

## **INVESTMENT /LOAN POLICY OF A V S R HOLDINGS PRIVATE LIMITED**

This Policy is framed pursuant to Regulation 6 & 7 of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 applicable to every Non-Banking Financial Company (registered with RBI) not accepting/holding public deposits.

The Policy aims at making investments/loans (in Group / Associate / Subsidiary Companies) by A V S R HOLDINGS PRIVATE LIMITED & by the persons authorized by the Board of Directors of A V S R HOLDINGS PRIVATE LIMITED in this regard on behalf of A V S R HOLDINGS PRIVATE LIMITED.

In accordance with the approval of the Board of A V S R HOLDINGS PRIVATE LIMITED, an Investment & Loan Committee be and is hereby constituted consisting of the following Directors and who are duly authorised to take decisions for investment/disinvestment by A V S R HOLDINGS PRIVATE LIMITED in other body corporates in relation to Debt market related securities, Equity market related securities & Preference Shares, and in Derivatives market related segments, Government securities & Treasury Bills, Bonds, Mutual Fund units etc. from time to time in accordance with the investment policy framed in this regard. The Committee shall also decide on making of loans etc. to body corporates in accordance with the loan policy framed in this regard.

### **INVESTMENT & LOAN COMMITTEE - CONSTITUTION**

- |                                 |          |
|---------------------------------|----------|
| a) Sri Varagani Brahmaiah       | Chairman |
| b) Sri. Shyama Alluri           | Member   |
| c) Sri. Sri Harsha Varma Alluri | Member   |

The quorum for the said committee shall be two members & the constitution of the above said Committee may be changed at the discretion of the Board from time to time.

## INVESTMENT POLICY

- 1) The board classifies the investments in securities as follows:
  - a) Investments in securities intended to be held for period of more than 12 months would be classified as long term investments.
  - b) Investments in securities intended to be held for period not more than 12 months would be classified as current investments.
  - c) While making investments it shall clearly be indicated in relation to the type of classification of investments, whether current or long term & the same shall be indicated at the time of making the investment concerned. However unless specified, the investment will be deemed to be treated as a current investment.
- 2) The policy for transfer of investments and valuation of investments is as follows:
  - (I) **Transfer Policy.**
    - a) There shall be no-inter-class transfer (current to long term or vice versa) on ad hoc basis.
    - b) Any inter class transfer between the scrips, if warranted by circumstances, shall be made/effectuated only on 1<sup>st</sup> April and 1<sup>st</sup> October of every year subject to prior approval of the Board in this regard.
    - c) The investments shall be transferred scrip wise from current to long term or vice versa, at book value or market value whichever is lower.
    - d) The depreciation, if any, in each scrip shall be fully provided for and appreciation, if any shall be ignored.
    - e) 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.
  - (II) **Valuation Policy**
    - a) Quoted current investments (equity shares, preference shares, debentures & bonds, Govt. securities including treasury bills, units of mutual funds etc.) 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 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, the net appreciation shall be ignored. Depreciation in one category of investments shall not be set off against appreciation in another category.

b) Unquoted investments shall be valued as follows:

(i) Equity shares in the nature of current investments shall be valued at cost or break-up value, whichever is lower. However fair value may be substituted for the breakup value of the shares, if considered necessary.

(ii) Preference Shares in the nature of current investments shall be valued at cost or face value, whichever is lower.

(iii) Investments in Government securities or Government guaranteed bonds & Commercial papers shall be valued at carrying cost.

Investments in units of mutual funds in the nature of current investments shall be valued at NAV declared by the mutual fund in respect of each particular scheme.

(iv) Debentures shall be treated as term loans or other type of credit facilities depending upon the tenure of such debentures for the purpose of income recognition and asset classification.

c) All long term investments shall be valued in accordance with the accounting standards issued by ICAI.

3) Any changes in the above policy shall require prior approval of the Board of Directors subject to compliance of applicable laws, rules & regulations.

## LOAN POLICY

This policy aims at granting of/intending to grant demand/call loans to a body corporate. While making/granting the demand/call loans the following guidelines shall be adhered to.

1. While granting a demand/call loan, a loan agreement shall be entered between the parties to the loan agreement.
2. A cutoff date, within which the repayment of demand or call loan shall be demanded or called up, shall be specified in the loan agreement.
3. The sanctioning authority shall record specific reasons in writing if any, at the time of sanctioning demand or call loan, if the cutoff date for demanding or calling up such loan is stipulated beyond a period of one year from the date of such sanction.
4. The loan agreement shall stipulate the rate of interest payable on such loans and such interest shall be payable either at monthly or quarterly rests/intervals.
5. The sanctioning authority shall record specific reasons in writing at the time of sanctioning demand or call loan, if no interest is stipulated or a moratorium is granted for any period.
6. A cutoff date shall be stipulated in the loan agreement, for review of performance of the loan, not exceeding six months commencing from the date of sanction.
7. Such demand or call loans shall not be renewed unless the periodical review has shown a satisfactory compliance with the terms of sanction.
8. Any other terms and conditions, which the committee at its own discretion may specify while sanctioning the demand/call loan.

Any changes in the above policy shall require prior approval of the Board of Directors subject to compliance of applicable laws, rules & regulations.