INVESTMENT POLICY OF SAMPATI SECURITIES LIMITED

Prepared by Legal & Compliance Team
SAMPATI SECURITIES LIMITED

Summary of Policy

Version	Issue and Effective Date	Review Periodicity	Approving Authority	Policy Owner
V1	31.01.2029	As and when require/any change in regulatory requirement	Board of Directors	Legal and Compliance Team
V2	08.04.2024	As and when require/any change in regulatory requirement OR Annually whichever is earlier	Board of Directors	Legal and Compliance Team
V3	03.04.2026	As and when require/any change in regulatory requirement OR Annually whichever is earlier	Board of Directors	Legal and Compliance Team

Details of Last Review

Review Date	Next Review Date	Comments/Remarks/Changes
08.04.2024	April 2025	(i) Reviewed in accordance with the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023
03.04.2026	April 2027	(i) Reviewed in accordance with the Reserve Bank of India (Non-Banking Financial Companies - Classification, Valuation and Operation of Investment Portfolio) Directions, 2025

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PREAMBLE

This Investment Policy has been made pursuant to **Reserve Bank of India (Non-Banking Financial Companies - Classification, Valuation and Operation of Investment Portfolio) Directions, 2025** as amended and may be modified by the Board of Directors of the Company from time to time.

The Board of Directors has approved and revised this 'Investment Policy' on 03rd April 2026.

APPLICABILITY

This Investment policy shall be applicable to all investments made by the Company.

DEFINITIONS

For the purpose of this Investment Policy -

a) "Act" means the Reserve Bank of India Act, 1934;

b) "Board of Directors" means the Board of Directors of Sampati Securities Limited.

c) "Body corporate" means a body corporate as defined under Section 2 of the Companies Act, 2013;

d) "Break up value" means the equity capital and reserves as reduced by intangible assets and revaluation reserves, divided by the number of equity shares of the investee company;

e) "Carrying cost" means book value of the assets and interest accrued thereon but not received;

f) "Company" or "Sampati" or "SSL means Sampati Securities Limited;

g) "Companies Act" means the Companies Act, 2013 or any statutory modifications or reenactment thereof for the time being in force.

h) "Companies in the group" means an arrangement involving two or more entities related to each other through any of the following relationships:

- Subsidiary - parent (defined in terms of AS 21),
- Joint venture (defined in terms of AS 27),
- Associate (defined in terms of AS 23),
- Promoter-promotee (as provided in the SEBI (Acquisition of Shares and Takeover) Regulations, 1997) for listed companies,
- a related party (defined in terms of AS 18), Common brand name, and investment in equity shares of 20% and above.

i) “Current investment” means an investment which is by its nature readily realisable and is intended to be held for not more than one year from the date on which such investment is made;

k) “Earning value” means the value of an equity share computed by taking the average of profits after tax as reduced by the preference dividend and adjusted for extra-ordinary and nonrecurring items, for the immediately preceding three years and further divided by the number of equity shares of the investee company and capitalised at the following rate :-

(a) in case of predominantly manufacturing company, eight per cent;

(b) in case of predominantly trading company, ten per cent; and

(c) in case of any other company, including an NBFC, twelve per cent;

Note: If, an investee company is a loss-making company, the earning value will be taken at zero;

l) “Fair value” means the mean of the earning value and the break-up value;

m) “Long term investment” means an investment other than a current investment;

n) “Net asset value” means the latest declared net asset value by the concerned mutual fund in respect of that particular scheme;

p) “Regulations/Master Directions” means Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended and updated from time to time;

Other terms not defined hereinabove shall have same meaning as defined in the Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 amended from time to time.

COMPANY PROFILE

Sampati Securities Limited (SSL) is registered as a Non-Banking Financial Institution in terms of the provisions of Non-Banking Financial (Non-Deposit Accepting Public Deposit).

SSL is classified as a Non-Systemically Important Non-Deposit Accepting (ND-NSI) Non-Banking Financial Company.

SSL being a registered NBFC with RBI has been primarily engaged into

(a) Investing in securities of listed and unlisted companies and,

(b) Lending activities.

Following broad guidelines have been framed by SSL to inform its investment decisions in order to conform with the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and Non-Banking Financial-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. Meeting of the long term investment goals of the Company basically depends on a number of factors, which not only include fund availability and rate of return, but also inflation and taxes. The motive of the Company to hold the investments is to get returns out of the investments, which can be in any of the following manner:

1. Return on investments in the form of Dividend and/or interest;
2. For capital appreciation;
3. For other benefits.

CLASSIFICATION OF INVESTMENT

The Investments, that the Company will hold, will be treated as the assets of the Company held with the motive of earning income by way of dividend, interest, and / or for capital appreciation and / or for other benefits. The investments of the Company shall be classified into the following two categories:

1. **Current Investment:** The investments made by the Company which are intended to be held for not more than one year from the date on which such investment is made.
2. **Long Term Investment:** Investment intended to be held for more than one year from the date on which such investment is made

TRANSFER OF INVESTMENT

a) Investments in securities shall be classified into Current and Long Term, at the time of making each investment;

b) No inter-class transfer will be made on ad-hoc basis;

c) The inter-class transfer, if warranted, shall be effected only at the beginning of each half year,

(i.e. on 1st April or 1st October) with the approval of the Board of Directors;

d) The Investments shall be transferred scrip-wise, from Current to Long term or vice-versa, at the Book Value or Market Value, whichever is lower;

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

f) The depreciation in one scrip shall not be set off against the appreciation in another scrip, at the time of such inter-class transfer.

VALUATION

Valuation of Quoted Current Investment:

The quoted current investments shall, for the purposes of valuation, be grouped in the following categories:

A. i) Equity Shares or any compulsory convertible instruments

ii) Preference Shares

B. i) Debentures and bonds

ii) Preference Shares

iii) Debentures and bonds

iv) Government Securities including treasury bills

v) Unit of Mutual Funds and

vi) Others

The quoted current investments for each category shall be valued at cost or market value, whichever is lower.

For this purpose:

i) Investments in each category shall be considered scrip- wise and the Cost and Market value/Fair Value aggregated for all investments in each category.

ii) 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.

iii) If the aggregate market value for the category exceeds the aggregate cost for the category, the net appreciation shall be ignored.

iv) Depreciation in one category of investments shall not be set off against the appreciation in another category.

Valuation of Un-quoted Current Investment:

a) Equity Shares

Unquoted equity shares in the nature of current investments shall be valued at cost or break-up value, whichever is lower. However, an NBFC may substitute fair value for the break-up 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 ₹1 only.

Where the balance sheet of the investee company is not available for two years, such shares shall be valued at One Rupee only.

b) Preference Shares

Unquoted preference shares in the nature of current investments shall be valued at Cost or Face value, whichever is lower.

c) Government Securities

Investments in unquoted Government Securities or Government guaranteed bonds shall be valued at Carrying cost.

d) Mutual Funds

Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the Net Asset Value (NAV) declared by the mutual fund in respect of each particular scheme.

e) Commercial Papers

Commercial Papers shall be valued at Carrying cost.

f) Debentures

Unquoted 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.

Valuation of Long Term Investment:

A long term investment shall be valued in accordance with the Accounting Standard issued by ICAI as specified below:

"Long-term investments are usually carried at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognize the decline. Indicators of the value of an investment are obtained by reference to its market value/fair value, the investee's assets and results and the expected cash flows from the investment. The type and extent of the investor's stake in the investee are also taken into account.

Restrictions on distributions by the investee or on disposal by the investor may affect the value attributed to the investment.

Long-term investments are usually of individual importance to the investing enterprise. The carrying amount of long-term investments is therefore determined on an individual investment basis.

Where there is a decline, other than temporary, in the carrying amounts of long term investments, the resultant reduction in the carrying amount is charged to the profit and loss statement. The reduction in carrying amount is reversed when there is a rise in the value of the investment, or if the reasons for the reduction no longer exist."

A long-term investment shall be valued in accordance with the applicable Accounting Standards.

Accounting for Investments:

Quoted current investments shall, for the purpose of valuation, be grouped into the following categories, viz.,

(1) Equity shares;

(2) Preference shares;

(3) Debentures and bonds;

(4) Government Securities including treasury bills;

(5) Units of mutual fund; and

(6) Others.

a. Quoted current investments for each category shall be valued at cost or market value whichever is lower.

b. Commercial Papers shall be valued at carrying cost.

Income from Investments:

a. Income from dividend on shares of corporate bodies and units of mutual funds shall be taken into account on cash basis.Provided that the income from dividend on shares of corporate bodies shall be taken into account on accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the NBFC's right to receive payment is established.

b. Income from bonds and debentures of corporate bodies and from Government Securities / bonds shall be taken into account on accrual basis.

c. Income on securities of corporate bodies or public-sector undertakings, the payment of interest and repayment of principal of which have been guaranteed by Central Government or a State Government shall be taken into account on accrual basis.

Transactions in Government Securities

Such transactions in Government Securities undertaken through its gilt account or its demat account or any other account, as permitted by the Reserve Bank.

Committee for Investment overview/review:

ALCO COMMITTEE shall have the functions as follows:

1. Fixing criteria for classifying the investments into current and long term investments,
2. Investment of funds as per the policy guide lines,
3. Day to day monitoring of Investment portfolio,
4. Disposal of securities and realization of proceeds and revenue dues,
5. Accounting of the Securities transactions and reconciliation thereof,
6. Review of portfolio as and when required.

Powers of the Committee:

The Board of Directors has delegated all the powers of Investment/Disinvestment decision within the limits specified as given below:

Investment Limits	Sanctioning Authority
Upto 50 Crore	COO or Director
above 50 Crore	ALCO Committee

The Investment Committee shall be fully authorized to invest the surplus funds of the company in any form of investment it considers to be beneficial to the company within the framework approved by the Board of Directors.

The committee shall meet as and when required depending on investment decisions. The committee will report to the board of directors on quarterly basis, if require.

AMENDMENTS

The Board may amend the provisions of this Policy from time to time.

Unless otherwise specified, such amendments shall be effective from the date of the Board meeting at which such amendments are approved.

SAMPATI SECURITIES LIMITED