

WBIDFC LIMITED

ANTI FRAUD POLICY

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For West Bengal Infrastructure Development
Finance Corporation Limited

Prasanna Sarkar
Company Secretary



ANTI FRAUD POLICY

I. BACKGROUND

This document sets forth an anti-fraud policy to enforce controls and to aid in prevention and detection of fraud in the Corporation. The intent of the policy is to promote consistent legal and ethical organizational behaviour by assigning responsibility for the development of controls, and providing guidelines for reporting and conduct of investigations of suspected fraudulent behaviour.

II. SCOPE OF POLICY

This policy applies to any fraud or suspected fraud in West Bengal Infrastructure Finance Corporation Limited (also called the Corporation or WBIDFC), involving employees (including contractual and casual employees) as well as shareholders, consultants, vendors, suppliers, service providers, contractors, lenders, borrowers, bankers, outside agencies and / or any other parties with a business relationship with the Corporation.

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

III. OBJECTIVES OF POLICY

The policy has been framed to enforce controls so as to provide a system of detection and prevention of fraud, reporting of any fraud or suspected fraud and appropriate dealing of issues relating to fraud. The policy aims to ensure that:-

- (i) Management is aware of its responsibility for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. The Management is to ensure that procedures and systems exist in the Corporation which minimize the incidence of, and opportunity for fraud and irregularities.
- (ii) Any fraud that is detected or suspected must be reported immediately to the Designated Officer designated for the purpose of co-ordination of preliminary investigation. The designated officer for the purpose will be the Managing Director.
- (iii) To conduct investigations into fraudulent activities.

IV. DEFINITION OF FRAUD

Fraud is a false representation or concealment of a material fact or any other illegal act committed intentionally to cause wrongful gains to self or others and /or wrongful loss to WBIDFC/others.

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Prasanna Kumar
Company Secretary



V. ACTIONS CONSTITUTING FRAUD

The terms fraud or suspected fraud refers to but not limited to:-

(i) 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;

(a) "wrongful gain" means the gain by unlawful means of property to which the person gaining is not legally entitled and

(b) "wrongful loss" means the loss by unlawful means of property to which the person losing is legally entitled.

(ii) Making a statement, in any return, report, certificate, financial statement, prospectus, statement or other document required by, or for, the purposes of any of the provisions of this Act or the rules made thereunder -

(a) which is false in any material particulars, knowing it to be false; or

(b) which omits any material fact, knowing it to be material,

(iii) Forgery or alteration of any document or account belonging to the Corporation.

(iv) Forgery or alteration of a cheque, bank draft, or any other financial instrument, financial document and personal claims, etc.

(v) Misappropriation of funds, securities, supplies, or other assets, etc.

(vi) Wilful suppression of facts/ deception in matters of appointments, placements, tender committee recommendations, entity and project appraisal, submission of reports, etc. as a result of which a wrongful gain(s) is made to one and /or wrongful loss(s) is caused to the others.

(vii) Utilizing Company funds for personal purposes.

(viii) Authorizing or receiving payments for goods not supplied or services not rendered.

(ix) Destruction, disposition, removal of records or any other assets of the Corporation with an ulterior motive to manipulate and misrepresent the facts so as to create suspicion/ suppression/ cheating as a result of which objective assessment/ decision would not be arrived at.

(x) Impropriety in the handling or reporting of money or financial transactions.

(xi) Profiteering as a result of insider knowledge of company activities.

(xii) Disclosing confidential and proprietary information to outside parties.

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Finance Corporation Limited

Chandra Bose
Company Secretary



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(xiii) Accepting or seeking anything of material value from contractors, vendors, lenders, borrowers and persons providing services/ materials to the company in contravention of WBIDFC's policies or rules.

(xiv) Any similar or related inappropriate conduct.

VI. OTHER INAPPROPRIATE CONDUCT

Suspected improprieties concerning an employee's moral, ethical, or behavioural conduct, should be resolved by Human Resources Unit rather than Designated Officer.

If there is any question as to whether an action constitutes fraud or not, the Designated Officer may be contacted for guidance.

VII. REPORTING PROCEDURE:

An employee, vendor, contractor, borrower, lender or other person having business relationship with the Corporation, on discovery of fraud or suspected fraud must report it to the Designated Officer. The matter may be reported in writing. If an employee or other person is not willing to report it in writing, he or she may get his/her statement recorded before the Designated Officer. The Designated Officer shall maintain the details of identity of the official/employee/other person reporting such fraud. Besides, the Designated Officer shall apprise the Compliance/Principal Officer (for RBI) for reporting the fraud to the RBI as may be required under RBI Guidelines.

The Designated Officer shall maintain the confidentiality about the identity of the reporting individual and under no circumstances would discuss it with any unauthorized person. The Corporation will not tolerate any form of retaliation against individuals providing information concerning fraud or suspected fraud.

The Corporation shall provide protection to the complainant/individual providing information concerning fraud or suspected fraud against victimization.

The Designated Officer will act expeditiously upon such reporting and ensure that all relevant records and documents and other evidences are taken into custody or protected from being tampered with, destroyed or removed by the suspected persons/ officials.

On receipt of the report, the reporting individual would be informed of the following by the Designated Officer:-

- (i) Do not contact the suspected individual in an effort to determine facts or demand restitution.
- (ii) Observe strict confidentiality. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Designated Officer.

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Spandya Ghosh
Company Secretary



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VIII. (A) INVESTIGATION OF FRAUD/SUSPECTED FRAUD:

It will be the primary responsibility of Designated Officer to conduct the preliminary investigation. The designated officer (i.e. the Managing Director of the Corporation) may at his discretion get the preliminary investigation conducted by any other employee found suitable by him. The employee who reports the suspected fraud should not attempt to conduct investigation personally. He or she should not interview or interrogate any person related to the suspected fraud.

The Designated Officer or any other employee involved in the investigations of suspected fraud shall keep the content of investigative activity strictly confidential. Investigation results shall not be disclosed to or discussed with anyone other than those who have a legitimate need to know this.

The Designated Officer shall make every effort to protect the rights and the reputations of everyone involved in a report of suspected fraud, including the individual who in good faith alleges perceived misconduct, as well as the alleged violator(s).

If Designated Officer determines that a report is not credible or is not a report of fraud, he/she shall document this determination. The Designated Officer's documentation shall include support for the determination.

If the preliminary investigation substantiates the fraudulent activities, the Designated Officer will prepare an incident report and send it to the Chairman for approval for sending it to Vigilance Unit for further investigation.

After completion of the investigation by the Vigilance Department, due & appropriate action which could include administrative action, disciplinary action, reporting to the Board/ Audit Committee, civil or criminal action or closure of the matter if it is proved that fraud is not committed etc. depending upon the outcome of the investigation shall be undertaken with the approval of the competent authority.

Such investigation is likely to highlight if there be any system failure or failure of supervision or absence of control. The course of action required to improve the system should be documented in the investigation report and be acted upon in due course.

Vigilance Department shall apprise the "Designated Officer" of the results of the investigation undertaken by them. There shall be constant coordination maintained between the two.

(B) TIME LIMITS FOR THE PRELIMINARY AND FINAL INVESTIGATION

The following are the time limits for completing the preliminary and final investigation of report of fraud/ suspected fraud:-

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Finance Corporation Limited

Dhanya Ghosh
Company Secretary



