



28 OCTOBER 2024

Scope

The Investment policy of Thankam Finance Private Limited (hereinafter referred to as the **Company**) is applicable for all funds invested by the company except the funds created as part of different statutory requirements like Provident Fund, Gratuity Fund etc.

Major source of funds for the company is the subscription to shares and debentures & bonds and other debts instruments issued by the company. The company is a category B NBFC and as such it cannot accept public deposits.

All eligible funds will be invested in different ways so as to maximize investment earnings for the company. The investment portfolio will be managed by the Board of Directors of the company who will strive to invest with the judgment and care so as to ensure the safety of the investment, liquidity to meet cash flow needs and to provide a reasonable return on the investment.

Objectives

Safety of the amount invested is the fundamental objective of the investment policy of the company. Associated with this, the credit risk and interest rate risk are the other prime considerations before making any investment by the company. The investment policy of the company is framed in such a way as to maximize the earnings with minimum risks for the company. Officers making the investment in accordance with the objectives of this policy and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely basis to the Board. Employees and investment officials shall disclose any material interests in financial institutions in which they conduct business.

Authority

Authority to manage the investment program is granted to the Board of Directors of the Company 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. The Board of Directors of the Company shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

The Board of Directors of the Company will send all trade confirmations to the Head- Finance & Accounts who will compare the details and verified against internal records. The investment transactions subsequent to execution by the Board of Directors of the Company or other person designated as investment officer shall be reviewed by the Head- Finance & Accounts. The Board of Directors of the Company is responsible for establishing and maintaining an internal control structure for the investment and the same shall be reviewed annually.

Eligible Investments.

- **Call Accounts:** The Company may invest funds held with banks to meet short-term liquidity needs in call accounts. The investment in call accounts shall not exceed 10% of the total investment.
- **Commercial Paper:** The investments in commercial paper issued by corporations with a maturity period not exceeding 180 days subject to a maximum of 10% of the total investment portfolio.
- **Treasury Bills:** Treasury bills issued by local government, banks and Reserve Bank of India can be considered for investment with a maximum of 5% of the total portfolio.
- **Bonds and Debentures:** Issued by corporates and Banks can be considered for investment up to the maximum 10% of the total investment portfolio.
- **Shares:** The Company can invest in listed shares and stocks of company's subject to a maximum of 5% of the investment portfolio.

Restrictions on making investment

Following restrictions are imposed on the investment transactions to provide for the safety and liquidity of the company's funds.

- Borrowing for investment purposes is prohibited.
- Investment in any derivative instrument such as futures and options swaps etc is prohibited.
- Speculative investment is prohibited.
- No more than 5% of the total market value of the portfolio may be invested in commercial paper of any one issuer.

Classification of Investment

The investment made by the Company is classified mainly into two namely Long-Term Investment (Any investment, which is made for the period of 1 year or above) and Short-Term Investment (Any Investment made in Liquid funds or for the period lesser than 1 year). Investment in long term securities shall be made only with the approval of the Board.

The transfer of Investments from Long Term to Short Term shall not be made on ad-hoc basis but are to be made at the beginning of each Half year only with approval of the Board at Book value or Market value, whichever is lower.

The investments made by the Company are to be further classified into following (a). Equity Shares (b). Preference Shares (c). Debentures and Bonds (d). Government Securities (e). Units of Mutual Fund and (f) Any Other investment.

8. Valuation of Investment

A. Short Term Investment

Category of Investment	Valuation	
	Quoted	Unquoted
Equity Shares	Valued at cost price or market price whichever is lower	Cost or breakup value whichever is lower
Preference shares	-do-	Cost or face value whichever is lower
Government Securities	-do-	At Carrying cost
Mutual Funds	-do-	At net asset value declared by Mutual fund
Debentures and Bonds	-do-	Treated as Term Loans or other type of credit facilities depending upon the tenure of the debentures

B. Long Term Investment

All Long-Term Investments are to be valued in accordance with Accounting Standards issued by Institute of Chartered Accountants of India (ICAI). If Board feels necessary a valuation report from a Chartered Accountant may be sort out in this regard.

The investments portfolio shall be diversified to minimize the risk of loss resulting from over concentration of assets in specific class, currency, or economic sector. Diversification strategies shall be periodically reviewed.

Review & Reporting

Head- Finance & Accounts will periodically establish a benchmark yield for investments, 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. All records of the investment shall be kept by the company. The Accountant will further ensure that all certificates for other investments are received in reasonable time, are accurately recorded and securely filed away. Also, the monthly interest accruals and quarterly market value adjustments will be the Accountant's responsibility. On maturity monies received shall be reinvested only as provided by this policy.

Revision

The Board of Director of the Company shall review the policy annually and shall recommend all necessary changes to the Board for consideration and adoption. This policy and any changes made during the annual reviews shall be adopted by resolution of the Board of Directors.