

**EVANS ELECTRIC LIMITED**  
**INVESTMENT POLICY\***

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*(Recommended by the Audit Committee and approved by the Board in their Meeting  
held on August 26, 2025)*

# **EVANS ELECTRIC LIMITED**

## **INVESTMENT POLICY**

### **OBJECTIVE:**

The objective of this policy is to provide guidelines for making investments of surplus funds not immediately required in the operations, in fixed deposits, mutual funds, bonds and other financial instruments. This policy aims to balance the liquidity requirements, increased returns and potential for capital appreciation through equity investments while ensuring liquidity, safety and stability through investments covered by the policy

### **POLICY GUIDELINES:**

#### **1. Investment Allocation:**

Given the current liquidity requirements for the business, any surplus funds available for investment should be invested as follows:

- a. Fixed Deposits, Mutual Funds investing in liquid and money market instruments, mutual funds engaged in equity arbitrage opportunities should form 75% or more of the total amount available for investment.
- b. Hybrid Mutual Funds, Equity Mutual Funds, Multi Asset Funds, Gold and Silver Funds, and Listed Equity Shares should form not more than 25% of the total amount available for Investment.
- c. Any remaining balance shall be allocated to mutual funds that primarily invest in liquid instruments, such as money market instruments, short-term debt securities, and cash equivalents or fixed deposits with Banks

#### **2. Investment Risk:**

- a. The equity and related instruments allocation shall be subject to market risks associated with fluctuations in the stock market. Investments shall be diversified across different sectors and companies to mitigate specific stock risks.
- b. The liquid fund investments aim to provide stability and liquidity, with lower risk compared to equity investments. However, the potential for lower returns should be considered.
- c. Arbitrage Funds are not subject to market risk but they may be periods of potential lower returns as well.

#### **3. Asset Allocation Review:**

- a. The asset allocation between all investment instruments and funds shall be reviewed periodically, at least semi-annually, to assess the performance of the portfolio and market conditions.

b. The review shall be conducted by the designated investment committee or personnel responsible for managing the company's proprietary investments

**4. Designated officer:**

The Managing Director, Whole Time Director, Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or any other duly authorized officials shall be the designated officer of the Company for making investment on behalf of the Company.

**5. Investment Manager Selection and Investment Mode :**

a. Qualified and experienced investment managers or Mutual Fund Distributors (MFD) may be selected to manage the mutual fund investments, if required.

b. Investment managers or MFD should have a proven track record in managing equity and liquid fund portfolios, demonstrating expertise in asset allocation and risk management.

c. Investments in Mutual Funds should be invested in direct schemes only and any existing mutual funds in regular schemes shall be switched out to direct schemes keeping the tax aspects of switching in mind.

**6. Review by Board:**

The Designated officer shall regularly inform the Board in the Board Meeting, details of any investment made by the Company for their review.

**7. Compliance with Regulatory Requirements:**

a. The investments shall comply with all applicable laws, regulations, and guidelines set forth by regulatory authorities, including but not limited to investment limits, disclosure requirements, and reporting obligations and in particular of the provisions of Section 186 and 187 of the Companies Act, 2013.

b. Regular monitoring of regulatory changes shall be conducted to ensure ongoing compliance.

**8. Reporting and Disclosure:**

a. Investment performance reports shall be obtained from the investment managers or MFD on a regular basis.

b. Relevant investment information, including asset allocation, investment strategy, and risk disclosures, shall be communicated to the stakeholders periodically or as required.

**9. Record keeping:**

All investment transactions, statements, reports, and other relevant documentation shall be properly recorded, maintained, and securely stored for audit and reference purposes.

**10. Review and Amendment:**

This policy shall be reviewed periodically to ensure its effectiveness and may be amended as necessary based on changing market conditions, regulatory requirements, or other relevant factors. Any amendments in this policy shall be approved at the meetings of its Board of Directors.

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