

# **S H KELKAR AND COMPANY LIMITED**

## **ANTI-CORRUPTION COMPLIANCE POLICY**

### **ABOUT ANTI-CORRUPTION COMPLIANCE POLICY**

SHK Group is committed to conducting all aspects of its business in keeping with the highest legal and ethical standards and expects all employees and other persons acting on its behalf to uphold this commitment. In accordance with this commitment, SHK Group has adopted this Anti-Corruption Compliance Policy. The Policy has been created to assist each of us in our efforts to maintain and enhance SHK's reputation and standing in the business world.

### **WHY HAS THIS POLICY BEEN DESIGNED?**

SHK shall not tolerate bribery, kickbacks, or corruption of any kind, directly or through third parties, whether or not explicitly prohibited by this Policy or by law. Employees are not permitted to give or offer anything of value (including gifts, hospitality, or entertainment) to anyone for the purpose of improperly obtaining or retaining a business advantage. Similarly, employees may not solicit or accept such improper payments.

This Policy has been designed to prevent bribery from occurring, avoid the appearance of wrongdoing and enable SHK Group to respond promptly and effectively to any inquiries about its conduct.

### **APPLICABILITY**

The policy applies to directors, officers, employees at all levels in SHK Group as well as to the agents, representatives and other associated persons.

### **WHAT ARE MANAGEMENT'S RESPONSIBILITIES?**

Senior management has the additional responsibility of serving as role models for the business principles of SHK by visibly demonstrating support and regularly encouraging managers' adherence to standards.

### **HOW SHOULD YOU HANDLE SITUATIONS NOT SPECIFICALLY COVERED IN THIS POLICY?**

The policy serves as a general guide to anti-corruption compliance and thus, cannot cover every situation.

You may find yourself faced with ethical issues that are difficult to resolve. Whenever you are faced with such a situation, ask yourself these questions:

- Is it legal and ethical?
- Is it in the normal course of SHK's business?
- Is it consistent with SHK's policy?
- Can I explain it to my family and friends?
- Would I be comfortable if it appeared in a newspaper?

If uncertainty remains about the ethics or legality of an issue, seek additional guidance before proceeding. For questions not specifically addressed here, please speak with your manager or the Compliance Officer. Never hesitate to ask questions, raise concerns, or seek the guidance you need.

## **REPORTING CONCERNS**

Employees are responsible for promptly raising concerns about any possible misconduct in terms of this policy. This includes the potential misconduct of fellow employees, consultants and contract or temporary workers. Ideally, you should raise concerns before problems develop. By stepping forward and raising concerns, you are fulfilling one of your responsibilities as an employee. You are also doing the right thing. You should report your concerns to the Compliance Officer.

## **COMPLIANCE OFFICER**

Ms. Deepti Chandratre is the Compliance Officer of SHK Group. Her office is located at S. H. Kelkar & Co. Pvt. Ltd., Lal Bahadur Shastri Marg, Mulund (West), Mumbai - 400080.

Her contact information is as follows:

Phone: 022 2167 7777( Extn :727 ) (during normal business hours, Indian Standard Time)

E-mail: [deeptichandratre@shkelkar.com](mailto:deeptichandratre@shkelkar.com)

## **CONFIDENTIALITY**

SHK will endeavour to treat employee's communication about compliance concerns confidential even if the employee has identified it himself, but in a manner that is also consistent with the need to investigate, cooperate with the government, and comply with legal obligations, including discovery in litigation.

## **DISCIPLINARY ACTION**

Failure by any employee to comply with the policy will subject the employee—including supervisors who ignore or fail to detect misconduct or who have knowledge of the conduct and fail to correct it—to disciplinary action up to and including termination from employment. The policy shall be enforced regardless of the employee's position

## **NON-RETALIATION**

SHK recognises that employees may be discouraged from reporting concerns if they believe that retaliation may result. SHK will take disciplinary action up to and including termination for anyone who threatens or engages in retaliation, retribution, or harassment of any other person who has reported or is considering reporting a concern in good faith. Reporting a concern will not provide immunity for misconduct engaged in by the individual making the report. However, prompt and forthright disclosure and cooperation will generally be considered a mitigating factor in determining any consequences to the employee. If any employee fails to report known or suspected violations, then the relevant Company Personnel may be subject to disciplinary action, up to and including termination.

## **CORRUPT PRACTICES AND BRIBERY**

SHK employees must ensure that all dealings with third parties, particularly governments and government personnel are carried out in compliance with all relevant laws and regulations and with the standards of integrity required for all SHK business.

SHK values integrity and transparency and has zero tolerance for corrupt activities of any kind, whether committed by SHK employees, officers, or third-parties acting for or on behalf of the Group  
***WHAT IS EXPECTED OF YOU?***

- Employees and officers of the Group are responsible for upholding these values, conducting themselves in an ethical manner and where the legal framework allows, reporting any suspected instances of possible misconduct.
- Company Personnel must conduct their activities in full compliance with this Policy and any applicable anti-corruption laws, including the Prevention of Corruption Act, 1988 (the “PCA”).
- Employees should not make, offer, or authorise payments or inducements to political candidates, legislators, political parties or party officials, or to government officials or employees, whether local or national, in order to obtain or retain business or for any improper purpose. This prohibition also applies to SHK dealings with employees or agents of companies or organisations in the private sector.
- Payments may not be made to any third party in order to funnel all or some of the payment to anyone else as a bribe.
- If confronted with a request or demand for an improper payment or other violation of this Policy, the request or demand must be immediately rejected and reported to the Company’s Compliance Officer. Similarly, if any employee or agent knows or believes that an improper payment has been or will be made, the employee or agent must also report such payment to the Company’s Compliance Officer.

## **GIFTS**

In general, the Company prohibits the provision of gifts. However, the polite and customary conduct of business may require that employees give modest gifts to counterparts as a token or courtesy (e.g., sweets during festivals).

### ***WHAT IS EXPECTED OF YOU?***

Employees may give gifts of nominal value (e.g., pens, mugs, calendars, sweets etc.) when such gifts are:

- lawful and ethical
- customary in a business relationship
- infrequent
- in support of SHK’s business
- provided as a token of esteem, courtesy or in return for hospitality
- not cash or cash equivalent gifts (e.g., gift cards, store cards or gambling chips)
- presented openly with complete transparency
- properly recorded in the Company’s books and records

## **ENTERTAINMENT AND HOSPITALITY**

Conducting business may involve occasional business-related entertainment. Entertainment and hospitality involving government officials and customers may be appropriate in certain circumstances.

### ***WHAT IS EXPECTED OF YOU?***

Entertainment shall be permitted when it is:

- lawful and ethical
- customary and reasonable in value

- occasional
- in support of SHK's business
- related to the promotion of the SHK's products or services or to the execution or performance of its contract with a customer;
- reasonable under the circumstances and not lavish or extravagant.

When possible, business entertainment payments should be made directly by SHK Group to the provider of the service, and should not be paid directly to a Government Official or other party as a reimbursement.

All business entertainment expenses, regardless of amount or attendees, should be properly documented in an expense report. Such expense report shall enumerate the attendees, including the name of each attendee and his or her title and place of employment, and provide a detailed business purpose for the entertainment.

In addition to traditional gifts, both hospitality and entertainment that are provided to business relationships where SHK professionals are not in attendance, and instances where SHK pays for travel related expenses for a Government Official, shall be considered gifts, and subject to the rules and requirements for gifts specified in this Policy.

When determining whether offering entertainment or gifts is appropriate, the employees should consider the following:

- Why the entertainment or gift is being offered?
- If providing the entertainment or gift would affect or appear to affect the judgement of the person to whom entertainment or gift is offered?
- Whether any effort is being made to conceal the entertainment or gift.

In case of any doubt about whether it is appropriate to offer entertainment or a gift, you must promptly disclose the situation to the concerned reporting manager or Compliance Officer and seek appropriate guidance before taking action.

## **TRAVEL AND LODGING**

Reasonable and bona fide travel expenditures paid on behalf of government officials or customers may be permissible in certain circumstances. Permissible payments may cover the costs of travel for an official or customer to visit SHK offices and discuss SHK's qualifications for projects within the official's responsibility or travel in connection with a project status review. Travel expenses may include airfare, lodging cost and ground transportation costs during the trip.

### ***WHAT IS EXPECTED OF YOU?***

- Expenses on travel and lodging should not be extravagant or lavish
- Direct reimbursements should be avoided.
- Reimbursements should be made to the Government Entity or business entity that employs the expense recipient.
- Not to incur expenses unrelated to legitimate business activities and expenses that benefit a friend or family member of a government official.
- Payments directly to the expense recipient (expense reimbursement or for any other purpose) require specific written approval of the Compliance Officer / Group CFO / Group CEO in all cases.

## **CHARITABLE DONATIONS**

SHK is committed to the charitable donations based on humanitarian needs and other factors, including emergency and disaster situations.

#### ***WHAT IS EXPECTED OF YOU?***

- Individual employees or agents shall not make charitable donation, whether in their own name or in the name of SHK Group or its affiliates, to obtain or retain business or to gain an improper business advantage.
- Charitable donations must be permitted under the law and permissible pursuant to the terms of this Policy.
- Charitable donations must be made to a bona fide organization.
- Charitable donations which are connected to any Government Official or Government Entity should be made with the prior approval of the Group CEO / Group CFO
- The Compliance Officer must be notified if a Government Official solicits a charitable donation in connection with any government action related to SHK Group or its affiliates.

### **POLITICAL CONTRIBUTIONS AND ACTIVITY**

SHK operates in many jurisdictions that regulate political contribution, and violators are subject to very serious penalties—including imprisonment in the case of individuals.

#### ***WHAT IS EXPECTED OF YOU?***

- Individual employees or agents shall not make political contributions, whether in their own name or in the name of SHK Group or its affiliates, to obtain or retain business or to gain an improper business advantage.
- Political contribution must be permitted under the law and permissible pursuant to the terms of this Policy.
- Political contributions which are connected to any Government Official or Government Entity should be made with the prior approval of the Group CEO / Group CFO,
- The Compliance Officer must be notified if a Government Official solicits a political contribution in connection with any government action related to SHK Group or its affiliates.
- If an employee engages in the political process, it must be on his own time, and with his own resources. The employee should separate his own political activities from SHK activities. And should never use SHK time, property, or equipment for personal political purposes. Even the appearance of a contribution of company time or resources can be viewed as a violation.

### **RELATIONSHIPS WITH THIRD PARTIES**

A culture of honesty, integrity and fraud prevention and detection must be emphasized through the whole of SHK. If management is seen to ignore or accept minor unethical practices, the perception might be created that controls are lax and can be exploited.

Anti-corruption laws prohibit indirect payments made through a third party, including giving anything of value to a third party while knowing that value will be given to a government official for an improper purpose. Therefore, the employees should avoid situations involving third parties that might lead to a violation of this Policy.

#### ***WHAT IS EXPECTED OF YOU?***

- The employees who deal with third parties are responsible for taking reasonable precautions to ensure that the third parties conduct business ethically and comply with this Policy.
- Precautions may include conducting an integrity due diligence review of a third party, inserting appropriate anti-corruption compliance provisions in the third party's written

contract, requiring the third party to certify that it has not violated and will not violate this Policy and any applicable anti-corruption laws during the course of its business with the Company, and monitoring the reasonableness and legitimacy of the services provided by and the compensation paid to the third party during the engagement.

## **EMPLOYMENT/INTERNSHIPS**

On occasion, Government Officials or SHK Group's business partners may request that SHK Group provide internships or employment to certain individuals. Offering internships or employment to Government Officials or the Company's business partners may be viewed as providing an item of value.

This Policy sets forth guidance for handling such requests from Government Officials or SHK Group's business partners. If a candidate is interviewed for an internship or employment within the ordinary course of filling a position, the Compliance Officer must be notified of the candidate's relationship to a Government Official or SHK Group's business partner. If a candidate related to a Government Official or SHK Group's business partner is interviewed outside of the ordinary course of filling a position, any internship or employment offer must be pre-approved by the Compliance Officer in consultation with Group CEO / Group CFO.

## **RECORD KEEPING**

All expenditures made by SHK need to be accurately reflected in the SHK and Group Companies' financial records and that all payments made with SHK Group's funds, or on behalf of SHK Group, have been properly authorized. Employees must follow all applicable standards, principles, laws and practices for accounting and financial reporting. Employees must be timely and complete when preparing all reports and records required by management. In particular, employees should ensure that no part of any payment is to be made for any purpose other than that to be fully and accurately described in the Company's books and records. Employees should use best efforts to ensure that all transactions, dispositions, and payments involving SHK Group's funds or assets are properly and accurately recorded in the financial records. No undisclosed or unrecorded accounts are to be established for any purpose. False or artificial entries are not to be made in the books of SHK Group and records for any reason. Personal funds must not be used to accomplish what is otherwise prohibited by this Policy.

The Company may conduct periodic audits of its books and records to monitor compliance with the Policy.

## **INTERNAL REPORTING OF CORRUPT PRACTICES**

SHK seeks to deter and detect corrupt practices by ensuring that any genuine concerns ground unethical or illegal conduct are raised in a timely, responsible and confidential manner. Any genuine concerns that are raised about corrupt and unethical behaviour will be thoroughly investigated and appropriate actions will be taken to deal with the outcome of that investigation. SHK will provide feedback to the person who has raised the concern to the extent that it is appropriate and can be done without violating legal requirements or other duties of confidentiality.

## **GLOSSARY OF TERMS REFERRED IN THE POLICY**

**Anything of Value**

Term includes cash or cash equivalents, gifts, services, employment offers, loans, travel expenses, entertainment, political contributions, charitable donations, subsidies, per diem payments, sponsorships, honoraria, or provision of any other asset, even if nominal in value.

### **Government Official**

Any officer or employee of a government, or any department, agency, or instrumentality of a government; Any person acting in an official capacity on behalf of a government or any department, agency, or instrumentality of a government; Any officer or employee of a company or business owned in whole or part by a government; Any officer or employee of a public international organization such as the World Bank or United Nations; Any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; and/or any candidate for political office.

### **Group CEO**

Chief Executive Officer of SHK Group.

### **Group CFO**

Chief Financial Officer of SHK Group.

### **Payments**

This term refers to anything of value, including gifts, money, services, and employment offers.

### **Policy**

This term refers to the Anti-Corruption Policy of SHK Group.

### **SHK / SHK Group**

It shall mean S. H. Kelkar & Company Pvt. Ltd. and subsidiaries.

### **Standards**

Define the set of acceptable criteria (ranges, values, measures, or limits) for items identified in policy or procedures. Adherence to Standards is Mandatory.

### **Third Party**

Any organisation or person, including but not limited to licensors, contractors, and external developers, not owned or employed directly by SHK.