



**KLM AXIVA**  
**FINVEST LTD**

(Formerly known as Needs Finvest Ltd)  
CIN : U65910TG1997PLC026983

## **POLICY ON RESOURCE PLANNING**

KLM Axiva Finvest Limited (Erstwhile Needs Finvest Limited) is a Non-Deposit taking NBFC operating under Certificate of Registration from the Reserve Bank of India. Now the company has more than 50 branches spread across Kerala, Tamil Nadu, and Karnataka.

The company has a wide range of financial products such as Gold Loan, Business Loan and other types of loans. Currently company is raising funds through issue of equity shares, debentures through private placement basis and also by way of issue of subordinated debts.

Reserve Bank of India vide its latest circular No:DNBR(PD) CC No.021/03.10.001.2014-15 dated February 20,2015 advised that a Board approved policy for resource planning which inter-alia, should cover the planning horizon and the periodicity of private Placement. The policy of the company on resource planning will also cover the objectives of the above. The company has put forward a policy for mobilizing resources matching its business plans.

### **Policy for resource planning**

The resource mobilization of the company shall be from different sources like;

- Equity Share capital issue
- Debenture issue
- Preference Share capital issue
- Subordinated debt issue
- Loan from banks and financial institutions

At the beginning of every financial year this ratio will be reviewed and changes will be made based on the market situations prevailing at the point of time.

### **Equity Share capital issue**

Previously issue of equity shares through private placement was the major source of financing of the company. Currently company is issuing shares only to promoter group of the company in order to avoid dilution of ownership. Currently company is issuing shares at a premium of Rs.1.50 per share complying private placement provisions of Companies Act 2013.

For KLM Axiva Finvest Ltd.





Major features of issue of equity shares through private placement are as under;

- Shares can be allotted only to 200 persons in a financial year with a minimum ticket size of Rs.20,000 per investor.
- All monies payable towards subscription of any securities by the company shall be paid through cheque or demand draft or other banking channels but not by cash.


### **Debenture Issue**

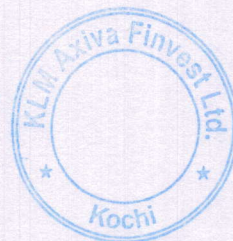
Company got approval for issuing debentures through private placement route in the General Meeting held on 19.02.2016. Compared to other source of funds debentures are considered as more stable source of funding in order to meet the working capital needs of the company. As a policy of the company debenture issue is limited to 4 issues in a financial year. Company is also planning for public issue of Debentures in next year.

The major features of debentures issued by the company are as under.

- The debentures issued by the company is Fully Secured, Redeemable and Non-Convertible Debentures.
- All the debentures issued by the company irrespective of the ticket size will be secured. Debentures will be secured by way of floating charge on the Book debts of the company on loan receivables and other current assets having a market value being equivalent to 110% of the outstanding balance of debentures at any time.
- Debentures can be allotted only to a maximum of 200 subscribers in a financial year even if the ticket size of debentures issued is above Rs.1 crore.
- All monies payable towards subscription of any securities by the company shall be paid through cheque or demand draft or other banking channels but not by cash.
- The minimum subscription per investor shall be Rs.20,000 per investor and no maximum limit.
- The company shall redeem the debentures on the due date for redemption as applicable for each debentures. The due dates will fall on 12 months, 24 months, 36 months and 60 months respectively. The debentures are locked for a minimum period of 12 months and cannot be pre closed during the lock in period. Put option can be availed by the debenture holder after 12 months for closing the debentures.
- Debentures will carry rate of interest at the rate specified in the certificate and will be paid as per the terms opted.
- Debentures of the company are transferable provided the instrument of transfer is duly signed by the transferor and transferee is submitted to the company with the other documents as required in terms of the instrument of transfer.

For KLM Axiva Finvest Ltd.

  
Wholetime Director





- Board has the power to issue debentures in order to cater additional funds for the Company's finance business operations whenever required.
- Company cannot provide loan against debenture issued.

### **Preference share capital issue**

Company is planning for private placement of preference shares to raise funds. Funding through Preference shares are used as a long term source for funding. Dividend on preference shares is not a fixed liability entitles the holder to a fixed dividend, whose payment takes priority over that of ordinary share dividends.

### **Subordinated debt issue**

Subordinated debts are issued by the company with a minimum maturity period of 60 months from the date of allotment. Subordinated debts are unsecured in nature and are fully paid in nature and is subordinated to the claims of other creditors. The right of allotment of subordinated debt is delegated to Finance committee of the Board and may issue the same the same as and when required.

### **Loan from banks and financial institutions**

Company is planning to avail bank loan as a main source for doing business. As of now company is not having any bank loan.

Company shall match the maturities of loans and advances and sources of funds and should ensure that there is no asset liability mismatches. The frequency of the issue of debenture, equity share and subordinated debt may be decided by the Board / Committee of the Board from time to time depending on the business environment, market conditions and regulatory provisions in this behalf.

For KLM Axiva Finvest Ltd.

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