<u>Risk Management Policy:</u>

1. Preamble

The Board of Directors (“**Board**”) of ISF Limited (“**Company**”) in terms of Section 134(3)(n) of the Companies Act, 2013 and applicable provisions of RBI Master Directions for NBFCs has formulated this Risk Management Policy to identify, assess, monitor, and mitigate various risks associated with its business operations. Risk Management Policy (“**Policy**") of the Company seeks to minimize unfavourable impact on the business objectives and develop stakeholder value. Further, the risk management practices seek to sustain and enhance long- term competitive advantage for the Company.

2. Objective

To establish a framework for identifying and managing risks that may impact the Company’s objectives, to safeguard stakeholders’ interests and protect Company’s assets and to ensure business continuity and financial stability.

3. Principles

For risk management to be effective, all operations/departments of the Company must apply the following principles to the context of the business and its objectives:

- Risk management must create and protect value.
- Risk management is integrated into organisational processes.
- Explicit risk management helps decision-makers make informed choices.
- Risk management is focused on the sources of uncertainty around the achievement of objectives.
- Risk management must be tailored to the context and fit for purpose.
- Risk management is dynamic, iterative, and responsive to change.

4. Definitions

- “Board” means Board of Directors of the Company.
- “Company” means ISF Limited.
- "Directors” mean individual Director or Directors on the Board of the Company.
- “Policy” means Risk Management Policy.
- “RBI” means Reserve Bank of India.
- “RCM” means Risk Control Matrix.

5. Policy

Company recognizes that Risk management as one of the key drivers of growth and further to enhance corporate governance. Accordingly, the Board has framed the following Risk Management Policy:

- To continuously thrive for available risks in the organization, including those arising from significant funding transactions which directly or indirectly effect the functioning of the organization.
- To ensure the protection of rights & values of Shareholders by establishing a well-organized Risk Management Framework
- Selecting, maintaining, and enhancing the risk management tools used by the Program to provide analyses that inform and support the investment actions of the entire Organization.

6. Risk Management Framework

The Company shall follow the below framework:

Identification: Continuous identification of internal and external risks.

Assessment: Evaluating likelihood and impact of risks.

Mitigation: Implementing measures to manage and mitigate risks.

Monitoring: Ongoing review of risk environment and controls.

Reporting: Periodic reporting of significant risks to the Board.

7. Risk Governance

- The Board of Directors has overall responsibility for risk oversight.
- The Audit Committee will review the adequacy of risk management systems and practices.
- The Management Team will be responsible for day-to-day risk identification, assessment, and control implementation.

8. Key Risk Areas

(a) Credit Risk – Risk of default by borrowers; mitigated through due diligence, credit appraisal, portfolio diversification, and monitoring.

(b) Liquidity Risk – Risk of not meeting financial obligations; managed through Asset Liability Management (ALM) policy, liquidity buffers, and RBI guidelines compliance.

(c) Operational Risk – Risk from inadequate processes, systems, or external events; managed via internal controls, IT security, business continuity planning.

(d) Regulatory & Compliance Risk – Risk of non-compliance with laws; mitigated through regular monitoring, compliance framework, and expert guidance.

(e) Market & Interest Rate Risk – Managed via exposure limits, stress testing, and ALM framework.

(f) Reputational Risk – Managed through ethical practices, transparent disclosures, and stakeholder communication.

7. Review of Policy

This Policy shall be reviewed as and when required by the Board, in line with regulatory requirements and business needs.

Annexure- A

Risk Management Committee

S. No.	Name	Category
1	Mr. Hargovind Sachdev	Chairperson
2	Mr. Bhupendra Kaushik	Member
3	Mr. Vishal Dang	Member