



**SUBHKIRAN CAPITAL LTD.**

*Your Trusted Choice...*

A Non-Banking Financial Company

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

**Registered Office**

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<b>Document ID</b>	<b>SCL/Corporate Affairs Dept./Anti-Bribery and Anti-Corruption Policy</b>
<b>Version No.</b>	<b>v 1.0</b>
<b>Page No.</b>	<b>1 of 7</b>
<b>Effective Date</b>	<b>26.05.2024</b>

## DOCUMENT IDENTIFICATION INFORMATION

<b>Document Name</b>	ANTI-BRIBERY AND ANTI-CORRUPTION POLICY
<b>Index</b>	SCL/Corporate Affairs Dept./ Anti-Bribery and Anti-corruption Policy
<b>Version No.</b>	v.1.0
<b>No. of Pages</b>	7
<b>Department HOD</b>	Company Secretary
<b>Recommended By</b>	MD
<b>Approving Authority</b>	Board of Directors
<b>Review Frequency</b>	Annually
<b>Location of the document</b>	Corporate Affairs Department
<b>Statutory Guidelines/Directions</b>	RBI Guidelines

## Revision/Change History

<b>Author</b>	<b>Reviewer/ Approver</b>	<b>Version No.</b>	<b>Effective Date</b>	<b>Change Description</b>
Corporate Affairs Dept.	Board of Directors	1.0	26.05.2024	Approved w.e.f. May 25, 2024

**SUBHKIRAN CAPITAL LIMITED.**

**ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

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## **SUBHKIRAN CAPITAL LIMITED.**

### **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY.**

#### **PREAMBLE**

We, at Subhkiran Capital Limited, are always guided by the seven fundamental principles of ETHICS, VALUES, RELIABILITY, DEPENDABILITY, TRUSTWORTHINESS, INTEGRITY AND GOODWILL. In alignment with the above principles, in the development of our Anti-bribery and Anti-corruption policy, we have also considered the compliance requirements as contained in the Prevention of Corruption Act, 1988 and In addition to the PCA, the following laws in force in India also apply to offences relating to or resulting in corruption and bribery and resolutions available in case of occurrence of corruption or bribery:

- i) Indian Penal Code -1860 ("IPC"),
- ii) Prevention of Money Laundering Act 2002.
- iii) Central Vigilance Commission Act , 2003,
- iv) Lok Ayukta Acts of various states.

**PURPOSE:** This policy emphasizes Subhkiran Capital Limited's Zero Tolerance towards bribery and corrupt practices and is to establish clear rules to ensure compliance with all applicable anti-bribery and anti-corruption laws. The policy provides necessary information and guidance on how to recognise and deal with bribery and corruption issues.

#### **SCOPE AND APPLICABILITY**

The objective of this policy is to ensure that neither Subhkiran Capital Ltd (hereinafter called SCL) nor any of its employees (whether full-time permanent or contractual employees and including trainees and interns), agents, associates, vendors, consultants, advisors, representatives, or intermediaries and/or stakeholders, indulge in any acts of 'Bribery' or 'Corruption' in discharge of their official duties towards SCL, either in their own name or in the name of the Company.

The policy clearly defines the terms 'corruption' and 'bribery' and enumerates the different acts of corruption and punishable offences, in line with the compliance guidelines. The Company may appoint a Compliance Officer of a Senior Rank or any other person as may be decided by the Board , responsible for monitoring and ensuring compliances to the Anti-bribery and Anti-corruption (ABAC) policy. The Compliance Officer in co- ordination with all Departmental Heads will be responsible for building and monitoring a strong compliance culture across SCL

While an exhaustive list cannot be provided following are the acts of corruption and bribery which are noted by the SCL in this regard:

#### **Corruption:**

Corruption can take place in many types of activities. It is usually designed to obtain financial benefits and or benefits in kind or services or other personal gain. For example, bribes are intended to influence behaviour – they could be in the form of money, a privilege, an object of value, an advantage, a service provided or promised to be provided or merely a promise to influence a person in an official or public capacity.

The areas of business where corruption among other areas, including bribery, can most often occur include:

- a. Gifts, Entertainment and Hospitality;
  - b. Facilitation Payments;
  - c. Procurement process.
  - d. Charitable contributions.
- i. Bribe/ Bribery: means the offering, promising, authorising, giving, receiving, soliciting or

accepting of a financial or other advantage, or any other thing of value, or by way of services rendered or provided, agreed to be rendered or received, 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 or improve a commercial advantage. Bribes are payments made in the form of money or anything of value or services in return for a business favour or advantage.

- ii. While deciding whether an action and behaviour can be interpreted or perceived as antilawful and / or corrupt, the following should be kept in mind: • Intent of the transaction • Whether or not there is a 'quid pro quo' involved • The person / entity at the receiving end is a Government official / Government Department. The person / entity at the receiving end is an employee in commercial organisation / commercial organisation. Whether or not adequate approvals and documentation exist for the transaction • Whether it would create an actual or perceived 'conflict of interest'.

- iii. **Conflict of Interest**

All employees, third parties and suppliers must be selected on the basis of merit and requirements of the Company and must not obtain any unfair advantages based on any relationship with an existing or prospective client or government/public official or employee. Further, hiring of relatives in the Company will be discouraged.

- iv. **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 etc.

- v. **Procurement Process;**

Designated Persons must follow our Company's processes and adhere to the system of internal controls around supplier selection. Supplier selection should never be based on receipt of a gift, hospitality or payment. When supplier selection is a formal, structured invitation for the supply of products or services (often called a 'tender'), it is most important we maintain documentation supporting our internal controls. Designated Persons must familiarize themselves with our Company's procurement processes and must adhere to the same.

- vi. **Sham service contracts,** under which corrupt payments are disguised using a consulting agreement/ service providing agreement or arrangement are typical modalities for indulging in bribery or corrupt activities.

- vii. **Charitable Donations**

Charitable donations include donations of money or in-kind donations of goods or services by SCL, All charitable contributions must be made to a legitimate, bonafide organisation for causes such as Education, Health & Sanitation, Housing, Environment, etc and should be duly approved at the appropriate level and properly documented. Personal donations made by the employees of SCL as part of the Individual Social Responsibility are allowed, provided those donations should not interfere or in any way conflict with the official work of the employee or with the Company in any manner.

As far as possible, background checks on the charitable organisations should be carried out in all cases especially to ensure that the charity does not act as a conduit to fund illegal activities in violation of anti-money laundering laws, anti- terrorism laws and other applicable laws.

- viii. **SPONSORSHIPS**

Sponsorships are closely allied to the various types of community / business promotion activities undertaken by our Company. Any sponsorship must be for genuine business promotion or charitable objectives without any element of quid pro quo

- ix: **Family Member:** A spouse, parent, sibling, grandparent, child, grandchild, mother or father-in-law, domestic partner (opposite sex or same sex), or other family member who lives with you or who is otherwise financially dependent on you, or on whom you are financially dependent.
- x **Government Official:** Government Official refers to any 'public servant' as defined under the 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, Local bodies 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/bodies.
  - 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, any NGOs,
  - Any political party, officer, employee, or agent of a political party, or party official; or any candidate for political office.
- viii: **Stakeholders:** Shall mean to include but not limited to individuals, 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 SCL.
- ix: **Customer:** is a person who in the normal course of Company's business indulges in buying the Company's products and services and may or may not have a continued dealing with the Company and among others include an individual, firm, company, group of people, societies banks, etc. In order to determine the ambit of bribery or corruption under the policy, the various methods adopted by the customers /company's employees as explained above, facilitations provided, gifts, entertainments, etc will be the criterias adopted.
- x: **Third party:** The term "third party" includes any individual or organization, who/which comes into contact with the Company or transacts with the Company, and also includes actual and potential clients, vendors, consultants, retainers, agents, advisors, distributors, business associates, partners (including academic institutions), contractors, suppliers or service providers who work for and on behalf of the company.

## **POLICY FRAMEWORK**

- i. SCL prohibits all forms of Bribery and corruption practices involving, but not limited to, Government Official or a private sector person or company.

- ii. SCL conducts its business lawfully and ethically and expects every Stakeholder to conduct its business with integrity.
- iii. SCL prohibits the making or accepting of Facilitation Payments of any kind for any favours to facilitate or expedite official business or work.
- iv. SCL has a transparent Procurement policy and process.
- v. SCL ensures that the Charitable activities are undertaken in line with the company's social responsibility policies and under the applicable laws in force.
- vi. Breach of an expectation that a person will act in good faith, impartially or in accordance with a position of trust amounts to improper performance. This would also include obtaining, agreeing to receive, accepting, or attempting to obtain, an undue advantage for acts to be performed properly.

#### Gifts, hospitality and entertainment

- i. 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 SCL under any circumstances to any Government Official or any private person. It means anything of value, including but not limited to meals, accommodation, loans, cash, favourable terms or discounts on any product or service/s, equipments, products, transportation, use of vehicles, vacation or other facilities, securities, home improvements, tickets, gift certificates, gift cards, discount cards, memberships or consulting relationships etc.
- a. All persons need to exercise sound judgment in identifying inappropriate, frequent or material gifts and shall avoid the same to maintain integrity and independence. Also reasonable and appropriate hospitality is not prohibited, if the person offering it is in attendance.

### **REPORTING VIOLATIONS AND MONITORING**

#### **a. Reporting:**

- i. It is the duty of all those covered under anti-bribery and anti-corruption policy to comply with this policy and report any concern, information, incident, possibility of an incident that they may have in relation to the violation of this provision of this document in respect of Anti-bribery and Anti-corruption. The confidential report may be submitted to the Compliance Officer with copies to those officers who "need-to know" of the same .
- ii. Alternatively, instances or possible instances on the violations of the company policies may be reported through the Whistle Blower mechanism. Person reporting may choose to remain anonymous;
- iii. SCL takes all potential violations of this policy and applicable anti-corruption laws seriously. Thus, all allegations will be kept confidential and proper investigation will be conducted as directed by the Compliance Officer.
- iv. A report on the findings under this Policy will be submitted to the appropriate Top Management Authority by the Compliance Officer. Adhoc reports, as and when reported are also required to be submitted by the Compliance Officer.
- v. If any question arises as to the application or interpretation of any of these regulations, it shall be referred to the Compliance Officer

ivi. The Compliance Officer will maintain all proper , accurate and relevant records in connection with the compliance of the various rules governed by the ABAC policy of the Company under modes as decided by the Company.

**b)Monitoring**

The Compliance Officer, will be responsible for review of compliance of this document on an on-going basis through virtual surprise tests, filling detailed questionnaires by Employees, Agents. and Suppliers/Vendors. Further, periodic independent reviews of documentation of third parties such as Vendors may be conducted as part of monitoring. Regular revisions to Anti-bribery and Anti-corruption policy shall be ensured as and when required by any statute change or by any change in internal policies of the Company which have a direct impact on this policy.

In case of violations of this ABAC policy, the Compliance Officer shall take appropriate steps such as:

a) Assigning an Investigation Team: Experts with the right knowledge and objectivity may be appointed to investigate a complaint.

b) Conducting an Investigation: Every investigation relating to a suspected violation of this ABAC Policy shall be investigated by the Compliance Officer together with other members assigned. The objective of such an investigation would be to determine the facts, through interviews with concerned participants and/or review of documents. Such investigation team will make a written demand for information, records etc. that is reasonably related to the alleged offence, including, without limitation: (a) copies or access to all records relating to the alleged offence (such as telephone records, Internet service records and/or other records stored on computer hard drives or other information storage equipment); and/or (b) a written statement made by the Designated Person, if any, setting out in detail all of the facts and circumstances of which such a Designated Person is aware with respect to the alleged offence. Each Designated Person shall co-operate with the investigation team and promptly respond to all requests for information. It is clarified that the report prepared by the investigations team, shall be kept confidential and shall be shared only with such persons who have a “need to know” under applicable law or Company Policies,

Corrective Action: If necessary, corrective actions shall be prescribed or suggested to appropriate managers, officers and employees for implementation.

Penalties: The Compliance Officer shall, after considering inputs, if any, have the discretion to recommend appropriate disciplinary action, including suspension and termination of service of such a defaulting Designated Person. The Compliance Officer shall also recommend if the violation is potentially criminal in nature and should be notified to the authorities. In the event of criminal or regulatory proceedings, the Designated Persons shall co-operate with relevant authorities. Depending on the nature and scale of default by the defaulting Designated Person, the Compliance Officer may also recommend to the Appropriate Higher Authority to commence civil and/or criminal proceedings against such a Designated Person in order to enforce remedies available to our Company under applicable laws.

All internal investigations shall follow principles of natural justice and shall ensure that the relevant Designated Person is provided with an opportunity to make his/her case before the investigation team.

**c) Training and Communication:**

The Compliance Officer has to ensure that the Anti-bribery and Anti-corruption policies of SCL are made known and understood to all people covered by the policy towards which proper training will also be imparted from time to time.