

**INTERNAL FINANCIAL CONTROL POLICY**

**OF**

**CASPIAN CORPORATE SERVICES LIMITED**  
*(FORMERLY KNOWN AS INTELLIVATE CAPITAL ADVISORS LIMITED)*

## INTERNAL FINANCIAL CONTROL POLICY

### INTRODUCTION

Pursuant to provisions of Section 134(5)(e) of the Companies Act, 2013, the Board of every Listed Company shall lay down Internal Financial Control Policy to be followed by the company which helps in ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records and timely preparation of reliable financial information.

### DEFINITIONS:

"**Audit Committee**" means Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and the Listing agreement.

"**Board of Directors**" or "**Board**" in relation to a Company, means the collective body of Directors the Company. [Section 2(10) of the Companies Act, 2013]

"**Books and paper**" as per sub-section (13) of Section 2 of Companies Act, 2013 includes Books of account, deeds, vouchers, writings, documents, minutes, registers maintained on paper or in electronic form.

"**Financial Statement**" as per Section 2(40) of Companies Act, 2013 in relation to a Company means a Statement which includes --

- i. Balance Sheet as at the end of the financial year;
- ii. Statement of Profit and Loss, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year;
- iii. Cash Flow Statement for the financial year;
- iv. A statement of changes in equity, if applicable; and
- v. Any explanatory note annexed to, or forming part of, any document referred to in sub-clause (i) to sub-clause (iv):

"**Internal Financial Control**" as per Section 134(5)(e) of Companies Act, 2013 means "the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguard of its assets, the prevention and detection of its frauds and errors, the

accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.”

**"Policy"** means “Internal Financial Control Policy.”

### **OBJECTIVES:**

**The objectives of this Policy are:**

- To mitigate risks and provide reasonable assurance that operations are efficient and effective, and assets are safeguarded;
- Financial reporting is accurate and reliable;
- To ensure Company’s resources are adequately managed, used prudently and in an efficient, effective and economical manner through effective internal controls;
- A framework for an effective internal control system which conveys to all concerned officials that they are responsible for ensuring that internal controls are established, documented, maintained and adhered to across the Company’s and to all Employees that they are responsible for adhering to those internal controls;
- To ensure the propriety of transactions, information integrity, compliance with regulations and achievement of Company’s objectives through operational efficiency; and
- To ensure prevention and detection of frauds and errors and taking appropriate further action thereon.

### **ELEMENTS OF INTERNAL CONTROL FRAMEWORK:**

The following are presently considered as essential elements of an effective internal financial control framework:

- Nature of business and systems adopted in the organization;
- Delegation of authority at different levels depending upon the nature and the industry in which the company operates and to provide for periodical review of the same;
- Transparent Policies and simplified procedures;
- Trained and properly qualified staff;
- Information Technology controls, with inbuilt protection mechanism ;
- Review of the areas and process of internal audit and such other control functions;
- Co-ordination with and guidance from auditors and legal advisors;

- Assurance of and adherence to compliance by Senior Management;
- Identification, assessment, prevention of and protection against all types of risks.

### **KEY NOTES ON INTERNAL CONTROL POLICY:**

**With a view to periodically review and strengthen the Policy, the following factors would be taken into account:**

- Establishment of overall policies and active oversight of parameters and exercise of controls, by Senior management;
- Ensure that independent assessments are made encompassing functioning of various compliances under various statues and Rules & Regulations framed there under, adequate systems and procedures are at place for physical verification of content of business materials, fixed assets and other assets, proper books of accounts alongwith related records;
- Ensure operational risks covering contingency planning and disaster recovery with adequate checks and balances;
- Revise, review and modify various activities periodically.

**Besides, to ensure effective financial control, the Board of Directors and Senior Management shall ensure:**

- Physical verification of content of business materials and all Fixed Assets at reasonable intervals.
- Compliance with payment of all statutory dues within the prescribed time.
- Utilization of Funds borrowed and funds raised through various processes of issues of securities for the purposes as stated the respective document/s.

### **ACCOUNTING POLICIES:**

The Financial Statement will be prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) and the applicable provisions of the Companies Act, 2013 as may be amended from time to time.

- In line with the industrial practice and the nature and size of the operations of the company, it is open for the company to adopt suitable policy, subject to appropriate statutory compliance, in relation to methods of depreciation,

depletion and amortization, valuation of assets in trade, investments and such other activities as may be required and applicable, from time to time.

**REGULATORY FRAMEWORK/REQUIREMENTS:**

Internal Control Policy is framed as per applicable provisions of Companies Act, 2013 and rules made thereunder and the provisions of SEBI (LODR) Regulations, 2015, wherever applicable; as may be amended from time to time and the same shall be reviewed periodically, by the Board.