



AVANSE FINANCIAL SERVICES LIMITED

Anti-Corruption and Anti-Bribery Policy

Version Control

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1. PREAMBLE

Avanse Financial Services Limited (“**the Company**” or “**AFSL**”) believes and is committed to adhere to high ethical standards and compliance with laws and regulations applicable to its business.

The Anti-Corruption and Anti-Bribery Policy (“**the Policy**”) has been framed in line with the Articles of Association of the Company. The Policy reflects the Company’s commitment to act professionally, fairly and with integrity in all its business dealings.

2. OBJECTIVE AND SCOPE

This Policy shall be applicable to all the Employees of the Company (as defined herein below) and all the distributors, vendors, consultants, advisors, suppliers, contractors or other third parties engaged with the Company or working on the Company’s behalf (hereinafter referred to as “**AFSL Representatives**”).

This Policy shall be applicable in all dealings / transactions of the Company’s staff inter-se or with customers, regulators, investors, vendors or other agencies, authorities or bodies including Government, regulatory, semi-regulatory, judicial, quasi-judicial etc.

The Policy outlines guiding principles and adequate procedures to prevent any activity or conduct relating to corruption.

3. DEFINITIONS AND INTERPRETATION

The definitions of some of the key terms used in this Policy are given below:

- a. “**Anti-Corruption laws**” means all Indian or foreign laws and regulations related to corruption, bribery, fraud, protection of public interest, conflict of public interests, administrative dishonesty, violation perpetrated in public bidding procedures and government agreements, money laundering, donations related to elections for political offices, or the conduction of business on a non-ethical manner, including, but not limited to Prevention of Corruption Act, 1988, the U.S. Foreign Corrupt Practices Act, 1977, the UK Bribery Act, 2010, the Indian Penal Code, 1860 as amended from time to time;
- b. “**Bribery**” means any payment, offer, authorization or promise to pay, directly or indirectly, any money, reward, benefit, gifts, gratifications, kickbacks or anything of value with or without adequate consideration to any person in order to secure or obtain an advantage;
- c. “**Coercive Practices**” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

It is hereby clarified that:

- (i) Coercive Practices would include actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice;
- (ii) Coercive Practices shall also include threatened or actual illegal actions such as personal injury or abduction, damage to property, or injury to legally recognizable interests, in order to obtain an undue advantage or to avoid an obligation. However, the same shall not include hard bargaining, the exercise of legal or contractual remedies or litigation.

- d. **“Collusive Practices”** means an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

It is hereby clarified that Collusive Practices shall include actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.

- e. **“Corrupt Practices”** means offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

It is hereby clarified that

- (i) Corrupt practices are understood as kickbacks and bribery. The conduct in question must involve the use of improper means (such as bribery) to violate or derogate a duty owed by the recipient in order for the payor to obtain an undue advantage or to avoid an obligation. Antitrust, securities and other violations of law that are not of this nature are excluded from the definition of corrupt practices.
 - (ii) It is acknowledged that foreign investment agreements, concessions and other types of contracts commonly require investors to make contributions for bona fide social development purposes or to provide funding for infrastructure unrelated to the project. Similarly, investors are often required or expected to make contributions to bona fide local charities. These practices are not viewed as Corrupt Practices for purposes of these definitions, so long as they are permitted under local law and fully disclosed in the payor's books and records. Similarly, an investor will not be held liable for corrupt or fraudulent practices committed by entities that administer bona fide social development funds or charitable contributions.
 - (iii) In the context of conduct between private parties, the offering, giving, receiving or soliciting of corporate hospitality and gifts that are customary by internationally-accepted industry standards shall not constitute corrupt practices unless the action violates Applicable Law.
 - (iv) Payment by private sector persons of the reasonable travel and entertainment expenses of public officials that are consistent with existing practice under relevant law and international conventions will not be viewed as Corrupt Practices.
 - (v) Facilitation payments are not condoned. For the purposes of implementation, the interpretation of "Corrupt Practices" relating to facilitation payments will take into account relevant law and international conventions pertaining to corruption.
- f. **“Employee”** means all employees of the Company, in any class of employment, including but not limited to regular employees, contractual employees, officers and directors of the Company and shall also include Employees of the subsidiaries of the Company.
- g. **“Fraudulent Practices”** means any action or omission, including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

INTERPRETATION:

- (i) An action, omission, or misrepresentation will be regarded as made recklessly if it is made with reckless indifference as to whether it is true or false. Mere inaccuracy in such information, committed through simple negligence, is not enough to constitute a "Fraudulent Practice" for purposes of this Agreement.
- h. **“Obstructive Practices”** means deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making of false statements to investigators, in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive or collusive practice, and/ or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation

INTERPRETATION:

Any action legally or otherwise properly taken by a party to maintain or preserve its regulatory, legal or constitutional rights such as the attorney-client privilege, regardless of whether such action had the effect of impeding an investigation, does not constitute an Obstructive Practice.

- i. **“Prohibited Act”** means carrying, associating with or indulging in any one or more of the Bribery, Coercive Practices, Collusive Practices, Fraudulent Practices or Obstructive Practices, by or on behalf of or for the benefit of the Company.

All words and expressions used in this Policy but has not been defined hereunder but defined under the Anti-Corruption Laws or any of the rules or regulations framed thereunder, shall have the same meaning as respectively assigned to them in such Anti-Corruption Laws, as the case may be.

4. POLICY FRAMEWORK

The Company or any of AFSL Representatives shall not, by or on behalf of or for the benefit of the Company:

- (i) Make, promise to make, or offer, directly or indirectly through any third party (including any agents, consultants, representatives, distributors, contractor, subcontractors etc.) any payment or offer Bribe or indulge in a Prohibited Act in their dealings;
- (ii) make or accept any payment of Bribe or indulge in any Prohibited Act, while having reason to believe that such payment will be offered or given to any Governmental Authority, Public Servant, Political Person or Political Party for the purposes of inducing or influencing such Governmental Authority, Public Servant, Political Person or Political Party to do or refrain from doing any public duty or official act, in order to assist the Company in securing any advantage;
- (iii) established any undisclosed or unrecorded accounts of the Company for any purpose;
- (iv) accept a payment, gift, hospitality or other benefit from a third party that you know or suspect is offered with the expectation that it will provide a business advantage for them or anyone else in return;
- (v) make any false, misleading, incomplete, inaccurate, or artificial entries in the books and records of the Company;

It is hereby clarified that all payments made by AFSL Representatives, in the course of conducting the business interest of the Company must be accurately described in the accounting records to assure that transactions are characterized truthfully with related documentation and proper entries must be made in the books of accounts, in accordance with the accounting policies and the Applicable Laws.

Further, relevant Company policies should be followed for reimbursement of all expenses to the Employees of the Company.

- (vi) give or offer any gift to any Public Servant, government officials or representatives, Political Person or a Political Party OR accept any gift from any person other than in accordance with this Policy or any other policy or code of conduct of the Company;

However, the Company respects the right of an Employee or AFSL Representative to make personal contributions, as long as those are not made in any way to obtain advantage in any business interest or result in any of the Prohibited Act.

- (vii) engage in any other activity that might lead to a breach of this policy;

However, the Company acknowledges that exchange of nominal gifts or souvenirs of a nominal value (e.g. bouquets, pens, calendars, diaries etc.) which are customarily given on special events / occasions and are infrequent in nature. All AFSL Representatives need to exercise sound judgment in identifying inappropriate, frequent or material gifts and shall avoid the same to maintain integrity and independence.

Further, the giving or receipt of gifts by any AFSL Representative is not prohibited, if:

- a. It complies with this Policy and / or any other policy or code of conduct of the Company and all the Anti-Bribery Laws;
 - b. The gift is not given or received in return for a favour / favourable treatment or to refrain from doing something disadvantageous to the Company;
- (viii) Engage with or appoint any partner, consultant, advisor, contractor, sub-contractor, agent, by whatever name called, other than on the basis of their commercial and technical expertise, and the Company's need for such product or services and no on the basis of their relationship or connections, whether pecuniary or otherwise, with such AFSL Representative;
 - (ix) Make any charitable donations that are illegal and unethical under the Anti-Corruption Laws or the same are used as a channel for indulging in any Prohibited Act.

5. IMPLICATIONS OF BREACH OF THE POLICY AND REPORTING OF VIOLATIONS

Any person can raise concerns about any issue or suspicion of non-compliance with this Policy and Anti-Corruption Laws to the Chief People Officer of the Company at ethicsofficer@avanse.com.

On receipt of such any concern regarding breach of Policy, the concerned authority i.e. Chief People Officer of the Company, may appoint / authorize an investigator / group of investigators or department personnel to investigate into such acts who shall investigate all allegations relating to corruption. The concerned authority shall have the right to call for information / document and / or examination as they may deem necessary in the process of investigation.

The disciplinary or corrective action as decided by the concerned authority in consultation with the Managing Director & CEO, would be in line with the Company's HR policies and processes and Anti-Corruption Laws as applicable.

Any Employee who is found to have violated this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct. The Company may terminate its relationship with any third party or other individual or organization working on the Company's behalf for any breach of this Policy.

All the reports and proceedings under this Policy would be treated confidential and the Company would protect identity of the reporter who reports the suspected violation.

The Company is committed to ensure that no one suffers any detrimental or retaliatory treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that a Prohibited Act has taken place, or may take place in the future. Detrimental

treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If any person believes that he / she has suffered any such treatment, that person should inform his / her supervisor or raise it formally with the Chief People Officer of the Company.

False or malicious complaints: Any use of the reporting procedures in bad faith or in a false or frivolous manner will be considered a violation of this Policy, and the reporter may be subject to disciplinary action as per the Company HR policies and processes.

6. TRAINING

Employees shall mandatorily go through various awareness material as issued by the Company from time to time on the HR Portal or otherwise. Employees shall also attend any training / self-certification regarding anti-bribery and anti-corruption, as may be conducted by the Company from time to time.

7. REVIEW OF THE POLICY

Any amendment to this Policy shall be done post obtaining approval from the Board of Directors. The Policy shall be reviewed continually and atleast once in every two years.

It is hereby clarified that if and when any Applicable Laws concerning the subject matter of this Policy are promulgated, amended, enacted, re-enacted or modified, this Policy shall, unless otherwise prescribed, be deemed to be amended to take into account or to give effect to such promulgated, amended, enacted, re-enacted or modified applicable laws.