

# **GALADA FINANCE LIMITED**

SYSTEM AND CONTROL

27.05.2023

## **SYSTEM AND CONTROL**

Adequate security of information and information systems is a fundamental management responsibility. Nearly all applications that deal with financial, privacy, safety, or defense include some form of access (authorization) control. Access control is concerned with determining the allowed activities of legitimate users, mediating every attempt by a user to access a resource in the system.

The Company granted Complete access after a successful authentication of the user, but most systems require more sophisticated and complex control. In addition to the authentication mechanism (such as a password), access control is concerned with how authorizations are structured. In some cases, authorization may mirror the structure of the organization, while in others it may be based on the sensitivity level of various documents and the clearance level of the user accessing those documents.

The Company's internal audit is conducted as per the Annual Audit Plan approved by the Audit Committee. The scope of internal audit covers all aspects of business including regular front-end and back-end operations and internal compliances. It lays emphasis to check on process controls, measures undertaken by the Company to monitor risk and to check on leakages or frauds. The Company has invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of business, regulatory prescriptions and the size of its operations. The internal control system is supplemented by concurrent and internal audits, as well as special audits and regular reviews by the management. For Company-wide internal audits,

The Company has put in place enhanced Risk Based Supervision Systems / Risk Based Internal Audit and ensures continuous monitoring. The Company has an internal team of audit professionals at its head office.. In addition, the Company complies with several specific audits mandated by regulatory authorities such as SEBI / Exchanges / Depositories, and the reports are periodically submitted to the regulators.

The Board/Audit Committee reviews the overall risk management framework and the adequacy of internal controls instituted by the management team. The Audit Committee reviews major instances of fraud on a quarterly basis and actions are taken on the same. It also focuses on the implementation of the necessary systems and controls to strengthen the system and prevent such recurrence. The internal processes have been designed to ensure adequate checks and balances, regulatory compliances at every stage. Internal audit team carries out a risk-based audit of these processes to provide assurance on the adequacy and effectiveness of internal controls for prevention, detection, reporting and remediation of frauds