



**Bharat
RASAYAN LIMITED**

UNIT-I

UNIT-II

Regd. Off. : 1501, Vikram Tower, Rajendra Place, New Delhi - 110008
Ph. : +91-11-43661111 (30 lines) • Fax : +91-11-43661100, 41538600
E-mail : info@bharatgroup.co.in • Website : www.bharatgroup.co.in
CIN : L24119DL1989PLC036264

FRAUD PREVENTION AND DETECTION POLICY

1. Purpose

The purpose of this policy is to establish comprehensive guidelines and procedures for preventing and detecting fraudulent activities within our company. The policy aims to safeguard the company's assets, protect its reputation, and maintain a culture of integrity and ethical behaviour.

2. Scope

This policy applies to all employees, contractors, consultants, vendors, and any other individuals associated with the company. It encompasses all aspects of the organization, including but not limited to financial transactions, procurement, inventory management, data security, and employee conduct.

3. Definitions

- **Fraud:** Any intentional act involving deception, misrepresentation, or unethical behaviour with the intent to obtain personal or financial gain or cause loss to the company.
- **Whistleblower:** An individual who reports suspected fraudulent activities in good faith, either internally or externally, and is protected by applicable whistleblower protection laws.

4. Responsibilities

- **Management:** Senior management is responsible for setting the tone at the top and establishing a strong anti-fraud culture throughout the organization.
- Senior management must allocate adequate resources, including financial, technological, and human resources, to support fraud prevention and detection efforts.
- Senior management will ensure that all employees receive appropriate training on fraud prevention, detection, and reporting.
- **Employees:** All employees are responsible for understanding and complying with this policy. Employees should promptly report any suspected fraudulent activities or potential fraud risks to their immediate supervisor, the designated fraud reporting line, or through established whistleblower channels. Employees are required to cooperate fully with any investigation into alleged fraudulent activities.

5. Fraud Prevention Measures

- **Code of Conduct:**
 - The company will establish and communicate a comprehensive code of conduct that outlines expected ethical behaviour and prohibits fraudulent activities.
 - The code of conduct should be easily accessible to all employees and regularly reinforced through training, internal communications, and awareness campaigns.



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- **Risk Assessment and Internal Controls:**

- The company will conduct regular risk assessments to identify potential fraud risks and vulnerabilities across all areas of the organization.
- Appropriate internal controls will be implemented to mitigate identified fraud risks. These controls may include segregation of duties, authorization and approval processes, checks and balances, and proper documentation procedures.
- Physical access controls and IT security measures will be implemented to protect sensitive information and systems from unauthorized access.

- **Training and Awareness:**

- The company will provide regular training programs to educate employees about fraud risks, detection techniques, and reporting procedures.
- Employees will be trained to recognize red flags, such as unusual financial transactions, suspicious behaviour, or unauthorized access to company resources.
- Training will emphasize the importance of reporting suspected fraudulent activities promptly and provide guidance on how to make such reports.

- **Whistleblower Protection:**

- The company will establish clear procedures for reporting suspected fraudulent activities, including anonymous reporting channels.
- Whistleblower reports will be treated confidentially to the extent possible, and the company will protect whistleblowers from retaliation in accordance with applicable laws and regulations.
- The company will investigate all whistleblower reports promptly and take appropriate action.

6. Fraud Detection Measures

- **Monitoring and Analysis:**

- The company will implement monitoring systems and data analytics tools to detect unusual patterns, anomalies, or suspicious transactions.
- Regular data analysis will be conducted to identify potential fraudulent activities, including but not limited to financial data, employee behavior, procurement records, and vendor relationships.

- **Incident Reporting and Investigation:**

- All employees are required to report suspected fraudulent activities promptly and through designated channels.



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- An incident response team, consisting of appropriate representatives from legal, compliance, finance, and HR departments, will be responsible for investigating reported incidents.
- Investigations will be conducted discreetly, and all information related to the investigation will be treated confidentially, following legal and regulatory requirements.

- **Collaboration with Authorities:**

- If necessary, the company will cooperate fully with law enforcement agencies and regulatory authorities in the investigation and prosecution of fraud cases.
- The company will maintain appropriate records and documentation to support legal proceedings, if required.

7. Consequences

- Any employee found guilty of engaging in fraudulent activities will be subject to disciplinary action, up to and including termination of employment. The severity of the consequences will depend on the nature and extent of the fraud.
- The company reserves the right to pursue legal remedies to recover losses resulting from fraudulent activities and to hold responsible parties accountable.

8. Policy Review

This policy will be periodically reviewed and updated, at least annually, to ensure its effectiveness and alignment with changing business needs, industry best practices, and evolving legal and regulatory requirements.