

Anti-Bribery and Anti-corruption Policy

Svasti Microfinance Pvt Ltd (Svasti)

Document Control Section

Document Name	Anti-Bribery and Anti-Corruption Policy	Version No.	1/2022
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Abstract	The Anti-Bribery and Anti-Corruption Policy outlines Svasti's zero tolerance approach to bribery and corruption. The policy is developed in conjunction with the institutional principles and code of ethics.		

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1. Preamble

- a. The Policy reflects the commitment of Svasti Microfinance Private Ltd (Svasti) and its management for zero tolerance approach to bribery and corruption and maintaining highest ethical standards by undertaking open and fair business and culture and following the best practices of corporate governance.
- b. The Anti-bribery and Anti-Corruption Policy (ABAC Policy) of Svasti has been developed in alignment with its Institutional Principles and Code of Ethics policy and various other policies (including whistle blower policy, policy on conflict of interest), rules and regulations adopted by Svasti and in conformance with the legal and statutory framework of anti-bribery and anti-corruption legislation prevalent in India (Prevention of Corruption Act, 1988, Indian Penal Code, 1860, etc).

2. Policy Objectives

The objective of the policy is to communicate Svasti's approach and commitment to anti-corruption. This document outlines the dos and don'ts that is expected to be adhered to.

3. Scope and applicability

Applies to employees, Board members and external contractors or consultants employed by Svasti from time to time or any other person associated with Svasti and who may be acting on behalf of Svasti.

4. Policy guidelines

4.1. Definitions:

- Bribery - means the offering, promising, giving, receiving, soliciting or accepting of a financial or other advantage, or any other thing of value, with the intention of influencing or rewarding the behaviour of a person in a position of trust to perform a public, commercial or legal function to obtain or retain a commercial advantage. Bribes are payments made in the form of money or anything of value in return for a business favour or advantage. For e.g. Gifts taken or received to unfairly influence a business outcome, facilitation payments made for facilitating the performance of a routine governmental action etc.
- Corruption – is dishonest behaviour by those in positions of power, such as managers or Government Officials. Corruption can include giving or accepting bribes or inappropriate gifts, under-the-table payments or benefits, diverting funds, laundering money, and defrauding investors.
- Facilitation Payments - Facilitation payments are unofficial payments made to secure or expedite a routine government action by a Government Official. These include small payments made, directly or indirectly, to Government Officials for the purpose of expediting or securing routine, non-discretionary government action, such as securing a business permit or license, customs invoice or visa, or providing services like police protection.
- Family Member or relatives –
 - i. Spouse/parents of the individual;
 - ii. Brother or sister of the individual or their children;
 - iii. Brother or sister of the spouse of the individual or their children;
 - iv. Brother or sister of either of the parents of the individual or their children;
 - v. Any lineal ascendant or descendant of the individual;

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- vi. Any lineal ascendant or descendant of the spouse of the individual;
- vii. Spouse of the person referred to in clauses (i) to (vi).
- Government Official - Government Official refers to any 'public servant' as defined under the Indian Prevention of Corruption Act 1988, including inter alia the following:
 - an officer, employee, agent, or other individual, regardless of rank or title, acting in an official capacity for or on behalf of central government, state government, local authority or establishments under the control of such government (including any official adviser to the government), its departments, agencies, or instrumentalities, including government- or state-owned or controlled entities (e.g., national oil company, state-run utility, public hospital, sovereign wealth fund);
 - any judge, including any person empowered by law to discharge, whether by himself or as a member of any body of persons, any adjudicatory functions or any person authorized by a court of justice to perform any duty, in connection with the administration of justice, including a liquidator, receiver or commission appointed by such court;
 - Any other person holding an office by virtue of which he is authorized or required to perform any public duty;
 - an officer, employee, agent or other individual, regardless of rank or title, acting in an official capacity for or on behalf of a public international organization (e.g., the World Bank or the United Nations);
 - any political party, officer, employee, or agent of a political party, or party official; or any candidate for political office.
- Stakeholders: Shall mean to include but not limited to individuals, directors, employees working at all levels and grades (whether permanent, fixed term or temporary), consultants, contractors, trainees, seconded staff, casual workers and agency staff, interns, agents, business partners, vendors, service providers, suppliers, contractual staff, apprentices, direct selling agents, and any other person / entity acting for and on behalf of Svasti.

4.2. Guidelines

Bribes and Corruption:

- Svasti prohibits all forms of Bribery and corruption practices involving, but not limited to, Government Official or a private sector person or company.
- Svasti conducts its business lawfully and ethically and expects every Stakeholder to conduct its business with integrity.
- Svasti prohibits the making or accepting of Facilitation Payments of any kind for any favours to facilitate or expedite official business or work.
- For contracting suppliers or contractors or vendors, do not use the services of or pay commissions to agents or third parties to carry out actions prohibited by this Code. Also, adhere to the provisions made in Svasti's Conflict of Interest Policy.

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Gifts and hospitality:

- No gifts including cash gifts, hospitality or entertainment may be offered or provided in exchange for any favour (or promise of any favour) for or benefit to Svasti under any circumstances to any Government Official or any private person
- Svasti 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. In any case, such gifts shall not be lavish or in the form of cash or cash equivalents, and any such instances and offers or receipt (whether accepted or not by any person directly or indirectly) should be immediately reported to the Head-Human Resources. All persons need to exercise sound judgment in identifying inappropriate, frequent, or material gifts and shall avoid the same to maintain integrity and independence.
- This policy does not intend to prohibit normal and appropriate hospitality (offered and received) to or from third parties, only if Associates or personnel of the third party organisation offering the hospitality are in attendance. Hospitality limited to meals, drinks and other such sustenance may be offered without prior approval if it is reasonable and justifiable in all the circumstances, taking into account reason and nature, appropriate type, value, given at an appropriate time and not made with the intention of influencing a third party to obtain or 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 favors or benefits.
- Do not make gifts or presents which, as an associate of the Svasti, you could not accept in accordance with this section.

Charitable Donations:

- Svasti may make charitable donations that are legal and ethical under local laws and practices. It ensures that the charity or a support is for a legitimate cause, and that donations are not being used as a channel for Bribery.

Political Contributions:

- Svasti does not make contributions to any political party or politicians.

Record Keeping and Internal Controls:

- Svasti shall keep accurate books and records and shall maintain internal controls to prevent and detect potential violations of our policies or of applicable laws.
- All the expenses and incoming payments must be duly reported for accounting, documented and authorised. They must be proportionate, correspond to services provided and be for a legitimate economic purpose.
- Internal controls are processes that monitor compliance with the company's policies. Svasti has appropriate controls to monitor this.

5. Communication to staff

The Policy will be communicated to new staff during the initial induction training, for existing staff by way of circular, to the Board during the Board meeting where it will be presented for approval. The policy will be shared with the external contractors or consultants at the time of signing the contract. A copy of the policy will be made available on the company website.

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6. Monitoring and Reporting

The HR Committee shall monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy, and effectiveness. If any employee stakeholder as defined under this policy have any concerns about any issue or suspicion of malpractice, the same should be reported by following the procedure set out in “Whistle-Blower” policy. All reports received shall be treated confidentially.

7. Disciplinary action

Non-compliance to this policy shall attract disciplinary action as per the disciplinary procedures mentioned in the HR policy. Svasti reserves the right to terminate a contractual relationship with third parties or associated persons if they breach this Policy.