



ABANS FINANCIAL SERVICES LIMITED
(Formerly known as Abans Holdings Limited)

AUTHORIZATION POLICY FOR SALE
AND PURCHASE OF FIXED ASSETS

Abans Financial Services Limited

(Formerly known as Abans Holdings Limited)

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Approved by	Board of Directors on 11-11-2024
Reviewed by	Board of Directors on 11-11-2024

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1. Purpose

To establish a clear and structured process for the authorization of transactions involving the sale and purchase of fixed assets to ensure accountability, compliance, and effective asset management.

2. Scope

This policy applies to all employees and departments involved in the acquisition and disposal of fixed assets within the organization.

3. Definitions

- **Fixed Assets:** Long-term tangible and intangible assets used in the operation of the business, including property, plant, and equipment.
- **Asset Disposal:** The process of selling, scrapping, or otherwise removing fixed assets from the company's records.
- **Purchase Authorization:** The approval process required before acquiring new fixed assets.

4. Responsibilities

- **Finance Department:** Responsible for maintaining fixed asset records and overseeing the authorization process.
- **Department Heads:** Responsible for initiating requests for asset purchases or disposals.
- **Senior Management:** Final approval authority for significant transactions.

5. Authorization Process

5.1. Purchase of Fixed Assets

- **Threshold Levels:**
 - **Under Rs 500,000:** Department Head approval required.
 - **Rs 5,00,001 – Rs 5,000,000:** Department Head and Finance approval required.
 - **Over Rs 5,000,001:** Department Head, Finance, and Senior Management approval required.

- **Process:**
 - **Request Submission:** Department Head submits a purchase request, including justification and budget impact.
 - **Review:** Finance reviews the request for budget compliance and need
 - **Approval:** Relevant approvals obtained as per threshold levels.
 - **Purchase Order Issuance:** Upon approval, a purchase order is issued.

5.2. Sale of Fixed Assets

- **Threshold Levels:**
 - **Under Rs 500,000:** Department Head approval required.
 - **Rs 5,00,001 – Rs 5,000,000:** Department Head and Finance approval required.
 - **Over Rs 5,000,001:** Department Head, Finance, and Senior Management approval required.
- **Process:**
 - **Disposal Request:** Department Head submits a disposal request, including asset details and reason for disposal.
 - **Assessment:** Finance assesses the asset's value and determines the method of disposal (sale, scrap, etc.).
 - **Approval:** Relevant approvals obtained as per threshold levels.
 - **Execution:** Upon approval, the disposal is carried out, and records updated accordingly.

6. Documentation and Record Keeping

All purchase and disposal transactions must be documented and retained for all accounting and statutory purposes. Documentation should include:

- Purchase or disposal request forms
- Approval signatures
- Invoices and receipts
- Asset depreciation schedules (if applicable)

7. Review of the Policy:

This policy is approved by Board of Directors and may be amended as necessary with proper documentation and communication. This policy shall be reviewed annually or whenever significant changes to investment strategy or regulations occur.