



## Fort Finance Limited

A Wing, 304/305, 3rd Floor, Rustomjee  
Central Park, Opp. Kanakiya  
Wall Street, Andheri (East),  
Mumbai – 400059

CIN : U6720MH1995PLC088259

| [www.fortfinance.in](http://www.fortfinance.in) | [customercare@fortfinance.in](mailto:customercare@fortfinance.in)

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### CREDIT/LOAN POLICY

#### INTRODUCTION

FORT FINANCE LIMITED (FFL) is a public company, having Corporate Identification Number (CIN) U67120MH1995PLC088259 and is registered with the Reserve Bank of India as a Non-Deposit taking Non-Systemically Important Non-Banking Finance Company – Investment and Credit Company (NBFC-ICC). FFL has been classified as a NBFC - Base Layer as per the Scale Based Regulations (SBR) and has a valid Certificate of Registration (CoR) number 13.00666 issued on 20/04/1988 by the Reserve Bank of India enabling the Company to carry on its business as a Non-Banking Finance Company.

As a Non-Banking Financial services company registered under the Reserve Bank of India Act, our lending policy is guided by the directives and guidelines issued by The Reserve Bank of India from time to time. As such, this policy document is subject to review based on periodic changes in regulatory norms and operating environment.

#### REGULATORY REQUIREMENT

Reserve Bank of India vide Master Direction – Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2025.

#### SCOPE AND OBJECTIVE OF THIS POLICY

The objectives of this Policy are as below:

- (i) To create a set of standardized policies and procedures for the lending activities of FFL.
- (ii) To institute due diligence for mitigating level of credit risks and improve credit quality.
- (iii) To define overall risk appetite.
- (iv) To establish underwriting framework- including maximum credit limits, risk limits, etc.
- (v) To ensure thorough loan appraisal and proper monitoring of all outstanding loans. This includes both, supervision of outstanding loans as well as recovery of overdue loans.
- (vi) To determine early warning signals and appropriately providing prudential norms with respect to provisioning of said loans.
- (vii) This Loan policy provides an overall description of all stages of the lending process.

In pursuing its business, FFL will operate according to the highest ethical and compliance standards and constantly seek to follow best practices in the industry. Under no circumstances will



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contravention of laws and relevant regulations would be tolerated. Further loan agreements will override loan policy.

### BUSINESS STRATEGY AND BUSINESS OPERATIONS

FFL business operations need to be financially sustainable. FFL may extend loans to individuals, HUFs, partnership firms, corporates or any other eligible borrower. Loan may be either in the nature of long term, short term, revolving and may be secured or unsecured. Lending Process is also dependent upon the risk profile of the borrower. The option for annulling and repayment is at mutual consent and the company as a lender have option to call for early repayment generally when default exists/risk is presumed. Loan against Shares or Securities or any other tangible assets, etc. as or as unsecured product as well, as determined by the Credit Appraisal and Sanctioning authority along with the directions of the Board of Directors.

### RESOURCES

The Company's funding requirements are presently met through accumulated net worth, internal accruals and borrowings in the form of debt. As part of its funding strategy to diversify its sources of funds and to align the maturity profile of its liabilities with that of its assets, the Company may also access alternative short-term sources of funding, as and when required, while ensuring adequate liquidity and compliance with the applicable RBI directions.

### BUSINESS SEGMENTS

- (i) Corporate Lending: The Company can further extend loans to any Body Corporate(s), firm(s), non-individual entities.
- (ii) Retail Lending: FFL may extend secured / unsecured loans to the individuals which may be for personal / business purpose. Personal loans may be for consumer durables, travel and acquisition of property etc.
- (iii) Other Segments / Loan Products: The Company can further extend loans to any of its employee or employees of the group companies.

The loan policy has been framed in line with the Fair Practices Code prescribed by RBI.

### SANCTIONING AUTHORITY

Mr. Dinesh Mange and/or Mr. Paresh Radadiya Directors of the Company are authorised on behalf of the Company to sanction the credit/loan facility.



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### PURPOSE OF LOAN

- (i) FFL lending business will support the following:
  - To support the cash flow need on temporary basis.
  - Working capital loans for expansion of business.
- (ii) The Company can further extend the loans to corporate and individuals (not related) for their business needs within the risk appetite and regulatory framework.
- (iii) The Company can also grant personal loans within the risk appetite and regulatory framework.
- (iv) In the long term, it is envisaged that the lending business will reach out to both existing customers as well as open market customers and fulfil their financing needs.
- (v) The Company / Management may set out overall Exposure Limits as well as sub-limits for Demand / Call Loan portfolio, based on parameters which may include:
  - Collateral Type / Unsecured – It will be mostly unsecured
  - Credit Risk – Set a CIBIL Range
  - Borrower Demographics:
    - (a) Age: Different age groups may have varying borrowing needs and behaviors.
    - (b) Income Level: A crucial factor influencing borrowing capacity and types of loans sought.
  - End-Use – Any particulars end use restriction as per RBI guidelines.

### TYPES OF LOAN

The product profile of FFL will cover loans for short term upto 1 (One) years and long term beyond 1 (One) years. The lending products would be classified broadly in the following categories:

#### A. Capital Markets Products:

- Loan against Shares#/Mutual Fund Units/Bonds
- Promoter Funding against pledge of shares



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### B. Corporate Finance Products:

- Corporate Loan/Project Finance/Business Loan/ICDs
- Unsecured Loans

Working capital Loans and General Corporate Purpose Loans

**# Loans against FFL's own shares prohibited**

### POLICY ON KYC / AML STANDARDS

#### 'Know Your Customer' Standards:

The objective of KYC guidelines is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities. KYC procedures also enable the Company to know/understand its customers and its financial dealings better which in turn help it to manage its risks prudently. Thus, the KYC policy has been framed by the Company for the following purposes:

- To prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering or financing terrorist activities;
- To enable the Company to know / understand its customers and their financial dealings better, which in turn would help it to manage its risks prudently;
- To put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws / laid down procedures and regulatory guidelines;
- To take necessary steps to ensure that the dealing staff is adequately trained in KYC/AML procedures

All documents like identity proof, address proof, TAN No., PAN No., IT Returns, CIBIL, etc. are to be collected from borrowers and guarantors while considering the loan application.

### RATE OF INTEREST

1. The management understands that considering the higher cost of borrowing and the risk profile of the customer, it has to maintain adequate margins to cover the operational and delinquency risk. Thus, it is decided that Annualized Rate of Interest of the loans and advances shall be between 6 % p.a. to 24 % p.a. to be charged for the entire tenure based on the category of loan.



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2. The Loan amount, Annualized Rate of Interest and tenure of loan will be communicated to the borrower in the sanction letter along with the instalments towards interest and principal dues.
3. Besides normal Interest, the Company may levy additional interest for ad-hoc facilities, penal interest/default interest for any delay or default in making payments of any dues. The details of Penal Interest charges for late repayment will be mentioned in the loan agreement and communicated while sanctioning the loan.
4. Besides interest, other financial charges like processing charges, cheque dishonour charges, cash collection charges, bank charges, charges on various other services like issuing NOC, field visit for collection follow up, Duplicate Repayment Schedule etc. may be levied by the company wherever considered necessary. In addition, the Goods and Services Tax and other taxes levied would be collected at applicable rates from time to time.
5. Pre-payment/foreclosure charges of loan shall not be levied to the borrower.

### WEBSITE DISCLOSURE

This Policy shall be hosted on the website of the Company in accordance with the applicable provisions of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2025, as amended from time to time.

### OTHER CHARGES

In line with market practices, FFL may also levy various other charges like upfront fees, penal charges, prepayment charges, commitment charges, loan documentation charges, cheque return charges, out of pocket expenses and review/renewal fees depending upon the nature of transactions on case-to-case basis.

### APPROACH FOR GRADATION OF RISK

The risk premium attached with a customer shall be assessed inter-alia based on the following factors:

- i. Profile and market reputation of the borrower;
- ii. Historical performance of similar homogenous pools of borrowers;
- iii. Profile, strength, experience, income/earnings of the borrower;
- iv. Length of relationship with the borrower, repayment track record of existing borrower, credit history as revealed from available sources;



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- v. Type of asset being financed, end use of the loan represented by the underlying asset;
- vi. Nature and value of primary and secondary collateral security;
- vii. Overall customer yield, repayment capacity based on cash flows and other financial commitments of the borrower, mode of payment;
- viii. RBI Policies on credit flow;
- ix. Offerings by competitors;

### DELEGATED POWERS

Any investment decisions shall be done with the permission of the Board of Directors and thereafter Mr. Dinesh Mange or Mr. Paresh Radadiya the directors, authorised persons may execute necessary documents in connection thereto on behalf of the Company.

Wherever required, the authorised persons may obtain advise from experts/professionals in the area of investment/securities law/Company law, as the case may be.

### SANCTIONING AUTHORITY

The **Executive Directors** of the Company shall be the **Sanctioning Authorities** for credit and loan facilities, and shall exercise such powers in accordance with the applicable provisions of the Companies Act, 2013, RBI directions, and other applicable laws, rules and regulations, as amended from time to time.

### INTEREST RATE MODEL

The Company is into lending business and provides loan facilities through loan products like loan against shares and personal loans to help clients meet their working capital requirement and other purposes etc. The interest rate applicable to each loan account, within the applicable range is assessed on a case specific basis, based on evaluation of various factors as mentioned below:

- a. Tenor of the Loan & Payment Terms - term of the loan; terms of payment of interest (viz monthly/quarterly); terms of repayment of principal; bullet payment, EMI etc.
- b. Internal and External Costs of Funds - The rate at which the funds necessary to provide loan facilities to customers are sourced, normally referred to as our external cost of funds. Internal cost of funds being the expected return on equity; is also a relevant factor.



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- c. Credit Risk - The amount of bad debt provision applicable to a particular transaction will depend on the credit strength of the customer. This cost is then reflected in the final rate of interest quoted to a customer.
- d. Market Dynamics Views: The views of the Management of the Company on product pricing with respect to prevailing interest rates offered by peer NBFCs for similar products and services may be taken into consideration. The forecasts and analysis of 'what if scenarios' conducted by the Management are also relevant factors for determining interest rates to be charged.
- e. External ratings etc.
- f. And any other factors that may be relevant in a particular case.

### RATIONALE FOR CHARGING DIFFERENT RATES OF INTEREST

The rate of interest applicable to each loan shall be determined based on the overall assessment of the borrower's risk profile. Accordingly, different rates of interest may be charged to different categories of borrowers depending upon factors such as the borrower's creditworthiness, repayment capacity, nature and value of security, loan amount, tenure, cost of funds, operating costs, market conditions, regulatory requirements, and any other relevant factors as may be considered by the Company from time to time.

The Company follows a risk-based pricing approach and the applicable rate of interest shall be communicated to the borrower in the sanction letter/loan agreement in accordance with the Company's Interest Rate Model and the applicable RBI directions.

### REPAYMENT

The Loan may be repayable / renewed as per the terms agreed upon. However, the cut-off date for repayment may be extended by the sanctioning authority for any particular case.

### LOAN UNDERWRITING

The process from the receipt of customers' request and communication of the final approval of facility will be as under:

- (i) Loan Approval process: The process will start from the receipt of customers' request and the



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processing of same, including approval of the credit facility. The process ends with the communication of an approval of facility to the customer through a term sheet/sanction letter.

- (ii) Loan Application: The customer shall submit a form either at offline or online touch-points to inform the company regarding the interest in a certain loan product.
- (iii) KYC Document Verification: As per RBI Regulations, 100% KYC compliance is mandatory for all Transactions in Financial Institutions. The documents submitted by the customer will be analysed either using competent technological or human resources.
- (iv) Credit Appraisal: This step involves arriving at a decision to provide the loan or not. FFL shall require additional documents such as income statement, PAN, Form16 or other considered necessary from the customer.
- (v) Regulatory check: This step involves verification of rules and regulation to be followed by FFL before final sanction of the same. This involves checking of;
  - Single / Group Exposure norms - Lending to any single borrower will not exceed 15% of owned funds and to any single group of borrowers not to exceed 25% of owned funds.
  - Maintain a Capital to risk weighted asset ratio of 15%.
  - Prudential lending norms - Asset classification, provisioning requirements as per RBI Prudential norms.
  - Fixation of maximum loan per gram based on the Loan to Value (LTV) guidelines of RBI.
  - Compliance with Anti money laundering / countering financing of Terrorist Activities as elucidated in our Anti Money Laundering (AML) policy.
  - Income Recognition, Asset Classification and Provisioning Demand / Call loans that are classified as NPA shall be accounted for on Receipt / Realization basis. Asset Classification & Provisioning shall be as per the requirements prescribed by Reserve Bank of India. However, the Company may adopt a more stringent Asset Classification & Provisioning mechanism based on expected risks. Further, the Company shall ensure that its Liquidity Risk Management system captures Non-Performing Assets as illiquid.
  - The Company shall ensure that (i) KYC measures are being followed, (ii) Credit risk analysis is being done on the borrower before sanction, and (iii) the Sanction and disbursal of Demand / Call loans are within the overall Liquidity Risk Management criteria of the Company.
  - Final decision on Sanction: The final decision to provide the loan or not will remain with the Board of Directors and/or authorised person from time to time.
  - Since the major focus in retail loans shall be unsecured loans, the underwriting shall be strengthened such that loans shall only be granted after the ability and intention to pay of



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the individual is assessed to an extent as much as possible. Unconventional sources such as alternative data modelling to arrive at the credit worthiness of the individual can also be used.

- Unsecured loans shall not be granted to those who do not have a verifiable regular income, other than students. In case of students, the personal loan shall require the guarantee of another person who shall pay in case of default.
- While approving loans, compliance with ceiling linked to our net owned funds, fixed by RBI, will have to be ensured.
- Processing Fee: FFL will charge a processing fee at applicable rates on case-to-case basis. Any revision in these charges would be implemented on prospective basis with due communication to customers.

### RESTRICTIONS ON FUNDING

There are no specific restrictions on funding of loans & advances. But general prudence is to be observed during assessment / sanction of proposal.

### ASSETS CLASSIFICATION

The company shall after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes, namely:

- (i) Standard assets;
- (ii) Sub-standard assets;
- (iii) Doubtful assets; and
- (iv) Loss assets

### REVIEW

The Board shall review and amend this policy as and when required.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.

| Adoption/Amended | Authority          | Date                       |
|------------------|--------------------|----------------------------|
| Adoption         | Board of Directors | 29 <sup>th</sup> July 2026 |



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