

FORT FINANCE LIMITED
CIN: U67120MH1995PLC088259

POLICY ON RELATED PARTY TRANSACTIONS (RPTs)

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POLICY ON RELATED PARTY TRANSACTIONS (“RPT”)

1. REQUIREMENTS AND SCOPE:

The Board of Directors (the “Board”) of Fort Finance Limited (the “Company”) has adopted this policy on Related Party Transaction under Section 188 and any other applicable provisions of the Companies Act, 2013 (the “Act”) read with the Companies (Meeting of Board and its Power) Rule, 2014 and provisions of regulations laid down by the Reserve Bank of India (RBI).

2. OBJECTIVES:

The Board of Directors of Fort Finance Limited (“the Company”) has adopted the policy on related party transactions to:

- (a) regulate transactions of the Company with its related parties (as defined and identified under the Companies Act, 2013 (the “Act”) and Reserve Bank of India;
- (b) ensure high standards of Corporate Governance while dealing with related parties; and
- (c) ensure optimum compliance with various applicable laws prescribed for related party transactions (“RPT”).

3. DEFINITIONS:

(i) **Arm’s length transactions** mean a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

(ii) **Related Party – Section 2(76) of the Companies Act, 2013**

- with reference to a company, means –

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager and holds is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(viii) any company which is –

- (A) a holding, subsidiary or an associate company of such company; or
- (B) a subsidiary of a holding company to which it is also a subsidiary;
- (C) an investing company or the venturer of the company;”;



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Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.]

(ix) such other person as may be prescribed;

(iii) Relative – Section 2(77) of the Companies Act, 2013

- with reference to any person, means anyone who is related to another, if—

(i) they are members of a Hindu Undivided Family;

(ii) they are husband and wife; or

(iii) one person is related to the other in such manner as prescribed below:

- Father (including step father)
- Mother (including step mother)
- Son (including step son)
- Son’s wife
- Daughter
- Daughter’s Husband
- Brother (including step brother)
- Sister (including step sister)

(iv) Related Party Transaction (RPT): Section 188 of the Companies Act, 2013

- any contract or arrangement with a Related party with respect to:

- 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;
- Such related party’s appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- Underwriting the subscription of any securities or derivatives thereof, of the company.

(v) Ordinary Course of Business:

Transactions with related parties will be considered in ordinary course if they are entered in accordance with the business objective of the Company.

(vi) Key Managerial Personnel in relation to a Company means

- (i) The Chief Executive Officer, or the Managing Director or the Manager;
- (ii) The Company Secretary
- (iii) The Whole-time director;
- (iv) Chief Financial Officer



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4. APPROVAL:

4.1. Omnibus approval by the Board of Directors:

(1) The Company may obtain omnibus approval from the Board of Directors of the Company for such transactions, subject to following conditions:

- (a) Maximum amount of the transaction which can be allowed during the year;
- (b) Maximum amount per transaction which can be allowed;
- (c) Maximum transaction which can be allowed during one year;
- (d) Information and disclosures required to submit to the Board of Directors for such transactions.

(2) The Board of Directors shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.

(3) The omnibus approval shall define:

i. The name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,

ii. The indicative base price/ current contracted price and the formula for variation in the price if any; and

iii. Such other conditions as the Board of Directors may deem fit. In case of above details are not available the Board of Directors may grant omnibus approval for such transactions for value of such transactions does not exceeding rupees one crore per transaction.

(4) The Board of Directors shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

(5) Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

4.2. Approval of Board of Directors: Transactions which are not in ordinary course and at arm's length shall require prior approval of Board. When any director interested in any related party transaction which requires prior approval of Board, such interested director shall not participate in the discussion of that particular subject matter.

4.3. Approval of Shareholders: The following cases requires approval of Shareholders:

- Transactions which are not in ordinary business and not at arm's length price and cross threshold limits specified in Section 188 of the Companies Act, 2013 shall require the prior approval of shareholders of the Company.



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5. RELATED PARTY TRANSACTION NOT APPROVED UNDER THIS POLICY:

In case of Company is being informed of any related party transactions entered without prior approval under this policy, the matter shall be reviewed by the Board of Directors. Subsequent to which, the Board of Directors may cancel, ratify, modify or do such other actions as appropriate. The Board of Directors shall also go through the facts/circumstances under which such particular transaction could not be reported and take such actions as appropriate.

6. DISCLOSURE OF POLICY:

This policy shall be displayed in the website of the Company and also web link of the Policy shall be provided in the Annual Report of the Company.



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