

FEDEX FINANCE PRIVATE LIMITED

Investment Policy

Fedex Finance Private Limited

CIN: U65923MH1998PTC114960

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Fedex Finance Private Limited (hereinafter referred as 'the Company / FFPL') a non-deposit taking non-systemically important Non-Banking Financial Company (NBFC) licensed by the Reserve Bank of India (RBI) bearing registration No.13.00930.

In accordance with the **Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023** (hereinafter referred to as “the RBI Directions”) issued by the RBI, the Company is required to adopt an Investment Policy. Accordingly, the Board of Directors of the Company approved the Policy at its meeting held on 18th April 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.

Objectives

This policy lays out the general terms and conditions for Investments made by the Company and covers all operational guidelines for the investments.

The broad objectives of the Policy are as under:

- i) Effectively manage and invest the funds in permitted investments for the duration available.
- ii) Effectively manage and invest surplus funds which may be available for a longer period or shorter period
- iii) Effectively manage interest rate risk by adopting appropriate maturity pattern, particularly when the funds are invested in Government Securities.
- iv) Effectively implement Internal Control on the operations/execution of Investment Transactions.
- v) Proper recording/accounting of the investment transactions.
- vi) Timely reporting of the Investment transaction to Management

Delegation of Power, Approval and Review

The Board of Directors have approved this Policy and authorities under the Policy. Further, the Board, by way of a resolution, may delegate the said power to any Director, the Manager or the Principal Officer (hereinafter collectively referred to as the "**delegate**") of the Company. The said resolution should specify the total amount up to which the funds may be invested and the nature of the investments which may be made by the delegate.

The said powers are subject to review from time to time as per respective Board

resolution.

Any exception to the Policy will need approval from the Board of Directors.

The Board of Directors of the Company or the Risk Management Committee may review the policy to ensure that it remains consistent with the overall objectives of the Company and it complies with the regulatory/ statutory requirements from time to time.

POLICY STANDARDS

Classification of Investments

The Investments of the Company will be treated as assets of the Company held with the motive of earning income by way of dividends, interest, and / or for capital appreciation and / or for other benefits.

Type of Investment

The Company may invest the surplus fund of the Company at any point in time, in any of the following:

- a) Debt Instruments / Treasury Bills / Securities / issued and or guaranteed by the Government of India
- b) Corporate Debt / Short Term Deposits / Commercial Papers / Inter corporate Deposits of any scheduled Commercial bank, Small Finance Bank, Financial Institution or any other borrowers which are rated minimum A1 or A1+ Short term.
- c) Quoted equity shares for investment purpose.
- d) Money market / Liquid funds/ Fixed Maturity Plans / Bond Funds / Gilt Funds and in the units of Mutual Fund registered with the Security and Exchange Board of India (SEBI).
- e) Bonds / Certificate of Deposits / Fixed Deposits with /of any scheduled Commercial or Cooperative Bank and or financial Institution.

Recognition of Income from Investments

- a) Income from dividend on units of mutual funds shall be taken into account when right to receive dividend is established;
- b) Interest income from bonds and debentures of corporate bodies and from Government securities/bonds shall be recognised at effective interest rate method.
- c) Interest Income on Fixed Deposits with Banks/ Financial Institutions may be taken into account on accrual basis;

- d) Gain / loss on derecognition of financial assets shall be booked as difference between carrying amount and realised value.

Quoted Investments

The quoted investments will be grouped in the following headings for the purpose of the valuation:

- (a) Equity Shares
- (b) Preference Shares
- (c) Debentures and bonds
- (d) Government securities including treasury bills
- (e) Units of mutual funds and
- (f) others

The quoted investments for each category shall be valued at cost. The investment in each category shall be considered scrip-wise and the cost and market value aggregated for all investments in each category. In the aggregate market value for the category is less than the aggregate cost for that category, the net depreciation shall be provided for or charged to the profit and loss statement. However, if the decline in the market value is of a temporary nature, the same shall be ignored. If the aggregate market value for the category exceeds the aggregate cost for the category, the net appreciation shall be ignored. Depreciation in one category of investments shall not be set off against appreciation in another category.

Unquoted Investments

1. The unquoted equity shares in the nature of current investments shall be valued at cost or break-up value, whichever is lower. However, if required, the Company may substitute fair value for the break-up value of the shares.
2. The unquoted preference shares in the nature of current investments shall be valued at cost or face value, whichever is lower.
3. Long-term investments are usually carried at cost. However, when there is a decline, other than temporary, in the value of a long-term investment, the carrying amount is reduced to recognise the decline. The said decline shall be charged to the profit and loss statement. The reduction in carrying amount is reversed when there is a rise in the value of the investment, or if the reasons for the reduction no longer exist.

Note: Unquoted debentures shall be treated as term loans or other type of credit facilities depending upon the tenure of such debentures for the purpose of income recognition and asset classification.

Acquisition / Disposal of Investments

Transactions for purchase or 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 are 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 obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

On disposal of an investment, the difference between the carrying amount and the disposal 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.

Concentration of Investment/ Exposure limits

The Company will ensure that all its investments comply with the concentration norms prescribed in the **RBI Directions** as applicable.

Investment Authorisation Matrix

The Board may delegate powers to sell, purchase, transfer, endorse, negotiate and or/ otherwise deal in Securities/ Mutual Funds and sign letter of indemnity, execute bond of indemnity, guarantee, sign declaration and also authorise to receive interest & principal thereof on behalf of Company.

Review of the Policy

The Board shall review and amend this policy as and when required.

If at any point a conflict of interpretation / information between the policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities (“Regulatory Provisions”) arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the policy shall stand amended accordingly from the effective date specified as per the Regulatory Provision.
