

## **Equitas Holdings Limited**

### **Investment Policy**

#### **1. Background**

The Company is a Core Investment Company [CIC]. The primary objective of the Company is to hold investments in its Subsidiaries and Group Companies.

As per RBI regulations applicable to CIC, not less than 90% of its Net Assets should be in the form of investment in Equity Shares, Preference Shares, Bonds, Debentures, Debts or Loans in Group Companies. Net Assets excludes Cash & Bank balances, investment in money market instruments and money market mutual funds, advance payments of taxes and deferred tax payment.

The Company's investments broadly fall under the following categories:

- i) Investments in Share Capital of Subsidiaries
- ii) Loans to Subsidiaries
- iii) Investment of surplus funds in Bank Deposits and in liquid Mutual Fund schemes

#### **2. Objective**

The objective of this Policy is to provide guidance for investments of the Company's funds.

#### **3. i) Investments in Share Capital of Subsidiaries**

The Company can make investment in Share Capital of Subsidiaries as per the approved Business Plans of the Company and its Subsidiaries. Each such investment will require the specific approval of the Board.

#### **ii) Loans to Subsidiaries**

The Company can provide loans to its Subsidiaries to meet its short and medium requirements, not exceeding 3 years'. Such loans shall be within the limits and terms approved by the Board from time to time.

### **iii) Investment of short-term surplus funds**

#### *a) Deposits with Banks*

The short-term surplus funds can be invested in deposits with Equitas Small Finance Bank [ESFB] and any other Scheduled Commercial Banks in India.

ESFB will be the preferred option for placing bank deposits. However, investment can also be made with other Scheduled Banks.

CEO and CFO can jointly approve the terms of such deposits.

#### *b) Investments in liquid Mutual Fund schemes*

Investment in this category will include Liquid Funds, Ultra Short-term, Short-term etc.

The funds will be selected based on the Asset under Management of the scheme [not less than Rs.1,000 crore], performance trends etc. of the Fund.

Maximum limit for investment will be 1% of the scheme's AUM, subject to a maximum of Rs.15 Crore per scheme.

### **4. Deviations**

Any deviation to the above Policy will be placed before the Board with sufficient justifications and approval by the Board.

### **5. Reporting to the Board**

Summary of the investments made during the period and outstanding position as at the end of the period to be placed before the Board on a quarterly basis for review.