



ABANS FINANCE PRIVATE LIMITED

INVESTMENT POLICY

Version II

Version	Adoption / Amended	Authority	Date
I	Adoption	Board of Directors	April 24, 2019
II	Amended	Board of Directors	January 29, 2025

1. Introduction

- 1.1 Abans Finance Private Limited ("**AFPL**" / "**Company**") is registered with the Reserve Bank of India ("**RBI**") as a systemically important, non-deposit taking, non-banking financial company ("**NBFC-ND-SI**"). The Company's debt securities are listed in the wholesale debt segment of the Bombay Stock Exchange ("**BSE**") and as such governed by the Securities and Exchange Board of India ("**SEBI**") rules and regulations and the Companies Act, 2013 ("**Act**"), in addition to the oversight from the Department of Non-Banking Supervision ("**DBS**") of the RBI.
- 1.2 As per the RBI circular dated October 22, 2021, AFPL has been classified as a NBFC–Middle Layer and as per the Master Direction- Reserve Bank of India (Non-Banking Financial Services-Scale Based Regulations), 2025 ("**Scale Based Directions**"), as amended from time to time, the RBI has formulated certain requirements to be complied with, by Middle Layer NBFCs. In accordance thereof, the Company is required to frame, adopt and implement an investment policy to guide its investment-related decisions.
- 1.3 Resultantly, the Company shall adopt the best practices prescribed by the RBI from time to time and make appropriate modifications to the standards adopted by the Company. The Company had adopted Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and accordingly the accounts for the financial year 2019-20 onwards is prepared under Ind AS Accordingly, the board of directors ("**Board**") of the Company has approved an investment policy in its meeting dated February 12, 2016, and the current policy is its renewal with updates based on the regulatory guidelines under the Scale Based Directions and the evolving business needs of the Company.
- 1.4 This policy ("**Investment Policy**") aims at laying down broad guidelines in relation to the investment decisions of the Company and procedures to be adhered to by AFPL, while undertaking investments, including the role of the relevant committees of the Board involved in the investment decision making process of the Company.

2. Objectives

- 2.1 The broad objectives of this Investment Policy are:
- 2.1.1 To invest the surplus funds of the Company effectively in permitted liquid instruments available in the market;
- 2.1.2 To seek/aim for optimum yield within a reasonable level of risk in consonance with the Company's liquidity management policies and capacity;
- 2.1.3 To maintain adequate buffer/develop a contingency strategy for creating liquidity in the event of requirement of funds for unforeseen circumstances, in accordance with the Company's contingency funding plan;
- 2.1.4 To create a well-diversified portfolio of different instruments across varied maturities with sufficient measures taken to safeguard against liquidity risk, credit risk and interest rate/exchange risk; and

- 2.1.5 To comply with the RBI and other statutory guidelines related to any investment activity proposed to be undertaken or being undertaken by the Company.

3 Types of Investments

- 3.1 AFPL shall primarily invest in equities, debt and other asset classes. In order to ensure that it does not incur an opportunity cost because of funds remaining idle, it will invest surplus, if any, in FDs/liquid/overnight funds. The broad universe of eligible asset classes and relevant securities for permitted investments by the Company, is as follows:

3.1.1 Equities and Equity related instruments

- (i) Listed equity shares;(including Primary and secondary markets)
- (ii) Unlisted equity shares (equity, preference, convertible or not);
- (iii) Derivatives including but not limited to futures, options and forward contracts; and
- (iv) Indices and Exchange Traded Funds ("**ETFs**").

3.1.2 Debt

- (i) Government securities including but not limited to Government Securities ("**G-Secs**"), Treasury Bills ("**T-Bills**");
- (ii) Derivatives including but not limited to Interest Rate Swaps, Overnight Index Swaps;
- (iii) CBLO/TREPS based lending;
- (iv) Debt securities issued by Banks, NBFCs and Corporates;
- (v) Provide debt to corporates/individuals; (when undertaken for Strategic purposes)
- (vi) Inter Corporate Deposits ("**ICDs**"), including group companies; (when undertaken for Strategic purposes) and
- (vii) Debt mutual funds, liquid funds.

3.1.3 Others

- (i) Fixed Deposits/Recurring Deposits of Scheduled Commercial Banks;
- (ii) Units of Alternate Investment Funds, Real Estate Investment Trusts;
- (iii) Other quasi equity/quasi debt/hybrid instruments; and
- (iv) Commercial Papers ("**CPs**")/Corporate Deposits ("**CDs**").

3.2 Classification of Investments

- 3.2.1 The investments that the Company shall hold/holds, will be treated as the assets of the Company and the same shall be held with the purpose of earning income by way of dividends, interest, and/or for capital appreciation and/or for such benefits.
- 3.2.2 The investments of the Company shall be classified into the following two categories:
- (i) **Current Investment:** The investments made by AFPL which are intended to be held for less than or equal to 1 (one) year from the date on which such investment is made.
 - (ii) **Long Term Investment:** The investments made by AFPL that are intended to be held for more than 1 (one) year from the date on which such an investment is

made.

4 Regulations affecting investments

4.1 Prudential exposure ceilings

- 4.1.1 As per the Scale Based Directions, Middle-Layer NBFCs shall not have exposures (credit/investment together) in excess of: (i) 25% (twenty-five percent) of its Tier-1 Capital to a single party; and (ii) 40% (forty percent) of its Tier-1 Capital to a single group of parties.

Provided that the Company may exceed the exposure norm specified above, by 5% (five percent) for any single party and by 10% (ten percent) for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

- 4.1.2 However, this exposure requirement not applicable to investments made by applicable NBFCs in shares of: (i) its subsidiaries; and (ii) other Group Companies, to the extent they have been reduced from 'Owned funds' for the calculation of the NOF.

- 4.1.3 Exposure to the Government of India and State Governments which are eligible for 0% (zero percent) risk weight under capital regulations applicable to NBFCs shall be exempt from exposure norms under the Scale Based Directions.

4.2 Accounting for investments

- 4.2.1 All the investments shall be classified into current and long-term investments as specified in this Investment Policy designed by the Board and shall be classified into current and long-term, at the time of making each investment, in accordance with paragraph 3.2 above.

- 4.2.2 Inter-class transfer of investments shall be subject to the following conditions:

- (i) There shall be no transfer of investments on an ad hoc basis;
- (ii) Such a transfer, if warranted, shall be effected only at the beginning of each half year, (i.e., on April 1 or October 1, as the case may be), with the prior approval of the Board;
- (iii) Investments shall be transferred scrip-wise, from current to long-term or vice-versa, at the Carrying Value
- (iv) Impairment, if any, in each scrip shall be fully provided for and appreciation, if any, shall be ignored; and
- (v) Impairment in 1 (one) scrip shall not be set off against appreciation in another scrip, at the time of such inter-class transfer, even in respect of the scrips belonging to the same category.

- 4.2.3 In accordance with the Scale Based Directions, **quoted Current Investments** shall, for the purpose of valuation, be grouped into the following categories: (i) equity shares, (ii) preference shares, (iii) debentures and bonds, (iv) G-Secs (including treasury bills), (v) units of mutual fund, and (vi) others.

- 4.2.4 Quoted Current Investments for each category shall be valued at cost or market value, whichever is lower. For this purpose, the investments in each category shall be considered scrip-wise and the cost and market value aggregated for all investments in each category. If the aggregate market value for the category is less than the aggregate cost for that category, the net impairment shall be provided for or charged to the profit and loss account. If the aggregate market value for the category exceeds the aggregate cost for the category, the net appreciation shall be ignored. Impairment in 1 (one) category of investments shall not be set off against appreciation in another category.
- 4.2.5 Unquoted equity shares in the nature of Current Investments shall be valued at cost or Breakup Value, whichever is lower. However, in accordance with Scale Based Directions, the Company may substitute Fair Value for the Breakup Value of the shares, if considered necessary. If the balance sheet of the investee company is not available for 2 (two) years, such shares shall be valued at 1 (one) Indian rupee only.
- 4.2.6 Unquoted preference shares in the nature of Current Investments shall be valued at cost or face value, whichever is lower.
- 4.2.7 Investments in unquoted G-Secs or Government guaranteed bonds shall be valued at Carrying Cost.
- 4.2.8 Unquoted investments in the units of mutual funds in the nature of Current Investments shall be valued at the Net Asset Value declared by the mutual fund in respect of each particular scheme.
- 4.2.9 CPs shall be valued at Carrying Cost.
- 4.2.10 A long-term investment shall be valued in accordance with the applicable accounting standards, namely the Ind AS.

Note: Unquoted debentures shall be treated as term loans or other types of credit facilities, depending upon the tenure of such debentures for the purpose of income recognition and asset classification.

4.3 Valuation of investments

4.3.1 Accounting Treatment of Investments under Ind AS

- (i) Investment in subsidiaries shall be valued at cost less provision for impairment, if any applicable.
- (ii) Investment in G-Secs/T-Bills shall be valued either at amortised cost or Fair Value through profit and loss ("FVTPL") or Fair Value through other comprehensive income ("FVTOCI").
- (iii) Investments in debentures or bonds shall be valued either at amortised cost or FVTPL or FVTOCI.
- (iv) Investment in equity shares shall be valued either at FVTPL or FVTOCI.

(v) Investment in Mutual Funds/ETF's shall be valued either at FVTPL or FVTOCI

4.3.2 Disclosures on Risk Exposure in Derivatives

(i) Qualitative Disclosures

The Company is required to describe their risk management policies pertaining to derivatives with particular reference to the extent to which derivatives are used, the associated risks and business purposes served. The Company may incorporate the information on or provide the details of: (i) the structure and organization for management of risk in derivatives trading; (ii) the scope and nature of risk measurement, risk reporting and risk monitoring systems; (iii) the policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants; and (iv) accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation.

(ii) Quantitative Disclosures

Sl. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) For Hedging		
(ii)	Marked to Market Positions		
(ii)(a)	Assets (+)		
(ii)(b)	Liability (-)		
(iii)	Credit Exposure		
(iv)	Unhedged Exposures		

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4.4 Income recognition

4.4.1 Income from dividend on shares of corporate bodies and units of mutual funds shall be taken into account, on a cash basis.

Provided that the income from dividend on shares of corporate bodies may be taken into account on an accrual basis when such a dividend has been declared by the corporate body in its annual general meeting and the Company's right to receive payment is established.

4.4.2 Income from bonds and debentures of corporate bodies and from G-Secs/bonds may be taken into account on an accrual basis.

Provided that the interest rate on these instruments is pre-determined and the interest is serviced regularly and is not in arrears.

- 4.4.3 Income from fixed deposits held with banks shall be taken into account on an accrual basis.
- 4.4.4 Income on securities of corporate bodies or public-sector undertakings, the payment of interest and repayment of principal of which have been guaranteed by the Central Government, or a State Government shall be taken into account, on an accrual basis.
- 4.4.5 Income from derivative trades shall be recognized either when trades are squared off, or if trading positions remain open, based on mark-to-market gain/losses.

Provided that mark-to-market gain or losses on the reporting date shall be recognized as per the requirements of the applicable accounting standards (namely the Ind AS).

4.5 Risk weight for capital adequacy

The investments proposed to be made by the Company, including term deposits with banks, will attract the following risk weights for computation of capital adequacy, in compliance with the Scale Based Directions:

Sr. No.	Description	Risk weight (%)
1.	Term deposits with banks	0
2.	Approved securities (except those listed in point 3 below)	0
3.	Government Securities	0
4.	Term deposits / certificate of deposits / bonds of public financial institutions	100
5.	Shares of all companies and debentures / bonds / commercial papers of all companies and units of mutual funds.	100

5 Guiding principles for investment

- 5.1 **Safety:** Safety of the principal amount invested in the relevant investment scheme/instrument is the foremost objective of the investment program and this Investment Policy and of the Company.
- 5.1.1 Investments will be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio; and
- 5.1.2 Towards achieving this objective, the Company shall ensure maintenance of a well-diversified portfolio of different instruments, across varied maturity dates and periods supported by sufficient measures to safeguard against liquidity risk, credit risk and interest rate/exchange risk.
- 5.2 **Credit Risk:** AFPL will minimize credit risk, the risk of loss due to failure of the security issuer or banker, by:

- 5.2.1 Maintaining an adequate buffer/develop a contingency strategy for creating liquidity in the event of requirement of funds for unforeseen circumstances; and
- 5.2.2 Diversifying the portfolio so that potential losses on individual securities will be minimized.
- 5.3 **Interest Rate Risk:** AFPL will minimize the interest rate-related risk in their investment portfolio by:
 - 5.3.1 Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and
 - 5.3.2 Investing operating funds primarily in short-term securities.
 - 5.3.3 Investing in Interest Rate Swaps
 - 5.3.4 Structuring the Investments and Borrowings in structured manner to avoid haphazard fluctuations in Interest Rates
- 5.4 **Liquidity Risk**
 - 5.4.1 The investment portfolio shall remain sufficiently liquid to meet all operating requirements of the Company, that may be reasonably anticipated. This is proposed to be accomplished by structuring the investment portfolio of the Company such that the securities invested in, mature concurrent with the cash needs to meet anticipated demands.
 - 5.4.2 Furthermore, since it is not possible to anticipate in advance the cash demands of the Company, particularly for contingent events, the investment portfolio of the Company shall consist largely of securities that have an active secondary or resale market. Negotiable securities may be sold prior to their maturity to provide liquid funds as needed for cash flow purposes of the Company.
- 5.5 **Yield**
 - 5.5.1 The investment portfolio of the Company shall be managed with the objective of attaining a competitive rate of return given the constraints of the safety and liquidity objectives throughout the budgetary and economic cycles, and taking into account, AFPL's investment risk constraints and the cash flow characteristics of the portfolio.
 - 5.5.2 To ensure long-term objectives are met, securities shall not be sold prior to maturity with the following exceptions:
 - (i) A security package with declining credit may be sold early to minimize loss of principal.
 - (ii) Liquidity requirements necessitate that the security be sold.

5.6 Compliance

- 5.6.1 The Company shall, at all times, be in compliance with all applicable rules and regulations for all its investment activities from inception till record-keeping and reporting.
- 5.6.2 This compliance requirement shall encompass, without limitation, the rules and regulations as laid down in the Act, procedural requirements of the RBI, any notifications issued by SEBI and any other statutory guidelines related to investments by NBFCs in various products.

6 Guidance for Investments

The Finance Committee shall oversee and undertake the decisions for Investment activities.

6.1 Investments in subsidiaries

- 6.1.1 AFPL may invest in subsidiaries within the statutory and regulatory guidelines, subject to approval from the Board.
- 6.1.2 The Company's Board may also approve strategic investments in other companies for furtherance of the business of AFPL within the statutory and regulatory limits, imposed by the RBI or any other Governmental Authority.

6.2 Investments in AIF Schemes

- 6.2.1 In accordance with the RBI AIF Directions, the Company shall ensure compliance with the following provisions governing its investments in an AIF Scheme:
 - (i) It shall not individually contribute more than 10% (ten percent) of the corpus of an AIF Scheme;
 - (ii) The collective contribution by all REs in any AIF Scheme cannot exceed 20% (twenty percent) of the corpus of that AIF Scheme;
 - (iii) If the Company or any other RE contributes more than 5% (five percent) of the corpus of an AIF Scheme, which has downstream investment (excluding equity instruments) in a Debtor Company of the said RE, then the entity would be required to make 100% (one hundred percent) provision to the extent of its proportionate investment in the Debtor Company through the AIF Scheme, subject to a maximum of the direct loan and/or investment exposure of the said RE to the Debtor Company; and
 - (iv) Notwithstanding the stipulation contained in 6.3.1(iii) above, if the Company's contribution is in the form of subordinated units, then it shall deduct the entire investment from its capital funds- proportionately from both Tier-1 and Tier-2 capital (as applicable).

7 Finance Committee

7.1 **Delegated powers:** All investment decisions shall be taken by an Finance Committee Member

7.2 **Powers of the Committee:** The Board of Directors has delegated all the powers of Investment decision within the limits specified as given below:

Investment Limits	Sanctioning Authority
Strategic Investments (without limits)	Borad of Directors
Non-Strategic Investments (without limits)	Chief Financial Officer/ Treasury Head/Chief Executivce Officer (CEO/Director (Any two members jointly)

The Finance Committee shall be fully authorized to invest the surplus funds of the Company in any form of investment it considers to be beneficial to the company within the framework approved by the Board.

7.3 **Role of the Finance Committee:** The Finance Committee of AFPL has the following responsibilities:

- 7.3.1 Evaluating the various investment opportunities available to the Company;
- 7.3.2 Investment in various types of funds as per the Investment Policy and other internal guidelines;
- 7.3.3 Suggesting the criteria for classifying the investments into current and long-term investments;
- 7.3.4 Monitoring the performance of the investment portfolio;
- 7.3.5 Taking decisions on the disposal of securities and realization of proceeds and revenue dues;
- 7.3.6 Ensuring that the income and asset classification including provisioning is in accordance with the Scale Based Directions and the IRAC Norms; and
- 7.3.7 Identifying all risks involved and evaluating them prior to allowing for the investment.

7.4 Manner and Operations of the Finance Committee

The Finance Committee shall, in order to ensure the execution of Investment activities delegate, the executive functions to the below mentioned offices.

7.4.1 The Front Office shall primarily be the driver of revenue of the Company and shall be

responsible for the following functions:

- (i) Identification of the investment opportunities;
- (ii) Devising investment strategies across asset classes;
- (iii) Performing the required analysis to run the investment strategy successfully and efficiently;
- (iv) Generate returns from the investments made; and
- (v) Identify, quantify and mitigate risks for all the investments.

7.4.2 The Back Office is responsible for supporting the front office in discharge of its duties and shall be responsible for the following functions:

- (i) Settlement of transactions, namely the securities and fund flow;
- (ii) Generation of MIS – profitability, risk, liquidity, etc. as needed by the IC and front office;
- (iii) Data management;
- (iv) Accounting and record-keeping;
- (v) Providing data and interacting with all external counterparties for all statutory, legal and compliance requirements;
- (vi) Providing IT support; and
- (vii) Providing administrative support.

8 Compliance with regulations

8.1 **Transfer of Investments:** AFPL shall not make any inter-class transfer of investments. Should it become absolutely necessary to undertake such a transfer, then such inter-class transfers shall be effected at the beginning of the half year (i.e., on the 1st (first) of April or the 1st (first) of October), with the prior written approval of the Board.

8.2 **Valuation:** The valuation of the investments, including the derivative trades executed by the Company shall be strictly in accordance with the guidelines of the RBI, including without limitation, the disclosures in the financial statements of the Company as specified in detail in the Scale Based Directions.

8.3 Concurrent Audit

8.3.1 The Board of Directors may decide to undertake concurrent audit as when required.

8.4 Impairment and Appreciation

8.4.1 In the financial statements of the Company, Impairment in the value of the financial assets compared to the prevailing market rates, if any, in any scrip/security/instrument shall be provided for fully; and appreciation, if any, shall be fully ignored. However the same shall be subjected to the accounting principles generally followed by the company as required under applicable regulations.

8.5 **Income Recognition and Asset Classification:** The IRAC Norms issued by the RBI shall be strictly complied with, for recognition of income and asset classification, by the Company.

- 8.6 **Risk Weight:** The investments shall be assigned the risk weightage as per the directions of the RBI for computing capital adequacy and shall be in compliance with the Company's internal capital adequacy assessment process ("ICAAP") policy.

9 Risk Management and Mitigation

The Company shall comply with the risk management framework, as more particularly detailed in the risk management policy of the Company and updated by the Risk Management Committee of the Company, from time to time.

10 Standards of Care

10.1 Prudence

- 10.1.1 Investment decisions by the Company shall be made by the Company's personnel with sound judgment and due care, under the circumstances then prevailing, which a person of prudence/reasonable man would exercise, and ensure discretion and intelligence is duly exercised in the management of their own affairs, not for speculation, but for investment purposes only, considering the probable safety of capital as well as the probable income to be derived therefrom.
- 10.1.2 AFPL recognizes/acknowledges that no investment is entirely risk-free and that occasional measured losses are inevitable in a diversified portfolio and will be considered within the context of the overall portfolio's return, provided that adequate diversification has been effectively implemented and that the sale of any security/instrument is in the best long-term interest of the Company.
- 10.1.3 Investment officials acting in accordance with written procedures and this Investment Policy and having exercised adequate due diligence prior to undertaking investments shall be relieved from any personal liability for an individual security's credit risk or market price changes, provided that such deviations from expectations are reported in a timely fashion to the Board, and the liquidity and required sale of securities are carried out in accordance with the terms of this policy.

10.2 Ethics & Conflicts of Interest

- 10.2.1 The Company's officers and employees who are involved in the investment process shall refrain from undertaking personal business activity/engaging in similar investment activities on a personal front if such actions could conflict with the proper execution and management of the investment program of the Company or could impair their ability to make impartial decisions.
- 10.2.2 The employees and investment officials of the Company engaged in undertaking investment decisions for the Company shall disclose any material interest in the financial institutions in which they conduct business/act for the Company. They shall further disclose any personal financial/investment positions that could be related/relevant to/for the performance of the investment portfolio of the Company. Employees and officials shall refrain from undertaking personal investment transactions with the same individual or company with which business is conducted on behalf of AFPL.

11 Board Oversight

The FC of the Board shall review the investment portfolio of the Company on at least a quarterly basis. The FC may fix ceilings for investments and determine the different types of investments as per the business/regulatory requirements of the Company.

a) **Strategic Investments**

All strategic investments shall be subject to an internal assessment process and require the approval of the Board of Directors. There shall be no upper limit or ceiling on the amount of such investments

b) **Non- Strategic Investments**

The following ceiling shall be followed;

G-Sec	1500 Cr (Indian Rupees)
Debentures	300 Cr
Derivatives	25-50 Cr *
Equity	300 Cr
Mutual Fund and ETFs	100 Cr
Fixed Deposits	250 Cr

*The Derivative cap is based on M-to-M value, provided that it shall not increase 10% of Net Worth.

12 Custody of Scrip

The scrips relating to the investment will be kept in the custody of an official in the Treasury department of the Company, who will also be responsible for the collection of interest/dividend, if any, periodically. Renewal of the investments will be treated as a fresh investment and the same shall be dealt with, accordingly.

13 Performance Review and Reporting

- 13.1 The Investment Committee will periodically establish a benchmark yield for AFPL's investments and will set targets for portfolio growth and diversification, if any.
- 13.2 The total investments held by the Company at the end of each quarter shall be adequately disclosed in the quarterly balance sheets required to be placed for the Board's consideration/approval.

GLOSSARY

In addition to the terms defined in the Investment Policy above, the following terms bear the meaning given to them herein:

“AIF Schemes”	shall refer to Alternate Investment Finds schemes.
“Breakup Value”	shall mean the equity capital and reserves as reduced by intangible assets and revaluation reserves, divided by the number of equity shares of the investee company.
“Carrying Cost”	shall mean the book value of the assets and interest accrued thereon but not received.
“Current Investment”	shall mean an investment which is by its nature readily realisable and is intended to be held for not more than one year from the date on which such investment is made.
“Debtor Company”	shall refer to any company to which the RE currently has or previously had a loan or an investment exposure (except equity instruments) anytime during the preceding 12 (twelve) months.
“Fair Value”	shall be a reference to the mean of the earning value and the break-up value and discounted cash flow-value method.
“Group Company”	shall mean an arrangement involving 2 (two) or more entities related to each other through any of the following relationships: (i) Subsidiary – parent (defined in terms of Ind AS 21); (ii) Joint venture (defined in terms of Ind AS 27); (iii) Associate (defined in terms of Ind AS 23); (iv) Promoter-promotee (as provided in the SEBI (Substantial Acquisition of Shares and Takeovers of Shares) Regulations, 2011 for listed companies; (v) Related Party (defined in terms of Ind AS 18); (vi) Common brand name; and (vii) investment in equity shares of 20% (twenty percent) and above.
“HTM”	shall be a reference to held to maturity.
“IRAC Norms”	shall mean the prudential norms on income recognition, asset classification and provisioning pertaining to advances, issued by the RBI for regulated entities.
“Net Asset Value”	shall mean the latest declared net asset value by the concerned mutual fund in respect of that particular scheme.
“Owned fund”	shall mean the aggregate of: (i) paid up equity capital, (ii) preference shares which are compulsorily convertible into equity, (iii) free reserves, (iv) balance in share premium account and (v) capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset; as reduced by (vi) accumulated loss balance, (vii) book value of intangible assets, and (viii) deferred revenue expenditure, if any.
“PD Operational Guidelines”	shall be a reference to Master Direction- Operational Guidelines for Primary Dealers dated July 01, 2016, as amended from time to time, issued by the RBI.
“RBI AIF Directions”	shall refer to the Reserve Bank of India (Investment in AIF) Directions, 2025, dated July 29, 2025 and as may be amended from time to time.
“REs”	shall be a reference to: (i) commercial banks (including small finance banks, local area banks and regional rural banks); (ii) primary (urban) cooperative banks/state cooperative banks/central cooperative banks; (iii) All-India financial

	institutions; and/or (iv) non-banking financial companies (including housing finance companies).
"Tier-1 Capital"	shall mean the sum of: (i) Owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund; and (ii) Perpetual debt instruments issued by a non-deposit taking NBFCs in each year to the extent it does not exceed 15% (fifteen percent) of the aggregate Tier 1 capital of such company as on March 31 of the previous accounting year

