

Policy on dealing with Related Party Transactions

Reviewed and Approved by the Board of Directors on June 18, 2021

Purpose of this policy:

Company has formulated this policy (Policy) on materiality of Related Party Transactions and on dealing with Related Party Transactions. This Policy regulates all transactions between the Company and its Related Parties. **However, KLM AXIVA Finvest Limited being an NBFC, the transactions carried in the ordinary course of business shall not be deemed to be a related party transaction.**

The Companies Act 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') **Master** Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company prescribe comprehensive regulatory framework governing the Related Party Transactions.

Identification of Related Parties and the Related Party Transactions:

Every Director) shall, at the time of appointment, annually and whenever there is any change in the information already submitted, provide requisite information about all persons, firms, entities in which he is interested whether directly or indirectly, to the Board of Directors and the Company Secretary.

Approval of Related Party Transactions- Audit Committee/Board of Directors:

- The onus of responsibility shall vest with the Director to disclose his interest to the Board/Audit Committee/KMP's in any transactions which the concerned director is directly/interested.
- Inter corporate loans, if any which the director is directly/indirectly/deemed to be interested must be brought to the attention of the Audit committee and the Board of Directors by the concerned director and the approval as deemed fit for the purpose must be obtained.
- Any Director of the Company, who is a Related Party, shall not vote on resolution passed for approving such Related Party Transaction.
- The disclosures of the related party transactions in the Balance Sheet shall reviewed by the Audit Committee before granting approval to accounts.



Shareholders' Approval:

If a Related Party Transaction is

- (i) a material transaction or
- (ii) not in the ordinary course of business, or
- (iii) not at arm's length price

and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by a special resolution. In such a case, any member of the Company who is a Related Party shall not vote on resolution passed for approving such Related Party Transaction.

Limitation and Amendment:

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the SEBI LODR, Companies Act 2013, RBI Master Directions and/or applicable laws in this regard shall automatically apply to this Policy.

