

Policy Manual Investment

1. OBJECTIVES

To invest funds of the Company in equity securities, government securities or any other suitable securities in order to ensure safety of principal and a high degree of liquidity while maximizing yield. Liquidity and preservation of capital are the paramount considerations.

2. INVESTMENT STRATEGY

The company's investment strategy will consist of:

1. Purchasing equity securities and holding them until the optimum price level. Optimum price level will be arrived through considering the overall market index and the sentiments of the sector in which the investment is made.
2. Purchasing government securities or any other suitable security and holding them through maturity. This strategy will satisfy the objectives of restricting the exposure to market risk and limiting credit risk associated with any one issuer or market segment.

3. INVESTMENT SELECTION (THE PORTFOLIO)

To identify potential investments, the Management relies on the members of its investment committee. These members of investment committee must have a broad range of local business experience and their own networks of business partners and financiers through whom potential investment may be identified.

Once an investment has been pre-screened and deliberated by the members of the committee in the committee meeting, the decision will be made through majority. The committee is free to engage valuers or other professional advisors, or conduct such other due diligence as it considers appropriate while recommending to the Management.

4. RISK MANAGEMENT

The investment committee will continuously monitor the significant market risk and credit risk affecting the investment performance, assessing the risk profile of the company in which investment is made, determining the company's own risk appetite level, analyzing the loss tolerance level and ensuring that the corporate governance requirements are met.

5. ROLE OF INVESTMENT COMMITTEE

The investment committee will act in a fiduciary capacity with respect to the portfolio of

investment and will oversee the investment of all assets owned by or held in the portfolio.

6. MONITORING PORTFOLIO INVESTMENT PERFORMANCE

The investment committee will monitor the portfolio's investment performance against the portfolio's stated investment objectives. The review will be conducted by investment committee on half yearly basis.

7. DISINVESTMENT

The investment committee will decides disinvestment in accordance with the investment strategy, availing opportunity to invest in a more lucrative avenue, to improve liquidity as per requirements or to reduce debt burden and saving financial cost.