





## Anti-Fraud Policy

(Policy No.: 03.02.01a / P-01 / R0)

| Rev. | Date       | Prepared by   | Approved by  |
|------|------------|---|--|
| 00   | 17.12.2016 |  | <br>R Ravi Sankar |

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## 1. INTRODUCTION

As a conscious and vigilant organization, TATA Projects Limited, including its Subsidiaries and unincorporated Joint Ventures (Hereafter collectively referred as 'TPL' OR 'Company') is committed to conduct its business ethically and in compliance with all the applicable laws and regulations, by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

In view of the same, this Anti-Fraud policy is established to facilitate the development of the controls that will aid in detection and prevention of fraud against TPL.

This Anti-Fraud policy shall be read in conjunction with TATA Code of Conduct and Whistle Blower policy.

## 2. SCOPE AND APPLICABILITY

This Policy applies to all individuals working in India or abroad for TATA Projects Limited including all Subsidiaries and unincorporated Joint Ventures and all third parties who transact with TPL.

Individuals working in India or abroad includes individuals, at all levels and grades including executive directors, directors, senior executives, officers, employees (whether permanent / fixed-term / temporary), trainees, seconded staff, casual workers and interns.

"Third Party (ies)" means any individual or organization, who transact with TPL including customers, suppliers, contractors, consultants, representatives, agents and advisers.

## 3. OBJECTIVE OF THE POLICY

The policy intends to enumerate the measures that the Company shall implement to deter, prevent and detect fraud(s).

## 4. DEFINITION OF FRAUD

As per Explanation (i) of S. 447 of the Companies Act, 2013, "fraud in relation to affairs of a company or any body corporate, includes 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."

The term 'Fraud' shall include but not be limited to the wilful acts mentioned hereunder: -

- i. Execution of a document on behalf of the Company, with malafide intention and ulterior motive, with an intention to gain wrongful advantage and/or with an intention to cause wrongful loss to the Company; or execution of document on behalf of company with an intention of gaining undue advantage without having proper delegation or not in accordance with Power of Attorney
- ii. Suppression of facts resulting in wrongful gain(s) to self or wrongful loss(es) to others;
- iii. Destruction, disposition, removal of record(s) or any other asset(s) of the Company with an ulterior motive to manipulate or misrepresent the facts leading to improper decisions with an intention of wrongful gain
- iv. Accepting or seeking anything of material value from contractors and/or vendors and/or lenders and/or borrowers and/or persons providing services/ materials to the company in contravention of TATA Code of Conduct (including the receipt of excessive gifts or accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the Company);
- v. Concealment or misrepresentation of transactions, assets or liabilities with an intention of gaining undue advantage;
- vi. Sharing of confidential / price sensitive information to gain undue advantage or to cause wrongful loss to the Company
- vii. Cyber frauds / data thefts
- viii. Non-disclosure of Conflicts of Interest resulting in exposure or actual financial loss to the Company
- ix. Embezzlement e.g. misappropriation of money / securities / supplies / property / other assets;
- x. Fraudulent financial reporting e.g. forging or alteration of accounting documents or records; intentional concealment or misstatement of transactions resulting in false records or misleading statements; intentional failure to record or disclose significant information accurately or completely;
- xi. Impropriety in handling of money or reporting or financial transactions;
- xii. Mis-utilization of the Company funds for personal purposes;
- xiii. Expense report fraud;
- xiv. Other fraud as may be decided by the Complaints Committee / Apex Ethics Council from time to time

## 5. FRAUD RISK ASSESSMENT (FRA)

Fraud is a broad legal concept, majorly encompassing the characteristic of the "intention to defraud" and hence, it usually involves deliberate concealment of facts.

Fraud can occur in any organization, irrespective of their size or type. Vulnerability of a Company to fraud risks has increased due to technologically advanced operations, growing complexities of internal structures of organizations etc.

However, the fraud risks can be mitigated through a combination of measures aimed at:

- a. Detecting fraud(s),
- b. Preventing fraud(s) and
- c. Deterring the person intending to defraud.

Management shall primarily be responsible for establishing and monitoring all aspects of the Company's Fraud Risk Management framework including FRA (Refer Annexure A for FRA Methodology)

## 6. REPORTING OF COMPLAINTS

Complaints shall be reported to Company through various modes as defined in Whistle Blower Policy (Refer Whistle Blower policy for further details)

## 7. CONSTITUTION OF COMMITTEE

**Complaints Committee / Apex Ethics Council** shall receive and investigate the complaints reported by employees/third parties. The Complaints Committee / Apex Ethics Council shall consist of following members:

1. Chief Ethics Officer  
Chairman of the Committee - Mr Vinayak K Deshpande, Managing Director
2. Chief Ethics Counsellor  
Convener of the meetings - Mr R Ravi Sankar, VP & Head-SCM
3. Chief Financial Officer / Nominated member from F&A  
Member - Mr A V R S Sharma, GM- F&A
4. Head - Legal  
Member - Dr A Raja Mogili, Company Secretary & Head Legal

Members of the Complaints Committee / Apex Ethics Council shall have

- Free and unrestricted access to all Company records and premises, whether owned or rented.
- The authority to examine, copy any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.
- Right to delegate the investigation to the appropriate team who will investigate the matter on behalf of the Complaints Committee / Apex Ethics Council.

#### 8. INVESTIGATION PROCEDURE AND FRAUD RESPONSE PLAN

- All whistle blower complaints received shall be dealt by the Complaints Committee / Apex Ethics Council for next course of action based on details provided by the complainant.
- If the Complaints Committee / Apex Ethics Council determines that a complaint received is not credible, then Committee shall document the decision with detailed justification.
- Any complaint made against a member of the Complaints Committee / Apex Ethics Council shall be investigated by/under supervision of Chairman of the Audit Committee.
- The Complaints Committee / Apex Ethics Council shall make every effort to protect the rights and reputations of everyone involved in a complaint received, including the individual who in good faith alleges perceived misconduct.
- Complaints Committee / Apex Ethics Council shall give an opportunity of being heard, to the person who allegedly committed the fraud whereby he/she may explain his/her stand in the case.
- Based on the outcome of the investigation, due and appropriate action shall be taken by the Complaints Committee/ Apex Ethics Council. In case an investigation was carried out against a member of the Complaints Committee / Apex Ethics Council, due and appropriate action shall be taken by the Chairman of the Audit Committee.
- Investigation team shall complete the investigation and submit a report to the Complaints Committee / Apex Ethics Council, within 60 days of receipt of complaint. Under the exceptional circumstances, an extension of thirty days may be permitted by the Complaints Committee.

## 9. DISCIPLINARY ACTION

Disciplinary action depends on the nature and gravity of the conduct or circumstances reported. Violations reported under this Policy may result in one or more of the disciplinary actions as given below:

In respect of employees, it includes:

- Verbal warning
- Written warning
- Imposition of penalty
- Suspension
- Termination of employment
- Any other action as decided by Complaints Committee / Apex Ethics Council from time to time

In respect of others, it includes:

- Suspension of contract
- Termination of the contracts, sub contracts or any other arrangement
- Initiation of legal action
- Any other action as decided by Complaints Committee / Apex Ethics Council from time to time

## 10. CONFIDENTIALITY

The Complaints Committee / Apex Ethics Council shall maintain confidentiality and keep all information received confidential. Investigation results shall not be disclosed or discussed with anyone other than those who have a legitimate right to know.

## 11. PRACTICES TO PROMOTE THIS DOCUMENT

- a. The Company will circulate the information about this Policy document, to all the concerned persons.
- b. New employees will be trained on this Policy document during orientation.
- c. The Company shall upload this policy on Company's website to create awareness among third parties.

Management has defined primary, secondary and shared responsibilities to promote and ensure compliance with this policy.

**12. ADMINISTRATION**

Complaints Committee / Apex Ethics Council of the Company shall be responsible for administration, interpretation, application and periodical review of this Policy.

**13. MODIFICATIONS TO THE POLICY**

Complaints Committee / Apex Ethics Council to supervise the implementation of the Policy, review and carry out any modifications to this policy, from time to time, with the approval of Audit Committee.

**14. APPROVAL:** Approved by the Audit committee of the Board in its meeting held on 29<sup>th</sup> April 2016.

Signature: \_\_\_\_\_



R Ravi Sankar  
Convener – Apex Ethics Committee



**15. GLOSSARY OF TERMS USED AND DEFINITION**

The terms indicated shall carry the meaning of the term for the purpose of this Policy alone.

| <b>Word</b>                | <b>Meaning/Definition</b>   |
|----------------------------|---|
| Agent                      | Any third party, regardless of the nature of engagement by the Company, who represents/ acts on behalf of/ takes decision on behalf of Company. Agents may include sales agents, distributors, contractors, consultants, clearing and forwarding agents, etc. |
| Audit Committee            | Means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act 2013   |
| Chief Ethics Officer (CEO) | Shall mean the Managing Director/ Executive Director & Chief Operating Officer of the Company, or a person acting as CEO.   |
| Chief Ethics Counsellor    | Shall mean the Officer/ Executive so appointed by the Chief Ethics Officer / Chairman of the Audit Committee  |
| Code                       | Means the TATA Code of Conduct  |

