



## Fraud Investigation Procedure

<b>Approving Authority</b>	:	Governance Committee
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### 1. Objective:

The Fraud Investigation Procedure sets out the operational approach to managing fraud and corruption related investigations within TMIBASL. It provides an overview of how fraud related investigations will be managed and defines management responsibilities.

For the purpose of this document, all key definitions as applicable to Tata Code of Conduct are applicable similar to the Fraud Investigation Procedure.

### 2. Scope:

This procedure applies to all employees of TMIBASL (on-roll and off-roll), Retainers, Consultants, Vendors, etc.

### 3. Types of fraud:

Fraud can occur in many ways; it may involve one or more internal and external parties and may be executed by one person or involve a number of parties.

Few examples of frauds / Misappropriation against the company:

- Misappropriating funds
- Fraudulent financial reporting
- Stealing cheques
- Overriding decline decisions to open accounts for family and friends
- Inflating expenses claims/over billing
- Paying false (or inflated) invoices, either self-prepared or obtained through collusion with vendors
- Forging Signature
- Falsifying documents
- Selling Company assets at below their true value in return for personal benefit



### 3.1. Reporting of a Potential Fraud:

All employees of TMIBASL play an important role in identifying and reporting suspicious actions or wrongdoing, if any.

TMIBASL strongly encourages to report such instances to appropriate authorities to assist in the prevention of fraud.

An employee is encouraged to highlight internal fraud or suspected corrupt conduct to the proper **Authority / Fraud Investigation Committee / Chief Risk Officer / Compliance Officer / HR via email or to the independent whistleblower email**. Email can be sent to the following IDs:

- 1) [ethics@tmibasl.com](mailto:ethics@tmibasl.com)
- 2) [contact@tmibasl.com](mailto:contact@tmibasl.com)
- 3) [HRContact@tmibasl.com](mailto:HRContact@tmibasl.com)
- 4) Web-portal

It is important to maintain confidentiality and not to discuss the matter, other than for the purpose of making a report. Maintaining confidentiality protects the discloser against reprisals and also protects other people affected by the disclosure.

It is important to ensure that, irrespective of how the fraud is discovered, the observer should simply report the facts as they are understood to the proper Authority/Fraud Investigation Committee and not try to investigate the matter further as the discovery may be far more serious than it initially appears and may involve many parties. Observers should only intervene if it is necessary to prevent harm to any person and it is safe to do so.

The Company endeavors to establish and maintain a robust framework to provide reasonable assurance that any dishonest acts are prevented or promptly detected and actioned upon, which have been reinforced through this policy.

## 4. First Response Process:

This document determines the First response to the time when someone becomes aware of a suspected fraud or corrupt activity, until the submission of a report. The Fraud Investigation Committee of TMIBASL will assess the allegation of fraudulent or corrupt behavior to determine the appropriate course of action and resolution. The Fraud Investigation Committee may delegate or assign the task to Fraud Investigation Team (FIT) comprising of other Senior Officers while delegating tasks to relevant Senior Officers. Each allegation will be examined to determine whether fraudulent or corrupt behavior has occurred and modus operandi thereof.

### 4.1. Capturing Available Evidence:

Fraud Investigation Team (FIT) shall capture as much information as possible about the suspected wrongdoing to include in their disclosure but only if it is safe to do so. An accurate record and documentary evidence shall be made based on immediate knowledge of the incident and without making any further inquiries. The following checklist can act as a guide for capturing all relevant information observed or identified:



1. Party involved in incident observed:
  - 1.1. Internal or external to TMIBASL
  - 1.2. Name, Position and Business Unit
  - 1.3. Time and date of incident and/or loss
  - 1.4. Details of other witnesses to incident
  
2. Details of questionable incident observed:
  - 2.1. Incident observed through phone/email/person/other
  - 2.2. Details of questionable incident
  - 2.3. Specific requests made (where relevant)
  - 2.4. Location of the observer when incident occurred
  - 2.5. Details of any conversations or interactions that the observer was involved in or overheard (where relevant)
  
3. Evidence of questionable incident observed (only of available):
  - 3.1. Copies of documents, exhibits or records
  - 3.2. Photos, videos, screenshots or other image based evidence
  - 3.3. Phone recordings, text messages, emails or any other electronic devices
  - 3.4. Any other available evidence that may support the concerns raised

#### **4.2. Submitting a Report**

Time is the essence when dealing with suspected fraudulent or corrupt actions. It is important that the FIT uses one of the options from below to make a disclosure to ensure reporting and appropriate escalation occurs as soon as possible after the suspicion arises.

Managers or supervisors receiving a first communication about alleged fraud and corruption shall:

1. Maintain a log of all actions taken since the information was received and encourage the observer to do the same.
2. Prepare accurate file notes of conversations or other communication that have occurred; these notes may be required for investigation or court proceedings at a later stage.
3. Only advise/involve those who absolutely need to know.
4. Promptly advise the appropriate line manager / supervisor or submit a verbal or written disclosure at the earliest to the above-mentioned email IDs.

#### **5. Decision to Investigate Further**

The Fraud Investigation Team Committee shall comply with the procedures for assessing, investigating and documenting disclosures detailed in the process note. The Investigation Committee will to the greatest extent possible keep the disclosure and the identity of the disclosure confidential. The Fraud Investigation Team shall conclude the investigation along with its findings and submit the Report to the Fraud Investigation Committee within the timeframe as determined at the time of assigning the task. The Fraud Investigation Committee may delegate tasks and/or undertake consultations with relevant senior officers of various Departments as necessary for the



purpose of any further investigation of the matter depending upon the severity of the matter. All findings from the investigation shall be documented in the form of investigation report. The report will also recommend an independent investigation of the incident if required and whether the investigation should be concluded under the protection of legal professional privilege.

## 6. Crime and Corruption Reporting

The Fraud Investigation Committee shall submit its findings along with recommendations to the Governance Committee.

The Governance Committee may take no action or discontinue action if the Committee is satisfied that a complaint is frivolous or vexatious or lacks substance or credibility or that dealing with the complaint would be an unjustifiable use of resources. The complainant will be apprised of the outcome of the matter.

## 7. Independent Investigation

When an independent investigation of the incident is recommended, the following steps will be undertaken to ensure the investigation is carried out in an appropriate manner, dependent on whether the fraud was internal or external to the Organization. Fraud Investigation Committee in consultation with Governance Committee shall decide whether to engage an independent external consultant or not, on case to case basis depending upon the gravity and sensitivity of the matter.

### Terms of Reference:

1. Where an independent investigation is recommended, matters to be considered and confirmed by the Fraud Investigation Committee as part of the independent investigation planning process should include:
  - 1.1. Qualification, competency and relationship of the investigating agency
  - 1.2. Specific issues and matter to be examined
  - 1.3. Identification of functional areas and key staff to be involved
  - 1.4. Identification and engagement of specialist or support required
  - 1.5. Ensure investigation reviews prior periods to identify whether further fraud instances have occurred and to assess the magnitude of the loss to the Organization
  - 1.6. Confirmation of the powers and responsibilities of the investigator(s)
  - 1.7. Milestones, key review points and report back dates
  - 1.8. Determine clearly the deliverables required along with timeline for final closure
  
2. Purpose of Investigation:

The purpose of any investigation will be to:

  - 2.1. Establish and document the relevant facts
  - 2.2. Make a finding of fact based on the available evidence and
  - 2.3. Provide recommendation to Fraud Investigation Team / Governance Committee.



### 3. Principles of Procedural fairness:

- 3.1. The principles of procedural fairness and natural justice are designed to ensure that decision making is fair and reasonable and avoids bias. Before any final determination is made, a person who is a subject of the report will be
- 3.2. Provided with fair opportunity to be heard
- 3.3. Told the substance of any adverse comment arising out of an investigation that may be included in a report, memo, or letter;
- 3.4. Given a reasonable opportunity to answer any allegation and respond to any negative findings; and
- 3.5. The presumption of innocence is maintained throughout the investigation unless the allegations are proved to be substantiated

### 4. Key Considerations:

The following should be considered prior to the commencement of any investigation:

If there is any doubt about the Organization's Authority to gather information, appropriate legal / external advice shall be sought

Provisions, directives, guidelines and procedures required by law and relevant enterprise agreements are observed throughout the process

There is appropriate confidentiality to ensure the integrity of the inquiry and to minimize the impact of the investigation. Prudent handling of materials and information minimizes the risk of evidence being contaminated, possible reprisals against any disclosure, prejudice against the subject officer or prejudgment of the outcomes.

Evidence collected during an investigation must be performed in accordance with the rules of evidence and protected so that it will stand up as evidence in a court of law.

## 8. Investigation Report:

At the completion of an investigation, the information gathered is assessed by the investigator and a formal report prepared. All recommendations within the report are supported by evidence. Reports are logical and provide a sound basis for decisions to be made on the merits of the case and on the balance of probabilities. Investigation shall be completed within the defined timeframe. In case of any further extension required, Governance Committee's approval to be obtained.

### **Allegation is not substantiated**

If based on the evidence, the report finds the allegations to be unsubstantiated, Governance Committee may direct the investigation to be closed off with a file note and no further action will be taken.

### **Allegation is substantiated**

The investigation report will be reviewed by Governance Committee and appropriate action will be taken in accordance with Consequence Management Policy. If an offence is determined to be of criminal nature, appropriate legal action will be initiated on case to case basis.



## 9. Review of Fraud Control Framework:

The Governance Committee may review and incorporate necessary changes to the process / procedures.

For sake of clarity, it has to be noted that the above framework is not applicable to the contents mentioned in the Company's E-Commerce Fraud Management Policy.

**Recovery of Losses:** The Organization will make every attempt to recover any funds misappropriated including but not limited to legal recourse available to the organization.

## 10. Record Keeping

All records relating to investigation should be securely stored in a central location by HR Team and maintained for a period for 10 years. Access to and review of these files will be determined on an "as needs" basis by the Governance Committee.

## 11. Review:

The Policy and procedure laid down above will be reviewed atleast once in every three years. by Governance Committee.

## Documents to be referred:

- 1) Tata Code of Conduct
- 2) Brokers Code of Conduct
- 3) Whistle Blower Policy
- 4) Anti Bribery and Anti-Corruption Policy
- 5) Risk Management Policy
- 6) Ethics document

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## **TATA MOTORS INSURANCE BROKING AND ADVISORY SERVICES LIMITED**

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