

**ASEEM INFRASTRUCTURE FINANCE LIMITED (AIFL or COMPANY)**

**INVESTMENT POLICY**

**Reviewing & Approving Authority**

<b>Authority</b>	<b>Designation</b>
Prepared By	Chief Financial Officer
Reviewed By	Chief Executive Officer Compliance Officer
Recommended By	Risk Management Committee
Approved By	Board of Directors
Date of approval	May 22, 2026

**Version History**

<b>Version</b>	<b>Issue Date</b>	<b>Brief Description</b>
V.1	July 22, 2020	New Policy Adopted
V.2	August 26, 2021	Amended given the scale in operations of the Company & the equity infusion
V.3	November 09, 2022	Amended to align with the current practice and risk appetite of the Company.
V.4	November 08, 2023	Amended to add Director – Treasury as a member of the Investment Committee
V.5	May 08, 2024	Amended given the scale in operations of the Company for optimal utilization of liquidity management and risk appetite of the Company.
V.6	November 13, 2024	Amended given the scale in operations of the Company for optimal utilization of liquidity management and risk appetite of the Company.
V.7	May 09, 2025	Amended given the scale in operations of the Company for optimal utilization of liquidity management and risk appetite of the Company.
V.8	November 10, 2025	Annual review with no change
V.9	April 25, 2026	Amended given the scale in operations of the Company for optimal utilization of liquidity management and risk appetite of the Company.
V.10	May 22, 2026	Formally documenting portfolio review in the Investment Committee.

## INTRODUCTION

Aseem Infrastructure Finance Limited (“AIFL” or the “Company”) is registered with RBI as NBFC-IFC (Infrastructure Finance Company). This Investment Policy prescribes the policy for management of surplus funds so as to achieve optimal returns with due regard to management of liquidity for AIFL’s lending activities.

The policy is subject to the laws of India, rules and regulations, circular and guidelines issued by the regulatory authorities like the RBI, SEBI, and such other central and local statutory bodies.

### Scope & Authority

- The Company’s investment activities will be guided by the RBI circulars, issued from time to time (base circular being Master Direction RBI/DoR/2023-24/106 dated October 19, 2023 – (NBFC – Scale Based Regulation) Directions, 2023) as amended from time to time as well as the parameters laid down in this policy document. The aforementioned policy does not govern investments that fall within the scope of the DCM policy.
- A review of the Company’s investment portfolio will be placed to the Board of Directors on a half-yearly basis.
- A review of the Company’s investment portfolio, as of September 30 and March 31 respectively, will be placed at the first board meeting held immediately after the reference dates.

### Extant Regulatory Guidelines

- All extant & future master circulars/directions/guidelines/guidance notes issued by Reserve Bank of India (RBI) from time to time would be the directing force for the risk governance framework of AIFL and will supersede the contents of this Investment policy.
- In case of any inconsistency between the provisions of law and this Policy, the provisions of the law shall prevail, and the Company shall abide by the applicable law. Further, in case there are any amendments in the applicable laws, guidelines, circulars ('Regulations') the Policy shall stand amended to align with the applicable amended Regulations.

### Investment Objectives

- **Safety:** Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

#### 1. Investment Committee (IC)

As Treasury operations require frequent review, the powers for setting & reviewing strategies for the Treasury activities are vested with the Investment Committee.

The Investment Committee will consist of the following people:

- Chief Executive Officer
  - Chief Financial Officer
  - Chief Risk Officer
  - Head Treasury
- The Scope of the IC is:
- Provide overall guidance to the Treasury function
  - Powers to fix and vary limits within the delegated powers of this Policy.
  - Overall monitoring of the Treasury activities
  - Set and Review Strategies

The Investment Committee will meet whenever felt necessary. The quorum shall consist of any two members. Any agreements or documents with respect to investments approved by the IC can be executed jointly by any two IC Members.

#### **Guidelines for Investments**

As required by the RBI, all investments at the time of purchase will be categorized into any one of the following:

- Long Term
  - Current
- There shall be no ad-hoc shifting of securities i.e. inter-class transfer to and from the Long Term and Current categories;
- Inter-class transfer, if warranted, shall be effected only at the beginning of each half year, i.e. on April 1 or October 1, with rationale and concurrence of the Investment Committee and subsequent approval of the Board;
- The investments shall be transferred scrip wise, from current to long term and vice versa, at book value or market value, whichever is lower;
- The depreciation, if any, in each scrip shall be fully provided for and appreciation, if any, will be ignored;
- The depreciation in one scrip shall not be set off against appreciation in any other scrip, at the time of such inter-class transfer, even in respect of scrips in the same category.

The Treasury will ensure that the RBI norms mentioned in the Master Direction RBI/DoR/2023-24/106 dated October 19, 2023 – (NBFC – Scale Based Regulation) Directions, 2023) or any amendments thereto from time to time, will be strictly adhered to.

## **2. Current and Long Term Investment Book Structure**

For Asset and Liability Management as well as Risk Management purposes, the Treasury Book is divided into Current and Long Term Investment Management Books. The main characteristics of the Current and Long Term Books are given below:

Current Investment Book	Long Term Investment Book
Transactions to manage the short term funds with Treasury	Transactions to enhance holding period yields
Valuation as per FIMMDA guidelines	Accrual accounting
Intention to liquidate at short notice	Intention to hold for a longer period
Subject to Product / Issuer Limits	Subject to Product/issuer Limits
Generates Interest & Liquidity Risk	Generates Interest Rate Risk

### 3. Product Mandate & Investment Limits

The Treasury is allowed to invest or deploy liquidity, including for meeting LCR requirements (where applicable), in the following products:

- **Government Securities (G-Secs):**

AIFL may invest in G-Sec, Treasury Bills (T-Bills) where G-Sec having original tenor up to 10 Years and T-Bills having original tenor up to 364 days upto an aggregate amount of Rs. 600 crore.

G-Sec, T-Bills are having SLR status and are very liquid.

The purchase and sale of these securities shall be operated through CSGL Account of a scheduled bank.

- **Repo, Reverse-repo:**

AIFL may do lending and borrowing against underlying of government securities / T-bills (Collateralized borrowing and lending obligation) in the platform of CROMS upto Rs. 2,500 crore of lending and Rs. 750 crore of borrowing.

- **Bank Deposits (FD – Callable & Non- Callable)**

AIFL may place bank deposits (FD – Callable & Non-Callable) with any scheduled commercial bank (Domestic) up to Rs. 1,000 crore per bank, aggregating to a total limit of Rs. 2,000 crore. The rating for Public Sector Banks should be at least 'AA+' or higher and minimum rating of AAA in the case of Private Sector Banks.

The bank should not be under the Prompt Corrective Action (PCA) framework.

- AIFL may place bank deposit (FD (Callable & Non - Callable) with foreign banks - A grade (or equivalent) and above on global rating scale upto Rs.500 crore in total.

- **Mutual Funds (Liquid / Overnight / Debt MF Schemes)**

The Company can invest in the Units of Liquid/ Overnight/ Debt Mutual Fund Schemes of the below Mutual Funds as per their AUM of the schemes and tracking any history of default.

The maximum limit for aggregate investment in Mutual Funds shall be Rs. 2,000 crores, while the maximum limit per scheme of Liquid/ Overnight/ Debt Mutual Fund Schemes in Category – 1 shall be Rs. 500 crores and for Category-2 shall be Rs. 200 crore at any given point of time.

The guiding principle while making investment in mutual fund schemes shall be principal protection, ready liquidity through redemption and comparable returns.

Category -1	Category - 2
<ul style="list-style-type: none"> <li>• Top five AUM based fund houses as on last month</li> </ul>	<ul style="list-style-type: none"> <li>• The later five AUM based fund houses as on last month</li> </ul>

- **Debentures–**

Investments up to Rs.750 crore in AAA-rated bonds, meeting the following conditions:

- The Debenture issuer company has been profitable for the last three financial years.
- The issuer has AAA rating from any two of the following credit rating agencies: CRISIL, ICRA, CARE and India Ratings
- Holding period upto 180 days

- **Commercial Paper (CP)–**

Investments up to Rs.1,000 crore in A1+ rated (short term) having long term rating of AAA, with a tenor upto 1 year, meeting the following conditions:

- The Commercial Paper issuer company has been profitable for the last three financial years.
- The issuer has AAA rating and A1+ (short term) from any two of the following credit rating agencies: CRISIL, ICRA, CARE and India Ratings

- **Certificate of Deposits (CD) –**

Investments of up to Rs.1,000 crore per scheduled commercial bank, with a tenor upto 1 year, meeting the following conditions:

- The bank must be rated A1+ (short-term) and have a minimum long-term rating of AA+ for PSU Banks and AAA ratings for Private sector banks.
- The bank should not be under the Prompt Corrective Action (PCA) framework.

Investments made for the purpose of maintaining High Quality Liquid Assets (HQLA) purpose shall comply with RBI guidelines issued from time to time.

The instrument-wise limits vis-à-vis actual position for each investment category will be formally reviewed monthly at the Investment Committee (IC) and subsequently tabled at the ensuing ALCO.

#### **4. Exceptions Management**

Any breach in limits on investments shall be reported to the CEO and corrected at the earliest. A report of all breaches and subsequent actions taken to rectify should be reported to the ALCO and at the succeeding Board.

#### **5. Accounting and valuation of Investments**

##### **(i) Valuation**

As per the RBI Master Direction, the Company will follow the accounting norms prescribed therein for valuation of 'investments'. Briefly, these are:

**Long Category:** Investments in this category shall be fair valued in accordance with the Accounting Standard issued by ICAI as notified by Ministry of Corporate Affairs (MCA).

**Current Category:** The Company will mark to market investments under this category as fair value through profit or loss. Investment in mutual funds units shall be valued at the "net asset value" declared by the mutual fund in respect of each particular scheme.

##### **(ii) Accounting**

Accounting of all products in this Investment policy would be as per the relevant guidelines of the Indian Accounting Standards (IND AS). The books of accounts shall be subjected to internal and statutory audits.

#### **6. Review**

This policy document, after due approval from the Board of Directors will be reviewed annually. The Board may amend any part of this document at any time if the circumstances so warrant.