JSW INVESTMENTS PRIVATE LIMITED

Fraud Risk Management & Prevention Policy

Policy Title	Fraud Risk Management & Prevention Policy
Version Number	1.0
Effective Date	29th June, 2026
Authorised by	Board of Directors
Number of Revisions	-

1. Policy Requirements

The Fraud Risk & Prevention Policy has been formulated in compliance with the guidelines issued by RBI on Master Direction - Fraud Risk Management in NBFCs Directions 2024, doc vide RBI/DOS/2024-25/118 DOS.CO.FMG.SEC.No.5/23.04.001/2024. The policy shall be the guidance documents in preventing, detecting, investigating, and reporting fraud in JSW Investments Private Limited (referred to as "JIPL" or "the Company").

2. Scope of the Policy:

This policy is applicable to any instances of fraud, whether confirmed or suspected, involving employees, external agencies, and individuals with a business relationship with JIPL.

3. Objectives of the Policy:

This policy aims to install a proactive approach within the company for identifying, analyzing, and managing the risk of fraud. The company will maintain a zero-tolerance stance toward fraud across all levels and will implement measures to prevent fraud

The Policy is designed to achieve the following objectives:

- Establishing procedures and controls that facilitate fraud detection and prevention.
- Providing guidance to employees on fraud prevention, identification, and detection.
- Developing internal controls.
- Promptly documenting and reporting fraud incidents.
- Offering essential training to staff to enhance their awareness and capabilities in fraud prevention.

4. Actions constituting Fraud:

Fraud is defined as a deliberate act carried out by an individual through deception, suppression, cheating, or any other illegal means, leading to wrongful gain for oneself or others and causing wrongful loss to others. Examples of fraudulent activities include:

- Misappropriation of funds or assets.
- Criminal breach of trust and misappropriation.
- Fraudulent cashing of forged instruments, manipulation of financial records, or using fictitious accounts.
- Cheating and documents forgery.
- Fraudulent electronic banking / digital payment related transactions committed on NBFCs; and

5. Fraud Detection & Control:

Fraud detection involves identifying actual or potential instances of fraud. This can be accomplished through onsite inspections of processes, employees, documents, or by recognizing early warning signals

A Board Level Committee, similar to Risk Management Committee shall review the Early Warning Signals framework for its suitable validation in accordance with its directions.
The framework shall cover the below mentioned:

- EWS triggers and monitoring of the same,
- Remedial actions for the triggers
- Periodic review of portfolio and control mechanisms

The early warning indicators can be from

- Credit Monitoring: Unusual Portfolio Behavior indicating potential fraud
- Whistleblowers: Employees or insiders who notice suspicious activities can report them
- Audits: Regular audits can help detect irregularities or frauds

The frauds can be prevented by taking control measures as below:

- Periodic training programs for all employees on real life scenarios, recent fraud cases and Fraud Detection & Prevention
- Implementing preventive internal controls through appropriate process changes

6. Fraud Monitoring:

The Company shall set-up an appropriate organizational structure for institutionalization of fraud risk management within their overall risk management functions.

The Risk Team on periodic basis, share Fraud reports, if any and dashboards with internal management and stakeholders. All potential fraud/suspected reports will be reported to the Internal Audit team.

7. Staff Accountability:

In all fraud cases, staff accountability will be mandatorily explored. It is required to

- confirm whether there was any lapse / mala-fide on part of employee which led to fraud and
- if so then to take action against the staff concerned.

The Company shall put in place a transparent mechanism to ensure that Whistle Blower complaints on possible fraud cases / suspicious activities in accounts(s) are examined and concluded appropriately under Whistle Blower Policy

8. Fraud Reporting:

The Company shall issue an extensive Show Cause Notice (SCN) to the individuals, organizations, and promoters, as well as the executive directors and full-time employees, against whom the fraud allegations are under investigation. The Show Cause Notice shall capture the details about the transactions, acts, and occurrences which constitute the basis for the declaration and reporting of fraud.

9. Special Committee:

A Special Committee to the Board for Monitoring and Follow-up of Cases of Frauds (SCBMF) shall be formed in line with regulatory guidelines to oversee the effectiveness of the fraud risk management in the Company and to review and monitor cases of frauds.

(a) Reporting to the Board:

In addition to the actions set out by the policy above, the risk team shall also notify the RMC/Board of Directors of the Company as follows:

- Information relating to frauds for the quarters ending March, June and September shall be placed before the Board of Directors during the subsequent month of the following quarter.
- Irrespective of the quantum, all instances of Fraud will be reported to the Director / Committee.
- Where the quantum of the fraud exceeds Rs.1,00,000/- (Rupees One Lakh), the fraud shall be promptly reported to the Managing Director/Board after the same are proved in the preliminary investigation.
- It is to be ensured that information relating to all the attempted frauds involving Rs. 25 lakhs or more shall be placed before the Audit Committee of the Board (with details of fraud).
- In addition to the above, The Company shall conduct an annual review of the frauds and place a note before the Board.

10. Fraud Governance:

Closure of Frauds:

Prior approval from the respective Regional Offices of RBI/SSM Concerned is required for closure of fraud cases

a) Statistical Closure:

Fraud cases involving amount up to ₹25 lakhs, may be closed for limited statistical / reporting purposes where:

- the investigation is on, or challan / charge sheet not filed in the Court for more than three years from the date of filing of First Information Report (FIR) by the CBI / Police; or
- the trial in the courts, after filing of charge sheet / challan by CBI / Police, has not started, or is in progress.

11. Updates or revisions:

The policy will be reviewed and updated at least once in every 3 years basis regulatory guidelines.