PRISM INTERNATIONAL PRIVATE LIMITED

INVESTMENT POLICY

INTRODUCTION & OBJECTIVE

PRISM INTERNATIONAL PRIVATE LIMITED (herein after referred to as "Company" or "PIPL) being a registered Non-Banking Financial Company, was granted certificate of registration as NBFC-Core Investment Company on March 6, 2013 by Reserve Bank of India (RBI), Delhi.

The primary objective of the Company is to hold investments in its Subsidiaries and Group Companies.

As per RBI regulations applicable to CIC, not less than 90% of its Net Assets should be in the form of investment in Equity Shares, Preference Shares, Bonds, Debentures, Debts or Loans in Group Companies.

The Company believes that its investments provide a sustainable competitive advantage in volatile markets and would contribute to its dividend income as well as any profits that may be realized on sale of such investments. The Company may consider short-term opportunities where it may see prospects for attractive returns, but will primarily focus on a long-term value creation strategy rather than on any near-term impact on its revenues, profits or cash flows.

The company intends to do what is right for its stakeholders, employees and society at large.

REGULATION

1. During the course of its operations, the Company will strictly adhere to various guidelines as may be stipulated by the Reserve Bank of India (RBI) from time to time. These guidelines will include: Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Core Investment Companies (Reserve Bank) Directions, 2016, as amended upto date.

   Clarifications as may be issued from time to time by Reserve Bank of India.

2. The Company will also adhere to the provisions of the Companies Act, 2013. However being an Investment Company, the provisions of Section 186 of the said Act are not applicable to the Company.

3. Any statutory modifications in the Statutory guidelines / norms / clarifications/ regulations, or if there is any change in any of the parameter(s) framed by the Board, then the parameter change mutatis mutandis.

CLASSIFICATION OF INVESTMENTS

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:

i. Current Investments
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 and which are by its very nature are readily realisable.

ii. Long term Investments
Any other investment other than the aforesaid current investments will be construed as long term investment.

The Investment of the Company in securities shall be classified into current and long term, at the time of making each investment.

TRANSFER OF INVESTMENTS

i. The Company shall not make any inter class transfer on ad hoc basis.

ii. If the inter class transfer is warranted than it 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 investments to long-term investments or vice-versa, at book value or market value, whichever is lower.

VALUATION

A. General

1. The cost of the investment(s) will include the acquisition charges such as brokerage, fees and duties.

2. If the Company acquires (fully or partly) any investment, by issue of shares or other securities, the acquisition cost will be the fair value of the securities issued.

3. If the Company acquires any investment in exchange, or part exchange, for another asset, the acquisition cost of the investment will be determined by reference to the fair value of the asset.

4. If the Company subscribes for any right shares offered, the cost of the right shares is added to the carrying amount of the original holding. If rights are not

subscribed for but are sold in the market, the sale proceeds are taken to the profit and loss statement.

5. If the Company acquires investments on cum-right basis and the market value of investments immediately after their becoming ex-right is lower than the cost for which they were acquired, it may be appropriate to apply the sale proceeds of rights to reduce the carrying amount of such investments to the market value.

6. The Company may treat the Interest and dividends in connection with the investments in any of the following ways:
   i. As income, being the return on the investment.
   ii. Recovery of cost.

B. Quoted Current Investments

The quoted current investments shall, for the purposes of valuation, be grouped in the following categories:
(A) Equity Shares
(B) Preference Shares
(C) Debentures and bonds
(D) Government securities including treasury bills
(E) Units of mutual funds and
(F) others

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

C. Unquoted Current Investments

1. The unquoted equity shares in the nature of current investments shall be valued at cost or break-up value, whichever is lower. However, if required, the Company may substitute fair value for the break up value of the shares. Further, where the Balance Sheet of the investee company is not available for two years, such shares shall be valued at one rupee only.
2. The unquoted preference shares in the nature of current investments shall be valued at cost or face value, whichever is lower.

3. The investment in unquoted Government securities or Government guaranteed bonds shall be valued at carrying cost.

4. 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.

5. Commercial papers shall be valued at carrying cost.

D. Long-Term Investments

A long term investment shall be valued in accordance with the Accounting Standard issued by ICAI. Note: Unquoted debentures shall be treated as term loans or other types of credit facilities depending upon the tenure of such debentures for the purpose of income recognition and asset classification

DEPRECIATION AND APPRECIATION

The depreciation, if any, in each scrip, shall be fully provided for and appreciation, if any, shall be fully ignored. The depreciation in one scrip shall not be set off against appreciation in another scrip, at the time of inter class transfer, even in respect of the scrips of the same category.

PRISM INTERNATIONAL PVT. LTD.
NEW DELHI