

VALUVANADU CAPITAL LIMITED

INVESTMENT POLICY

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Policy Owner : HOD, Finance/Accounts

Prepared by : Finance/Accounts Department

Approved by : WTD & CFO

INVESTMENT POLICY

1. Objective

To lay down the policy for investment of surplus funds of the Company in a prudent and risk-aware manner to optimize returns while ensuring liquidity and capital preservation.

2. Scope

This policy applies to all surplus funds of the Company that are temporarily idle and not immediately required for operations or regulatory obligations.

3. Classification of Investment

The Investments, that the Company will hold, will be treated as the assets of the Company held with the motive of earning income by way of dividend, interest, and / or for capital appreciation and / or for other benefits. The investments of the Company shall be classified into the following two categories:

- Current Investment: The investments made by the Company which are intended to be held for not more than one year from the date on which such investment is made.
- Long Term Investment: Investment intended to be held for more than one year from the date on which such investment is made

4. Permissible Instruments

Subject to approval by the CFO/WTD, surplus funds may be invested in the following current Investments:

- Liquid and overnight mutual funds
- Equity-oriented mutual funds (including large-cap, hybrid, or index funds)
- Fixed deposits with scheduled commercial banks
- Government securities or Treasury Bills
- Other low-risk money market instruments

5. Restrictions

- Investments shall not be made using the overdraft/Cash Credit facility.
- Investment in equity mutual funds shall not exceed the limit approved by the Board.
- No direct investment in equity shares unless otherwise approved by the Board.
- The Company shall not engage in speculative trading.

6. Risk Management

- All investments shall be made with AMFI-registered mutual fund houses with a good track record and minimum credit rating (if applicable).
- A periodic review of performance, NAV movements, and compliance with limits will be done by the CFO or WTD.

7. Authority and Reporting

- CFO/WTD are authorized to make investments within policy limits.
- Any deviation must be reported to the Board with justification.
- Quarterly investment report to be submitted to the Board.