Finideas Growth Fund – Scheme 1

(Registered under the SEBI (Alternative Investment Funds) Regulations, 2012)

INTERNAL POLICY ON OUTSOURCING

Version 2.1

Effective Date: 08 June 2026
Approved by: Board of the Investment Manager
Last Reviewed: 08 June 2026

1. OBJECTIVE

Finideas Growth Fund – Scheme 1 ("the Fund"), managed by Finideas Investment Advisor Private Limited ("Investment Manager"), follows a structured and fully implemented outsourcing governance framework.

The Fund undertakes outsourcing strictly in accordance with regulatory requirements, internal control standards, and risk management principles. Outsourcing is implemented only for operational efficiency and does not dilute the Fund's accountability, fiduciary responsibility, or regulatory obligations.

Finideas retains full responsibility for all outsourced functions and actively supervises every arrangement.

2. REGULATORY FRAMEWORK

Finideas Growth Fund – Scheme 1 operates in compliance with:

- Securities and Exchange Board of India
- SEBI (Alternative Investment Funds) Regulations, 2012
- SEBI Guidelines on Outsourcing of Activities by Intermediaries
- SEBI Master Circulars applicable to AIFs
- Companies Act, 2013 (where applicable)

All outsourcing agreements executed by Finideas contain mandatory regulatory access clauses, audit rights, compliance obligations, and reporting requirements as prescribed under SEBI regulations.

Regulatory accountability is not outsourced and remains with the Investment Manager at all times.

3. SCOPE OF OUTSOURCING

Finideas outsources only non-core operational and administrative activities.

The following functions remain under direct control of the Investment Manager:

- Investment decision-making
- Portfolio allocation
- Risk management oversight
- Regulatory reporting approval
- Investor grievance resolution
- Fiduciary oversight

Outsourcing arrangements do not result in delegation of ultimate responsibility.

4. OUTSOURCED FUNCTIONS

Finideas has implemented outsourcing arrangements for non-core activities such as:

- Fund accounting and administrative support
- Registrar & Transfer Agent (RTA) services
- IT infrastructure and secure data hosting
- Legal advisory and documentation support
- Compliance assistance under internal supervision
- Statutory and tax audit support
- Investor reporting assistance

Each such arrangement is supported by documented agreements and oversight mechanisms.

5. BOARD AND MANAGEMENT OVERSIGHT

The Board of the Investment Manager:

- Approves material outsourcing arrangements.
- Reviews outsourcing risk exposure periodically.
- Receives reports on vendor performance and material deficiencies.

Senior management:

- Conducts documented vendor evaluations.
- Reviews performance metrics.
- Escalates material issues to the Board.

Meeting minutes and approvals are formally recorded and maintained.

6. VENDOR SELECTION AND DUE DILIGENCE

Finideas follows a documented vendor due diligence process prior to engagement, which includes assessment of:

- Financial soundness
- Regulatory standing
- Operational capability
- IT systems and data security standards
- Business continuity framework
- Reputation and market credibility

A formal evaluation checklist is completed and retained for every vendor.

No vendor is engaged without documented approval and executed agreement.

7. RISK ASSESSMENT

Finideas conducts a structured risk assessment for each material outsourcing arrangement, covering:

- Operational risk
- Legal and contractual risk
- Reputational risk
- Data security risk
- Concentration risk
- Systemic exposure

The level of oversight is proportionate to the criticality of the outsourced function. Risk assessment records are maintained as part of compliance documentation.

8. CONTRACTUAL CONTROLS

All outsourcing arrangements are governed by written agreements that clearly define:

- Scope of services
- Service Level Agreements (SLAs)
- Reporting requirements
- Confidentiality obligations
- Regulatory access and audit rights
- Indemnity provisions
- Termination and transition clauses

- Data protection standards

Services are not commenced without a valid, executed agreement.

9. CONFIDENTIALITY AND DATA PROTECTION

Finideas implements strict data protection and confidentiality measures:

- Non-Disclosure Agreements are executed with all service providers.
- Investor information is shared strictly on a need-to-know basis.
- Access controls and security safeguards are maintained.
- Data storage and transfer mechanisms follow secure protocols.

Service providers are contractually obligated to report any data breach immediately.

10. REGULATORY ACCESS

All outsourcing contracts executed by Finideas provide:

- Unrestricted access to SEBI for inspection and audit.
- Access to books, records, and information relating to outsourced functions.
- Full cooperation during regulatory reviews.

Any non-compliance by a service provider is treated as a material contractual breach and addressed promptly.

11. MONITORING AND PERFORMANCE REVIEW

Finideas actively monitors vendor performance through:

- Periodic review meetings
- SLA performance tracking
- Compliance confirmations
- Audit reports
- Escalation mechanisms

Performance deficiencies are documented and corrective actions are implemented.

Material issues are escalated to senior management and the Board where necessary.

12. BUSINESS CONTINUITY

Finideas ensures that all critical service providers maintain:

- Documented Business Continuity Plans (BCP)
- Disaster Recovery mechanisms
- Backup infrastructure

Continuity preparedness is reviewed periodically.

Contingency planning is maintained to prevent operational disruption.

13. CONFLICT OF INTEREST MANAGEMENT

Finideas requires disclosure of potential conflicts from all service providers.

Where conflicts are identified:

- Appropriate safeguards are implemented.
- Segregation of duties is ensured.
- Material conflicts are reported to the Board.

Outsourcing arrangements do not compromise fiduciary independence.

14. CONCENTRATION RISK

Finideas periodically evaluates dependency on service providers and assesses concentration risk.

Where necessary, alternative arrangements or contingency providers are identified to ensure operational resilience.

15. EXIT STRATEGY

Finideas maintains documented exit and transition provisions within outsourcing agreements.

Termination clauses include:

- Transition assistance
- Data return or secure destruction
- Knowledge transfer obligations
- Non-disruption commitments

Exit readiness is reviewed during periodic oversight assessments.

16. RECORD KEEPING

Finideas maintains comprehensive records of:

- Vendor due diligence
- Risk assessments
- Executed agreements
- Monitoring reports
- Audit findings
- Board approvals

Records are preserved for a minimum of eight (8) years or as prescribed under applicable SEBI regulations.

Documentation is readily available for regulatory inspection.

17. INTERNAL AUDIT AND REVIEW

Outsourcing arrangements are subject to internal audit review.

Audit findings are reported to senior management and the Board. Corrective actions are implemented and documented promptly.

The Policy is reviewed at least annually or earlier in case of regulatory amendments.

CONCLUSION

Finideas Growth Fund – Scheme 1 follows a fully implemented outsourcing governance framework aligned with SEBI regulations and industry best practices.

Outsourcing arrangements are actively supervised, documented, risk-assessed, and monitored. The Investment Manager retains full fiduciary responsibility and ensures that investor interests, regulatory compliance, and operational integrity remain protected at all times.

Darji YogeshKUMAR Balvantbhai

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