

# Anti-corruption & Bribery policy

## 1. Preface

V.B.Desai Financial Services Limited (“VBD” or the “Company”) is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices. It is VBD’s policy to conduct all of its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its business practice, wherever it operates throughout the world, of not engaging in bribery or corruption.

## 2. Scope and applicability

This Anti-bribery and Anti-corruption Policy (this “Policy”) applies to all individuals working for all affiliates and related associates of the Company at all levels and grades, including directors, senior executives, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, or any other person associated with the Company (collectively referred to as “You” or “you” in this Policy).

In this Policy, “Third Party (ies)” means any individual or organization, who / which come into contact with VBD or transact with VBD and also includes actual and potential clients, suppliers, business contacts, consultants, intermediaries, representatives, subcontractors, agents, advisers, joint ventures and government & public bodies (including their advisers, representatives and officials, politicians and political parties).

## 3. Policy details

A bribe is an inducement, payment, reward or advantage offered, promised or provided to any person in order to gain any commercial, contractual, regulatory or personal advantage. It is illegal to directly or indirectly offer a bribe or receive a bribe. It is also a separate offence to bribe a government/ public official. “Government/ public official” includes officials, whether elected or appointed, who hold a legislative, administrative or judicial position of any kind in a country or territory.

A bribe may be anything of value and not just money -- gifts, inside information, sexual or other favours, corporate hospitality or entertainment, offering employment to a relative, payment or reimbursement of travel expenses, charitable donation or social contribution, abuse of function -- and can pass directly or through a third party. Corruption includes wrongdoing on the part of an authority or those in power through means that are illegitimate, immoral or incompatible with ethical standards. Corruption often results from patronage and is associated with bribery.

#### 4. Gifts and hospitality

Employees or members of their immediate families (spouse, mother, father, son, daughter, brother, sister or any of these step- or in-law relationships, whether established by blood or marriage including common law marriage) should not provide, solicit or accept cash or its equivalent, entertainment, favours, gifts or anything of substance to or from competitors, vendors, suppliers, customers or others that do business or are trying to do business with VBD. Loans from any persons or companies having or seeking business with VBD, except recognized financial institutions, should not be accepted. All relationships with those who VBD deals with should be cordial, but must be on an arm's length basis. Nothing should be accepted, nor should the employee have any outside involvement, that could impair, or give the appearance of impairing, an employee's ability to perform his/her duties or to exercise business judgment in a fair and unbiased manner.

This Policy does not prohibit normal and appropriate gifts, hospitality, entertainment and promotional or other similar business expenditure, such as calendars, diaries, pens, memento given on new year under different faith and religions, meals and invitations to theatre, social gatherings and sporting events (given and received), to or from Third Parties. However, the key determining factor for appropriateness of the gift or hospitality and/or its value would be based on facts and circumstances under which such gift or hospitality is provided.

The practice of giving gifts and hospitality is recognized as an established and important part of doing business. However, it is prohibited when they are used as bribes. Giving gifts and hospitality varies between countries and sectors and what may be normal and acceptable in one country may not be so in another. To avoid committing a bribery offence, the gift or hospitality must be:

- a.) Reasonable and justifiable in all the circumstances
- b.) Intended to improve the image of the Company, better present its products and services or establish cordial relations

The giving or receiving gifts or hospitality is acceptable under this Policy if all the following requirements are met:

- a.) It is not made with the intention of influencing a Third Party to obtain/ retain business or a business advantage or to reward the provision or retention of business or a business advantage or in explicit or implicit exchange for favours/ benefits or for any other corrupt purpose
- b.) It complies with local laws and customs
- c.) It does not include cash or a cash equivalent (such as gift certificates or vouchers)
- d.) It is appropriate in the circumstances. For example, in India it is customary for small gifts to be given at Diwali time
- e.) Taking into account the reason for the gift or hospitality, it is of an appropriate type and value and given at an appropriate time

- f.) It is given openly, not secretly and in a manner that avoids the appearance of impropriety

## **5. What is not acceptable?**

It is not acceptable for any employee of VBD (or someone on his / her behalf) to:

- a.) Accept an offer of a gift of any size from any Third Party which is in negotiation with, or is submitting a proposal with VBD
- b.) Give, promise to give or offer, any payment, gift, hospitality or advantage with the expectation or hope that a business advantage will be given or received or to reward a business advantage already given
- c.) Give, promise to give or offer, any payment, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure
- d.) Accept or solicit any payment, advantage, gift or hospitality from a Third Party that you know or suspect is being offered with the expectation that it will obtain a business advantage for them
- e.) Threaten or retaliate against, another employee who has refused to commit a bribery offence or who has raised concerns under this Policy
- f.) Engage in any activity that might lead to a breach of this Policy

The points stated above are illustrative in nature and in no way intend to limit the applicability of this Policy.

## **6. Facilitation payments and Kickbacks**

Neither an employee of VBD nor any person acting on behalf of VBD shall make and shall not accept facilitation payments or “kickbacks” of any kind. “Facilitation Payments” are typically small, unofficial payments (sometimes known as “grease payments”) made to secure or expedite a routine government action by a government official. “Kickbacks” are typically payments made to commercial organizations in return for a business favour/ advantage, such as a payment made to secure the award of a contract. You must avoid any activity that might lead to or suggest that a Facilitation Payment or Kickback will be made or accepted by VBD.

If employees are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Company.

## **7. Donations**

The Company does not make contributions to political parties which are so made to influence any decision or gain a business advantage. The Company only makes charitable donations that are legal and ethical under local laws and practices.

## **8. Responsibilities of Associates**

Employees must ensure that they have read, understood this policy and, must at all times comply with the terms and conditions of this policy.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy. Any employee who breaches this policy will face disciplinary action, which may result in dismissal. The Company reserves its right to terminate a contractual relationship with other employees and associated persons if they breach this policy.

Employees must notify the Competent Authority under the Vigil Mechanism and Whistleblower Policy as soon as possible if you believe or suspect that a breach of or conflict with this Policy has occurred or may occur in the future.

## **9. Record-keeping**

The Company will keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to, and receiving payments from, third parties.

Employees must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review and/or a review from appropriate member of the Company's Human Resource (HR) team.

Employees must ensure that all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with Company's regulations and the manual.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts will be kept "off-book" to facilitate or conceal improper payments and the same is ensured through effective monitoring and auditing mechanisms in place.

## **10. How to raise a concern**

Every person, to whom this policy applies too, is encouraged to raise their concerns about any bribery issue or suspicion of malpractice at the earliest possible stage. If he / she is unsure whether a particular act constitutes bribery or corruption or if he / she has any other queries, these should be raised with their respective Manager and/or the Competent Authority under the Vigil Mechanism and Whistleblower Policy.

## **11. Protection**

Employees who refuse to accept or offer a bribe or those who raise concerns or report another's wrong-doing, are sometimes worried about possible repercussions. The Company aims to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

The Company is committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in bribery or corrupt activities or because of reporting their suspicion in good faith that an actual or potential bribery or other corruption offence has taken place or may take place in the future. If any employee believes that he / she has suffered any such treatment, he / she should inform the Competent Authority under the Vigil Mechanism and Whistleblower Policy immediately.

## **12. Who is responsible for the Policy?**

The Board of Directors has overall responsibility for ensuring that this Policy complies with our legal and ethical obligations and that all those under our control comply with it.

Managers at all levels are responsible for ensuring that those reporting to them are made aware of and understand this Policy, undertake training on how to implement and adhere to it and also monitor compliance of it.

The Compliance/ HR team is responsible for this Policy and for monitoring its use and effectiveness (and dealing with any queries on its interpretation). Management at all levels is responsible for ensuring that those reporting to them are made aware of and understand this Policy and attend regular training on how to implement and adhere to it.

Every person to whom this policy applies is responsible for the success of this Policy and should ensure that he / she should use it to disclose any suspected activity or wrong-doing.