

InterGlobe

Anti-fraud Policy

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Document Release Note

Anti-fraud Policy documentation is released for use in InterGlobe Enterprises Private Limited and its subsidiaries, group companies and affiliates (“**InterGlobe**” or “**Company**”), with effect from 01.07.2013.

This documentation is under the control of the Group Head – Corporate Governance, InterGlobe Enterprises Private Limited.

Revisions if any, to this documentation (Periodic review/ changes due to change in Law, organization Structure, any other reason) will be available on respective group company’s web site.

Comments, suggestions or queries should be addressed/mailed to the Compliance Committee of the respective Group Company (for additional details on Compliance Committee, refer to the Code of Conduct). The Compliance Committee will approach the Group Head – Corporate Governance with the comments, suggestion or queries. Any revisions required based on these, will be made as per the procedure defined in the Code of Conduct.

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Document History

Version No.	Launch/ Revision Date	PI#	Description of Change	Author/ Revised By	Reviewed By	Approved By
1.1	01.07.2013		Policy Documented	Corporate Governance advised by external consultant	Ajit Vohra, Rahul Sinha, Juhi Sinha, Mohit Magon, Sonu Soni, Mukund Thakkar	Sub-committee Leadership team (Harish Gandhi, RK Singh, JB Singh, Sid Sharma Alok Mehta Neena Gupta)
1.2	24.11.2014		Definition of wrongful gain & wrongful loss added	Corporate Governance	Mukund Thakkar	IGE Board
1.3	24.11.2014		Punishment under section 447 under Companies Act 2013 added	Corporate Governance	Mukund Thakkar	IGE Board



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1. Preamble

- InterGlobe is committed to prevention and detection of fraud and corruption in its functioning
- This policy document lays down the framework which will facilitate prevention and detection of fraud and corruption in the functioning of InterGlobe

2. Objectives

The objective of the policy is to promote consistent organisational behavior by providing guidelines and assigning responsibility for enhancing InterGlobe's governance process and ethical environment

3. Reference to other policies

3.1 This policy should be read in conjunction with following policies of InterGlobe:

- 3.1.1 Code of Conduct
 - a. Gifts and Business Courtesies
 - b. Conflict of Interest
 - c. Accurate Financial Reporting
 - d. Protecting Company Assets
 - e. Diversity and Inclusion
 - f. Confidentiality and Intellectual Property
 - g. Media and Communication
 - h. Political and Religious Affiliations
 - i. Compliance with Law
- 3.1.2 Policy on Sexual Harassment
- 3.1.3 Bullying and Workplace Violence
- 3.1.4 Finance and Account Policies
- 3.1.5 IT Policies (Data Loss Prevention policies, etc)
- 3.1.6 Whistle-blower Policy
- 3.1.7 Any other policy of InterGlobe, whether included in the above list or not

4. Applicability

This policy applies to the employees of InterGlobe at all locations, India or abroad, Board of Directors and all those acting on behalf of the Company (such as vendors, suppliers, consultants, agents, etc. and their employees).

5. Definitions

- 5.1 "The definition of fraud as per the Companies Act 2013 is "Fraud" in relation to affairs of a company or anybody corporate, includes any act, omission or concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with the 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 loss.

"Wrongful gain" means the gain by unlawful means of property to which the person gaining is not legally entitled;

"Wrongful loss" means the loss by unlawful means of property to which the person losing is legally entitled

Indicatively, for the purpose of this document, fraud may include but not limited to:

- Manipulation, falsification or alteration of records or documents;
- Suppression or omission of the effects of transactions from records or documents;
- Recording of transactions without substance;
- Misappropriation (theft) or willful destruction or loss of assets including cash;
- Deliberate misapplication of accounting or other regulations or policies;
- Bribery and corruption;
- Payment or receipts of bribes, kickbacks or other inappropriate payments;
- Utilization of the Company funds for personal purposes;
- Profiteering as a result of insider knowledge of company activities;
- Disclosing and/or providing by any means of communication, any confidential information related to the Company, to outside parties;
- Unauthorized or illegal manipulation of information technology networks or operating systems
- Expense report fraud (e.g. claims for services or goods not actually provided)
- Participation in sham or fraudulent transactions

5.2 **Punishment for fraud as per Companies Act 2013:** Section 447 of the Companies Act, 2013 deals with punishment for fraud and reads as under:

Without prejudice to any liability Including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud Involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever Is lower shall be punishable with Imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount Involved In the fraud, but which may extend to three times the amount Involved in the fraud:

Provided that where the fraud In question involves public interest, the term of Imprisonment shall not be less than three years.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever Is lower, and



does not involve public Interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

6. Highlights of the policy

- 6.1 InterGlobe maintains an environment with adequate controls that promotes its values, including the requirement of employees across all levels to adhere to the Code of Conduct
- 6.2 It conducts periodic and systematic fraud risk assessments, as deemed necessary
- 6.3 Operational, administrative and financial control activities are designed and implemented to mitigate fraud risks identified internally and/or by the external/internal auditors
- 6.4 The Anti-fraud Policy is communicated to employees across all levels
- 6.5 The procedures for reporting allegations of fraud by employees and external parties is clearly communicated
- 6.6 InterGlobe monitors the effectiveness of its controls related to mitigating fraud risk and remedies any deficiencies identified internally and/or by the external agencies
- 6.7 InterGlobe holds necessary training sessions from time to time for all the stakeholders to create awareness regarding InterGlobe's values, policies and procedures

7. Overseeing and overall responsibility

- 7.1 The Ethics Committee will have the primary responsibility for implementing the Anti-fraud Policy as described in this Policy. The Ethics Committee shall consist of following members:
 - a. Group Head - Corporate Governance
 - b. Group Head - Human Resources
 - c. Group Head - Legal & Compliance
- 7.2 The reporting of Ethics Committee will be to the Audit Committee of InterGlobe
- 7.3 All divisions and departments of InterGlobe shall implement the procedures and controls developed/recommended by the Ethics Committee
- 7.4 Each functional head shall advocate and help develop a culture of honesty and integrity and work with the Ethics Committee in development and implementation of controls in the key processes in his/her function
- 7.5 The Ethics Committee will conduct periodic meetings to monitor and ensure that employees:
 - 7.5.1 Attend trainings
 - 7.5.2 Are well aware of InterGlobe's ethics and values and the related policies and/or procedures
- 7.6 The Ethics Committee shall carry out preliminary enquiries of whistle-blowing complaints directed to them as per the Complaint Response Plan (CRP)
 - 7.6.1 Further it shall review the status of all complaints on a monthly basis as mentioned in the CRP



7.6.2 It shall also perform other functions defined in the CRP, like taking disciplinary actions, reporting to Audit Committee, reporting to Chairman's office, regulatory reporting, etc.

7.7 The Ethics Committee will consider whether the existence of this and the Whistle-blower Policy needs to be communicated to external parties and in what manner and extent

8. Prevention and detection of fraud

8.1 Following are some of the procedures that may be carried out as pro-active measures of fraud prevention and detection. This section of the policy shall be updated as and when new procedures are introduced:

8.1.1 Fraud Risk Assessment to be carried out for all key functions and processes and necessary mitigating controls implemented:

a. Mitigating controls will be monitored and periodically reviewed

b. The above may be carried out (under the instructions and guidance of the Ethics Committee) by an internal team (a designated risk management team / internal audit team) or an external agency

8.1.2 Background checks of employees of InterGlobe to be conducted (for new joiners or for existing employee if and when deemed fit by the Ethics Committee and in the manner deemed fit)

8.1.3 Background checks of vendor, suppliers, consultants, agents and other third parties dealing with InterGlobe to be conducted (for external entities as listed and in a manner deemed fit by the Ethics Committee)

8.1.4 Whistle-blower mechanism to be implemented and adequately communicated within InterGlobe and/or to external parties, if so deemed fit by the Ethics Committee

8.2 Training and awareness to be carried out for the relevant stakeholders

8.3 It is emphasized that each employee of InterGlobe shall constantly take necessary measures for prevention and detection of fraud

9. Amendments to this policy

9.1 This policy may be modified by InterGlobe from time to time

9.2 Among other reasons, modification may be necessary to ensure compliance with local, state, central and international laws or to accommodate organizational changes

9.3 Authority to make changes to this policy (including composition of the Ethics Committees or sub-committees) lies with the Audit Committee / Board of Directors of InterGlobe Enterprises Private Limited



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