CORPORATE GOVERNANCE FRAMEWORK AND DISCLOSURE REQUIREMENTS

Department : **SECRETARIAL**

Edition : 1

Year : 2026

India Factoring (IFSC) Private Limited

SI-M1011, Shilp Incubation Centre, Unit-B, Block 11,
Gift City, Gandhi Nagar, Gujarat - 382050

Version Control

Date	Version	Author	Description
05/06/2026	v0	Mandar Karmarkar	Internal Guidelines on Corporate Governance

Approval History

Date	Version	Approved by:	Business Unit/ Department
09/06/2026	v0	Board of Directors	Secretarial Department

CORPORATE GOVERNANCE FRAMEWORK AND DISCLOSURE REQUIREMENTS

The Company firmly believes that strong corporate governance permits the company to benefit from greater transparency in its activities as well as in its relations with the market, thereby enhancing integrity and confidence.

The Board has considered this to be in the best interests of the stakeholder because they commit the Directors, Management and employees of the company to internationally recognized standards of corporate governance.

Ultimate responsibility for good corporate governance remains with the Directors who have therefore resolved to adopt the Principles and endorse them accordingly.

The Board is committed to improve further its corporate governance standards which are an ongoing process.

ROLE AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board's key purpose is to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and stakeholders.

THE BOARD IS PRIMARILY RESPONSIBLE FOR:

a. exercising prudent and effective controls and ensuring that such controls are appropriately reviewed for effectiveness and monitored for compliance on a regular basis;
b. determining the strategic aims and the organizational structure;
c. regularly reviewing management performance and ensuring that the Company has the appropriate mix of financial and human resources to run its business;
d. being conversant with relevant statutory and regulatory requirements;
e. ensuring that all Directors regularly attend meetings of the Board, agree business objectives, financial plans and general parameters within which the Board, the Board Committees and Management are to function;
f. ensuring that systems and controls are in place to mitigate significant business risks and that exposures are identified and properly managed;
g. setting appropriate business standards, codes of corporate governance and ethical behavior for all Directors and employees, as well as monitoring their performance;
h. appointing the CEO who is entrusted with day-to-day management of the Company and its operations, together with members of Management.

ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND UNIT HEAD

The roles of the Chairman and of the Unit Head are completely separate from one another to ensure clear division of responsibilities. The Chairman is a non-executive Director who will be responsible for leading the Board and setting its agenda, ensuring that the Directors receive precise, timely and objective information so that they can properly execute their duties, encouraging their active engagement in meetings and issues and ensuring effective communication with shareholders.

The Unit Head is the most senior executive of the Company and is responsible for:

- managing and optimizing the business of the Company.

- leading the team and update the Board of Directors of the Company and the shareholders through regular meetings/ communications (e.g. periodic reports, teleconference, meetings and any other reports as required).
- Be responsible for preparation and presenting their respective franchise budget and/or Long Range Plan (LRP) to the Board for approval, in addition to any proposed items and/or decisions which may be material to the results of the Company.

COMMITTEES:

The Board of Directors of the Company will, whenever it deems appropriate, constitute any of the below mentioned committees depending on the nature, scale and complexity of the business operations.

- Risk Management Committee
- Asset Liability Committee
- Investment Committee
- Internal Complaints Committee
- Harassment, Bullying and Discrimination (HBD) Committee
- Health And Safety Committee
- IT Committee
- Audit Committee
- Nomination and Remuneration Committee
- CSR Committee

CODE OF CONDUCT AND POLICIES OF THE COMPANY

The Company will put in place a Code of Conduct for employees which requires employees to conduct their business and affairs in compliance with applicable laws, rules and regulations of India. The Code is applicable to all employees of the Company.

Further, the Company has formulated following Policies to conduct Operational and Administration of the Company in accordance with applicable laws.

1. Investment Policy
2. Liquidity Risk Management Policy
3. Information Technology Policy
4. Grievance Policy & Procedure
5. Diversity Policy
6. Disciplinary Policy & Procedures
7. AML CFT Policy
8. CIP Policy
9. Sanction Policy
10. AML CFT Counterparty Policy
11. Compliance Manual
12. Talent Management Policy and Procedure
13. Compensation and Benefits Policy
14. Harassment and Bullying Policy
15. KYE Policy
16. Performance Management Policy

17. Prevention of Sexual Harassment Policy
18. Promotion Policy
19. Recruitment and Sanction Policy
20. Risk Policy and Guidelines
21. Fit and Proper Policy
22. Related Parties Transaction Policy

AUDITORS:

STATUTORY AUDITORS

The Board of Directors of the Company shall be responsible to appoint Statutory Auditors who demonstrate professional ability and independence. The Company shall review the independence and performance of the Statutory Auditors and the effectiveness of the audit process periodically. Declaration shall be obtained from the Auditors affirming their eligibility for being appointed as the Statutory Auditors of the Company.

The First Statutory Auditors of the company shall be appointed by the Board of Directors of the Company and all the subsequent appointment/reappointment of the Statutory Auditors shall be recommended by the Board of Directors and approved by the Members of the company.

INTERNAL AUDITOR

The Company shall appoint internal auditors in due course in accordance with provisions of Companies Act 2013.

The Board shall be responsible for the identification and evaluation of key risks applicable to the different areas of the business of the Company and for ensuring that proper systems of internal controls are in place. The internal auditor shall perform periodic audits to specifically test compliance with policies, standards and procedures and the effectiveness of the internal control environment within the Company. The Internal Auditor shall report to the Audit Committee or to the Board of Directors (until constitution of Audit Committee), however, the Chairman of the Board of Directors should be copied with all internal audit reports issued.

DISCLOSURES

The Company is committed to make adequate disclosures based on the principles of transparency, timeliness, fairness and continuity. The Board of Directors and employees of the Company shall ensure and make necessary disclosures to the Company, the Regulator(s) / Statutory Authorities, the Shareholders, Investors, Members or other stakeholders as may be required by the applicable laws and the codes / policies of the Company.

Information to be placed before Board of Directors

The Finance Company shall ensure to place before the Board at least the following information:

1. Annual operating plans and budgets, capital budgets and related updates.

2. Quarterly results of the Finance Company.
3. Minutes of meetings of the Board constituted Committees.
4. A statement on the change of directors, if any, and a declaration confirming the compliance with the 'fit and proper' criteria about them.
5. Any materially adverse event which could affect the Finance Company, its property or operations.
6. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property and about any other transaction which is carried out beyond the normal course of business of the Finance Company.
7. Conformity with Corporate Governance and Disclosure Requirements framework.
8. All material breaches of internal policies, norms, risk limits and any other important information of the like nature.

Disclosures to be made on the website of the Finance Company

The Finance Company shall disseminate the requisite information on its website, wherever available and/or in their Annual Report, which shall include the following:

1. Brief overview of GIFT IFSC ecosystem
2. Certificate of Registration clearly reflecting the registration number and permitted activities
3. A list of products and services offered with detailed description of each such offering
4. Grievance redressal procedure and contact details of the grievance redressal officer
5. Name, designation and contact details of key managerial personnel in IFSC (such as Head of FC/FU, CEO, CFO, Compliance Officer, Principal Officer;
6. Basic information about the Finance Company and about its group;
7. The Annual Report of the Finance Company;
8. Corporate Governance report in conformity with the provisions of the Companies Act, 2013 and these Guidelines; and
9. Other significant information, if any;

Disclosures to be made in the Annual Financial Statements (AFS)

In addition to the disclosure required under the Companies Act, 2013, a Finance Company shall also include the following in its Annual Financial Statement:

1. Components of owned funds and other related information;
2. Details on the off-balance sheet exposures, if any;
3. Its Asset Liability profile;
4. Extent of financing by parent company;
5. Business ratios including Return on Equity (RoE) and Return on Assets (RoA);
6. Concentration of Non-Performing Assets (NPAs) including total exposure to top five NPAs;
7. Disclosures on provisioning in the Balance Sheet;

8. Details on the registration/license/ authorization, by whatever name called, obtained from any financial sector regulators;
9. Penalties or fine imposed by any statutory authority/ financial sector regulators including strictures or directions on the basis of inspection reports or other adverse findings against it.

REVIEW OF POLICY

The Policy shall be subject to review once in every two years.