

Godrej Infotech Ltd.

Regd. Office: Pirojshanagar, Vikhroli,
Mumbai 400079, India

T: + 91-22-2518 1722

F: + 91-22-2518 1728

www.godrejinfotech.com

CIN: U32100MH1997PLC106135

GITL/HRD/POLICY/2023/007

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FRAUD INVESTIGATION GUIDELINES**1. CONTEXT:**

Presently, Godrej Infotech Ltd., and its affiliates and subsidiaries ("the Company") do not have any documented approach towards handling of suspected financial irregularities or frauds. Hence, decision regarding carrying out investigations or its modus operandi is left to the local units. Sometimes, this results in a sub-optimal handling of the incident in question.

2. OBJECTIVE:

The Fraud Investigation Guidelines aim to define a company-wide, standardized framework for investigation, documentation and monitoring of the investigations conducted. The learning from such investigations can then be used to rectify business processes such that financial irregularities and fraud are ultimately prevented, to the maximum extent possible.

These guidelines have to be read in conjunction with the following policies which the Company has already adopted:

- a. [Code of Ethics and Business Conduct](#)
- b. [Whistleblower policy](#)
- c. [Policy on prevention of sexual harassment at workplace](#)

3. SCOPE:

These guidelines apply to any irregularity, or suspected irregularity, involving employees as well as consultants, vendors, contractors, outside agencies and their employees, and/or any other parties with a business relationship with the Company.

All investigative activity required will be conducted without any regard to the suspected wrongdoer's length of service, position / title, or relationship with the Company.

All investigations will be conducted in accordance with the legal framework applicable.

4. INVESTIGATION FRAMEWORK:**4.1 Responsibility:**

Key managerial personnel are responsible for the detection and prevention of fraud, misappropriations, and other irregularities. As per the Companies Act, 2013, "key managerial personnel", in relation to a company means –

- a. the Chief Executive Officer or the Managing Director or the Manager;
- b. the Company Secretary/ Head of Finance;
- c. the Whole-time Director;
- d. the Chief Financial Officer; and
- e. any other officer as may be prescribed

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4.2 Fraud:

Fraud, as per the Companies Act, 2013 is defined as: 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.

4.3 Other Irregularities:

In case of irregularities concerning an employee's moral, ethical, or behavioural conduct in relation to a fraud, the Code of Ethics and Business Conduct and Policy on prevention of sexual harassment at workplace would also apply.

4.4 Fraud Investigation Process:

1. The following sources of information would be considered by the Committee to commence an investigation:
 - a. any irregularity that is detected or suspected during the normal course of audit by the Holding Companies Internal audit team
 - b. tip offs received from stakeholders
 - c. information received from security department
 - d. concerns expressed by Business heads / Functional Heads etc.
 - e. any information that is received under the Whistleblower policy

The information thus received would be immediately passed on to the Company Secretary/ Head of Finance, Holding Companies Head – Internal Audit and the Head – Human Resources who will jointly discuss and take decision on how to proceed with the investigation.

2. An investigation would be conducted by teams formed as follows:

Holding Companies Internal Audit team, Head – Human Resources, Head of Finance or any other person nominated by the Head.

Help of forensic experts and / or security department may be availed on a case-to-case basis.

During an investigation process, in case an employee or the concerned party is not cooperating or the Committee is facing any other difficulties, then the Fraud Investigation Committee can reach out to the concerned Business Unit head or the Chairman of the Company and seek his / her intervention.

3. A Fraud Investigation Report (FIR) on the results of the investigation will be made by the investigating team and submitted to the Fraud Investigation Committee, which will examine the same and give its recommendations.

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4. The Fraud Investigation Committee (hereinafter referred to as the Committee) will comprise the Company Secretary/ Head of Finance (Presiding Officer), Head – Human Resources, Holding Companies Head – Internal Audit or nominees of the above.
5. The Fraud Investigation Committee will study the FIR and the evidence submitted therein to ensure that the investigation has been conducted fairly and thoroughly. It will endorse / suitably modify the FIR and submit the final Fraud Investigation Report to the Chairman of the Company who will jointly take a decision on the matter concerned along with the Company Secretary/Head of Finance, Head – Human Resources and Holding Companies Head – Internal Audit.

All employees are expected to cooperate in the investigation process.

In case, an employee wishing to report the Fraud is not clear if that behavior/ act qualifies to be a Fraud, then he / she should clarify the same with Head – Human Resources.

5. Fraud documentation:

In order to ensure complete documentation of frauds investigated and completed, a fraud incidence register will be maintained by the Holding Companies Internal Audit department in which the details of the frauds investigated will be recorded. Details will include the relevant particulars of the person / ~~organisation~~ who allegedly committed the fraud or irregularity, nature of fraud / irregularity, period for which the fraud was investigated, amount involved, result of investigation, actions taken and legal action taken (if any). All documentary evidence collected in regard to the investigation conducted (including audio / video recording of interrogations, if any) will be in the custody of the Holding Companies Internal Audit Department.

The fraud incidence register will be shared with the Head – Human Resources and the Company Secretary/Head of Finance.

6. Confidentiality:

Investigation results *will not be disclosed or discussed* with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of person(s) suspected but subsequently found innocent of wrongful conduct and to protect the Company from potential civil liability.

7. Authorization for investigating suspected fraud:

Members of the fraud investigating teams will have:

- ☐ Free and unrestricted access to all Company records and premises, whether owned or rented; and
- ☐ The authority to examine, copy, and / or remove all or any portion of the contents of files, desks, cabinets, computers and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

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8. Reporting by statutory auditors on frauds:

The Ministry of Corporate Affairs vide notification dated December, 14, 2015, in exercise of the powers conferred by sub-section (12) of section 143 read with sub-section (1) of section 469 of the Companies Act, 2013 (18 of 2013), has made amendments to the Companies (Audit and Auditors) Rules 2014, whereby a statutory auditor of the company is required to report to the Central Government about an offence of fraud involving or expected to involve individually an amount of rupees one crore or above, committed against the company by its officers or employees.

In case of a fraud involving amount lesser than rupees one crore, the auditor shall report the matter to the Audit committee or to the Board.

9. Administration:

The Head – Human Resources is responsible for the administration, revision, interpretation and application of these guidelines. These guidelines will be reviewed and revised as needed.

We hope and expect that these guidelines will ensure that all investigations pertaining to irregularities and fraud are conducted in a fair and thorough manner so that the Company's best interests are protected over the long-term.

For Godrej Infotech Ltd.,



Ajay Pimparkar
Chief Executive Officer

Date: 14-04-2023

