



**BERAR FINANCE LIMITED**  
**ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

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## Purpose

Berar Finance Limited and all its subsidiaries and affiliates (hereinafter referred to as the “**Company**”) is committed to conducting its business in the most ethical manner. The Company has zero tolerance approach to Bribery and Corruption and is determined to act professionally, fairly and with integrity in all its business relationships to ensure prevention, deterrence and detection of fraud, Bribery and any other corrupt business practices.

Bribery and Corruption are a serious offence and can result in the imposition of severe fine and/or custodial sentences and severe reputation damages. The Company, therefore, takes its responsibility very seriously and will uphold all laws relevant to countering Bribery and Corruption.

This Anti-Bribery and Anti-Corruption Policy (“**Policy**” or “**ABC Policy**”) prohibits the receipt, offering and payment of Bribes and other illicit payments by the Company from / to any person or entity to secure an improper advantage, and sets forth guidelines to ensure that the Company’s personnel comply with anti-bribery and anti-corruption laws of all jurisdictions applicable to it.

## Governing Legislations

All national laws relating to Bribery and Corruption, especially such laws that are in place in jurisdictions where the Company has an office(s) or carries out its business, are of importance to the Company. In setting out the principles included in this Policy, particular attention has been paid to the requirements of:

- The Prevention of Corruption Act 1988 (“**POCA**”). This is a federal law enacted by the Parliament of India to combat corruption in government agencies and public sector businesses in India;
- The UK Bribery Act 2010 which entered into effect on July 1, 2011 (“**UKBA**”) and which has extra-territorial reach;
- The Foreign and Corrupt Practices Act 1977 (“**FCPA**”). This act is in effect in the US and it assumes extra-territorial effect;
- The Organization for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the “**OECD Convention**”) and the United Nations Convention Against Corruption (the “**UN Convention**”);
- Reserve Bank of India Act, 1934; and
- All other rules, regulations, guidelines framed by the Reserve Bank of India, as may be applicable to the Company from time to time.

An overview of the above-mentioned anti-corruption regulations applicable to the Company is provided in **Appendix I**.

## Scope and Applicability

The Policy is applicable to all promoters, shareholders, directors, employees (whether permanent, fixed-term or temporary), partners, consultants, contractors, trainees, casual workers, volunteers, interns, agents, or any other person associated with the Company when dealing with the Company’s matters.

It is also applicable to Third Party(ies)with whom the Company has significant business relationships which will include any individual or organization, who / which come into contact with the Company or transact with the Company and also includes actual and potential clients, suppliers, business contacts, consultants, intermediaries, representatives, sub-contractors, agents, advisers and joint ventures (including their advisers, representatives and officials, politicians and political parties).

### **Policy Summary**

#### **Any form of Bribery is a serious offence to which the Company has zero tolerance.**

The Company personnel are prohibited from receiving, offering, promising, making, authorizing or providing (directly, or indirectly through third parties) any payments, gifts, or the transfer of Anything of Value to any person or entity, including Government Officials and family members of Government Officials, in any jurisdiction to influence or reward any action or decision for the Company's benefit. Neither the Company's funds nor funds from any other source, including personal funds of any of its shareholders, directors, officers, employees, interns, agents, etc., may be used to make any such payment or gift on behalf of or for the benefit of the Company in order to secure an improper business advantage.

Specifically, no shareholder, director, officer or employee of the Company shall:

- a) offer, promise, give or authorise a Bribe of any kind, directly or indirectly;
- b) request, agree to receive or accept a Bribe of any kind, directly or indirectly;
- c) make Facilitation Payments or Speed Payments;
- d) threaten or retaliate against, another employee who has refused to commit Bribery or who has raised concerns under this Policy;
- e) offer, promise, give, or authorise to offer/promise/give (directly or indirectly) Anything of Value to a Government Official or to another person at the request or with the consent of a Government Official in order to influence a Government Official in his or her capacity as such and in order to obtain or retain business or an advantage in the conduct of business, unless it is specifically permitted under this Policy or by written applicable law;
- f) ask others to pay bribes or engage in corrupt practices on the Company's behalf; or
- g) 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.

Every director, officer or employee of the Company must:

- a) comply with the highest standards of integrity and propriety whether under this Policy or any applicable laws and regulations;
- b) comply with all policies that are part of the Company's anti-corruption and anti-bribery programme;
- c) be vigilant for any Bribery within the Company; and
- d) if an employee becomes aware of or reasonably suspects a violation of anti-bribery laws or this Policy by the Company or its representatives, he or she must promptly report the facts to the Whistleblower Officer or immediate reporting manager. Failure to comply with this Policy may also result in serious financial and/or criminal penalties for the Company. In addition, failure to comply with this Policy may result in one or more of the following consequences for employees:

- a) civil and/or criminal liability (which may include imprisonment); and
- b) disciplinary action by the Company, including possible termination of employment and forfeiture of benefits.

The procedures set forth in this Policy are designed to help the Company's personnel and deal teams play an effective role in mitigating the risks posed by Corruption.

### Definitions

- **"Anything of Value"**, or gratification, means anything that has value to the recipient and can include things such as:
  - a. cash and any payment or reimbursement in the form of, among others, promotion fees, gift cards, discount arrangements, sponsorship fees, consulting fees and commission fees;
  - b. non-cash items such as gifts, hospitality, meals, entertainment, contractual rights of interest, favours, loans and loan guarantees, stocks, real estate, investment or business opportunities, the use of property or equipment, pre-paid membership cards, home renovations, transfers or grants of equity without proper consideration, transportation, payment or reimbursement of debts, refunds, preferential treatment in the provision of, or preferential access to, business opportunities, goods or services;
  - c. employment or internship offers to a Government Official, their family members or friends;
  - d. provision of free services; and
  - e. contributions directly to a political party or charity or indirectly through corporate social responsibility projects.

Under POCA, "gratification" is not restricted to pecuniary gratifications or to gratifications quantifiable in money, but can include anything that would satisfy an "appetite" or "desire". The term can cover even insignificant amounts paid to influence a Government Official, so long as it is beyond the legal remuneration to which the Government Official is entitled.

- **"Associated Person"** or **"Third Party"** means a person or corporate entity which performs services for or on behalf of the Company or transacts with the Company. Associated Persons may include but are not limited to agents, facilitators, representatives, lobbyists, consultants, intermediaries, finders, introducers, tax advisers, lawyers, marketing firms, vendors, service providers and outsourcers engaged by the Company for its matters. Associated Persons may also include subsidiaries, joint ventures, joint venture parties, and companies in which the Company is considering purchasing an equity interest (excluding a passive investment).
- **"Bribe"** or **"Bribery"** is the offer, promise, payment, transfer, request, kickback, agreement to receive or receipt of Anything of Value, whether directly or indirectly, to or from any person (whether a private person, corporate entity or Government Official) to induce or reward behaviour which is improper, dishonest, illegal or a breach of trust, duty, good faith or impartiality in the performance of person's functions or activities (including but not limited to, a person's public functions, activities, in their employment or otherwise in connection with a business). A Bribe can take the form of a "reward" and be paid after the improper performance of the relevant duty or obligation has taken place. Bribery also occurs when a party offers Anything of Value that he or she knows or believes will breach

the gifts and entertainment / hospitality policy of the prospective third party recipient or otherwise constitute the improper performance of a relevant function or activity of the third party.

It is also a separate offence to bribe a Government Official in order to influence that official with the intention of obtaining or retaining business in circumstances where this is not permitted by applicable law. "Government/public official" includes officials, whether elected or appointed, who holds a legislative, administrative or judicial position of any kind in a country or territory or work for a government run organization.

- **"Fraud"** is an operational risk which is defined as any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. It encompasses a range of irregularities and illegal acts characterized by intentional deception or misrepresentation, which an individual knows to be false or does not believe to be true. It is perpetrated by a person knowing that it could result in some unauthorized benefit to him/her or to another person and can be perpetrated by persons outside and inside the organization.
- **"Corruption"** includes wrongdoing on the part of an authority or those in power through means that are illegitimate, immoral or incompatible with the applicable ethical standards. Corruption often results in and is associated with Bribery.
- **"Facilitation Payments"** or **"Speed Payments"** are small value payments to a (usually low-level) Government Official in order to secure or expedite the performance of routine or expected governmental action to which the payer is entitled. For example, a payment to a customs official to speed up the release of equipment from a customs warehouse where the payment is outside of the usual process. Another example might be a payment to a regulator to ensure that a licence is approved, outside of the usual approval process.
- **"Government Entity"** includes national, state or local governments or government departments, bodies, agencies, judiciary, government-owned or controlled commercial enterprises, as well as "Public International Organizations". "Public International Organizations" include any organization with two or more governments as members, such as the World Bank.
- **"Government Officials"** broadly, includes anyone working at or on behalf of a Government Entity, as well as any candidate for political office, political party official or employee, or a political party. A government official also includes an officer, director, or employee of a non-governmental institution whose employees are treated, because of their status or other reasons, as government officials under applicable local law. The definition of government officials in this Policy encompasses the definition of "public servant" as defined by the POCA, which includes all branches of government and any person exercising a public function, including employees of public agencies and public enterprises.
- **"Whistleblower Officer"** has the meaning assigned to in the "VIGIL MECHANISM AND WHISTLEBLOWER POLICY" adopted by the Company.

## Key Elements of the Policy

### Prohibition against Bribing Government Officials

This Policy prohibits Bribes or improper payments, directly or indirectly, to any Government Official (or their family members) in any jurisdiction to obtain, direct or retain business or to secure an improper advantage.

- a. Bribes or Improper Payments. Cash payments to bribe a Government Official are improper payments under this Policy. Further, any transfer of value, both tangible and intangible, could also be considered an improper payment or Bribe. For example, a loan, a gift, entertainment, a generous contribution to a charity sponsored by a Government Official as a quid pro quo for government action, the promise of future payment, or the promise of future employment for the Government Official or a family member could be considered a Bribe or improper payment that is prohibited under this Policy and applicable law.
- b. Indirect Payments. Payments that cannot be made directly to a Government Official also must not be made indirectly through a third party. The Company's personnel and entities must not pay a third party knowing or with a belief that a portion of the payment will be passed on (or is substantially likely to be passed on) to a Government Official as Bribe or improper payment.
- c. Obtain Business or Secure Improper Business Advantage. Prohibited payments are those made to a Government Official to obtain or retain business or secure an improper business advantage. This can include payments offered to influence a Government Official in his or her official capacity.

In some countries, local laws provide for an absolute prohibition on giving anything of value to Government Officials (without regard to whether it is in connection with an official act, or for the purpose of securing an improper business advantage). The Company's employees must comply with laws of India, in addition to complying with this Policy, when giving Anything of Value to any public servant. Please note that this list is not exhaustive and there may be other circumstances where the provision of gifts, hospitality, and entertainment may be prohibited.

### Prohibition against Commercial Bribery

This Policy also prohibits commercial bribery without regard to whether a Government Official is involved in the transaction. Accordingly, the Company's employees are prohibited from offering, promising, or giving, directly or indirectly, a financial or other advantage to another person (i) to induce a person to perform improperly a relevant function or activity; (ii) to reward a person for the improper performance of such a function or activity; or (iii) where the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity. All of the above descriptions with respect to what constitutes a Bribe apply with equal force to this prohibition.

### Giving and receiving gifts

Receiving gifts from existing or prospective clients, suppliers, vendors, and service providers are an expected and anticipated aspect of business. However, as a part of its overriding philosophy and good governance, the Company discourages all its employees or members of their immediate families (whether established by blood or marriage including common law

marriage) to provide, solicit or accept cash or its equivalent, entertainment, favors, gifts or anything of substance to or from competitors, vendors, suppliers, customers or others that do business or are trying to do business with the Company. Under certain circumstances like festivals, personal occasions, employees may receive or give gifts under the following guidelines.

#### *Receiving gifts*

- No gifts to be received from vendor or service provider (unless it is perishable);
- Any gift the market value of which is more than INR 3,500/- (Indian Rupees Three Thousand and Five Hundred only) should not be accepted and should be reported to the management.
- Entertainment is distinguished from gifts if the provider of the entertainment attends the event with the recipient and business is discussed or business opportunities are reasonably expected to exist. Otherwise, the event is a gift and subject to the INR 3,500/- (Indian Rupees Three Thousand and Five Hundred only) limit.
- No employee will solicit or receive business gifts in the form of cash, stocks, bonds, or personal loans of any value.
- No employee will accept gifts which are prohibited by law or may have negative legal implications (liquor/cash etc.), irrespective of any situation.
- Employees shall never solicit nor receive any gift or form of entertainment of any value for purposes of improperly influencing a business dealing. The Company's employees are also prohibited from requesting, agreeing to receive, or accepting a financial or other advantage intending that a relevant function or activity be performed improperly.

#### *Giving gifts*

- Prior approval shall be sought from the senior management before presenting gifts to any stakeholder/Government Official / partner/ vendor/ service provider.
- Gifts, hospitality, or entertainment should not be intended or appear to have the appearance to improperly influence anyone's decision-making, objectivity, or making the recipient feel unduly obliged in any way and should never be offered for such reasons.
- The employees of the Company will not give gifts which are prohibited by the law or the policy of the recipient's organization.
- Gifts, not exceeding a nominal value of INR 3,500/- (Indian Rupees Three Thousand and Five Hundred only) may be given by the Company to employees and other stakeholders (some examples can be token gifts like - corporate calendars, diaries, pens, mugs, books, t-shirts, meals) only after management approval.

In particular, no employee should accept a gift or entertainment from any person which (i) is likely to significantly conflict with the Company's duties to its clients and investors, (ii) is inconsistent with customary business practices, (iii) exceeds INR 3,500/- (Indian Rupees Three Thousand and Five Hundred only) in value, (iv) can be construed as a Bribe or payoff, or (v) violates any laws or regulations. If any employee is solicited in a way that suggests the gift or entertainment is for improper influence or in violation of this Policy, such employee must notify his / her manager or the Whistle-blower Officer.



### Payments to Associated Persons

Payments by the Company to brokers, promoters, founders, finders, agents, consultants, lobbyists or other intermediaries raise special concerns and may be scrutinized by regulators. The majority of anti-corruption law violations involve the participation of third party conduits or Associated Persons. Because of the risk that Associated Persons may seek to secure business for the Company through violations of anti-corruption and anti-bribery laws and that may subject the Company to liability, Associated Persons who interact with Government Officials or with individuals or entities in a position to give the Company a commercial business advantage should not be retained to perform material services on behalf of the Company unless:

- The engagement of such Associated Person is pursuant to a written agreement;
- Fees and commissions agreed for such Associated Person are appropriate and justifiable remuneration for legitimate services rendered;
- The contracts include suitable contractual covenants (**Appendix II**) to the effect that Associated Person will not pay or offer to pay bribes or make other improper payments, and will comply with anti-corruption standards;
- Contractual agreements will include appropriate wording (**Appendix II**) making it possible to withdraw from the relationship if any Associated Person fails to abide by this Policy.

The Company shall also annually review the reputation risks of such Associated Persons regarding Corruption and Bribery.

**Appendix III** to this Policy will help the Company's employees identify "Warning Signs" or "Red Flags" that may indicate the existence of Bribes or corrupt payments. The "Red Flags" may help an employee assess the risk that a particular Associated Person has made or could make corrupt payments to Government Officials or Government Entities or with individual or entities in a position to provide the Company a commercial advantage.

### Provision of Gifts, Meals, Travel, Lodging and Entertainment to Government Officials or Individuals in a Position to Provide the Company with a Commercial Business Advantage

This Policy recognizes that the polite conduct of business in certain countries may involve giving a gift, provision of meals, entertainment, travel or lodging to Government Officials or individuals. The purpose of providing gifts and business entertainment may be customary or is to create goodwill and sound working relationships, and not to gain an unfair advantage.

The below standards address the guidelines for provision of gifts, meals, travel, lodging and entertainment to Government Officials or individuals who may be in a position to provide the Company a commercial business advantage. Employees must check whether such gifts, meals, travel, lodging, entertainment, etc. may be given by reference to the procedures set out below.

Provided below is an overview of the spending limits for each category of expenses. A gift, meal, travel, lodging and entertainment within the limit does not automatically mean that it is permissible. The spending limits are the maximum allowable amounts, but only if an expense qualifies as an eligible expense as discussed more fully below.

Particulars	Meals & Entertainment	Travel & Lodging	Gifts
Government Officials	INR 5,000 per person without pre-approval	INR 7,500 per person without pre-approval	INR 5,000 per person without pre-approval
Commercial Sector	INR 10,000 per person and INR 25,000 in aggregate (in case of more than 2 persons) without pre-approval	INR 15,000 per person without pre-approval	INR 5,000 per person without pre-approval
Family members of Government Officials or Commercial Sector	Generally, not permitted (see exceptions below)	Generally, not permitted (see exceptions below)	Generally, not permitted (see exceptions below)

Employees must take great care when dealing with Government Officials, and should do not do anything which could be a breach, or be perceived as a breach, of this Policy. The following are additional guidelines that Company personnel need to bear in mind under this Policy:

- Do not offer or give any gift, pay for a meal, travel, lodging, entertainment, etc., which is in excess of what the recipient is permitted to receive. When in doubt, employees should take appropriate steps to ascertain whether this is permitted under the Policy. If any employee reasonably anticipates that a gift, meal or entertainment expense will exceed the above mentioned limits, such employee must seek pre-approval from the reporting manager or the head of compliance of the Company.
- Regardless of whether the recipient is in the private or public sector, it is never permissible to give a gift, or pay for even modest meals, travel, lodging and entertainment for a corrupt purpose or to gain an improper advantage.
- Gifts in cash or cash equivalents (e.g., cash cards, shopping cards, gift vouchers, jewellery), currency, stocks, bonds, securities, etc., for Government Officials are not allowed under any circumstances. Further, per diem allowances shall not be paid to Government Officials or individuals in a position to give the Company a commercial business advantage for any reason.
- Employees must be aware of local law or regulation pertaining to making gifts, provision of meals, travel, lodging and entertainment to Government Officials. If local law prohibits or further restricts making a gift, or providing meals, lodging, travel or entertainment to Government Officials, then this Policy also prohibits such conduct in that jurisdiction. Please note that in some circumstances, local law may prohibit even nominal gifts and hospitality to Government Officials.
- The above-mentioned limits are consolidated / total limits. For example, if an official is taken out to dinner and then to a sporting event in connection with genuine business discussions, the total cost of the evening should not exceed the limits stipulated above.
- Providing frequent meals or entertainment to one Government Official or an individual in a position to provide the Company a commercial business advantage can be a warning sign of improper activity and therefore should be avoided. If it is discovered that such individuals have received multiple meals or been invited to multiple entertainment events, promptly notify the persons listed in the section “Designated Contact”.

- Any gift, travel, lodging or entertainment expenditure must be reasonable (not lavish) and business-related. Travel to a resort or vacation destination that is unrelated to the Company's business would generally not be reasonable or sufficiently business-related. Similarly, payment for a family member or other guest of a Government Official or an individual in a position to give the Company a commercial business advantage to attend a business function would also generally not be reasonable. Further, avoid giving gifts to family members of Government Officials unless the gifts are given in the context of a large firm-sponsored event that includes representatives of multiple organizations where gifts are given to everyone in attendance (e.g., a group dinner in conjunction with a client conference where attendees may bring a guest.)
- Gifts branded with the Company's logo (e.g., gifts given to all client conference attendees) are preferred if such gifts are socially acceptable in the jurisdiction. Gifts should be given openly, so that supervisors of the gift recipient can see that a gift is being tendered. Gifts given to a large group of agents or prospective agents at official functions of the Company that include representatives of multiple organizations where everyone receives a similar gift are exempt from the per person expenditure limits, but the gifts should be reasonable given the occasion and otherwise acceptable in the jurisdiction.
- For all relevant gift, meal, travel, lodging and/or entertainment expenses, regardless of amount, employees are required to report the expense, its purpose, as well as to list the names and titles of the individuals and the agencies/organizations with which they are affiliated at the time the employee seeks reimbursement. Further reimbursements of expenses will be made to personnel only if they have appropriately certified that no expense was used in violation of this Policy. This Policy applies to the provision of gifts, meals, entertainment, travel or lodging, as well as the reporting requirements apply even if the Company personnel are not seeking reimbursement for the expenses (i.e., paying these expenses out of their own pocket does not avoid these requirements).
- No employee should offer or give a gift or entertainment to any person which (i) is likely to significantly conflict with the Company's duties to its clients, (ii) is inconsistent with customary business practices, (iii) is excessive in value, (iv) can be construed as a Bribe or payoff, or (v) violates any laws or regulations. If any employee is solicited in a way that suggests the gift or entertainment is for improper influence or in violation of this Policy, such employee must promptly notify the Whistleblower Officer.
- Periodic transactional testing of the expense reports of employees who interact with Government officials to be conducted.
- Lastly, when in doubt, employees are encouraged to consult with their manager or head of compliance of the Company.

#### Political Donations, Charitable Contributions, and Sponsorship

All Company personnel must comply with applicable law and regulations relating to political donations to candidates for public office, individual politicians, political parties, and other political organisations. Restrictions on political donations may apply, *inter alia*, to campaign contributions, loans, the provision of facilities or services, and/or the publication of election material.

Political donations must not be made for the purpose of influencing Government Officials or in exchange for obtaining or retaining business or other improper advantage for the benefit of the Company (or for the improper advantage of any other entity or person). All

political donations made on behalf of the Company must be approved in advance by the Executive Chairman or the Managing Director.

Regulatory authorities have taken the position that making a donation to a charity associated with a Government Official can in certain circumstances confer a benefit on the Government Official under anti-corruption and anti-bribery laws. Thus, it is important that philanthropic and charitable donations and philanthropic and commercial sponsorships are free from any suspicion of Bribery, whether direct or indirect. The risk with donations and charitable sponsorships, whether financial or in-kind (donation of services, products, etc.) is that they may be a concealed Bribe to retain or obtain a business advantage (such as to win a contract or obtain a permit or licence). The Company's employees must ensure that such activities are not made as an inducement for the purpose of obtaining any improper advantage or favour.

Charitable donations should be given only for legitimate philanthropic reasons such as to serve humanitarian interests or to support cultural institutions. It can be appropriate to make a donation with the hope of generating generalized goodwill toward the Company in the community. The head of compliance of the Company or a committee nominated for this purpose will monitor and approve all expenditure, contributions and activities by the Company in relation to Companies (Corporate Social Responsibility) Rules 2014.

#### Facilitation payments and kickbacks

The Company prohibits making or accepting, Facilitation Payments or "kickbacks" of any kind. Kickbacks are typically payments made in return for a business or business favour or advantage. These may include the receipt of gifts or accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the Company.

#### Prohibition against committing Fraud

A Fraud is a willful act intentionally committed by an individual by deception, suppression, cheating or any other fraudulent or any other illegal means, thereby, causing wrongful gain to oneself or to any other individual and wrongful loss to others. Some actions which constitute fraud are:

- Misappropriation of funds, or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Company;
- Misappropriation and criminal breach of trust;
- Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property;
- Unauthorised credit facilities extended for reward or for illegal gratification;
- Negligence and cash shortages;
- Cheating and forgery;
- Irregularities in foreign exchange transactions;
- Cases of 'negligence and cash shortages' and 'irregularities in foreign exchange transactions' are to be reported as fraud if the intention to cheat / defraud is suspected / proved;
- Any other type of fraud not covered under the specific heads as above;

### Procedure to be followed for investigation of Fraud

The Management shall, on the receipt of any complaint pertaining to fraud assess the facts reported (preliminary review) in order to understand the possible level (internal/external, level of the internal staff involvement, etc.) and the extent of any potential breach, as well as the severity of the case reported. They shall, on the basis of the preliminary review decide the further course of action to be carried out and shall commence the investigation in consultation with other related departments. During the course of Investigation the following procedure shall be adopted and process shall be completed within 21 days from the report of fraud so that the same can be intimated to Reserve Bank of India within the stipulated timelines:

- Obtain copy of concern /complaint or reported breach;
- Identify, secure and gather data in whatever form, including the changing of locks and system access (where necessary and/or applicable);
- Obtain and analyse documents;
- Conduct initial validation of the information received to understand whether or not the claims are valid;
- Perform data analytics on structured/unstructured data;
- Interview relevant internal and external individuals and obtain their acknowledgement on the facts;
- Secure documents and relevant evidence related to the Fraud, such as contents of the suspect's office or workstation, personal computer, diary and files including all personal documents, where possible/applicable;
- Securing / preserving the various related documents such as documents pertaining to testing procedures, financial data records, records of interviews and testimonies, consultation memo, related emails or other correspondences etc;
- Securing evidence – documents/evidence must be protected so that nothing is destroyed and so that they are admissible in legal proceedings, if any.

In case found guilty, the accused will be subject to penalties and fines as laid down in clause "Penalties and Consequences" of this policy.

### **Responsibility of employees**

Employees and associates must ensure that they have read and understood this Policy. Prevention, detection and reporting of corruption are the responsibility of all those working for the Company or under its control. All employees and associates are required to avoid any activity that might lead to, or suggest, a breach of this Policy.

In order to maintain the highest standards of integrity, with respect to any dealings with a Third Party, employees must ensure that:

- a) Employees and associates shall conduct due diligence enquiries to review the integrity records of any third party before entering a commercial relationship with them.
- b) Employees and associates shall fully document the engagement process and the final approval of the selection of any third party.
- c) Employees and associates shall implement a program to provide appropriate information on this Policy to all third parties engaged in business relationship with the Company.
- d) Employees and associates shall ensure that:

- Each third party within their work area is fully briefed on this Policy and have made a formal commitment in writing to abide by it;
- Fees and commissions agreed will be appropriate and justifiable remuneration for legitimate services rendered; and
- Contractual agreements will include appropriate wording making it possible to withdraw from the relationship if any of the Third Parties fail to abide by this Policy

In the event of any doubt on the integrity of a third party, it is the employee's responsibility to contact his / her manager and the Whistleblower Officer via email ([disclosure@berarfinance.com](mailto:disclosure@berarfinance.com)) as soon as possible.

### **Willful blindness**

If an employee willfully ignores or turns a blind eye to any evidence of Corruption or Bribery within his / her department and/or around him /her, action will also be taken against the employee. Although such conduct may be "passive", i.e. the employee may not have directly participated in or may not have directly benefited from the corruption or bribery concerned, the willful blindness to the same can, depending upon the circumstances, carry the same disciplinary action as an intentional act.

### **Raising a complaint or concern**

Every person, to whom this Policy applies, is encouraged to raise their concerns about any bribery issue or suspicion of malpractice at the earliest possible stage as per the process specified in the "VIGIL MECHANISM AND WHISTLEBLOWER POLICY" adopted by the Company. 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 Whistleblower Officer via email ([disclosure@berarfinance.com](mailto:disclosure@berarfinance.com)) and a copy of the same be provided to the Audit Committee. Employees are responsible for planning transactions in a manner that grants these individuals adequate time to review, investigate and evaluate proposed transactions before the relevant deadlines expire.

To assure compliance with applicable anti-corruption and anti-bribery laws, Company personnel must be attentive to the existence of "Warning Signs" or "Red Flags" that could suggest that improper/ illicit payments are or may be taking place. Knowledge of an improper payment can be imputed from an awareness of "Red Flags" (i.e., actual knowledge is not required). **Appendix III** to this Policy contains a set of instances which will help Company personnel identify "Warning Signs" or "Red Flags" that may indicate the existence of corrupt payments. The list of instances in Appendix III, however, is not intended to be exhaustive and is for illustrative purposes only. Company personnel should view with extra suspicion any "Warning Signs" in connection with any transaction in which a payment or benefit might be received by a Government Official or his or her family member. The existence of these "Red Flags" typically requires additional diligence, and, if they cannot be resolved, may require not proceeding with a certain intermediary or transaction. If any Company personnel encounter any of these "Red Flags", he/she shall report them promptly to the Whistleblower Officer at [disclosure@berarfinance.com](mailto:disclosure@berarfinance.com).

### **Victim to Bribery or Corruption**

It is the responsibility of employee to inform/report it to his/her respective manager and the Whistleblower Officer via email ([disclosure@berarfinance.com](mailto:disclosure@berarfinance.com)) as soon as possible if he / she is offered a bribe by a third party, or asked to make one, or suspects that this may happen in the future or believe that he / she may be a victim of another form of corruption or other unlawful activity. The employee must refuse to accept or make the payment from or to a third party, explain the Company's Policy against accepting or making such payment and make it clear that the refusal is final and non-negotiable because of this Policy. If any employee encounters any difficulty making this refusal, he/she should seek assistance from his / her manager or the head of compliance of the Company.

### **Protection**

Those 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 encourages 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 his / her manager or the Whistleblower Officer via email ([disclosure@berarfinance.com](mailto:disclosure@berarfinance.com)) immediately. The Company will take measures to protect the confidentiality of any report, subject to applicable law, regulation or legal proceedings.

### **Record keeping**

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

Employees must ensure all expenses claims relating to hospitality, gifts or expenses incurred to Third Parties are submitted in accordance with the Company's expenses policy and specifically record the reason for the expenditure.

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.

Employees must follow all the procedures laid out in other policies which help in anti-bribery and anti-corruption due diligence on suppliers, potential joint venture parties, clients and other Third Parties.

The Company shall also record all reports made to the Whistleblower Officer. Records of subsequent actions taken on those reports by the Company shall also be maintained. These records shall be maintained for a minimum period of 8 years from the date of disposal by the Audit Committee.

## Training

The Company will provide periodic training to all employees so that they are aware of their obligations under relevant legislation and international codes and their obligations under their contract of employment and maintain a record of training attendance.

Each employee of the Company is responsible for ensuring that every team member reporting to him / her has a complete understanding of this Policy. The senior employees of the Company will assess their team members for their understanding of the Policy, and training needs for each employee will accordingly be identified. The Company will provide internal training on anti-corruption and bribery on an annual basis for all its employees, and may seek the help of external resources for training, as required.

## Annual Certification and Compliance

The Company's employees shall be required to certify compliance with this Policy on a periodic basis. The format of certification is provided in **Appendix IV**. Supervisors should take steps to ensure that personnel reporting to them abide by these policies. This Policy and the limits under this Policy may be changed / revised from time to time and the Company shall apprise its employees and personnel of any material updates to this Policy and it is every employee's responsibility to keep apprised of any changes.

## Monitoring and Annual Reporting

The effectiveness of the Policy and the rigour of implementation within the Company will be monitored regularly by the head of compliance of the Company. Periodic audits to be conducted for offices located in high risk jurisdictions. The Policy will be reviewed annually, and changes, if needed, will be made to the Policy and communicated to all stakeholders.

The Company shall also put up the Policy on its website so that all parties dealing with the Company are aware of the existence of the Policy and the designated contacts in case they would like to report under this Policy.

## Penalties and Consequences

Full compliance with this Policy at all times is extremely important, as the failure to comply with this Policy may result in the following consequences for the Company:

- criminal sanctions including unlimited fines;
- high value civil law claims by third parties disadvantaged by the Bribery;
- blacklisting from public and private opportunities;
- the termination of contracts "tainted by corruption" by counterparties and disgorgement of profits from such contracts;
- further criminal sanctions for money-laundering offences; and
- serious reputational damage.

Violations of this Policy can not only result in criminal and civil exposure for the Company but also for each employee involved, including imprisonment and other severe penalties and unlimited fines. By law, fines imposed on individuals for FCPA violations cannot be paid by the Company and must be paid by the individual committing the violation. Because any violation



of the anti-bribery laws is also a violation of this Policy, any employees who violate the law will be subject to disciplinary action, including termination and forfeiture of benefits.

In particular, under Indian law, a person who accepts or obtains any gratification to induce or attempt to induce a public servant to perform or refrain from performing any official function, shall be punishable with imprisonment for a period of six months to five years and may also be imposed a fine. In addition, whoever abets in the commission of Bribery shall be liable to punishment with imprisonment for a period of six months to five years and may also be imposed a fine.

Breaches or attempted breaches of this principle by an employee will be regarded as an act of gross misconduct, leading to immediate termination of employment. All new employees at the Company will sign up to the ABC Policy as a part of their joining formalities.

The Company will fully co-operate with all investigations by the authorities involving alleged cases of bribery or sanctions violations committed by any of its employees.

### **Responsibility under the Policy**

The Managing Director("MD") has overall responsibility for ensuring that this Policy complies with the Company's legal and ethical obligations and that all those under the Company control comply with it.

In the event of any dispute or ambiguity, the interpretation of this Policy shall be decided by the MD. The –The Board of Directors of the Company reserves the right to revise this Policy as and when deemed necessary.

### **Appendix I: Anti-corruption Laws - An Overview**

Provided below is an overview of anti-corruption laws applicable to the Company.

#### **The Prevention of Corruption Act, 1988**

Under the POCA, a public servant is prohibited from accepting or agreeing to accept any gratification for himself or on behalf of any other person for doing or refraining from doing any official act. "Gratification" is not restricted to financial gain, but can include non-monetary benefits. Pursuant to Section 20(1)(2) and (3) of the POCA, any gratification, accepted or agreed to be accepted, is presumed to be for a prohibited purpose; provided, that a court may decline to draw such a presumption of guilt if the gratification accepted is in

the form of casual meals or gifts of trivial amounts. Public servants who accept bribes and individuals who offer them face six months to five years' imprisonment and a fine if convicted.

Although the POCA does not specifically define public servants, it includes all branches of government and any person exercising a public function, including employees of public agencies and public enterprises.

The Indian Penal Code also prohibits public servants from knowingly disobeying any law when it is likely that such disobedience will cause injury to a person. Public servants face imprisonment of up to one year and potential fines for this offense.

### **UK Bribery Act, 2010**

The UKBA which went into effect on July 1, 2011, prohibits any foreign company that has some business presence in the UK, including the company's officers, directors, employees, agents, and subsidiaries, from offering, promising, or giving a financial or other advantage to any other person with the intention to induce or reward improper performance of a relevant function or activity. Unlike the FCPA, the UKBA's prohibitions are not limited to dealings with foreign officials, but rather apply to dealings with any other person.

In addition to giving a bribe, the UKBA also criminalizes the act of receiving, requesting, agreeing to receive, or accepting a bribe. Finally, a company can be held liable for failing to prevent a person associated with the company from bribing with the intention to obtain business or a business advantage for the commercial organization. This last offense—vicarious liability for a corporation's failure to prevent bribery—is extraordinarily broad in its jurisdictional sweep. Irrespective of where in the world the act or omission serving as the alleged basis of the offense occurred, the UKBA reaches that offense so long as the company is a "relevant commercial organization" that "carries on a business" in the UK.

### **Foreign Corrupt Practices Act, 1977**

The United States FCPA is the primary law that governs dealings between United States businesses and foreign officials. The FCPA was enacted by the United States Congress in an effort to prevent U.S. businesses from making improper payments to foreign officials. In brief, the FCPA makes it illegal for any U.S. business, its officers, directors, employees, and agents, or any person acting on its behalf, to make payments, or give anything of value, directly or indirectly, to foreign officials, or to any third party who may subsequently disburse the item of value to any foreign official, for the purpose of obtaining or retaining a business advantage, whether or not any benefit is actually received. The FCPA also requires all public companies and their majority controlled foreign subsidiaries to keep accurate financial records and to maintain internal accounting controls.

### **Multilateral Treaties**

#### **OECD Convention**

A growing number of countries have enacted anti-bribery legislation in accordance with the OECD Convention. The OECD Convention first set forth standards for anti-corruption legislation and enforcement in 1999. In December 2009, the OECD Convention issued further recommendations, including the "Good Practices Guidance" emphasizing internal controls and compliance. Under the OECD Convention's guidance, bribery of a foreign official occurs as soon as an offer or promise is made, whether directly or through intermediaries, regardless

of the value of the payment and whether it achieves its goal, local custom, or alleged necessity. Enforcement of the OECD Convention's provisions varies according to the laws of each of the signatory nations.

#### *United Nations Convention against Corruption*

The UN Convention focuses on measures its state parties should take to fight corruption of public officials. Specifically, the UN Convention addresses the criminalization of bribery, including both domestic bribery of public officials and commercial bribery, preventive measures, international cooperation in investigations and enforcement, technical assistance, and asset recovery provisions. The UN Convention requires state parties to establish accounting and internal control standards for companies and to promote corporate codes of conduct, best practices, and compliance programs. Over 140 countries have ratified the UN Convention.

#### **Banking Regulation Act, 1949**

The Reserve Bank of India under the "Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016" requires certain Non-Banking Financial Companies to put in place a reporting system for recording frauds and report the same to the RBI within specified timelines.

## **Appendix II: Language To Be Incorporated In Engagement Letters With Associated Persons**

This [Associated Person] covenants and agrees that it will not offer or pay any bribes (including any offer to provide improper gifts or entertainment) to secure or retain a business advantage (for the benefit of this [Associated Person] or for the benefit of [Contracting entity of the Company]) at any time during the term of this engagement. Specifically, the [Associated Person] agrees that it will not offer or pay any bribes to any person (including, in particular, to any government official) in connection with any aspect of the performance of services or the provision of goods under this agreement.

[Associated Person] also covenants that at all times during the term of this agreement that it will maintain internal policies and procedures that are reasonably designed to ensure that the [Associated Person's] employees and representatives will not offer to pay or pay bribes (or offer or provide improper gifts or entertainment) to any person in connection with the [Associated Person's] performance under this engagement letter.

The [Associated Person] represents and warrants to the [Contracting entity of the Company] that the [Associated Person] has not offered or paid any bribes (or offered or provided any improper gifts and entertainment) to secure business under this engagement or otherwise in connection with the performance of its obligations under this letter.

Notwithstanding any other provision of this engagement letter, if the [Associated Person] offers or pays a bribe or provides improper gifts or entertainment to any government official or to any other person in connection with the performance of the [Associated Person's] obligations under this engagement letter, [Contracting entity of the Company] shall be entitled to elect to terminate this agreement effective immediately upon providing a written notice of such termination, in which case [Contracting entity of the Company] shall have no obligation to pay any fees or other consideration to the [Associated Person] under this engagement letter or otherwise. The [Associated Person] shall be responsible for any breach of the covenants, representations or warranties herein by its agents, representatives, or any other person acting on behalf of the [Associated Person] under this letter.

### Appendix III: Potential risk scenarios - Red flags

This section contains a list of possible red flags that may arise during the course of business. The list is not intended to be exhaustive and is for illustrative purposes only.

- a) Third Party / Associated Person has refused to promise to abide by anti-corruption laws or to warrant that it has not paid and will not pay Bribes;
- b) Being aware that a Third Party/ Associated Person engages in, or has been accused of engaging in, improper business practices;
- c) Learning that a Third Party / Associated Person has a reputation for paying bribes, requiring that bribes are paid rather, or has a reputation for having a “special relationship” with government officials;
- d) A Third Party / Associated Person insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- e) A Third Party / Associated Person requests payment in cash and/ or refuses to sign a formal commission or fees agreement, or to provide an invoice or receipt for a payment made;
- f) A Third Party / Associated Person request that payment is made to a specific geographic location different from where the third party resides or conducts business;
- g) a Third Party / Associated Person requests an unexpected additional fee or commission to “facilitate” a service;
- h) a Third Party / Associated Person demands lavish entertainment or gifts before commencing/continuing contractual negotiation or provision of services or demands payment in cash;
- i) Receipt of an invoice from a Third Party / Associated Person that appears to be non-standard or customized or if you observe that the Company has been invoiced for a commission or fee payment that appears large compared to the service stated to have been provided;
- j) Offer for an unusually generous gift or lavish hospitality by a Third Party / Associated Person;
- k) A Third Party / Associated Person is owned in part by a Government Official or his or her family member or has other close ties to a government;
- l) Associated Person is related to a Government Official who is in a position to grant a business advantage or is involved in a business in which such official owns an equity interest;

If an employee encounters any red flags, he / she must report them promptly by following the procedure set out in this Policy.

#### Appendix IV: Format for Certification of Employee Compliance

I hereby certify as follows:

- a) I have received and read a copy of the Anti-Bribery and Anti-Corruption Policy (the **"Policy"**). I understand it and agree to abide by it.
- b) To the best of my knowledge, I am in compliance with this Policy.
- c) I have no knowledge of any prohibited conduct referred to in this Policy.
- d) To the best of my knowledge, the employees who report to me whose responsibilities are such that they could violate this Policy are familiar with this Policy and are in compliance with them.

Signed:

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Name:

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Title:

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Date:

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