



FRAUD PREVENTION POLICY



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VANYA STEELS PRIVATE LIMITED

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Fraud Prevention Policy

VANYA STEELS PRIVATE LIMITED

1. Introduction

Vanya Steels Private Limited (VSPL) is committed to fostering a culture of transparency, accountability, and ethical behaviour in all its operations. This Fraud Prevention Policy establishes a structured framework to prevent, detect, and respond to fraud effectively, safeguarding the company's assets, reputation, and the interests of its stakeholders. This policy reflects VSPL's zero-tolerance approach towards fraudulent activities and its commitment to maintaining the highest standards of corporate governance.

2. Objective

The primary objectives of this policy are:

- To promote a culture of integrity and ethical behaviour within the organisation.
- To clearly define responsibilities for fraud prevention, detection, and reporting.
- To establish processes for investigating and addressing suspected fraud.
- To protect VSPL's assets and ensure compliance with legal and regulatory requirements.
- To foster trust among employees, customers, vendors, and other stakeholders.

3. Scope

This policy applies to all employees, including permanent, temporary, and contractual staff, vendors, contractors, customers, and other parties engaged with VSPL. It covers internal and external fraud across all business units, subsidiaries, and operational locations. The policy is integral to VSPL's overall governance framework and complements other policies such as the Code of Conduct, Whistleblower Policy, and Risk Management Policy.

4. Definition of Fraud

Fraud is any intentional act or omission to deceive, misrepresent, or conceal facts for personal or organisational gain. Examples of fraudulent activities include, but are not limited to:

- Misappropriation of funds, securities, or assets.
- Forgery or falsification of documents, records, or financial statements.
- Unauthorized destruction, removal, or misuse of company property.
- Bribery, corruption, or acceptance of kickbacks.
- Insider trading or misuse of confidential information.
- False representation of business activities or transactions.
- Collusion with external parties to defraud the company.

5. Roles and Responsibilities

- **Board of Directors:** Responsible for overall governance and ensuring the implementation of a practical fraud prevention framework.
- **Audit Committee:** Oversees fraud risk management processes and reviews reports on fraud-related matters.
- **Fraud Risk Management Committee (FRMC):** This committee monitors fraud risks, investigates reported cases, and recommends corrective and preventive actions.
- **Fraud Control Officer (FCO):** This person is the central point of contact for fraud-related matters, coordinates investigations, and ensures compliance with this policy.
- **Employees and Stakeholders:** Expected to adhere to ethical standards, report suspected fraud and cooperate with investigations.

6. Reporting Fraud

- Any suspected fraud must be reported promptly to the designated FCO or Nodal Officer. Reports can be made through email, written communication, or the company's whistleblower mechanism.
- Anonymous complaints will be reviewed if they provide sufficient detail to facilitate an investigation.

- All reports will be treated confidentially to protect the complainant and accused's identity and reputation.

7. Investigation Process

- Upon receiving a fraud report, the FRMC will appoint an investigator to conduct a thorough and impartial investigation.
- Investigations will involve gathering evidence, interviewing relevant parties, and analysing records to establish facts.
- The investigation will be conducted fairly, ensuring due process and neutrality.
- The findings will be reviewed by the FRMC, which will recommend appropriate actions, including disciplinary measures, legal proceedings, or closure of the case if fraud is not substantiated.

8. Preventive Measures

- Regular fraud risk assessments and audits will be conducted to identify and mitigate vulnerabilities.
- Mandatory training programs will be organised to educate employees and stakeholders about fraud prevention and ethical practices.
- Anti-fraud clauses will be included in all contracts with vendors, customers, and business partners.
- VSPL's leadership will actively promote a culture of transparency and accountability.

9. Disciplinary Action

- Employees found guilty of fraud will face disciplinary actions, including termination of employment and legal proceedings.
- Vendors, contractors, or other stakeholders involved in fraudulent activities may face contract termination, blacklisting, and legal action.

- Employees who fail to report known fraud or intentionally provide false information may also be subject to disciplinary action.

10. Awareness and Communication

- VSPL will communicate this policy to all employees, contractors, and stakeholders through training sessions, internal communications, and the company's website.
- All employees will take an annual integrity pledge to reinforce their commitment to ethical practices and fraud prevention.

11. Confidentiality

- All information related to fraud reports and investigations will be handled strictly.
- Details of investigations will only be disclosed to individuals who need to know to resolve the matter.

12. Monitoring and Review

- The Fraud Prevention Policy will be reviewed annually by the FRMC to ensure its relevance and effectiveness.
- Updates to the policy will be approved by the Board of Directors and communicated to all stakeholders.

13. Material Amount

Under this policy, a material amount is defined as any fraud or suspected fraud involving a financial impact exceeding INR 1,00,000 or equivalent or any case that can potentially cause significant reputational damage to VSPL. Such cases will be escalated to the Audit Committee and Board of Directors for immediate review and action.

14. Implementation and Administration

The Chairman and Managing Director (CMD) will oversee the implementation and administration of this policy, which the FRMC supports. Any revisions to the policy will be subject to Board approval.

15. Approval and Implementation

The Board approves this policy of Directors, and it is effective immediately. All employees, contractors, and stakeholders are required to comply with its provisions.