

FRAUD DETECTION POLICY

VERSION CONTROL:

Version	Date of Adoption	Change Reference	Owner	Custodian	Approving Authority
1.0	18.07.2025	Adoption of Fraud Detection Policy	Fraud Risk Management Team	Fraud Risk Management Team	Board of Directors

Aditya Birla Capital Digital Limited

Registered Office:

One World Centre, Tower 1, 18th Floor, Jupiter Mill Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

care.digital@adityabirlacapital.com | www.adityabirlacapital.com/abcd
CIN: U64990MH2023PLC399485

Corporate Office:

One World Centre, Tower 1, 9th Floor, Jupiter Mill
Compound, 841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

Tel: +91 22 6279 9505

1. Introduction:

The Insurance Regulatory and Development Authority of India (IRDAI), vide its Guidelines on Insurance e-commerce bearing number IRDA/INT/GDL/ECM/055/03/2017 dated 9th March 2017, mandates every licensed Insurer or an Insurance Intermediary or any person recognized by IRDAI, desiring to set-up an Insurance Self Network Platform ('ISNP') for selling and servicing of insurance products, to have a board approved pro-active fraud detection policy for the insurance e-commerce activities. Accordingly, **the Board of Directors of the Aditya Birla Capital Digital Limited (the "Company")** has approved this Fraud Detection Policy ('Policy') by considering the frauds including e-commerce fraud that the Company could be exposed to. The Policy shall provide guidance with respect to prevention, detection, investigation and mitigation of any fraudulent activities perpetrated in it.

2. Objective:

The objective of this Policy is to put in place effective Fraud Monitoring framework and ensuring that management is aware of its responsibilities for the detection and prevention of fraud and for establishing procedures to prevent fraud and/or detect fraud on its occurrence. Further, this Policy also ensures development of control measures at an organizational level and conducting investigations. The Company is committed to conducting business in an environment of fairness and integrity and will strive to eliminate fraud from all operations. The Company adopts a "Zero-Tolerance" approach to fraud and will not accept any dishonest or fraudulent act committed by internal and external stakeholders. The Policy shall also provide guidance with respect to prevention, detection, mitigation and investigation into fraudulent activities in relation to its business operations including but not limited to its e-commerce activities.

3. Applicability:

The Policy applies to any fraud or suspected fraud involving its officials and employees, shareholders, vendors, contractors, business associates, policyholders, assignees, claimants, nominees and outside agencies doing business with the Company or any other parties having relationship with the Company. Any investigation activity required, will be conducted irrespective of the suspected wrongdoer's length of services, position/title/designation, or relationship with the Company.

Aditya Birla Capital Digital Limited

Registered Office:

One World Centre, Tower 1, 18th Floor, Jupiter Mill Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

care.digital@adityabirlacapital.com | www.adityabirlacapital.com/abcd
CIN: U64990MH2023PLC399485

Corporate Office:

One World Centre, Tower 1, 9th Floor, Jupiter Mill
Compound, 841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

Tel: +91 22 6279 9505

4. Definition:

“Fraud” in relation to affairs of a Company or any body corporate, includes any act, omission, concealment of any act 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, policyholders or any other person, whether or not there is any wrongful gain or wrongful loss;

“Wrongful gain” means the unjust financial/monetary gain by an unlawful means which shall include all notional and/or actual gains;

“Wrongful loss” means the unjust financial monetary loss by an unlawful means which shall include all notional and/or actual gains.

5. Types of Fraud:

This Policy shall cover following types of frauds:

a) Internal Fraud:

Fraud committed by employee regardless of their legal relation to the company, including its Director, Manager and /or any other employee (by whatever name they called) including temporary workers, third party contractors, interns and consultants

Fraud, misappropriation, misrepresentation against the Company by its Director, Manager and/or any other officer or staff member (by whatever named called).

The illustrative Internal Fraud lists includes the following but not limited to:

- Embezzlement (i.e. misappropriation of money, securities, supplies, property or other assets);
- Fraudulent financial reporting (e.g. forging or alteration of accounting documents or records;
- Cheque fraud (i.e. forgery or alteration of cheques, bank drafts or any other financial instrument;
- Overriding decline decisions so as 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 suppliers;
- Permitting special prices or privileges to customers, or granting business to favoured suppliers, for kickbacks/favors;
- Forgery or alteration of documents or accounts belonging to the Company;
- Conflicts of Interest resulting in actual or exposure to financial loss;
- Payroll fraud;

Aditya Birla Capital Digital Limited

Registered Office:

One World Centre, Tower 1, 18th Floor, Jupiter Mill Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

care.digital@adityabirlacapital.com | www.adityabirlacapital.com/abcd
CIN: U64990MH2023PLC399485

Corporate Office:

One World Centre, Tower 1, 9th Floor, Jupiter Mill
Compound, 841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

Tel: +91 22 6279 9505

- Tax evasion;
- Unauthorized or illegal use of confidential information (e.g. profiteering as a result of insider knowledge of company activities);
- Unauthorized or illegal manipulation of information technology networks or operating systems;
- Intentional failure to record or disclose significant information accurately or completely); and
- Improper pricing activity.

b) Insurance Fraud:

Fraud against the Company in the purchase and/or execution of an insurance product, including fraud at any time during the tenure of the policy. The illustrative Policyholder Fraud lists include the following but not limited to:

- Staging the occurrence of incidents;
- Reporting and claiming of fictitious damage/loss;
- Insurer reported medical claims fraud;
- Fraudulent claims including death claims;
- Wrong information pertaining to the claim;
- Wrong information on the exact cause of loss/damage;
- Unauthorized transactions being initiated on policies such as switches, withdrawals, surrenders etc.;
- Unauthorized changes in contact details;
- Non-disclosure of material facts;
- Misrepresentation of facts in the Proposal/Claim form or any other document; and
- Submitting of forged documents.

c) Third Party Fraud:

Any fraud done by a party other than the persons connected with the Company will come under Third Party Fraud. The Third Party Fraud lists includes the following but not limited to:

- i. Fake or forged receipts and/or policy documents issued by third parties;
- ii. Spurious calls by third parties to customers promising them inflated returns for purchasing new policies or on surrender of their existing policies;
- iii. Connivance in making fraudulent insurance policies or claims documents;
- iv. Kickbacks to employees for deficient or services or provided;
- v. Forging of cheques, signatures, policy document, claim document or any other

Aditya Birla Capital Digital Limited

Registered Office:

One World Centre, Tower 1, 18th Floor, Jupiter Mill Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

care.digital@adityabirlacapital.com | www.adityabirlacapital.com/abcd
CIN: U64990MH2023PLC399485

Corporate Office:

One World Centre, Tower 1, 9th Floor, Jupiter Mill
Compound, 841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

Tel: +91 22 6279 9505

- document to defraud the Company; and
- vi. Stealing Company assets like laptops, computers, cover notes etc.

d) Online Fraud:

This type of fraud could *inter-alia* involve any fraud committed while buying online policy on the Company's digital platform. The Online Fraud lists includes the following but not limited to:

- Buyer side: filings fraudulent claims or making premium payments using compromised payment cards.
- Merchant side frauds: Frauds committed by any of the merchant partners of the Company which would include non-remittance of premium collected on behalf of the Company and/or incorrect charge backs etc.
- Cyber security frauds: Transactions effected through fake or stolen credit card/bank accounts to carry out a transaction in the web portal of the Company.
- Data leakage: Threat of confidential data of the Company being comprised due to any cyber-attack/hacking of the Company systems.
- Other Frauds: Phishing emails sent to customers promising them inflated returns. Using social engineering techniques to wrongly influence the customers to share their identity details.

6. Impact of Fraud:

Fraudulent activities not only impact a Company's bottom line but also create reputational risks for the Company. Depending upon the type and extent of Fraud, the impact includes:

- a. Financial loss;
- b. Decrease in Profitability;
- c. Negative publicity in press;
- d. Deterioration in stakeholder relations
- e. Loss of Customer's trust; and
- f. Low employee morale.

7. Composition of Fraud Control Unit:

The Company shall establish an independent Fraud Control Unit (FCU) which shall commensurate with the volume and scale of business. The Fraud Control Unit will be dedicated function responsibilities for identification, detection, investigation and reporting of frauds.

Aditya Birla Capital Digital Limited

Registered Office:

One World Centre, Tower 1, 18th Floor, Jupiter Mill Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

care.digital@adityabirlacapital.com | www.adityabirlacapital.com/abcd
CIN: U64990MH2023PLC399485

Corporate Office:

One World Centre, Tower 1, 9th Floor, Jupiter Mill
Compound, 841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

Tel: +91 22 6279 9505

The FCU shall also be responsible to identify the vulnerable areas exposed to the risk of potential fraud and put in place adequate control for containment of fraud;

For any interdepartmental support required by the Fraud Control Unit(FCU), it shall have powers to invite SPOCs from other departments on a need basis.

8. Procedures:

All functional head are primarily responsible for day-to-day management of activities and in charge of maintaining, implementing and improving their respective process and internal control so that they minimize the risk of fraud.

9. Identification and Reporting of Fraud and Prospective Fraud:

All the frauds detected by any department/or detected by any person with knowledge of confirmed, attempted or suspected fraud or any person who is personally being placed in a position by other person to participate in the fraudulent activity shall be reported to and by the functional head within 48 hours from the detection of any confirmed, attempted, or suspected fraud.

10. Reporting Mechanism:

The Fraud Control Unit is entrusted with the responsibility to examine and investigate the reported frauds. Any fraud detected by any person should be reported to the Fraud Control Unit as follows:

- a. by letter marked "Private and Confidential" and address to Fraud Control Unit, Aditya Birla Capital Digital Limited, 18th Floor, One World Center, Tower 1, Jupiter Mills Compound, 841 Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013.

Moreover, the person also have the right to make fraud intimation directly to the Principal Officer of the Company as follows:

- a. by email to helpline: care.digital@adityabirlacapital.com - or Principal Officer sneha.raut1@adityabirlacapital.com;
- b. by letter marked "Private and Confidential" and addressed to: The Principal Officer, Aditya Birla Capital Digital Limited, 18th Floor, One World Center, Tower 1, Jupiter Mills Compound, 841 Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013.

Aditya Birla Capital Digital Limited

Registered Office:

One World Centre, Tower 1, 18th Floor, Jupiter Mill Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

care.digital@adityabirlacapital.com | www.adityabirlacapital.com/abcd
CIN: U64990MH2023PLC399485

Corporate Office:

One World Centre, Tower 1, 9th Floor, Jupiter Mill
Compound, 841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

Tel: +91 22 6279 9505

In case, the any fraud is intimated against senior officers of the Company, they may directly reach out the Board of Directors of the Company by letter marked “Private and Confidential” and addressed to: The Board of Directors, Aditya Birla Capital Digital Limited, 18th Floor, One World Center, Tower 1, Jupiter Mills Compound, 841 Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013.

11. Investigation Responsibilities:

The Head of Fraud Control Unit or Principal Officer, as the case may be, is entrusted with the full authority for the investigation of all suspected/actual fraudulent acts as defined in this Policy. They will take the necessary support from all concerned departments, external outsourced investigation agencies, and forensic experts, etc. for investigation, if required. Moreover, the Principal Officer / Head of Fraud Control Unit has the power to form a team from case to case basis and such investigation team will be given all the rights, authority to investigate, any Company’s books, desk, cabinets, storage, emails, files or access, to any premises etc., whatsoever to investigate the case.

12. Prevention Mechanism:

The Company will inform both potential stakeholders and existing stakeholders about the Policy. The Company shall appropriately include necessary caution in the relevant documents, duly highlighting the consequences of submitting false statement and/or incomplete statement, for the benefit of the policyholders, claimants and the beneficiaries.

Regular and periodic training (including new-hire orientation and refresher training) shall be provided to all personnel, upon joining the organization and throughout their association with the Company, in order to clearly communicate expectations for ethical behavior to staff members, adherence to Code of conduct & avoiding conflict of interest.

The Company shall also co-operate with insurance industry participants along with all the relevant government agencies including IRDAI to identify, detect, investigate, prevent, control and do all such acts that is necessary to mitigate any fraudulent activities.

13. Review:

This Policy will be reviewed by the Board of Directors of the Company as and when required.

X-X-X-X-X-X-X-X-X-X-X-X

Aditya Birla Capital Digital Limited

Registered Office:

One World Centre, Tower 1, 18th Floor, Jupiter Mill Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

care.digital@adityabirlacapital.com | www.adityabirlacapital.com/abccd
CIN: U64990MH2023PLC399485

Corporate Office:

One World Centre, Tower 1, 9th Floor, Jupiter Mill
Compound, 841, Senapati Bapat Marg, Elphinstone Road,
Mumbai, Maharashtra - 400 013

Tel: +91 22 6279 9505