TREASURY & INVESTMENT POLICY

I. INTRODUCTION

The ultimate responsibility for risk management within an organization lies with the Board of Directors. With this Treasury & Investment policy the Board can handle financial decisions in a controlled manner.

The Treasury & Investment function within the organisation is responsible for the management of the following risks which are addressed in this policy:

- Liquidity Funding
- Foreign Exchange
- Operational Risk

II. FUNDAMENTAL PRINCIPLES

The Bhageria Industries Limited ('BIL' or 'The Company') is adhere to follow three fundamental principles of treasury and investment policy i.e. Safety, Liquidity and Return and accordingly plan to use of its funds.

III. STRUCTURE AND RESPONSIBILITIES

The Organizational structure have varying degrees of responsibility and input into the Company's financial risk management which are as follows:

- **The Board:**

  - Quarterly review of the Treasury & Investment Policy.
  - Quarterly review of Funding & Risk Management strategy.

- **The Audit Committee:**

  - Quarterly review of the funding's and suggest the approach to manage the risk, if any.

- **The Chief Financial Officer:**

  - Ensure that transactions are in accordance with the Treasury & Investment Policy.
  - Ensure that the Board is informed, through regular reporting of the impact of financial exposures, on the risks and profitability of the Company.
  - Report to Board, if policy breaches.

- **Business Units Responsibility:**

  - Provide cash flow forecasting in a timely and accurate manner and ensure that material variations are advised in a timely manner.
  - Work with CFO to achieve stated business objectives.

- Manage and report foreign exchange exposures in accordance with Policy.
- Manage trade finance in line with policy and procedures.
- Ensure transactional banking is carried out in the most effective manner.
- Produce timely and accurate processing of accounting entries.

IV. LIQUIDITY RISK

➢ Liquidity and Funding Objectives:-

- Ensure that at all times Company has access to sufficient cash resources to meet its working capital requirements, financial obligations as they fall due, including taxes and dividends and provide funds for capital expenditure and investment opportunities as they arise.
- Ensure that the Company has sufficient liquidity to meet its non-discretionary financial obligations in the event of unexpected business disruption.
- Ensure compliance with borrowing facilities covenants and undertakings.

➢ Measurement of Liquidity:-

The company shall make a Cash Flow / Fund Flow statement at regular intervals to assess the net funds available with the Company at a time. Thereafter, by taking into consideration the requirement of funds on Short-Term & Long-Term basis, the Company shall decide to make the investment.

The Basic Structure of Liquidity investment are as follows:

Sr. No.	Descriptions	Max Limit
1.	**Bank Deposits**	100%
2.	**Sovereign Securities:**	Upto 15 Cr
a.	Bonds	100% interchangeability
b.	Treasury Bills	
c.	Government Securities	
d.	Others	
3.	**Secondary Market:**	Upto 100 Cr.
a.	Direct	100% interchangeability
b.	Mutual Fund (Excluding Liquid Fund)	
c.	Through PMS	100% interchangeability

Funding's Outside the Purview of Policy:-

Funding's for the purpose of sovereign instruments (i.e. in Share Capital and Share Application Money in Subsidiary/Associates Companies for business expansion) are outside the purview of the Policy which will be based on Business plan.

V. FOREIGN EXCHANGE RISK

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the Company.

- **Foreign Exchange Objective:-**

  - Ensure that to minimise variance exposures arising mainly from foreign exchange imports, exports and foreign currency borrowings.

- **Measurement of Foreign Exchange Transactions:-**

  - The Company shall duly identify, set benchmark and closely monitor the different exchange rate scenarios and accordingly suitable hedges are undertaken.
  - The Company may take suitable consultation from Forex Advisory time to time.

VI. OPERATIONAL RISK

The management of Operational Risk will include the segregation of sensitive duties, maintenance of accurate records, reconciliation of key records, and close supervision of financial risk management activities by senior management and the Board.

- **Operational Risks Objective:-**

Ensure that the Banking Transactions are operating in a controlled manner.

- **Measurement of Banking Transaction:-**

The Company has a centralized management of transactional banking and risk management functions. Responsibility for this area rests with the Directors /Authorized Person and accordingly, the following delegation is awarded to execute documentation and implementation this centralized approach.

The following are some of the measures:

- To monitor the Banking transactions and Bank reconciliation on day to day basis.
- To maintain appropriate segregation for initiating and authorizing the Banking transactions.

VII. AMENDMENT:

This Policy can be modified at any time by the Board of Directors and/or Audit Committee.