



BANYAN GROUP
BUSINESS BEYOND BOUNDARIES

INVESTMENT MEMORANDUM (IM)

CRGO – Capital-Protected Commodity Trading Platform

Investment Summary

Banyan Fund House presents a **capital-protected, hybrid trade finance investment opportunity** in partnership with **SRIVAY**, commencing with **CRGO (Cold Rolled Grain Oriented Steel)** trading. The structure combines **Fixed Deposit-backed Letters of Credit (LC)** with **limited cash deployment**, enabling investors to participate in commodity trading while preserving principal security and maintaining predictable cash flows

This model is designed to balance **capital protection, trade scalability, and steady yield generation**, avoiding speculative exposure and excessive balance-sheet risk.

Investment & Capital Structure

Total Investor Commitment: USD 1 Million

Capital Deployment Model

- **80% (USD 800,000):**
 - Placed as **Fixed Deposit (FD)** with a scheduled commercial bank
 - FD used as **collateral to issue Letters of Credit (LC)**
 - Principal remains parked with the bank, earning FD interest
- **20% (USD 200,000):**
 - Deployed as **working capital** for:
 - Customs duty
 - GST
 - Freight & transport
 - Port and statutory charges

This structure ensures the majority of capital remains **capital-secured**, while a smaller portion supports operational liquidity.

Business & Trade Structure

- **Trade Instrument:** FD-backed LC + cash-flow support
- **Trade Nature:** Short-cycle import/export commodity transactions
- **Commodity Focus (Phase 1):** CRGO Steel
- **Trade Cycles:** Multiple consignments per year
- **Scalability:** Increased trade volumes without proportionate cash increase



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Stakeholders

- **Investment Manager: Banyan Fund House**
 - Structuring of FD-LC mechanism
 - Risk management, governance, and investor reporting
 - Oversight of trade discipline and cash flows
- **Operating Partner: SRIVAY**
 - Commodity sourcing, execution, logistics, and sales
- **Capital Partner: Investor**
 - Provides capital under the hybrid FD + cash model

Returns Profile (Investor Perspective)

- **Target Net Investor Yield: 12% – 15% per annum**
(excluding statutory taxes and bank charges)
- **Return Components:**
 - Trade margin share
 - FD interest income (additional downside cushion)
- **Distribution:** Periodic (per trade cycle / quarterly)
- **Upside:** Higher effective returns through trade rotation and scale

Returns are driven by **trade efficiency and velocity**, not commodity price speculation.

Investment Synopsis

From an investor standpoint, this opportunity delivers a **low-risk, capital-efficient entry into commodity trading**, where **80% of capital remains bank-secured** while enabling participation in **LC-backed trade flows**. The hybrid structure preserves principal, limits downside exposure, and generates steady income through disciplined trade execution. With Banyan Fund House acting as **Investment Manager**, the platform emphasizes **capital safety, transparency, and predictable yield**, making it suitable for investors seeking **12–15% annual returns with strong downside protection**

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