

# FEDEX FINANCE PRIVATE LIMITED

## Investment Policy

Fedex Finance Private Limited

CIN: U65923MH1998PTC114960

Registered Address:

B-7, Jay Chambers, 3rd Floor  
Dayaldas Road, Vile Parle (East)  
Mumbai – 400057  
Maharashtra

Email: [fedex@fedsec.in](mailto:fedex@fedsec.in)

Version Control:

Name of Policy/Document	Date of Approval / Review	Version No.
Investment Policy	18 April, 2024	1.0
Investment Policy	27 January 2026	2.0

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 18<sup>th</sup> 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 & 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 long term investments 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.

As per Ind AS, the investments are financial assets.

At Initial recognition, Company will classify financial assets in any one of the following categories:

- (a) Amortised Cost
- (b) Fair value through Other Comprehensive Income (FVOCI)
- (c) Fair value through Profit or Loss (FVTPL)

(a) Amortised Cost: A financial asset shall be measured at amortised cost if both of the following conditions are met: (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Fair value through Other Comprehensive Income (FVOCI): A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met: (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Fair value through Profit or Loss (FVTPL): A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. However, the Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

### **Type of Investment**

The Company may invest the surplus fund of the Company up to a maximum of INR 500 crores (Rupees Five Hundred Crore Only), 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 are classified at amortise cost or FVOCI and shall be recognised at effective interest rate method. For investments classified at FVTPL, interest income shall be recognised at coupon rate;
- c) Interest Income on Fixed Deposits with Banks/ Financial Institutions may be taken into account on accrual basis;
- d) Financial assets that are classified at FVOCI or FVTPL shall be remeasured at fair value at each balance sheet date and the gain / loss shall be recognised in statement of profit & loss or in OCI as the case may be.
- e) 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. 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.
2. 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

RBI stipulated prudential exposure norms on concentration of credit/ Investment are as follows:-

Lend & Invest (loans/ investment together)	Single Borrower Limit	(25%) twenty-five percent of its Tier 1 capital to a single party
	Group Limit	(40%) forty percent of its Tier 1 capital to a single group of parties
Additional Exposure for Infra Loans	Single Borrower Limit	Exposure may exceed by additional (5%) five percentage points provided the additional credit exposure is on account of infrastructure projects.
	Group Limit	Exposure may exceed by additional (10%) ten percentage points provided the additional credit exposure is on account of infrastructure projects.
Norms for exceeding the		Fedex Finance may exceed the above ceilings on credit concentration to a single party or a single

above ceiling		group of parties by 50 percent of its owned fund, or such other percent with the approval of Board.
---------------	--	---

**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.

\*\*\*\*\*