

INTERNAL CONTROLS AND FRAUD PREVENTION.

The Board of Directors feels that the Internal Control system of the Company is and its Subsidiaries is sufficient for the business of the Company and its Subsidiaries. The Board recognizes the importance of a sound control system considering the nature of the Company's business, the risk factors and the environment in which the Company operates.

1. Organisation control and environment measures

The Company has set up policies including the Corporate Governance and Business Ethics and has employed internal controls commensurate with the size of its business and the complexity of its operations. The Company sets measurable goals and clear strategy for its business. The Company believes that this environment will promote efficiency and continuity in the long run.

2. Risk Management

The Company identifies key risks faced by it and monitors the risks as well as the mitigation processes identified by the management. The Company believes in taking calculated risks with duly planned mitigation processes.

3. Management Control

The Company has drawn an authorization table which is approved by the Board of Directors and has been provided to the Company's management team. The Company has also drawn and communicated the scope of authorities and responsibilities for key positions and also the Board Committees.

4. Information and Communication measures

The Company assigns importance and works continuously towards building an accurate, reliable and prompt information system suitable for its business. The Company has adopted and implemented an Information Technology policy and has set up an Internal and External Communication system. The infrastructure is sufficient to enable the Company to compile its financial results on a timely basis.

The Company sends all information to the Board on a timely basis and with reasonable details. The minutes of meetings are drafted and circulated to the Directors in reasonable details.

5. Monitoring

The Company sets measurable goals and compiles the financial performance and the position and compares the same with the goals. The Company takes necessary correction actions as may be required. The Board of Directors takes note of the Audit

Committee's report on evaluation of Internal Control systems and is reasonably satisfied with the sustainability and performance of the Internal Control systems. Moreover, there have been no significant findings by the external auditor concerning the Internal Control systems of the Company.

6. Fraud Prevention

The Internal Control Systems and the Internal Checks of the Company are designed to detect frauds to the maximum extent possible. The Company follows an efficient system of accounting and operations which is constituted in an ERP software and apart from that follows a system of monthly reviews. The Company has implemented Authorization tables and Authority Charts which are subject to Audits by Internal Auditors. The Company has an effective Risk Management Framework and process. The Company has implemented AntiBribery policy and SOPs. In Summary, The Human Resources functions, effective checks and Controls, the Mega Values framework, Policy environment, Internal and External Audits, Internal Checks, Internal Controls and the Information Technology systems are the available and seemingly effective tools for the Company aimed at Fraud Prevention.