

SIL INVESTMENTS LIMITED

INVESTMENT POLICY

INTRODUCTION & OBJECTIVE

SIL INVESTMENTS LIMITED ("SIL") being a registered Non-Banking Financial Company, was granted certificate of registration as NBFC-ND-SI w.e.f. 22.05.2009 by RBI, Jaipur. One of the main object of SIL Investments Limited (herein after referred to as "Company" or "SIL") is to "To carry on the business of Investment Company and for that purpose to invest in and acquire hold and deal in shares, stocks, debentures, debenture stocks, bonds, obligations, securities, etc.

Following broad guidelines have been framed by SIL to conform with the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Meeting of the long-term investment goals of the Company basically depends on a number of factors, which not only include fund availability and rate of return, but also inflation and taxes. The motive of the Company to hold the investments is to get returns out of the investments, which can be in any of the following manner:

1. Dividend and/or interest;
2. Capital appreciation;
3. Other benefits.

REGULATION

1. During the course of its operations, the Company will strictly adhere to various guidelines as may be stipulated by the Reserve Bank of India (RBI) from time to time. These guidelines will include:

- ❖ Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended upto date.
- ❖ Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended upto date.
- ❖ Clarifications as may be issued from time to time by Reserve Bank of India.

The Company will also adhere to the provisions of the Companies Act, 2013. However being an Investment Company, engaged in the business of acquisition of shares, stock, debentures or other securities, etc, the provisions of Section 186 of the Act are not applicable to the Company. Provided that a Company shall make investments through not more than two layers of investment companies.

2. Any statutory modifications in the Statutory guidelines / norms / clarifications/ regulations, or if there is any change in any of the parameter(s) framed by the Board, then the parameter change mutatis mutandis.
3. All investment decisions of the Company shall be taken only at the meetings of the Board of Directors of the Company. The Board of Directors of the Company, may however, delegate the said power to any committee of directors, the managing director, the manager, the principal officer or authorized signatories (hereinafter collectively referred to as the "delegate") of the Company. The said resolution of the Board shall specify the total amount upto which the funds may be invested and the nature of the investments which may be made by the delegate.

CLASSIFICATION OF INVESTMENTS

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 Investments	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 and which are by its very nature are readily realisable.
Long term Investments	Any other investment other than the aforesaid current investments will be construed as long term investment.

The Investment of the Company in securities shall be classified into current and long term, at the time of making each investment.

TRANSFER OF INVESTMENTS

The Company shall not make any inter class transfer on ad hoc basis. If the inter class transfer is warranted than it shall be effected only at the beginning of each half-year, on April 1 or October 1, with the approval of the Board.

The investments shall be transferred scrip-wise, from current investments to long-term investments or vice-versa, at book value or market value, whichever is lower.

VALUATION

A. Quoted Current Investments

The quoted current investments shall, for the purposes of valuation, be grouped in the following categories:

- (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 current investments for each category shall be valued at cost or market value, whichever is lower. The investment in each category shall be considered scrip-wise and the cost and market value aggregated for all investments in each category. If 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 account. 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.

B. Unquoted Current 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 breakup value of the shares. Further, where the Balance Sheet of the investee company is not available for two years, such shares shall be valued at one rupee only.
2. The unquoted preference shares in the nature of current investments shall be valued at cost or face value, whichever is lower.
3. The investment in unquoted Government securities or Government guaranteed bonds shall be valued at carrying cost.
4. Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme.
5. Commercial papers shall be valued at carrying cost.

C. Long-Term Investments

A long term investment shall be valued in accordance with the Accounting Standard issued by ICAI.

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

INVESTMENT IN ALTERNATIVE INVESTMENT FUNDS (AIFs)

The investments of the Company in Alternative Investment Fund (AIF) schemes shall be made in compliance with the Reserve Bank of India (Investment in AIF) Directions, 2025, as amended from time to time. Accordingly, the Company shall not contribute more than 10% of the corpus of any AIF scheme, and the collective contribution of all RBI regulated entities in an AIF scheme shall not exceed 20% of its corpus. Where the Company contributes more than 5% of the corpus of an AIF scheme which has a downstream investment (other than in equity instruments) in a debtor company of the Company, the Company shall make 100% provision to the extent of its proportionate investment in such debtor company through the AIF scheme, as prescribed under the said Directions.

DEPRECIATION AND APPRECIATION

The depreciation, if any, in each scrip shall be fully provided for and appreciation, if any, shall be fully ignored. The depreciation in one scrip shall not be set off against appreciation in another scrip, at the time of inter class transfer, even in respect of the scrips of the same category.

EXPOSURE IN SENSITIVE SECTOR

Pursuant to Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, exposure to capital market (direct and indirect) and commercial real estate shall be reckoned as sensitive exposure for NBFCs.

In view of the above, the Company shall fix Board-approved internal limits for SSE separately for capital market and commercial real estate exposures.
