



DIAMOND POWER INFRASTRUCTURE LIMITED

Corporate Office: A2- 12th Floor, "Palladium",
Near Orchid Wood, Opp. Divya Bhaskar,
Corporate Road, Makarba,
Ahmedabad 380 051 Gujarat
Website: www.dicabs.com

COMPANY CIN NO. -L31300GJ1992PLC018198

POLICY FOR PREVENTION OF FRAUD

(Effective from May 27, 2024)

Policy for Prevention of Fraud

1. Preamble:

This policy is established to facilitate the development of controls that will aid in the prevention and detection of fraud against the Company and reporting of any fraud that is detected or suspected and fair dealing of matters pertaining to fraud. The main aim of the policy is to safeguard the financial viability and reputation through improved management of fraud risk.

As per section 447 of the Companies Act, 2013 (hereinafter referred to as “the Act”), “fraud” in relation to affairs of a Company or anybody corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the Company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss.

2. Purpose:

“DIAMOND POWER” seeks to be an organization that is accountable, transparent and ethical in its management and governance. This Policy is framed with the purpose of:

- Promoting ethical environment at Company.
- Safeguarding the reputation and financial viability through improved management of fraud risk.
- Promoting a culture at Company of fraud prevention by all employees, business associates, vendors, customers and others having dealings with the Company.
- Creating awareness among senior management, employees, and third parties having business dealings with the Company of their responsibilities towards prevention, detection and reporting of fraud.
- Establishing procedures for identification, prevention and detection of fraud.

3. Definitions:

“Wrongful gain” means the gain by unlawful means of property to which the person gaining is not legally entitled;

“Wrongful loss” means the loss by unlawful means of property to which the person losing is legally entitled.

“Stakeholders” means and includes value-chain partners like suppliers, service providers, sales representatives, contractors, channel partners (including dealers), consultants, intermediaries like distributors and agents, joint venture partners; and lenders, customers, business associates and others with whom the Company has any financial or commercial dealings Employees of other agencies deployed for the Company’s activities, whether working from any of the Company’s offices or any other location.

Section 177(9) of the Act, requires that every listed company or such class of companies, as may be prescribed under Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended), shall establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed.

As per section 143(12) of the Act, if an auditor of a Company, in the course of the performance of his duties as auditor, has reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company, he shall immediately report the matter to the Central Government within such time and in such manner as prescribed.

Fraud is a broad legal concept. It involves willful concealment or misrepresentation of facts by an individual with the intention to obtain an unjust or illegal advantage.

4 Scope & Applicability

This policy is an integral part of “Diamond Power” overall Governance framework and should be read and applied in conjunction with other policies and procedures particularly, Code of Conduct for Board Members and Senior Management personnel, Whistle Blower policy, etc.

The policy shall apply to any fraud, or suspected fraud, involving all stakeholders of the Company.

5. Fraudulent Activities:

This Policy prohibits incidences of fraudulent activities. The indicative fraudulent activities are listed below and includes:

- Misuse of funds of Company for personal purposes.
- Misappropriation of assets, securities, or supplies.
- Destruction or disappearance of records, furniture, fixtures, or equipment where theft is suspected.
- Forgery or unauthorised alteration of a cheque, bank draft, account, or any other financial instrument and any other document belonging to the Company.
- Manipulation, falsification or alteration of accounting records.
- Forgery or alteration of employee benefit or salary related items.
- Making false written or oral statements or representation with respect to Company activities.
- Irregularity in the handling or reporting of money or financial transactions.
- Irregularities in foreign exchange transactions.
- Profiteering as a result of insider knowledge of Company’s activities.
- Disclosing confidential information to unauthorized parties.
- Negligence and cash shortages.
- Abuse of position of trust
- Authorizing or receiving payments for goods not supplied or services not rendered.
- Bribery or kickbacks
- Accepting or seeking anything of material value from contractors, vendors, or persons providing

services/materials to the Company

- Any other act that falls under the scope of fraudulent activity.

6. Prevention of Fraud:

“DIAMOND POWER” expects all employees within the “DIAMOND POWER” Group to be honest and fair in their dealings. “DIAMOND POWER” will not tolerate any level of fraud and such incidence will be investigated, with disciplinary actions.

For effective Fraud prevention, the Company shall implement below actions:

- **Awareness Raising and Training**
 - Communication of this Policy and training the employees
 - Conducting regular Meetings with the staff members and exit interviews for all employees
- **Culture of Compliance and Ethics**
 - Formulation of Code of Conduct for employees and suppliers that makes it clear that unethical behavior will not be tolerated
- **Risk Management**
 - Establishment Fraud Risk Management Framework
 - Regular review by Risk Management Committee
- **Internal Controls**
 - Establishing internal control system by restricting access to financial account data, inventory access,
 - Establishing multi-person sign-off on expense reimbursements.
 - Internal Audit of areas that deal in cash, refunds, product returns, inventory management, and accounting functions.
- **Monitoring and investigation**
 - Scrutinizing books of accounts.
 - Provide oversight of agency operations and management to Board of Directors of Company.
 - Where a prima facie case of fraud has been identified the matter shall be investigated

7. Reporting Allegations of Fraud

Employees shall report any incidence of fraud promptly and shall refer to Whistle Blower Policy for reporting any incidence of fraud. If an allegation is determined to have been made frivolously, in bad faith, maliciously, for personal gain or for revenge, disciplinary action will be taken against the person making such an allegation.

8. Investigation of Fraud:

Upon discovery of fraud, the same shall be reported to Whistle Officer / Whistle Blower Committee who shall promptly arrange to investigate the fraud. The Committee shall investigate the case as per the applicable policies and procedures of the Company. The Committee shall report the outcome of the investigation to the Audit Committee.

9. Disciplinary/Corrective Action:

Failure to comply with this policy or an employee who is engaged in any form of fraud or an employee who suspects or discovers fraudulent activity and fails to report the same as required by this policy or an employee who intentionally reports false or misleading information is subject to disciplinary action.

10. Confidentiality:

The Company will treat all information received as part of a complaint or an investigation confidentially. The existence and nature of a report or investigation details shall not be disclosed, other than to those who need to know for the purposes of investigating or dealing with the matter.

11. Amendment:

The Company reserves the right to vary and/or amend the terms of this Policy from time to time.
