



ABANS HOLDINGS LIMITED

INVESTMENT POLICY

Abans Holdings Limited

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Investment Policy

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

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1. Introduction and Objective

Abans Holdings Limited ('the Company/AHL') is a registered under the Companies Act, 1956 and is listed on Bombay Stock Exchange and National Stock Exchange of India.

The purpose of this policy is to establish principles and guidelines to all type of investments of AHL. The investment policy lays down the broad guidelines for decision making of investment and recognition criteria.

The meeting of the long-term and Short- term investment goals of the Company is primarily dependent on a number of factors which among other includes the safety of the investment, capital appreciation, reasonable rate of return, industry, inflation and taxes.

The purpose of the Company to hold the investments is to get the returns out of the investments which can be in any of the following manner:

- A. Dividends,
- B. Interest,
- C. Capital appreciation for long term investment
- D. Fair value changes for short term investment
- E. Other benefits.

2. Regulations

During the course of its operations, the Company will strictly adhere to various guidelines as may be stipulated under applicable regulations from time to time. This policy is framed in accordance with:

- A. Indian Accounting Standards (IND AS)
- B. Other applicable laws and regulations

Any subsequent amendments or any statutory modifications or re-enactments in the above stated guidelines / norms / clarifications or in any other applicable acts / regulations shall prevail in the event of a conflict with this Investment Policy.

3. Eligible Investments

The company shall invest in the following instruments, subject to regulatory limits and internal guidelines:

- Government Securities
- Corporate Bonds and Debentures
- Fixed Deposits with Scheduled Commercial Banks
- Mutual Funds
- Equity Shares
- Money Market Instruments

4. Authority to make Investments

Investment Approval Process

- **Initial Proposal:**
 - For all long term investment which are strategic in nature, a proposals in writing must be submitted, detailing the rationale, expected returns, risks, and alignment with strategic objectives.
- **Review and Analysis:**
 - All investment proposals must undergo a risk assessment process, evaluating potential financial, operational, and reputational risks. Proposals shall be reviewed by the Chief Finance Officer (CFO) or by any person decided by CFO and/or an Investment Committee, which will assess the viability, risks, and alignment with organizational goals.
- **Approval Levels:**
 - **Low Risk/Value Investments:** (e.g., under Rs 1,00,000) can be approved by a designated manager.
 - **Medium Risk/Value Investments:** (e.g., Rs 100,001 – Rs 250,000,000) require approval from the Chief Finance Officer.
 - **High Risk/Value Investments:** (e.g., over 250,000,001) must be approved by the Investment Committee.

For all long term investments which are strategic in nature shall be approved by the Board of Directors of the Company. The Board of Directors of the Company, by way of a resolution, may approve or delegate the power to any committee of directors, the Company Secretary, Directors, Authorised Signatory, or the Principal Officer (hereinafter collectively referred to as the “Investment Committee”) of the Company.

The decisions taken by the investment committee will be placed before the Board of Directors of the Company at periodic intervals for its noting and ratification.

For all other investments, powers may be granted to person as may be deemed proper by the Board of Directors / Investment Committee.

This authority policy applies to all investment activities undertaken by AHL, including but not limited to capital expenditures, acquisitions, and financial market investments.

5. Funding Programme

The Investment Department shall keep the Risk Management Department / Banking Department informed of its investment plans to facilitate the Liquidity Risk Management Process and the funding programmes to take into account investment and other activities and ensure that adequate liquidity is maintained within the entity and the group.

6. Classification of Investments

The Investments, that the Company will hold, will be treated as the assets of the Company held with the motive of earning income by way of dividends, interest, capital appreciation or for other benefits. The investments of the Company will be classified into the following categories:

Investment fair valued through profit & loss account:-

Investments not classified as either amortized cost or FVOCI, is classified as FVTPL. Such investments are measured at fair value with all changes in fair value. This investments are intended to be held for not more than one year from the date on which such investment is made. i.e. same is held for trading purpose.

Investment fair valued through other comprehensive income:-

Investments that are held within a business model whose objective is achieved by both, selling investments and collecting contractual cash flows that are solely payments of principal and interest, are measured at fair value through other comprehensive income.

Investments carried at cost / amortized cost :- Interest in subsidiaries, associates and joint venture are recognised at cost unless held for sale. Investments that are held for collection of contractual cash flows where those cash flows represent solely collection of principal and interest are measured at amortized cost e.g. debentures, bonds, certificate of deposits, open ended target maturity funds etc.

All listed / unlisted investments will be monitored by the Chief Financial Officer under the supervision of the Investment committee.

7. Transfer of Investments

The Company shall not make any inter class transfer on ad hoc basis. If the inter class transfer is warranted, then it shall be effected only with the approval of the investment Committee.

The investments shall be transferred scrip-wise, from current investments to long term investments, at carrying value.

8. Accounting for Investments and Valuation

A. General

1. The cost of the investment(s) will include the acquisition charges such as brokerage, fees and duties.
2. If the Company acquires (fully or partly) any investment, by issue of shares or other securities, the acquisition cost will be the fair value of the securities issued.
3. If the Company acquires any investment in exchange, or part exchange, for another asset, the acquisition cost of the investment will be determined by reference to the fair value of the asset.
4. If the Company subscribes for any right shares offered, the cost of the right shares is added to the carrying amount of the original holding. If rights are not subscribed for but are sold in the market, the sale proceeds are taken to the profit and loss statement.
5. If the Company acquires investments on cum-right basis and the market value of investments immediately after their becoming ex-right is lower than the cost for which they were acquired, it may be appropriate to apply the sale proceeds of rights to reduce the carrying amount of such investments to the market value.
6. The Company may treat the interest and dividends in connection with the investments as income, being the return on the investment.

Where income receivable on investments has been accrued and has not been received for a period of 12 months beyond the due date, provision shall be made by debit to the revenue account for the income so accrued and no further accrual of income should be made in respect of such investment.

B. Investments fair valued through profit & loss account or Other Comprehensive Income

The quoted investments will be grouped in the following headings for the purpose of valuation:

- (a) Equity Shares
- (b) Preference Shares
- (c) Debentures and bonds
- (d) Government securities including treasury bills
- (e) Units of mutual funds and
- (f) others

All current investments are either designated as fair valued through profit & loss (FVTPL) or Fair Valued through Other Comprehensive income (FVOCI). The quoted investments for each category shall be fair valued. The investment in each category shall be considered scrip wise. Valuation method as prescribed under Indian Accounting Standard shall be followed.

C. Investments carried at cost

1. The equity / preference shares of Subsidiary companies shall be valued at cost and shall make provision for impairment when it is warranted.
2. The investment in unquoted Government securities or Government guaranteed bonds shall be valued at amortized cost and shall make provision for impairment when it is warranted.

Accounting Standards and Guidance Notes issued by the ICAI shall be followed insofar as they are not inconsistent with any of these Directions.

D. Accounting policy for Financial Instrument:

1. Initial Recognition and measurement

All investments shall be initially recognised at fair value. Transaction costs that are directly attributable, and are not at fair value through profit or loss, will be added to the fair value on initial recognition. Trade date accounting method shall be followed for accounting of the transactions.

2. Subsequent measurement

a) Financial assets carried at amortised cost (AC):

A financial asset is subsequently measured at cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flow and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI):

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL):

A financial asset, which is not classified in any of the above categories is subsequently fair valued through profit or loss.

d) Investment in Subsidiaries and Associates:

The Company shall account for its investments in subsidiaries at cost.

e) Other equity instruments

All equity investments are measured at fair value, with value changes recognised in statement of profit and loss, except for those equity investments for which the company has elected to present the value changes in "Other Comprehensive Income".

9. Acquisition / Disposal of Investments

Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

Considering that Capital market is influenced by various factors viz, political, economics, natural calamities inland as well as global apart from financial strengths of

individual companies, the Company would need to focus on risk identification, risk assessment, measurement, risk management, risk tolerance limits and risk mitigation plan.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the statement of profit and loss.

When disposing of a part of the holding of an individual investment, the carrying amount to be allocated to that part is to be determined on the basis of the average carrying amount of the total holding of the investment.

10. Review Process

Investment performance shall be monitored by Chief Financial Officer. The investment program will be reviewed at least annually to make sure that it continues to achieve his stated objectives. Since this investment program is long-term in nature, the periodic adjustments made to his investment program should be small.

11. Review of the Policy:

This policy 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.