**INVESTMENT POLICY**

Pursuant to Para 6 of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, the Board of Directors of Allnet Financial Services Private Limited lays down the following Investment Policy. As the Company is engaged into Lending and Investment activities the Board does understands that the Investment business is inherently risky and volatile, and accordingly the policies framed are intended to understand and mitigate this inherent risk.

**1.** **Investment Decisions and Executions:**

All investments made by the Company shall be made in accordance with the Investment Policy and within the overall limits approved by the Board or as may be specifically approved by the Board.

The Company can invest surplus funds in following instruments:

* Units of Mutual Funds (AAA rated -Debt oriented liquid mutual fund)
* Inter Corporate Deposits (ICD)
* Commercial Papers (CP)

**Investment Limit:**

Currently the Company is a Non Systemically Important Non Deposit Taking Non-Banking Finance Company and therefore Credit Concentration norms are not applicable, however the investments made by the Company shall not exceed 10 Crore in any one Investee entity which are described as follows:

* In Case of Mutual fund investment in one Mutual fund house (all schemes of a single mutual fund) cannot be more than 10 Crore;
* In case of Inter Corporate Deposit (ICD), investment in one company cannot be more than 10 Crore;
* In case of Commercial Paper (CP), investment in the CP of one company cannot be more than 10 Crore;

**Approval Authority for Investment Decision:**

Investment decisions will be made and executed by Senior Management of the Company on instruction of any of the following are authorized for the same:

* Any of the Directors
* Any other person authorized by the Board

**2. Classification of Investments**

All Investments shall be classified as Non Current Investments and Current Investments at the time of making the investments primarily on the basis of the objective of the investments, nature of expected returns, period of holding and the liquidity as follows:

|  |  |
| --- | --- |
| Long Term Investments | Strategic investment held with a long term perspective for the purpose of capital appreciation or for integration with the Company’s business |
| Current Investments | Investments with an intended holding period of less than one year which by their nature readily realizable in cash |

**3. Valuation of Investments**

The provisions for valuation of Investments are:

a) Quoted Current Investments shall, for the purposes of valuation, be grouped into the following categories viz:

(i) Units of Mutual Fund

(ii) Commercial Papers (CP) and

(iii) Others

b) Quoted current investments for each category shall be valued at cost or market value, whichever is lower. For this purpose Investments in each category shall be considered scrip-wise and the cost and market value aggregated for all investments in each category. If the aggregate market value for the category is less than the aggregate cost for that category, the net depreciation shall be provided for or charged to the profit and Loss Account. If the aggregate market value for the category exceeds the aggregate cost for the category of investments shall not be set off against appreciation in another category.

c) 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.

d) Commercial Papers shall be valued at carrying cost.

e) Long term Investments shall be valued in accordance with Accounting Standard issued by the Institute of Chartered Accountants of India (ICAI).

**5. Controls**

The investments as made above would be subject to periodical reviews and reconciliations, any material un-reconciled item would be immediately brought to the attention of the Board.