HSCC (India) Limited

(A Subsidiary of NBCC (INDIA) Limited)

INVESTMENT POLICY -2025

PURPOSE

The purpose of this policy is to maintain sufficient liquidity to meet all operational requirements of the corporation and ensure highest degree of safety and optimum returns from the funds available with the corporation.

SCOPE

This policy applies to all kinds of investment activities within India only, excluding the clients' funds in the hands of the Corporation lying in separate dedicated Bank account.

All transactions involving investment activities shall be administered only in accordance with the provisions of this policy.

OBJECTIVES

A) Safety:

Investments shall be made in a manner that ensures safety of fund invested. At no time will the safety of the principal be impaired or compromised.

B) Liquidity:

The investment portfolio shall remain sufficiently liquid to meet all operating requirements of the Corporation. This shall be achieved through judicious mix of Investment options listed in this policy as amended from time to time.

C) Return on investments

The investment portfolio shall earn optimum returns consistent with safety and liquidity perceptions narrated in (A) & (B) above.

ELIGIBLE INVESTMENTS

Investment may be made in one or more of the following instruments:		Surplus Funds
1.	Current & Flexi Accounts with Scheduled Commercial Banks	Up to5%
2.	SEBI regulated Mutual Funds – Liquid Scheme (excluding equity oriented) [Not more than Rs 300 crores in any single MF]	Up to 30%
3.	Term Deposits (Long & Short term) with any scheduled commercial bank in accordance with the investment guidelines	No Limits
	PSU Banks (Min) : 60%	
	Private Banks (Max): 40% [Excluding Foreign Banks]	
	[Not more than Rs. 300Cr in any Single Bank]	
4. [A]	Certificates of Deposits / Deposit Schemes and commercial papers of Central PSUs having credit rating not below AAA from a reputed credit rating agency.	Up to 5%
[B]	Inter-corporate loans to central PSUs having credit rating not below AAA from a reputed credit rating agency.	
[C]	Any debt instrument including that from a PSU which has obtained highest credit rating from any two rating agencies registered with SEBI (like Treasury Bills / Government Security and other Corporate Bond)	
[D]	Instruments issued by schedules commercial banks/ term lending and refinancing institutions including their subsidiaries e.g. Certificates of Deposits, Deposit Schemes, Commercial Paper or similar instruments rated by any two Credit Rating Agencies registered with SEBI and have been awarded highest credit rating.	
[E]	Triparty Repo System (TREPS) and Clearcorp Repo order matching system (CROMS) where Clearing Corporation of India Ltd (CCIL) acts as Central Counter party (CCP).	

Note : 1. Surplus Funds does not include balances available in the accounts maintained on behalf of clients.

2. If investment opportunities are not found in any category mentioned above, the funds shall be parked in category 3 above.

INVESTMENT GUIDELINES

1. Investments shall be made only in instruments with maximum safety. There shall be no element of speculation. The degree of safety shall be measured by the rating given by the rating agencies.

2. The ratio of investment in PSU and Private sector Banks shall be maintained at 60:40 as permitted by DPE at present and shall be adhered to DPE guidelines in future.

3. All investments on behalf of HSCC, whether long-term or short-term, shall be made with due diligence at the best possible rates with maximum safety consideration in line with the investment policy.

4. Investments shall be made maximum up to three-year maturity period.

(A)The following evaluation criteria may be fixed for empanelment of Public Sector Mutual Funds for investment: -

1 The mutual fund should be in operation for at least three years.

2 The Adjusted Assets under Management based on rating by the established rating agencies of the Mutual funds shall be the eligibility criteria.

3 The safety factor assigned against the Ratings of MFs by the two reputed rating agencies (CRISIL/CARE/ICRA/FITCH etc) is as under: -

Rating1	Safety factor 1	Rating 2	Safety factor 2
AAA+	1	A1+	1
AAA	1	A1	1
AAA-	0.90	A1-	0.90

*MFs with safety factor below 0.90 shall not be considered.

4 The Adjusted AUM shall be calculated by multiplying Asset under Management and safety factor based on the rating given in Para 3 above.

5 The minimum Adjusted AUM of the Mutual Fund house should not be less than Rs 15000 crores subject to minimum AUM of Rs 5000 crores for the eligible scheme.

6 Eligibility shall be reviewed on every two years. However, the MFs who fulfil the qualifying criteria may also make an application for their own inclusion.

7 Maximum investment in any of the eligible MFs shall be restricted to Rs 300 Crores. However, the actual amount to be invested in any MF shall be decided by the investment committee and approved by CFO/MD.

8 The investment in Mutual funds will be made for any amount within the limits as stated above in multiples of Rs. 1 Crore.

9 The score of Mutual Funds and their eligibility for empanelment in F.Y.25-26 & 2026-27 will be done when required.

(B)The following evaluation criteria may be fixed for empanelment of Banks for investment: -

(i) **PSU Banks:**

All the PSU Banks having Net worth of Rs.500Crores and more and fulfilling the capital adequacy norms of RBI shall be eligible for empanelment.

(ii) **Private sector Banks (Scheduled Commercial Banks) excluding Foreign Banks:**

1 The private Sector Banks (Scheduled commercial banks) excluding foreign banks complying the criteria stated in the investment policy shall be considered eligible for investment.

2 The Banks should fulfil the capital adequacy norms of RBI

3 The Adjusted net worth as on the last day of immediately concluded FY based on latest rating by the established rating agencies shall be the eligibility criteria.

4 The Adjusted net worth shall be calculated by multiplying net worth and the safety factor assigned to rating scale.

5 The safety factor assigned to different rating scales is as under: -

Long Term Rating scale	Safety factor	Short Term Rating Scale	Safety factor
AAA+/AAA	1.00	A1+/A1	1.00
AAA-	0.90	A1-	0.90
AA+/AA/AA-	0.80	A2+/A2/A2-	0.80
A+/A/A-	0.70	A3	0.70
BBB+/BBB/BBB-	0.70	A3-	0.70

*Banks with safety factor below 0.70 shall not be considered.

6 The banks with Adjusted net worth of Rs. 15000 Crores and above shall qualify for short term investment & Long term Investment.

7 The banks with safety factor of 1 shall qualify for long term investment i .e. investments made for more than 366 days/1Year 1day

i) The eligibility for empanelment of Banks for the year F.Y.-25-26 & 26-27 is worked out in Annexure-A. This exercise of Empanelment of Bank shall be repeated once in every two years. However, Bank possessing the qualifying criteria may also apply of their own for empanelment.

ii) The limit for investment in single bank shall be restricted to Rs 300 crores. However, the actual amount of deposit in any bank shall be monitored by investment committee any approved by CFO/MD.

(C)The following evaluation criteria may be fixed for empanelment of Banks/PSUs/other institutions for investment: -

1 The investment in the Inter corporate loans/deposits shall be permitted in the CPSEs which have obtained highest credit rating AAA only for the corresponding period.

2 Commercial papers of corporate, certificate of deposits and deposit scheme of lending institutions/banks having highest credit rating of AAA by any two credit rating agency shall only be considered.

MODUS OPERANDI

1 The current/flexi accounts shall be managed on day to day basis by an officer to be nominated by CFO. A periodical report on status of bank accounts shall be intimated to CFO for his information.

2 The investment proposal shall be proposed through an investment committee consisting of the following officers nominated by CFO and approved by MD:-

CGM (F&A)/GM (F&A)
DGM (F&A)/Senior Manager (F&A)/Manager (F&A)
Sr. Manager /Manager (F&A-Banking)
Executive (F&A) as Secretary to the committee.

In absence of any of the above officers, CFO shall appoint any other finance officer as member of the investment committee and approved by MD.

3 Investment committee shall choose qualified banks/MFs keeping in view of the following:

a. The banks/MFs with which HSCC has regular course of business.

b. Investment committee shall also choose the branch of the qualified banks/MFs keeping in view the proximity of the branch to HSCC Corporate Office and quality of services being provided by the branch.

4 E-mail will be sent to all the qualifying banks to intimate their rates, based on which the investment shall be made with the best available rate. In case of the similar rates offered by banks, the investment committee will have the discretion to select any one or more banks keeping in view the investment limit.

5 E-mail will be sent to qualifying MFs for intimating the details of Average Returns (up to four decimal places) for the last fifteen days clearly mentioning the impact of stamp duty and impact of exit load. In case any day in last 15 days is holiday, the previous day of the return should be considered while calculating Average return.

Investment will be made with the highest "Average of Daily Return" as intimated by the MFs. The investment committee will have the discretion to select any one or more MFs keeping in view the investment limit.

6 The authority and limits for investment shall be as follows:-

S.NO.	Investment	Recommended by	Approved by
1	MF(Liquid Scheme)	Investment Committee	CFO/MD
2	Bank Deposit (Short Term- Investment upto 366days)	Investment Committee	CFO/MD
3	Bank deposit (Long Term- Investment more than 366 days)	Investment Committee	CFO & MD
4	Inter Corporate Loan, Commercial Papers ,Certificate of Deposit &Deposit schemes of lending institutions	Investment Committee	CFO & MD

7 All fund and non-fund based activities mentioned below shall require the approval of CFO or MD:-

a) Take calls on premature redemption of investment.
b) Decide on pledge of long/short term investment
c) Raise non fund based facility from banks such as BG/LC/Letter of comfort etc.
d) Decide on availing loan against FDRs to meet the immediate cash requirement etc.
e) Discounting of cheques.
f) Hedging transactions.

REPORTING SYSTEM

The report on the investment of the company shall be put up by the Investment Committee to the CFO& MD on fortnightly basis. A report shall also be submitted to the BOD in every quarter for information to BOD. An annual report on investments shall also be submitted to BOD.

POLICYAPPROVAL AND APPLICATION

This Investment Policy will be approved by the Board and any amendment/change shall require the approval of the BOD. The approved documents will include the body of the documents and the schedules. The policy is applicable to the whole organisation in supersession of last investment policy approved by the board and all the amendments made from time to time.

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