

S CHAND AND COMPANY LIMITED

ANTI-CORRUPTION AND BRIBERY POLICY

CONTENTS

CLAUSE

1.	Policy statement	3
2.	Who is covered by the policy?	4
3.	What is bribery?	5
4.	Hospitality and gifts	5
5.	What is not acceptable?	5
6.	Facilitation payments and kickbacks	6
7.	Donations	6
8.	Your responsibilities	6
9.	Record-keeping	7
10.	How to raise a concern	7
11.	What to do if you are a victim of bribery or corruption	7
12.	Protection	8
13.	Training and communication	8
14.	Who is responsible for the policy?	8
15.	Monitoring and review	8

SCHEDULE

SCHEDULE	POTENTIAL RISK SCENARIOS: "RED FLAGS"	10
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1. POLICY STATEMENT

S Chand And Company Limited and its subsidiaries (“**Group**”) is a law abiding corporate citizen. This group is in existence since more than last 70 years. Since inception, it has been the policy of the Group to be transparent, fair and compliant in all its business transactions. As a policy, the Group never endorsed any offering, providing, or receiving prohibited gratuities, bribes, gifts or anything of value to or for the benefit of the government official or any other party.

1.1 It is our policy to conduct all of our businesses in an honest and ethical manner. We take a zero-tolerance approach to bribery, and corruption and are committed to act professionally, fairly and with integrity in all our relationships and business dealings wherever we operate and to implement and enforce effective systems to counter bribery and corrupt business practices.

1.2 We will uphold all laws relevant to counter bribery and corruption. We remain bound by the following laws in respect of our conduct.

- i) Indian Penal Code, 1860,
- ii) Prevention of Corruption Act, 1988,
- iii) Prevention of Money Laundering Act, 2002,
- iv) Right to Information Act, 2005,
- v) Central Vigilance Commission Act,
- vi) Lok Ayukta Acts of States, and
- vii) Any other Act/statutes as may be notified by the Government of India from time to time.

1.3 The purpose of this policy is to:

- (a) set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
- (b) provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

1.4 Bribery and corruption are punishable for individuals upto 10 years imprisonment alongwith an unlimited fine and potential for the confiscation of property. We therefore take our legal responsibilities very seriously.

1.5 We have identified that certain of our activities create particular risks for our organisation, in particular:

- (a) Receipt of gifts and hospitality;
- (b) Grant funding/gifts to potential customers and offering hospitality; and
- (c) Unauthorized donations.

(d) Criminal breach of trust

(e) Cheating.

(f) Dishonest misappropriation of property/money.

1.6 To address these risks we have taken the following steps:

- (a) Adopted and implemented this anti-bribery and corruption policy;
- (b) Undertaken a training programme of senior management;
- (c) Taken steps to implement a training programme for all individuals operating in areas of the organisation that are perceived as high risk; and
- (d) Appointed Mr. Jagdeep Singh as the Compliance Officer to ensure compliance with Bribery Act issues.

1.7 In this policy, **third party** means any individual or organisation you come in contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

2. WHO IS COVERED BY THE POLICY?

This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as **workers** in this policy).

3. WHAT IS BRIBERY?

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

4. HOSPITALITY AND GIFTS

4.1 This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties and the giving or receipt of gifts.

4.2 Normal and appropriate hospitality and gifts would include where the hospitality or gift:

- (a) is 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 favours or benefits;
- (b) complies with local law;
- (c) is given in our name, not in individual's name;
- (d) does not include cash or a cash equivalent (such as gift certificates or vouchers);
- (e) taking into account the reason for the gift, is of an appropriate type and value and given at an appropriate time;
- (f) is given openly, not secretly; and
- (g) is not offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the Compliance Officer.

5. WHAT IS NOT ACCEPTABLE?

It is not acceptable for you (or someone on your behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;

- (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- (c) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- (d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- (e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (f) engage in any activity that might lead to a breach of this policy.

6. FACILITATION PAYMENTS AND KICKBACKS

- 6.1 We do not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official.
- 6.2 If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Compliance Officer.
- 6.3 Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

7. DONATIONS

We do not make charitable donations or contributions to political parties.

8. YOUR RESPONSIBILITIES

- 8.1 You must ensure that you read, understand and comply with this policy.
- 8.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control.

All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.

- 8.3 You must notify your manager and/or the Compliance Officer as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further, "red flags" that may indicate bribery or corruption are set out in the Schedule.
- 8.4 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.

9. RECORD-KEEPING

- 9.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 9.2 You must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review.
- 9.3 You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policies and specifically record the reason for the expenditure.
- 9.4 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 must be kept "off-book" to facilitate or conceal improper payments.

10. HOW TO RAISE A CONCERN

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your line manager and/or the Compliance Officer.

11. WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION

It is important that you tell the Compliance Officer as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

12. PROTECTION

- 12.1 Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 12.2 We are committed in ensuring that no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment meted to the individual raising a concern. If you believe that you have suffered any such treatment, you should inform the Compliance Officer immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure.

13. TRAINING AND COMMUNICATION

- 13.1 All existing workers operating in areas that are perceived as high risk as far as the Bribery Act is concerned will receive regular, relevant training on how to implement and adhere to this policy.
- 13.2 Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors, agents and business and other partners at the outset of our relationship with them and as appropriate thereafter.

14. WHO IS RESPONSIBLE FOR THE POLICY?

- 14.1 The Senior Management Team have overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- 14.2 The Compliance Officer has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

15. MONITORING AND REVIEW

- 15.1 The Compliance Officer will monitor the effectiveness and review the

implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption. Compliance Officer should directly report to CEO or equivalent like Board of Directors/JMD/Chairman of the Company.

- 15.2 All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 15.3 Workers are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Compliance Officer.
- 15.4 This policy may be amended at any time.

Schedule: Potential risk scenarios: "red flags"

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for us, you must report the promptly to your manager or to the Compliance Officer:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them;
- (c) a third party 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;
- (d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) you receive an invoice from a third party that appears to be non- standard or customised;
- (j) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (k) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided; and
- (l) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or you are offered an unusually generous gift or offered lavish hospitality by a third party.

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