



CAPITAL TRADE

LINKS LTD.

CIN : L519090DL1984PLC019622

INVESTMENT POLICY
OF CAPITAL TRADE LINKS
LIMITED

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Table of Contents

1.	<i>Introduction:</i>
2.	<i>About the Policy:</i>
3.	<i>Objectives of the Policy:</i>
4.	<i>Authorization:</i>
5.	<i>Investible Surplus:</i>
6.	<i>Classification of investments:</i>
7.	<i>Accounting for Income from Investment.....</i>
8.	<i>Report to the Board:</i>
9.	<i>Policy Review:</i>

1. Introduction:

Capital Trade Links Limited (hereafter called “The Company”) one of the growing NBFCs in the country and offers a wide spectrum of financial services for trade and industry. Our Company started its business in 1984 and got registered with the RBI as a Non Deposit Accepting Non banking Financial Company (NBFC) in 2002. The Company is presently engaged in the business of providing different types of loans and Investments.

Norms vide notification no. RBI/2015-16/13DNBR (PD) CC.No.043/03.10.119/2015-16 July 01,

Further as per the Notification issued by the Reserve Bank of India regarding NBFC Prudential 2015(Updated as on April 11, 2016) and RBI/2012-13/37 DNBS (PD) CC No. 279 / 03.02.001 / 2012-13, all Non deposit taking NBFCs are required to frame an investment policy and implement the same

Hence it becomes imperative for the company to have a prudent investment policy to safeguard the Company’s funds and at the same time maximize income.

2. About the Policy:

This document lays down the policy of the Company and the guidelines to be adhered to while undertaking investment transactions for deployment of funds and advancing loans, placing short/ long term deposits with body corporate and Banks etc.

3. Objectives of the Policy:

The policy is framed with the following objectives: -

1. Effectively manage and invest the funds in the Permitted investments for the duration available.
2. Effectively manage and invest the other surplus funds which may be available comparatively for a longer period.
3. Effective management of interest rate risk by adopting certain maturity pattern, particularly when the funds are invested in Government Securities.
4. Effective Internal Control on the operations/execution of Investment Transactions.
5. Proper recording/accounting of the investment transactions.
6. Effective reporting of the Investment transaction to the Management

Surplus funds available for investment will be as far as possible deployed for the available duration in specific instruments or deployed in instruments which have high liquidity.

4. Authorization:

The Asset Liability Committee of the Management (ALCO) shall be responsible for determining the number of surplus funds that can be invested in the forms detailed in this policy.

The following activities shall be responsibility of the Investment Committee:

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.

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 may be necessary to review the investment portfolio of the Company and the return earned by the company on the same, and make investment decisions as is considered necessary.

While making investment decisions, the following factors are to be taken into account-

The Investments should provide for:

- a. Liquidity
- b. Interest rate risk management
- c. Additional profits

5. Investible Surplus:

Investible surplus is that amount which remains after all expenses and liabilities have been taken care of and therefore could be ploughed back into the business. Growth and business expansion is impossible without timely reinvestment and hence, any surplus should be dealt with appropriately.

6. Classification of investments:

Investments in securities shall be classified into current and long term, at the time of making each investment. "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.

“Long Term Investment” means an investment other than a current investment.

7. Accounting for Income from Investment:

a. Income from bonds and debentures of corporate bodies and from Government securities/bonds may be considered on accrual basis:

Provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears.

b. 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 may be taken into account on accrual basis

8. Report to the Board:

The Investment Committee of the Company shall submit its report on the investment portfolio of the Company to the Board of Directors.

9. Policy Review:

The Investment Policy shall be reviewed by the Board from time to time to make amendments if considered necessary.