



INVESTMENT POLICY

National Power Parks Management Company

INVESTMENT POLICY
October 2016

Issuing Officer
Company Secretary

Target Audience
Management and Board of Directors

Approving Authority
Board of Directors

Issuing Date
October 8, 2016

Revision
Initial Issue

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National Power Parks Management Company (Pvt.) Ltd.

1. SCOPE

This document shall govern the investment activities of the company and shall apply to all moneys and other financial resources available for deposit and investment. All investments will conform to applicable laws and regulations governing the investment of public funds.

2. OBJECTIVE

The primary objectives, in order of priority, of the Company's financial investments are:

2.1 Safety of Principal

Safety of principal is the foremost objective of the investment program. All investments shall be undertaken in a manner that seeks first to preserve capital and second to fulfill other investment objectives.

2.2 Liquidity

The Company's investment portfolio will remain sufficiently liquid to enable the Company to meet its financial obligations which might be reasonably anticipated.

2.3 Return on Investments

The Company's investments should generate a highest rate of return available for a particular category of investment without sacrificing the first two objectives outlined above.

3. AUTHORIZED INVESTMENTS

3.1 Government Securities and Notes for which the full faith and credit of the government is pledged for the repayment of principal and interest.

3.2 Equity Securities, Corporate Bonds, Mutual Funds etc.

3.3 Placement in Saving Accounts, Fixed Deposits, TDRs and Short Term Government Securities/Bonds.

4. DELEGATION OF AUTHORITY

Following shall be the delegation of power matrix for approval of different kinds of investments:

Investment Structure	Designated Authority
Long Term Government Securities, Equity Securities, Corporate Bonds, Mutual Funds etc.	Board of Directors
Placement in Saving Accounts, Fixed Deposits, TDRs and Short Term Government Securities/Bonds.	CEO

5. REPORTING

5.1 Where it has been allowed to invest in Equity Securities, Corporate Bonds and Mutual Funds etc. a comparison sheet shall be prepared to compare the rate of return from each proposed investment opportunity for decision making.

5.2 Finance department shall make the arrangements to implement the decision and also liaise with the relevant functions/Institutes/personnel.

- 5.3** The principle of best return for acceptable risk will be employed, provided that where investment is made in Equity Securities, Corporate Bonds and Mutual Funds etc, deviations from expectations will be reported in a timely fashion to the Board of Directors and appropriate action is taken to control adverse developments.
- 5.4** Return on investment shall be duly accounted for in the books of account.

6. CHANGES IN POLICY

This policy can be changed, or modified at any time by the Board of Directors of the Company.