

# **FRAUD RISK & CONTROL POLICY**

### **Leadership Message**

This document outlines The Company's policy concerning fraud and provides guidelines for the implementation and enforcement of The Company Fraud Control Policy referred to hereafter as the 'Policy'. This policy and any future amendments are subject to the Board of Directors' approval.

### **Definitions**

The Company defines Fraud as a dishonest, unethical, irregular or illegal act or practice, characterized by deliberate intent at concealment of a matter of fact - whether by words or conduct - or false representation, which may result in a financial or nonfinancial loss to The Company.

### **Policy Objectives and Scope**

The Policy is designed to encompass the following:

- Maintain the highest standard of ethics, professional conduct and fiduciary duty & responsibility;
- Maintain integrity of The Company;
- Secure the Company's businesses;
- Protect the reputation of The Company and its employees; and
- Maintain the highest level of services to the community and individuals.

The Policy has been established to outline the requirements for the development of controls that will assist in the detection, prevention and response to Fraud. It is the intention of The Company to promote consistent organizational behavior by providing guidelines, assigning responsibility for the development of controls and conducting investigations when necessary.

### **Governance and Professional Ethics Statement**

The Company is committed to the highest ethical and moral standards, openness, and accountability. All employees across all levels are expected to share the same commitment and to lead by example in ensuring adherence to appropriate regulations, procedures, practices, and codes of ethics. The Company expects individuals and organizations with whom it does business with to act with honesty and at the highest standards.

### **Code of Ethics**

As per Attached document. ( CODE OF CONDUCT POICY)

**Audit Committee:-** Shall be a cross Functional team comprising of two HODs & a member of the board.

The Audit Committee Shall:

- Adopt a proactive approach to Fraud Risk Management;
- Assess, monitor, and influence the tone at the top by reinforcing a zero tolerance policy on Fraud;
- Appoint legal, accounting and other professionals when deemed necessary;
- Provide insight and guidance on implementing and strengthening the antifraud measures.

### **Management**

The Management shall be responsible for the development and implementation of the Fraud Risk Process, including each manager and employee's responsibility for detecting Fraud or related dishonest activities in their areas of responsibility.

The Company shall:

- Understand the Fraud risks associated in their function or which might occur in their area and be alert to them;
- Create a culture through actions and words where it is clear that Fraud is not tolerated, any such behavior is dealt with swiftly and decisively, and that whistleblowers will not suffer reprisal;
- Report to the relevant Board on what actions have been taken to manage Fraud risk and regularly report on the effectiveness of the Fraud Risk Process. This includes reporting any remedial steps that are needed, as well as reporting actual Fraud; and
- Ensure that reasonable check on new and existing suppliers, customers, and business partners to identify any issues of financial health, ownership, reputation, and integrity that may represent an unacceptable risk to the Company.

### **Staff**

All levels of staff, including Management, shall:

- Understand their roles within the internal control framework and how their job procedures are designed to manage Fraud risks and how non-compliance may create an opportunity for Fraud to occur or go undetected;
- Have a basic understanding of Fraud;
- Read and understand policies and procedures (e.g. the Fraud Policy, Code of Ethics, and other relevant policies and procedures);

- Participate in the process of creating a strong control environment, design and implement fraud control activities, as well as participate in monitoring such activities;
- Act with propriety in the use of the Company's resources and in the handling and use of funds whether they are in cash or payment systems and when dealing with contractors, suppliers or customers;
- Report immediately if they suspect or believe that there is evidence of irregular or improper behavior or that an incident of Fraud may have occurred;
- Refrain from further investigating the incident reported, confronting the alleged violator, or further discussing the incident with anyone unless requested to by the Audit Committee, Secretarial personnel; and
- Take into consideration the employee's right to report any Fraud or suspected Fraud cases.

### **Fraud Prevention**

Management must adopt a preventative approach for identifying, analyzing and managing the risk of Fraud that could prevent The Company from achieving its business objectives or strategies.

### **Tone at the Top**

Tone at the Top is set at an appropriate zero tolerance to Fraud; starting with the Chairman of the Board of Directors and each member of the Executive Management team.

### **Fraud Risk Assessment**

A Fraud Risk Assessment shall be performed on a systematic and recurring basis through Management Oversight, involve the appropriate personnel, consider relevant Fraud scenarios, and map those Fraud scenarios so that steps can be taken to prevent or mitigate the risks of Fraud. Fraud may occur in areas with no history of Fraud; thus, past instances or history is not an indication of whether the area is susceptible to Fraud or not.

### **Fraud Prevention Control**

Preventive controls are designed to assist The Company reduce the risk of Fraud from happening.

### **Disclosure of Conflict of Interest**

All employees and Stakeholders must disclose any personal or outside interest, relationship or responsibility (financial, professional or otherwise) held by the employee with respect to any potential or actual transaction, agreement or other matter which is or may be presented to

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management for consideration - even if such interest, relationship or responsibility has otherwise generally been disclosed. The relevant management has to be informed through the employee's

immediate superior or the Board of Directors if the person is a member of the Board. This should be documented in accordance with the requirement of the Code of Ethics, and any constraints placed on the situation must be monitored.

### **Authority Limits**

All employees are required to follow Delegation of Authority Matrices established across The Company. As a process-level control, individuals working within a specific function must be assigned limited IT access which will enable them to perform their duties.

### **Fraud Reporting Process**

- Each employee has the responsibility to report Fraud. Reports may be made directly through the channels in accordance with the Whistle blowing Procedures.
- There may be circumstances, because of the nature of the investigation or disclosure, or where it may be required under law or regulation, when it will be necessary to disclose the identity of the Whistleblower. This may occur in connection with associated disciplinary or legal investigations or proceedings.

If, in the company's view such circumstances exist, the company will inform the Whistleblower that his/her identity is likely to be disclosed. The organization confirms that reports made in good faith will not result in adverse action to the Whistleblower. Any malicious allegations may lead to appropriate disciplinary action.

### **Fraud Responses**

Response controls are designed to take corrective action and to correct fraudulent events caused by the fraudster.

### **Examples of Items to be reported**

The Company requires all persons to report - in good faith - any dishonest, unethical, irregular, or illegal act or practice including, but not limited to:

- Unlawful and/or illegal conduct such as theft, fraud, and external or internal corruption;
- A deliberate concealment of information;
- Failure to comply with The Company's policies & procedures;
- Failure to comply with applicable laws and regulations;

- Potential, perceived, or actual conflict of interest; and
- Any conduct which may cause harm (financial, reputational or otherwise) to the Company or any of its employees.

### **Investigation Procedure**

The procedures to be undertaken in each investigation are dependent upon the nature of the concern, complaint or reported breach and circumstances of the situation as it is presented.

Examples of procedures that may be followed:

- Obtain copy of concern /complaint or reported breach;
- Identify, secure and gather data in whatever form, including the changing of locks and system access (where necessary and/or applicable);
- Obtain and analyze documents;
- Conduct initial validation of the information received to understand whether or not the claims are valid versus trivial and baseless and out of malice;
- Interview relevant internal and external individuals, document the interview and obtain their acknowledgement on the facts;
- Secure documents and relevant evidence related to the suspected Fraud, such as contents of the suspect's office or workstation, personal computer, diary and files including all personal documents, where possible/applicable; and
- Document the minutes of meeting with people involved and acknowledges their acceptance of the findings, where possible, and drafts a report.

### **Documentation of Investigation**

The Investigation Team will objectively evaluate the results of its work steps to identify and present the facts in a clear and concise manner.

Work papers are considered to be any electronic, manual or other records created in support of an investigation other than a report or deliverable by the Investigation Team.

Examples of work papers that should be maintained include:

- Documentation of testing procedures;
- Tests and/or reconciliations of financial data records of interviews;
- E-mails related to the investigation; and

- Any consultation memo.

Following review of the investigation report, Management, the Board or one of its committees will determine whether additional investigations or corrective actions are warranted.

### **Reporting the Results**

The Investigation Team shall report its findings and recommendations to the party overseeing the investigation.

- Review the report and agree on action plans, inform the Audit Committee and MD/ED;
- Issue the report to management and request implementation of the recommendation.

### **Retention of Concerns, Complaints or Reported Breach**

Legal/Secretarial department will maintain a log of concerns, complaints or reported breaches. This log should be updated on a regular basis.

### **Corrective Actions**

After the investigation has been completed, the investigation team will request from the concerned department an implementation status of the recommendation made.

### **Review of Fraud Control Policy**

This Policy shall be reviewed and approved by the Board of Directors on recommendations from the Audit Committee and updated when deemed necessary.