INVESTMENT POLICY

Adventz Securities Enterprises limited being a registered Non- Banking Financial Company (NBFC), is required to formulate an investment Policy pursuant to prudential norms issued by Reserve Bank of India for Non- Systemically Important non deposit Non- Banking Financial Companies (NBFC - ND- NSI). The Audit Committee in consultation with the Board of Directors have made this Policy. This Policy will be applicable to the Company with effect from 1st April, 2018.

Criteria for Investment

The Company implements an actively managed investment strategy undertaking investments typically into one of two broad investment categories:

- Strategic Investments
- Non Strategic Investments
- Long Term Investments
- Current Investments

The Company at present does not allocate a fixed proportion of funds into each or any of the following investment categories, since it believes that complete flexibility to invest across these categories is the key to maximising long-term value growth for shareholders.

1. Strategic Investment

Investment in Group Companies – The Companies which fall under the umbrella of Adventz or are using the brand name/logo of Adventz and formed by the same promoter/promoter group in the past or future shall for the purpose of this Investment policy be defined as companies in the same group and investment in the same shall constitute Investment in Group Companies unless otherwise is specifically stated by the Board.

The Company may provision funds for investment in group Companies with a view to increase the shareholding strength of its promoter base. The Company undertakes investments in which it can reasonably expect to exert a degree of influence, including board representation or through playing an active role alongside management in order to enhance or realise shareholder value.

Investments include those that have the potential for turnaround in profitability or capital appreciation through the introduction of, capital, improved business practices, and/or industry rationalisation.

The Company will seek to invest in a diversified portfolio, with a focus on achieving financial goals. The strategic Investment made by the Company shall not be included for the purposes of any limit the Company sets on itself for quoted and unquoted investments.Non-Strategic Investment

Any investment made other than above shall in Non-Strategic Investment. The Company will make investments in entities where attractive investment opportunities are available and/or where the

Company sees other potential for generating positive returns. In contrast to strategic investments, with non-strategic investments the Company does not envisage that it will take an active role in the management of the investment. The non-strategic Investment portfolio of the Company will be based on determining the health of the economy, the strength of different sectors and then picking the strongest stocks within those sectors to maximize returns.

The Company shall also endeavour to make investment in a corporation or affiliated firm/ young companies that offer to bring something of value to the Company itself. The aim shall be to gain access to a particular product or technology that the start-up company is developing, or to support young companies that could become customers for the Company, but will not be limited it.

For each strategic and non-strategic investment, the Company expects to receive a level of return that is commensurate with the level of risk associated with that investment. In each investment and for the investment Portfolio in aggregate, the Company will aim to achieve a steady return which will enhance shareholder's wealth in long term.

2. Class of Investment

At the time of making the Investment, the investment so made by the Company is to be classified as given below

Asset Class	**Lower Limit**	**Upper Limit**
Equity		
Strategic		
Non-Strategic		
Preference Shares		
Debentures and Bonds		
Government Securities		
Units of Mutual Fund		
Any Other		

The Company will evaluate the portfolio on a quarterly basis and place in the ensuing Board Meetings for their review and changes, if any, based on market scenario and impact on sectors.

3. Holding Period

At the time of making the Investment, the investment so made by the Company is to be classified mainly into two criteria:

Long Term Investment:

Any investment made by the Company, which is made for the period of 1 year or above, is to be classified as Long Term Investment. Long Term/Non-Current Investments shall be in the range of 50% - 80% of the total assets.

Current Investment:

Any Investment made by the Company, in short term funds for any period or any other funds for the period lesser than 1 year, is to be classified as Current Investment. Current Investments shall be in the range of 5% - 20% of the total assets.

Value of Investments (as at the year end i.e. 31st March)

a. Quoted Current Investment

The quoted current investments shall, for the purpose of valuation, be grouped into the following categories :

Equity Shares

Preference Shares

Debentures and Bonds

Government Securities

Units of Mutual Fund

Any Other

b. The Quoted Current Investment for each category shall be valued at cost or market value whichever is lower. For this purpose, the investments in each category shall be considered scrip-wise and the cost and market value aggregated for all investment in each category. If the aggregate market value for the category is less than the aggregate cost for that category, the net diminution shall be provided for or charged to the profit and loss account except in case of reduction of temporary nature. If the aggregate market value for the category exceeds the aggregate cost for the category, the net appreciation shall be ignored. ~~Dimunition~~Diminution in one category of investments shall not be set off against appreciation in another category.

The cap over quoted investments shall come into effect from 01st April, 2018. In case the Company exceeds its limit of Investments, it shall have a time of 6 months to bring it under the specified cap.

c. Unquoted Current Investment

- The unquoted equity shares in the nature of current investments shall be valued at cost or breakup value, whichever is lower. However, non- banking financial companies may substitute fair value for the breakup value of the shares, if considered necessary. Where the balance sheet of the investee company is not available for two years, such shares shall be valued at one Rupee only.

- The unquoted preference shares in the nature of current investments shall be valued at cost or face value, whichever is lower.

- The investments in unquoted Government securities or Government guaranteed bonds shall be valued at carrying cost.

- The unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme.

- Commercial papers shall be valued at carrying cost.

- Unquoted debentures shall be treated as term loans or other type of credit facilities depending upon the tenure of the debentures for the purpose of income recognition and asset classification.

  In case of reduction of temporary nature, the investments shall be valued at cost and any reduction shall be ignored and explained by way of notes in the financial statements.

The unquoted Investments of the Company shall be reviewed on bi-annual basis and the limit shall be decided with respect to the prevalent market conditions.

Inter Class Transfers

1. The criteria to classify the investments into current and long term investments shall be spelt out by the Board of the company in the investment policy;

2. Investments in securities shall be classified into current and long term, at the time of making each investment;

3. In case of inter-class transfer –

(i) There shall be no such transfer on ad-hoc basis;

(ii) such transfer, if warranted, shall be effected only at the beginning of each half year, on April 1 or October 1, with the approval of the Board;

(iii) the investments shall be transferred scrip-wise, from current to long-term or vice-versa, at book value or market value, whichever is lower;

(iv) the depreciation, if any, in each scrip shall be fully provided for and appreciation, if any, shall be ignored;

(v) the depreciation in one scrip shall not be set off against appreciation in another scrip, at the time of such inter-class transfer, even in respect of the scrips of the same category.

Authority for making Long Term Investment

Any Strategic/Long Term investment, except in the Subsidiary Company, should be done by delegating authority to any of the Director duly authorized by the Board of Directors.

Long Term Investment (as at the year end i.e. 31st March)

All the Long Term Investments are to be valued in accordance with Accounting Standards issued by Institute of Chartered Accountants of India (ICAI)except in cases of reduction of temporary nature.

Exception

Any investment currently held that does not meet the guidelines of this policy shall be exempt from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

Revison and Review

Pursuant to any subsequent amendments or any statutory modifications or re-enactments in the above stated guidelines/ norms/ clarifications or in any other applicable acts/ regulations, if there is any change in any of the parameter(s) framed by the Board, than the act/regulation will have overriding effect on the parameter (s)The policy may be subject to revision in accordance with the changes and directions as per RBI guidelines.