

PYXIS FINVEST LIMITED

Policy on Materiality of Related Party Transactions (RPTs) and on dealing with RPTs

[Pursuant to Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Version 2.0

Legal Provision

- The Companies Act, 2013 (“Act”) [Section 2(51), 2(76), 2(77), Section 177(4)(iv) and Section 188] and other relevant provisions
- The Companies (Meetings of Board and its Powers) Rules, 2014 (“Rules”) [Rule 6A and Rule 15] and other relevant provisions
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) [Regulation 23] and other applicable provisions
- SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22-Nov-2021 and other relevant circulars
- “RPT Industry Standards” dated 26th June, 2025

as updated from time to time.

Background

- Pyxis Finvest Limited is an RBI registered NBFC listed on SME platform of BSE Ltd under scrip code 534109.
- As on the date of this policy, the Company does not have any Holding Company, Subsidiary / Wholly Owned Subsidiary Company, Associate Company, Investing or Venturer Company, and therefore provisions governing RPTs with these entities are not applicable.

Definitions

- Material Transaction**
 - Transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeding the limit set u/r 23(1) and (1A) of LODR Regulations r/w section 188(1) of the Act and Rules made thereunder.
 - RPTs in the nature of remuneration or sitting fees paid to Directors, Key Managerial Personnel (KMPs), or senior management forming part of promoter or promoter group.
- Material Modifications** [clause (a) of 2nd proviso to Regulation 23(2)] - any modification with respect to the following:
 - Increase in the limit of amounts previously approved in a financial year;
 - significant terms and conditions of the contract or arrangement
 - any other modification which may be deemed material
- Related Party Transaction (RPT)** – as stated u/s 188(1) r/w Regulation 2(zc) of the LODR Regulations.
- Related Party** – as stated u/s 2(76) r/w Regulation 2(zb) of the LODR Regulations.

Applicability [SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2025 dated 28-Mar-2025]

- This regulation is applicable, w.e.f. 01-Apr-2025, to SME listed entities which has either paid up equity share capital exceeding Rs. 10 Crore or net worth exceeding Rs. 25 Crore, as on the last day of the previous financial year. [1st proviso to Regulation 15(2)(b)]
- It shall remain applicable till such time the equity share capital and the net-worth of the Company reduces and remains below the specified threshold for a period of 3 consecutive financial years. [3rd proviso to Regulation 15(2)(b)]
- It shall be applicable to all the prospective RPTs. [Regulation 23(6)]

Exempt Transactions [Regulation 23(5) r/w 4th proviso to Section 188(1)]

Following transactions shall not require prior approval of Audit Committee or omnibus approval of Audit Committee or prior approval of shareholders:

1. Transactions entered into between the Company on one hand and public sector company(ies) on another hand

2. Transactions in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.
3. Transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis

Threshold Limit [Regulation 23(1)]

Board has approved the following threshold stated under Regulation 23(1) and (1A) of LODR Regulations r/w section 188(1) of the Act and Rules made thereunder, for RPTs entered into individually or taken together with previous transactions during a financial year.

Type of RPT	Material RPT Limit	Non-Material RPT Limit
<ul style="list-style-type: none"> - sale, purchase or supply of any goods or materials; - selling or otherwise disposing of, or buying, property of any kind; - leasing of property of any kind; - availing or rendering of any services; - appointment of any agent for purchase or sale of goods, materials, services or property; - related party's appointment to any office or place of profit in the company - underwriting the subscription of any securities or derivatives thereof, of the company; - remuneration and sitting fees paid to Non-Promoter / Promoter Group Director, KMP or senior management [clause (e) of 2nd proviso to Regulation 23(2)] 	As per LODR (currently Exceeding Rs. 50 Crore or 10% of Annual Consolidated turnover as per last audited financial statement, whichever is lower or as may be amended from time to time)	As per LODR (Upto Rs. 50 Crore or 10% of Annual Consolidated turnover as per last audited financial statement or as may be amended from time to time)
<ul style="list-style-type: none"> - brand usage or royalty [Regulation 23(1A)] 	Exceeding 5% of Annual Consolidated turnover as per last audited financial statement whichever is lower, or as may be amended from time to time	Upto 5% of Annual Consolidated turnover as per last audited financial statement or as may be amended from time to time
<ul style="list-style-type: none"> - Loans and Advances to Directors & its Relatives - Loans and Advances to Entities associated with Directors & their relatives - Loans and Advances to Senior Officers being related party 	As per "Policy on Loans to Directors, Senior Officers and Relatives of Directors"	As per "Policy on Loans to Directors, Senior Officers and Relatives of Directors"
<ul style="list-style-type: none"> - Other transactions (not covered above) 	As per LODR (currently Exceeding Rs. 50 Crore or 10% of Annual Consolidated turnover as per last audited financial statement or as may be amended from time to time)	As per LODR (Upto Rs. 50 Crore or 10% of Annual Consolidated turnover as per last audited financial statement or as may be amended from time to time)

Minimum Information

For the purpose of approval on RPT, Audit Committee and Shareholders to be provided with the minimum information as stated in "**RPT Industry Standards**" dated 26th June, 2025

Approval / Review of RPTs

Audit Committee [Regulation 23(2) r/w Section 177(4)(iv) & Section 188]

The Company shall provide such information / documents as prescribed by SEBI (through its circulars from time to time), or as stated under the Companies Act, 2013, to Audit Committee for its review.

- All RPT (**material and non-material**) including subsequent material modifications, shall require **prior approval** of the Independent Directors forming the **Audit Committee**.
- However, RPTs in the nature of remuneration or sitting fees paid to Directors, Key Managerial Personnel (KMPs), or senior management not forming part of the promoter or promoter group and the transaction not classified as material, shall not require the prior approval of the Independent Directors on the Audit Committee.
- In case of transaction, other than transactions referred to in section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board
- The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Shareholders [Regulation 23(4)]

The explanatory statement of the notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include such information / documents as prescribed by SEBI (through its circulars from time to time)

- All **material RPT** including subsequent material modifications, shall also require **prior approval of the shareholders** through **Ordinary resolution**. No related party shall vote to approve such resolutions.

Omnibus Approval [Regulation 23(3) r/w 1st proviso to Section 177(4)]

The Audit Committee may make omnibus approval for RPTs proposed to be entered into by the Company subject to the following conditions, namely

1. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely: -
 - a. maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - b. the maximum value per transaction which can be allowed;
 - c. extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - d. review, at such intervals as the Audit Committee may deem fit, RPT entered into by the Company pursuant to each of the omnibus approval made;
 - e. transactions which cannot be subject to the omnibus approval by the Audit Committee.
2. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -
 - a. repetitiveness of the transactions (in past or in future);
 - b. justification for the need of omnibus approval.
3. The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company.
4. The omnibus approval shall contain or indicate the following: -
 - a. name of the related parties;
 - b. nature and duration of the transaction;
 - c. maximum amount of transaction that can be entered into;
 - d. the indicative base price or current contracted price and the formula for variation in the price, if any; and
 - e. any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:

Where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may make omnibus approval for such transactions subject to their value prescribed u/s 177(4)(iv) r/w Regulation 23(3)(c) of the LODR Regulations

5. The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approvals given.
6. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
7. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
8. In case of transaction, other than RPTs, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board

Ratification [*clause (f) of 2nd provisor to Regulation 23(2)*]

Independent Directors on Audit Committee may **ratify non-material RPT** within 3 months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- i. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed limit stated u/r 23(2)(f)(i) of the LODR Regulations
- ii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification
- iii. the details of ratification shall be disclosed along with the disclosures of RPT to the Stock Exchange and on the website of the Company
- iv. any other condition as specified by the Audit committee

Failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director concerned shall indemnify the Company against any loss incurred by it.

Disclosure [*Regulation 23(9)*]

- Every contract or arrangement entered into with the related party shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
- Disclosure of RPTs together with the details of ratification, if any, to the Stock exchange(s) in the prescribed format and within the prescribed time.
- Disclosure of RPTs together with the details of ratification, if any, on the website of the Company

Review [*Regulation 23(1)*]

The above said policy was reviewed and approved with changes by the Board of Directors in their meeting held on 3rd September, 2025.

For Pyxis Finvest Limited

Sd/-

Uttam Bharat Bagri

Managing Director

DIN: 01379841