



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

REVENUE RECOGNITION POLICY

Abans Financial Services Limited

(Formerly known as Abans Holdings Limited)

CIN: L74900MH2009PLC231660

Registered Office: 36, 37, 38A, Floor -3, Nariman Bhavan,
Backbay Reclamation, Nariman Point,
Mumbai – 400 021.

Email: compliance@abansfinserv.com

Website: www.abansfinserv.com/

Tel: +91 22 68170100 | Fax: 02261790010

VERSION CONTROL

Policy Version	Reviewed By	Approved By	Date of Meeting	Adoption/ Review/ Modification
Version 0	Board of Directors	Board of Directors	August 07, 2024	Adoption
Version 0.1	Board of Directors	Board of Directors	November 11, 2024	Review
Version 0.2	Board of Directors	Board of Directors	February 02, 2026	Review
Version 1.0	Board of Directors	Board of Directors	May 15, 2026	Modification

Revenue Recognition Policy for Abans Financial Services Limited (Formerly known as Abans Holdings Limited)

Abans Financial Services Limited (Formerly known as Abans Holdings Limited) ('the Company/AFSL') is a registered under the Companies Act, 1956 and is listed on Bombay Stock Exchange and National Stock Exchange of India.

1. Purpose

The purpose of this policy is to establish principles for recognizing revenue arising from various sources of income for Abans Financial Services Limited (Formerly known as Abans Holdings Limited) in accordance with Indian Accounting Standards (IND AS).

2. Scope

This policy applies to the following types of income:

- Management fees from investment management of Alternative Investment Funds
- Advisory fees for restructuring, business advisory, consulting
- Investment banking fees for brokering deals and raising capital for clients
- Sale of goods – commodities like gold and silver
- Sale of financial instruments – shares, government securities, and bonds
- Interest & Dividend income from investments.

3. Revenue Recognition Principles

Revenue is recognized when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer. The entity recognizes revenue in the amount to which it expects to be entitled in exchange for those goods or services.

4. Revenue Recognition Criteria

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind AS of accounting on accrual basis. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, and it typically controls the goods or services before transferring them to the customer.

The company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the company satisfies a performance obligation.

The following is a description of principal activities from which the Company generates its revenue:

- a. Income from Advisory and Consultancy fees are recognised based on the stage of completion of assignments, performance conditions and other terms of the agreement / understanding with the client.
- b. Income earned being fund manager is recognised as Management and Performance Fees. Management fee is recognized on monthly basis and Performance obligations are satisfied. Income from this activities is recognised in accordance with Private Placement Memorandum based on capital commitment / capital contribution of the Fund.
- c. Interest income is recognised using the effective interest rate method.
- d. Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the company and the amount of the dividend can be measured reliably.
- e. Fair value gain/ (loss): The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL). The Company recognizes gains on fair value change of financial assets measured at FVTPL on net basis in Profit & loss account.

5. Disclosures

The entity shall disclose sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

6. Review and Amendment

This policy shall be reviewed annually and amended as necessary to comply with changes in IND AS and business practices.