



## **INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.**

### **FRAUD PREVENTION & DETECTION POLICY**

#### **1. Introduction**

Indian Railway Catering and Tourism Corporation Ltd. (the “Company”) is committed to the highest possible standards of openness, transparency and accountability in all its affairs. We wish to promote a culture of honesty and opposition to fraud in all its forms.

The organisation operates in many states, and in association with many large and de-centralised organisations, the size and nature of our operations puts us at risk of loss due to fraud.

#### **2. Policy Objectives**

The purpose of this policy is to provide:

- A clear definition of what we mean by “**fraud**”
- A definitive statement to staff forbidding fraudulent activity in all its forms
- A briefing to staff of their responsibilities for identifying & exposure of fraudulent activities and for establishing controls and procedures for preventing such fraudulent activity and/or detecting such fraudulent activity when it occurs.
- Guidance to employees as to action which should be taken where they suspect any fraudulent activity.
- Guidance as to responsibilities for conducting investigations into fraud related activities.
- Protection to employees in circumstances where they may be victimised as a consequence of reporting, or being a witness to, fraudulent activities.

This document is intended to provide guidance and should be read in conjunction with:

- the relevant Human Resource Policies,
- Company's Finance Policies & Procedures in relation to Reporting Fraud/Theft.

This document will be reviewed periodically in order to determine whether it remains useful, relevant and effective.

### 3. Definitions

#### (i) **Fraud**

**"Fraud" in relation to affairs of a Company (IRCTC) includes any wilful 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. It also includes theft or misuse of IRCTC's funds or other resources, by an employee or a third party, which may or may not also involve misstatement of financial documents or records to conceal the theft or misuse.**

For example, fraud includes but is not limited to the following:

- Theft of funds or any other property of the Company
- Falsification of costs or expenses
- Forgery or alteration of documents
- Destruction or removal of records
- Inappropriate personal use of Company's assets
- Employees seeking or accepting cash, gifts or other benefits from third parties in exchange for preferment of the third parties dealing with IRCTC.
- Paying of excessive prices to third parties with the aim of personal gain.

#### (ii) **Employee**

Employee includes full time, deputationist, part time, including the management of Company or fixed term/ adhoc/ temporary/ contract/ trainees & under probation.

#### **4. Scope of Policy**

This policy applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with IRCTC (**also called the Company**).

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

#### **5. Policy**

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. The Company is committed to conducting its affairs in a fair and transparent manner and providing a working atmosphere to its employees where they feel safe in raising concerns about any wrong doings and unacceptable fraudulent practices which they feel are being followed in the Company. It also aims to protect its employees wishing to raise their concern(s) about irregularities in the Company.

#### **6. Responsibility of Managerial Authorities**

##### **a. Managers-**

It is the responsibility of managers to be familiar with the types of fraud that might occur in their field, be alert for any indication of fraud or improper activity and maintain controls to avoid such occurrences.

If any fraudulent activity are been identified by the Managers, it should be reported to the Appropriate Authority constituted for this purpose within a reasonable time frame.

##### **b. Other Staff Members-**

It is the responsibility of all employees to carry out their work in such a way as to prevent fraud occurring in the workplace. Employees must also be alert for occurrences of fraud, be aware that unusual transactions or behaviours could be indications of fraud, and report potential cases of fraud to the Appropriate Authority constituted for this purpose within a reasonable time frame.

## 7. Appropriate Authority

For the purpose of reporting, dealing & solving any kind of irregularities arising due to fraud in the Company, an Appropriate Authority shall be constituted within the meaning of this policy. The Appropriate Authority shall be called “**VIGILANCE DEPARTMENT**” (hereafter called “**VDs**”). Each of the Zones i.e. Corporate, Northern, Southern, Western, Eastern & Southern Central Zones shall have their own independent VDs.

### Zonal VDs-

#### Corporate Vigilance Department (For Corporate Zone)

- Reporting Person In-charge

##### **Corporate Vigilance Department**

Indian Railway Catering and Tourism Corporation Ltd.

IRCTC Vigilance, B-148, 1507-A 15th Floor, Statesman House, Barakhamba Road, New Delhi - 10001.

Tel No.: 23359201, Fax: 23359201.

#### North Zone Vigilance Department (For Northern Zone)

- Reporting Person In-charge

##### **Zonal Vigilance Department**

Indian Railway Catering and Tourism Corporation Ltd.

Rail Yatri Niwas, New Delhi – 110 002

Tele: - 011-23234763, 23221146, Fax: - 011-23210321

#### South Zone Vigilance Department (For Southern Zone)

- Reporting Person In-charge

##### **Zonal Vigilance Department**

Indian Railway Catering and Tourism Corporation Ltd.

6A, The Rain Tree Place, No 9 Mc Nichols Road, Chetpet, Chennai- 600031

Tel: - 044-25353341, Fax: 044-25352987

#### West Zone Vigilance Department (For Western Zone)

- Reporting Person In-charge

##### **Zonal Vigilance Department**

Indian Railway Catering and Tourism Corporation Ltd.

2nd Floor, New Administrative Building, Central Railway CST, Mumbai- 400001,

Tel: - 022-22618062-64, Fax: - 022-22618066

**East Zone Vigilance Department (For Eastern Zone)**

- Reporting Person In-charge

**Zonal Vigilance Department**

Indian Railway Catering and Tourism Corporation Ltd.  
3-Koilghat Street, Ground Floor, Kolkata-700 001  
Tel: - 033-22439045, 033-22311582, Fax-22439046

**South Central Zone Vigilance Department (For Southern Central Zone)**

- Reporting Person In-charge

**Zonal Vigilance Department**

Indian Railway Catering and Tourism Corporation Ltd.  
2nd Floor, Am Sri classic Complex, Secunderabad- 500071  
Tel: 040- 2770240, Fax: 040-66201264

## **8. Reporting of Fraud**

An employee, vendor, contractor, associate, borrower, lender or other person having business relationship with the Company, on discovery of fraud or suspected fraud must report it to the Appropriate Authority constituted for this purpose.

Any employee, vendor, contractor, associate, borrower, lender or other person having business relationship with the Company can make a protected disclosure or complaint to the Authority. The Disclosure should be reported in writing.

The complaint should be in a closed/secured envelope and should be addressed to the Appropriate Person of the Authority at their respective Zonal VDs.

The complainant should give his/her name and address in the beginning or end of the complaint or in an attached letter. Anonymous complaints will not be entertained.

## **9. Baseless/Malicious Allegation**

- i. The VDs shall carry out preliminary investigation. If it appears to the VDs that a complaint has no basis or it is not a matter to be pursued under this Policy, it may be dismissed at that stage and the decision documented.

- ii. Malicious allegation by the Complainant/reporter may result in disciplinary action against him/her.

## **10. Investigating Procedures**

- i. It will be the primary responsibility of Authority authorised by the VDs to conduct the preliminary investigation.
- ii. However, no fresh investigation shall be carried out in a matter already under investigation.
- iii. 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.
- iv. The Officer or any other employee involved in the investigation(s) 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.
- v. An investigation is required to be done without regard to any person's relationship with Concern, position or length of service.
- vi. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the case.
- vii. If the investigation substantiates that fraudulent activities have occurred, the VDs will issue reports to CVO.

## **11. Confidentiality**

The Company will endeavour to protect an individual's identity when he or she raises an issue and does not want their name to be disclosed. It should be understood, however, that an investigation of any malpractice may need to identify the source of the information and a statement by the individual may be required as part of the evidence.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Company from potential civil liability.

## **12. Recovery of Losses/ Actions to be taken**

Upon detection of a fraud, the Corporate or Branch Offices concerned should make every effort possible to recover the loss amount involved. Loss mitigation action will include recovery from concerned employee/customer/outsider and initiating legal action like filing of recovery suits, wherever feasible.

If the individual or organisation cannot or will not make good the loss, consideration will be given to taking civil legal action to recover losses. This is in addition to any criminal proceedings which may result.

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from Human Resources and the Legal Department and, if necessary, by outside counsel such as courts, forums, etc., before any such action is taken. The VDs does not have the authority to terminate an employee.

## **13. Administration and review of the policy**

The CMD/IRCTC shall be responsible for the administration, interpretation, application and revision of this policy.

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