

INVESTMENT POLICY
Gujarat State Investments Limited
(CIN. U64990GJ1988SGC010307)



Gujarat State Investments Limited
(CIN. U64990GJ1988SGC010307)

INVESTMENT POLICY

INVESTMENT POLICY

1. BACKGROUND

Gujarat State Investments Limited is a Core Investment Company- Non-Deposit taking - Systematically Important (“CIC-ND-SI”) under section 45 IA of the Reserve Bank of India Act 1934. The primary objective of the Company is to hold investments in its Subsidiaries and Group Companies, in accordance with the directions of the Government of Gujarat.

As per RBI regulations applicable to Core Investment Companies, 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. It does not trade in its investments in shares, bonds, debentures, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment. Net Assets excludes Cash & Bank balances, investment in money market instruments and money market mutual funds, advance payments of taxes and deferred tax payment. “Companies in the Group” means an arrangement involving two or more entities related to each other through any of the following relationships, viz. Subsidiary – parent (defined in terms of AS 21), Joint venture (defined in terms of AS 27), Associate (defined in terms of AS 23), Promoter-promotee [as provided in the SEBI (Acquisition of Shares and Takeover) Regulations, 1997] for listed companies, a related party (defined in terms of AS 18) Common brand name, and investment in equity shares of 20% and above).

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

- i) Investments in Share Capital of Subsidiaries and Associates,
- ii) Loans to Group Companies
- iii) Investment of surplus funds, in light of the directions issued by the Government of Gujarat (GoG), in Inter Corporate Deposits etc.

2. OBJECTIVE

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

3. INVESTMENT

- i) Investments in Share Capital of Subsidiaries and Associates**

The Company can make investment in Share Capital of Subsidiaries, Associate Companies etc. in accordance with the Government of Gujarat as per the written directions from the State Government. Each such investment will be carried out in compliance with procedural requirements of the Companies Act, 2013 and rules thereunder.

ii) Loans to Group Companies

The Company is an investment arm of Government of Gujarat and invests in equity as per the directions of the Government of Gujarat, however, in the event of written directive from the Government of Gujarat, can provide loans to its Subsidiaries and/or Associates to meet its short and medium term requirements, not exceeding 3 years. Such loans shall be within the limits and terms approved by the Board from time to time. Each such loans to Group Companies will be carried out in compliance with procedural requirements of the Companies Act, 2013 and rules thereunder.

iii) Investment of surplus funds, in accordance with the directions issued by the Government of Gujarat (GoG), in Deposits etc.

The short-term surplus funds can be invested in Gujarat State Financial Services (GSFS) and/or any other entity in accordance with the written directions from Government of Gujarat.

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 quarterly basis for review.

Date: 23.09.2021

Place: Gandhinagar