G-TEC JAINX EDUCATION LIMITED
(Formerly Known as Keerti Knowledge and Skills Limited)

CIN: L72200MH1999PLC119661

POLICY ON INTERNAL FINANCIAL CONTROL

The Board of Directors of G-Tec Jainx Education Limited (Formerly Known as Keerti Knowledge and Skills Limited) has adopted the following Internal Financial Control Policy. Section 134(5)(e) of the Companies Act, 2013 requires, the Board of every Listed Company to lay down Internal Financial Control Policy to be followed by the Company which helps in ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records and timely preparation of reliable financial information.

OBJECTIVES

- To mitigate risks and provide reasonable assurance that operations are efficient and effective, assets are safeguarded.

- Financial reporting is accurate and reliable.
- To ensure Company's resources are used prudently and in an efficient, effective and economical manner.
- Resources of the Company are adequately managed through effective internal controls.
- A framework for an effective internal control system which conveys to managers that they are responsible for ensuring that internal controls are established, documented, maintained and adhered to across the Company's and to all Employees that they are responsible for adhering to those internal controls.
- To ensure the propriety of transactions, information integrity, compliance with regulations and achievement of Company's objectives through operational efficiency.

DEFINITIONS

"Act" shall mean the Companies Act, 2013 and the Rules made thereunder, including the modifications, amendments, clarifications, circulars or re-enactment thereof.

"Audit Committee" means Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and the Listing agreement.

"Board" means Board of Directors of the Company.

"**Books or Books of account**" as per sub-section (12A) of Section 2 of Income Tax Act, 1961 means "Books or Books of account includes ledgers, day-books, cash books, account-books and other books, whether kept in written form or as print-outs of data stored in floppy, disc, tape or any other form of electro-magnetic data storage device."

"**Company**" means G-Tec Jainx Education Limited (Formerly Known as Keerti Knowledge and Skills Limited).

"**Directors"** mean Directors of the Company.

"Financial Statement" as per Section 2(40) of Companies Act, 2013 in relation to a Company means a Statement which includes –

(i) a balance sheet as at the end of the financial year;

(ii) a profit and loss account, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year;

(iii) cash flow statement for the financial year;

(iv) a statement of changes in equity, if applicable; and

(v) any explanatory note annexed to, or forming part of, any document referred to in sub-clause (i) to sub-clause (iv):

"Internal Financial Control" as per Section 134(5)(e) of Companies Act, 2013 means" the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguard of its assets, the prevention and detection of its frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information."

`"Policy" means "Internal Financial Control Policy."

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

ELEMENTS OF INTERNAL CONTROL FRAMEWORK

The essential elements of an effective internal financial control framework are:

– Structure and culture of Organization;

– Delegations of Authority;

– Policies and procedures;

– Trained and properly qualified staff;

– Information Technology controls;

– Review process e.g. internal audit;

– Liaison with auditors and legal advisors;

– Senior Management compliance assurance;

– Risk identification and assessment

POLICY

Internal Controls include reviews of the following areas:

– Senior management, to be responsible for establishment of overall policies and active oversight of parameters and controls.

– Internal audit, to ensure that independent assessments are made encompassing functioning of various compliances under various statues and Rules & Regulations framed there under, adequate systems and procedures are at place for physical verification of stocks of raw materials, finished goods, stores and spare parts, work- in-progress, fixed assets and other assets, proper books of accounts, vouchers along with supports and other documents are maintained, confirmation of balances from debtors, creditors and other parties are obtained periodically/ at year end and proper systems and procedures are at place for internal control at various departments.

– Operational risks, including segregation of duties, checks and balances, protection of customer funds and securities, operating systems, management information systems, management reporting, front and back office operations, contingency planning and disaster recovery.

– And finally, to ensure that new products and activities are assimilated into the risk management system in a timely and appropriate manner.

For Effective Financial Control, The Board Of Directors And Senior Management Shall Ensure:

– Physical verification of inventories at reasonable intervals.

– Physical verification of all Fixed Assets at reasonable intervals.

– Adequate Internal Control procedure are at place for maintaining proper records in respect of sale/purchase of goods and services.

– All undisputed statutory dues including provident fund, Investor Education Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Rates and Taxes and other Statutory dues are paid within the prescribed time.

– Funds availed on short term basis are not used for long term investment.

– The funds raised through Public issue, Right issue, Preferential/Private placement shall be used for the purposes as stated in Prospectus/Offer Letter.

– The Company shall comply with all applicable Statutory Laws, Rules and Regulations.

– No loan or deposits exceeding Rs. 20,000/- or more are taken or accepted from any person otherwise than by an account payee cheque are account [payee bank draft (section 269 SS of income tax act 1961)

– No loan or deposits exceeding Rs. 20,000/- or more are repaid otherwise than by an account payee cheque are account [payee bank draft (section 269 T of Income Tax Act 1961)

– No expenditure exceeding 20,000/- is made otherwise than by an account payee cheque are account [payee bank draft (section 40 A(3) of Income Tax Act 1961)

ACCOUNTING POLICIES

The Financial Statement will be prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention follows (except for certain revalued fixed assets) on the accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties. The Company may adopt Accounting Policies to provide for:

– Methods of depreciation, depletion and amortization.

– Valuation of inventories

– Treatment of goodwill

– Valuation of investments

– Treatment of retirement benefits

– Recognition of profit on long- term contracts

– Valuation of fixed assets

– Treatment of contingent liabilities

BALANCE SHEET

The balance Sheet and Statement of Profit and Loss of the Company shall be in accordance with Schedule III of Companies Act, 2013.

REGULATORY FRAMEWORK/REQUIREMENTS

Internal Control Policy is framed as per the following regulatory requirements:

Relevant Extracts from Clause 49 of Listing Agreement:

49 (I) (C) Disclosure and Transparency

The Company shall ensure timely and accurate disclosure on all materiel matters including the financial situation, performance, ownership and governance of the Company:

– Information should be prepared and disclosed in accordance with the prescribed standard of accounting, financial and non- financial disclosure.

– The Company should implement the Accounting standards in letter and spirit in the preparation of financial Statements taking in to consideration the interest of all stakeholders and should also ensure that the Annual Audit is conducted by an independent, competent

and qualified auditors.

49 (I) (D). Responsibilities of Board

– Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.

– Ensuring the integrity of the Company's accounting and financial reporting systems, including independent audit, and that appropriate systems of control are in place, in particulars, systems for risk management, financial and operational control, and compliance with Law and relevant standards.

Other Responsibilities

– The board should ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognized or exposes the Company to excessive risk.

49(III) D. Role of Audit Committee

The role of the Audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending for appointment, remuneration and terms of appointment of Auditors of the Company.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements and Auditor's report thereon before submission to the board for approval, with particular reference to:

a. Matters required tobe included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management

d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. Qualifications in the draft audit report

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process.

8. Approval or any subsequent modifications of the transactions of the Company with related Parties.

9. Scrutiny of inter-corporate loans and investments.

10. Valuations of undertakings or Assets of the Company, wherever it is necessary.

11. Evaluation of internal Financial Controls and Risk Management Systems.

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

14. Discussion with internal auditors any significant findings and follow up there on.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

18. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

49 (VI) RISK MANAGEMENT

– The Company shall lay down procedures to inform the Board Members about the Risk Management and minimization procedures.

– The Company through its Board of directors constitute a Risk Management Committee. The Board shall define the Role and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management Plan to the Committee and such other functions as it may deem fit.

VII (D) RELATED PARTY TRANSACTIONS

All Related Party Transactions shall require prior approval of Audit Committee. However Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to following conditions:

(a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy of Related Party Transactions of the Company and such approval shall be applicable in respect of transactions in respect of transactions which are repetitive in nature.

(b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in interest in the company.

(c) Such omnibus approval shall specify (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: Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1crore per transaction.

(d) Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.

(e) Such omnibus shall be valid for a period not exceeding one year and shall require fresh approvals of after the expiry of One year.]

VIII DISCLOSURES

(A) Related Party Transactions

1. Details of all Material transactions with related parties shall be disclosed quarterly along with the Compliance Report on Corporate Governance.

2. The Company shall disclose the policy on dealing with Related Party Transaction on its Website and a web link thereto shall be provided in the Annual Report.

(B) Disclosure of Accounting Treatment

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction in the Corporate Governance Report.

Companies Act 2013:

Books of Account as per Section 2(13) of Companies Act, 2013 defines:

"Books of account" includes records maintained in respect of—

(i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;

(ii) all sales and purchases of goods and services by the company;

(iii) the assets and liabilities of the company; and

(iv) the items of cost as may be prescribed under section 148 in the case of a company which belongs to any class of companies specified under that section;

Provision of the Section 128 of Companies Act, 2013:

Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year and such books shall be kept on accrual basis and according to the double entry system of accounting

Provided that all or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place:

Provided further that the company may keep such books of account or other relevant papers in electronic mode in such manner as may be prescribed. [Sub-section (1) of Section 128]

Provision of the Section 129 of Companies Act, 2013:

– The financial statements of the Company shall give a true and fair view of the state of affairs of the Company and shall comply with the accounting standards as notified under section 133 and shall be in the form as may be provided in Schedule III.[Sub-section (1) of Section 129]

– Without Prejudice to sub-section (1) where the financial statements of the Company do not comply with the accounting standards referred to in sub-section (1), the company shall disclose in its financial statements, the deviation from the accounting standards, the reasons for such deviation and the financial effects, if any, arising out of such deviation.[sub-section(5) of Section 129]

Provisions of the Section 134 of the Companies Act, 2013:

(1) The financial statement, including consolidated financial statement, if any, shall be approved by the Board of Directors before they are signed on behalf of the Board at least by the chairperson of the company where he is authorised by the Board or by two directors out of which one shall be managing director and the Chief Executive Officer, if he is a director in the company, the Chief Financial Officer and the company secretary of the company, wherever they are appointed, for submission to the auditor for his report thereon.

(2) The auditors' report shall be attached to every financial statement.

(3) There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, which shall include—

(a) the extract of the annual return as provided under sub-section (3) of section 92;

(b) number of meetings of the Board;

(c) Directors' Responsibility Statement;

(d) a statement on declaration given by independent directors under sub-section (6) of section 149;

(e) in case of a company covered under sub-section (1) of section 178, company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178;

(f) Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made— (i) by the auditor in his report; and (ii) by the company secretary in practice in his secretarial audit report;

(g) particulars of loans, guarantees or investments under section 186;

(h) particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form;

(i) the state of the company's affairs;

(j) the amounts, if any, which it proposes to carry to any reserves;

(k) the amount, if any, which it recommends should be paid by way of dividend;

(l) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

(m) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;

(n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;

(o) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

(p) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors;

(q) such other matters as may be prescribed

(4) The report of Board of Directors shall be attached to the financial statements under this subsection.

(5) **The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) shall state that:**

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the Provisions of all applicable laws and that such systems were adequate and operating effectively.

(6) **A signed copy of every financial statement, including consolidated financial Statement, if any, shall be issued, circulated or published along with a copy each of—**

(a) any notes annexed to or forming part of such financial statement;

(b) the auditor's report; and

(c) the Board's report referred to in sub-section (3).

RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

- The Board's Report shall be prepared based on the stand-alone financial statements of the company and the report shall contain a separate section wherein a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies

included in the consolidated financial statement is presented.[Rule 8(1)]

- The details in respect of adequacy of internal financial controls with reference to the Financial Statements.[Rule (5) (viii)]

Provisions of the Section 177 of the Companies Act, 2013:

The Audit Committee assists the Board in the discharge of its duties regarding the Group's financial statements, accounting policies and the maintenance of proper systems of risk management and internal control.

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include—

(i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
(ii) (review and monitor the auditor's independence and performance, and effectiveness of audit process;
(iii) examination of the financial statement and the auditors' report thereon;
(iv) approval or any subsequent modification of transactions of the company with related parties;
(v) scrutiny of inter-corporate loans and investments;
(vi) valuation of undertakings or assets of the company, wherever it is necessary;
(vii) evaluation of internal financial controls and risk management systems;
(viii) monitoring the end use of funds raised through public offers and related matters.

The Audit Committee may call for the comments of the auditors about internal control , scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

INTERNAL AUDIT

Provisions of the Section 138 of the Companies Act, 2013:

Company shall be required to appoint an internal auditor, who shall either be a chartered accountant or a cost accountant, or such other professional as may be decided by the Board to conduct internal audit of the functions and activities of the company.