

**FORBES & COMPANY LIMITED**

Sr. No	Particulars	Details
1	Name of policy	Related Party Policy
2	Amendment to policy	Pursuant to amendment in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated December 12, 2024
3	Last reviewed	March 21, 2023
4	Policy drafted by	Secretarial Department of the Company
5	Policy reviewed & recommended by	Audit Committee of the Company
6	Policy approved by	Board of Directors of the Company
7	Approval date of the Policy	February 11, 2025
8	Effective date of the Policy	February 11, 2025
9	Next review on policy	Policy should be reviewed as and when there are regulatory changes

# **FORBES & COMPANY LIMITED**

## **RELATED PARTY POLICY**

### **I INTRODUCTION**

The Companies Act, 2013 and the Rules framed thereunder contains provisions relating to compliances with respect to related party transactions. SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 requires that every company should formulate a Related Party Policy (Policy).

The purpose of such Policy is to ensure an effective system of checks and balances and a disclosure process to encourage transparency, adoption of best governance practices and that all Related Party Transactions are in the best interests of all the members.

### **II DEFINITIONS**

**“Act”** shall mean the Companies Act, 2013 as amended from time to time and the Rules framed thereunder.

**“Arm’s Length Transaction”** shall mean a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

**“Audit Committee”** shall mean the Audit Committee of the Board.

**“Board”** shall mean the Board of Directors of the Company.

**“Company”** shall mean Forbes & Company Limited.

**“Key Managerial Personnel” or “KMP”** shall mean:

- i. The Chief Executive Officer or the Managing Director or the Manager or the Whole Time Director;
- ii. The Company Secretary;
- iii. The Chief Financial Officer; and
- iv. Any other person appointed as the KMP by the Board.

**“Material Related Party Transactions”** shall mean transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceeds rupees 1000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percentage of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

**“Material Modification”** means any modification made in the value/exposure of any ongoing/proposed related part transaction, as originally approved by Audit Committee and /or Shareholders, which has the effect of variation in the approved value of the transaction by 20 % or more or by which the transaction ceases to be in the ordinary course and/or arm’s length basis or such other parameter as may be determined by the Audit Committee from time to time.

In case a modification is required pursuant to amendment to the applicable laws, it shall not be regarded as a material modification.

**“Omnibus Approval”** shall mean a blanket pre activity approval by the Audit Committee subject to compliance of the conditions as laid in this Policy.

**“Ordinary Course of Business”** shall mean a transaction which is carried out in the normal course of business by the Company or is an activity as envisaged in the Memorandum of Association of the Company as amended from time to time.

**“Related Party”** shall have the same meaning as defined under Section 2(76) of the Act and/or the applicable accounting standards or SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**“Related Party Transactions” or “RPT”** shall mean all transactions between the Company and one or more related party(ies) or the Company and any other person /company that directly/indirectly result in benefits to the related party of Company including contracts, arrangements and transactions as provided in Section 188(1) of the Act and/or Regulation 2(zc) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**“Relative”** shall have the same meaning assigned to in Section 2(77) of the Act.

**“Transaction”** shall mean to include a single transaction or a group of transactions in a contract.

### III POLICY

- i. Company Secretary (CS) shall request a disclosure from each Director and each KMP on an annual basis. If there is any change in status from the disclosure made by Director and/or KMP, the concerned Director or KMP shall promptly notify the CS. Once the changes are intimated/notified, CS shall note, document and intimate it to Corporate Finance Team for monitoring.
- ii. All RPTs and subsequent material modifications by the Company with related parties shall require prior approval of the Audit Committee (only the Independent Directors of Audit Committee, shall approve RPTs) unless it is covered under Omnibus Approval granted by the Audit Committee as below.
- iii. Omnibus Approval may be granted by the Audit Committee to the Company or its Subsidiaries if following conditions are satisfied:
  - a) Such RPTs are repetitive in nature;
  - b) Such an approval is expedient and is in the interest of the Company;
  - c) The approval should specify the (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can 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 Audit Committee may deem fit.In case the need for RPT cannot be foreseen and aforesaid details are not

available, an omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore for each of Related Parties;

- d) The Audit Committee shall review the details of RPTs entered into by the Company or its Subsidiaries pursuant to Omnibus Approval/s on quarterly basis; and
  - e) Validity of Omnibus Approvals shall be reviewed and renewed after the expiry of one year by the Audit Committee.
- iv. The Audit Committee shall on a quarterly basis review all the RPTs entered by the Company or its Subsidiaries.
- v. The Independent Directors of Audit Committee, may ratify RPTs 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:
- a) 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 rupees 1 crore;
  - b) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation
  - c) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
  - d) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
  - e) any other condition as specified by the audit committee.

In case the Company fails 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(s) concerned shall indemnify the listed entity against any loss incurred by it.

- vi. In case any transaction with a Related Party is either not in the ordinary course of business or is not at arm's length or both, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain approval of the Board and its shareholders, as applicable.
- vii. In case of any Material Related Party Transaction, the approval of the shareholders by way of resolution is also required irrespective of the fact whether the transaction is in the ordinary course of business or arm's length or both and no Related Party shall vote to approve such resolutions whether the related entity is a related party to the particular transaction or not:

Provided the requirement specified under this sub-regulation shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognised stock exchange within one day of the resolution plan being approved.

- viii. The Audit Committee shall have the discretion to recommend/refer any matter relating to any RPTs to the Board for its approval.

#### **IV COMPLIANCE**

- i. Every person associated with RPTs shall be accountable for compliance with this Policy.
- ii. In case of breach of Policy, Audit Committee may initiate appropriate action against the person/s responsible.

#### **V APPLICABILITY**

This Policy applies to all the transactions of the Company with related parties and shall be effective immediately.

#### **VI INTERPRETATION & REVIEW**

- i. Subject to the superintendence of the Board, this Policy shall be interpreted and administered by the Audit Committee.
- ii. The provisions of the Act and SEBI LODR shall be deemed to have been mutatis mutandis specifically incorporated in this Policy and in case any of the provision of this Policy is inconsistent with the provisions of Act and/or SEBI LODR, the provisions of Act and/or SEBI LODR shall prevail.
- iii. The capitalized words not specifically defined in the Policy shall have the same meaning as under the Act or SEBI LODR.
- iv. For interpretation of this Policy, reference and reliance may be placed upon circulars/clarifications issued by the Ministry of the Corporate Affairs or SEBI and/or any other authority.
- v. The Audit Committee may also review the Policy from time to time and make recommendations for amendment as it may deem appropriate.