Authority for making Long Term Investment**

Any Long Term investment, except in the Subsidiary Company, should be done with the permission of Board of Directors.

## **6. Grouping of Investment**

The Investments made by the Company are to be classified into following categories:

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- a. Equity Shares
- b. Preference Shares
- c. Debentures and Bonds
- d. Government Securities
- e. Units of Mutual Funds
- f. Any Other

## 7. Valuation of Investment

- a. Short Term Investment

Category of Investment	Valuation	
	Quoted Security	Unquoted Security
Equity Shares	Quoted Current investment for each category shall be valued at Market Value or Cost, whichever is lower. If the aggregate market value of the company is less than the aggregate cost for that category the net depreciation shall be charged to the Profit and Loss Account. If the aggregate market value of the company is greater than the aggregate cost for that category the net appreciation shall be ignored. Depreciation in one category of investments shall not be set off against appreciation in another category.	Cost or Breakup value, whichever is lower. Fair value for break up value may be substituted, if considered necessary.
Preference Shares		Cost or Face value, whichever is Lower.
Government Security including treasury bills		At Carrying Cost
Units of Mutual Fund		In the nature of current investments at Net Asset Value declared by Mutual Fund in respect of each particular scheme.
Debentures and Bonds		Shall be treated as Term Loans or other type of credit facilities depending upon the tenure of the debentures.

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## b. Long Term Investment

All the Long Term Investments are to be valued in accordance with Accounting Standards issued by Institute of Chartered Accountants of India (ICAI).

## 8. Investment Parameters

### 8.1. Portfolio Diversification

The investment portfolio shall be diversified to minimize the risk of loss resulting from over concentration of assets in specific class, currency, Country, or economic sector.

### 8.2 Portfolio Management

Following the primary objective of preservation of capital, investments shall be actively managed to take advantage of market opportunities. In doing so, negotiable securities may be sold prior to their maturity to provide liquid funds as needed for cash flow purposes, to enhance portfolio returns, or to restructure maturities to increase yield and reduce risk. Assets may be sold at a loss only if it is felt that sale of the security is in best long term interest of the Company.

## 9. Performance Review & Reporting

The Directors will periodically establish a benchmark for Vama Sundari Investments(Delhi) Private Limited, and will set targets for portfolio growth and diversification. Investments held at the end of each quarter will be disclosed in quarterly balance sheets being put up for board's consideration.

## 10. Record Keeping & Safekeeping

The accountant will be responsible for recording all investment transactions and for securing all documents relative to such transactions. The Accountant will ensure credit in demat are received in reasonable time and field. The Accountant will further ensure that all certificates for other investment are received in reasonable time, are accurately recorded and securely filed away.

## 11. Policy Consideration

### 11.1 Exception

Any investment currently held that does not meet the guidelines of this policy shall be exempt from the requirement of this policy. At maturity, such monies shall be reinvested only as provided by this policy.

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## 11.2 Revision

The Directors shall review the policy annually and shall recommend all necessary changes to the Board for consideration and adoption.

## 11.3 Adoption

This policy and any changes made during the annual reviews shall be adopted by resolution of the Board of Directors.

## 12. List of Attachments

NIL

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