

**USHA FINANCIAL SERVICES LIMITED**

**ANTI-BRIBERY  
AND  
ANTI CORRUPTION POLICY**

# USHA FINANCIAL SERVICES LIMITED

## Introduction

Usha Financial Services Limited ('the Company') is a Non-Banking Financial Company ('NBFC') having valid Certificate of Registration with Reserve Bank of India ('RBI') vide registration no. B.14.02818 dated January 04, 2003

## Policy

Company interactions with Government Officials, as well as private sector (non- government) individuals ("Private Parties"), are generally subject to anti-corruption laws and regulations, and Company and its employees must not take any action that violates or facilitates the violation of any such laws or regulations. Anti-corruption laws enacted by various countries and jurisdictions prohibit Company from offering, promising, giving or authorizing others to give, or receiving anything of value, directly or indirectly, to or from any party to influence official action, improperly obtain or retain business or otherwise gain an unfair business advantage. This Policy and the similar anti-corruption laws enacted by various countries do not prevent Company from working with governments and promoting Company to Government Officials and state-owned or controlled enterprises; rather, they are intended to promote ethical conduct and to prevent bribery and other corrupt practices when dealing with Government or Private Parties.

Gifts, business entertainment, travel, lodging, meals, charitable contributions, educational or employment opportunities, and assumption or forgiveness of debt may be treated as improper and illegal under the applicable anti-corruption laws, as may any other thing of value, if offered or given for an improper purpose. Further, many jurisdictions often impose strict monetary and other limitations on such expenses, regardless of improper intent. In all instances, gifts and entertainment provided to Government Officials and Private Parties must be in connection with the promotion and demonstration of Company's products and services and be reasonable and proportionate under the circumstances. Company employees may not use personal funds or a third party to circumvent the requirements of this Policy.

In addition, you may not accept a gift or entertainment that appears intended or designed to induce you to act in a manner inconsistent with the best interests of Company, and/or might create the appearance that you are engaging a vendor or entering into a business transaction based on factors other than the merits of the product or service offered or the quality of the professionals involved.

### Who is a Government Official?

The term "Government Official" is broadly defined and includes (a) officials and employees; and (b) any person acting in an official capacity for or on behalf of:

- any government, governmental agency or instrumentality, or any public international organization;
- any company that is controlled by a government or governmental agency (notwithstanding that the company may be publicly listed); and
- any political party, party official or political candidate.





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Government Officials are not always easily identifiable. Consult the Director for guidance on whether an individual should be considered a Government Official.

### **Gifts and Entertainment**

Meals, entertainment and gifts for Government Officials or Private Parties may be permissible in certain circumstances if they are reasonable and appropriate in light of local law, custom and practice, not excessive in nature or frequency and not offered or given for an improper purpose. Expenditures, such as travel and lodging, directly related to the promotion or demonstration of the Company's business products or services may also be acceptable if they are reasonable and not made corruptly to influence official action or secure an improper advantage. Nothing should be offered to any party, nor should anything be received from any party, if it could reasonably be perceived as an attempt to gain an unfair business advantage or if it could adversely affect the Company's reputation.

#### **(a) Pre-Clearance Requirements**

Pre-clearance must be obtained from the Director of the Company. Employees who do not obtain pre-clearance when required may not be reimbursed and may be subject to disciplinary action. Keep in mind that if local laws or regulations do not permit a Government Official to accept a meal, entertainment, travel or gift, you are not permitted to offer or give it, regardless of value.

#### **(b) Meals**

You must seek pre-clearance for expenses related to meals involving a Government Official if the amount of the meal is expected to exceed Rs. 5,000 per head.

#### **(c) Business Entertainment and Travel**

Any business entertainment, including travel and lodging provided to a Government Official must be pre-cleared. Entertainment includes concerts, cultural events and sporting events.

#### **(d) Gifts**

All gifts to a Government Official require pre-clearance, except those of nominal value such as inexpensive pens and items with the Company's logo.

#### **(e) Charitable Contributions**

All requests for charitable contributions that might confer a benefit on or that are proposed by, or at the request of, a Government Official or Government Entity must be pre-cleared.

#### **(f) Client Spouses and Families**

Providing anything of value to a spouse or family member of a Government Official or Private Party, such as a meal, gift, entertainment, travel, or employment, may be viewed as improper. It is, therefore, discouraged and requires pre-clearance, which will only be granted in exceptional circumstances.

#### **(g) Monitoring of Client Expenses**





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All client expenses will be reviewed at least annually for reasonableness and appropriateness in light of local law, custom and practice. Any expenses viewed as excessive in nature or frequency will be noted and discussed with the responsible employee and may include disciplinary action, depending on the circumstances.

### **(h) Receipt of Gifts and Entertainment**

You may not accept a gift or entertainment that appears intended or designed to induce you to act in a manner inconsistent with the best interests of the Company, and/or might create the appearance that you are engaging a Business Partner, as defined below, or entering into a business transaction based on factors other than the merits of the product or service offered or the quality of the professionals involved.

### **Business Partners who may act on behalf of the Company**

A "Business Partner" is a third party who will assist Company in obtaining or retaining business, especially if that third party will or may interact with Government Officials on behalf of the Company such as consultants, finders, introducing brokers, placement agents and any other business intermediaries. It also includes vendors and suppliers who provide essential goods and services to Company and, in doing so, expose Company to anti-corruption risk.

The Company may not use a Business Partner to do something indirectly that it may not do directly. Business Partners that present the most corruption-related risk are those who act on behalf of the Company and which will or may have interaction with Government Officials and state-controlled entities. Further Contracts with Business Partners must include, as appropriate, the anti-corruption representations and warranties set forth in Attachment A to this Policy.

The concerned employee/official, in addition to your Director, should retain all documentation related to engagement of the Business Partner. The concerned employee/official should monitor, as appropriate, the Business Partner's activities and compliance with the applicable anti-corruption laws, as well as review compensation and invoices to ensure reasonableness and raise any concerns with the Director.

### **Transactional Due Diligence**

Employees entering into any investment, joint venture or other transaction on behalf of the Company must conduct appropriate anti-corruption due diligence based on the nature of the transaction, a company's reputation, the industry, and geographic location(s) involved. Special attention must be paid to any such transaction that will result in the transfer of funds, directly or indirectly, to a Government Official or an entity owned or controlled by a Government Official. Whenever a Government Official is directly or indirectly involved in a Company transaction, employees must avoid making promises or transferring money, stock or anything else of value, without first consulting the Director and thoroughly vetting the recipient and transaction.





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## Employment of Individuals Referred by Clients

The employment by Company of candidates who are relatives of, or are closely connected to or referred by current or potential clients involves potential risk, both to the Company and to the individuals within the Company making such employment decisions. If not managed correctly, hiring of such candidates could expose Company to sanctions under anti-corruption laws.

Hiring decisions should be based on the merits of the individual candidate, vis-à-vis others being considered for the position, if applicable, and such candidate should go through the usual hiring procedures. A candidate should not be hired solely as a favor for a client in order to create, maintain or improve a business relationship.

## Facilitation Payments

"Facilitation Payments" are nominal payments made to Government Officials to expedite routine government actions, such as activating electricity service or obtaining licenses. The Company prohibits these types of payments except in circumstances involving employee health and safety. You must contact your Director prior to making any facilitation payment unless an employee's health or safety would be threatened by a delay in making the facilitation payment. Any such payments must be accurately recorded in the books and records.

## Accurate Books and Records

All Company employees must do their parts to ensure that the Company's books and records accurately and fairly reflect, in reasonable detail, the Company's transactions.

## Violations of this Policy or Applicable Law

Employees must promptly report potential violations of this Policy or applicable laws or regulations to their supervisors or Director of the Company. An employee who suspects a violation and reports it in good faith will not be subject to retaliation.

Violations of the anti-corruption laws may result in criminal, civil and regulatory penalties against the Company and individual employees, and could negatively impact the Company's ability to conduct business in particular jurisdictions. Failure to comply with this Policy may also result in disciplinary action, including termination of employment.

Employees should contact Compliance officer if there are questions about the Policy.

## Anti-Corruption Language for Business Partner Contracts

- The provisions in Sections I and II below must be included in Business Partner contracts. Any substantive changes to the language below must be approved by your Director.
- The provisions in Section II may be included either as part of the anti-corruption section or in another section of the contract.
- "You" may be changed to the Business Partner name or to "Consultant," "Representative," or a similar term or abbreviation, as appropriate.





## USHA FINANCIAL SERVICES LIMITED

### Review

The Company's Board has been entrusted with the responsibility of enforcement of this policy. They are hereby given absolute power to jointly or severally, make necessary changes, amendments or additions or removals for the operational aspects of the policy within the overall spirit and guidance from time to time for reasons like technology or process upgradation, regulatory changes, maintaining competitive edge or responding to changes in market or risk environment, etc. This is required to ensure full operational freedom to the senior management and make the management team more adaptive to rapid changing external environment. All changes so made shall be noted to the policy approving authority during the next policy review. The Board can decide on delegation of authority and can design/redesign MIS systems and reporting as they see fit to improve the responsibility and accountability within the team hierarchy.

### Anti- Bribery

I. You hereby represent, warrant and covenant to Company that:

- a) In the performance of this Agreement, You and Your shareholders, affiliates, officers, directors and employees, and Your agents and representatives, if any, will comply strictly with all applicable anti-corruption laws;
- b) neither You nor Your shareholders, affiliates, officers, directors and employees, nor Your agents or representatives, if any, has taken nor will take any action in furtherance of an offer, payment, promise to pay, receipt, acceptance or authorization of the payment or giving or receiving of anything of value, either directly or indirectly, to or from any person while knowing that all or some portion of the money or value will be offered, given or promised to anyone to improperly influence official action, to obtain or retain business or otherwise to secure any improper advantage;
- c) throughout the duration of this Agreement, neither You nor any of Your officers, directors, employees, nor Your agents or representatives, if any, is or will become a Government Official; and neither You nor any of Your agents or representatives, is or will be owned, directly or indirectly, in whole or in part, or controlled by any government or Government Official;
- d) You shall create and maintain precise and accurate books and financial records in connection with the services performed under this Agreement. Upon request, Company shall have the right to inspect such books and financial records in connection with the services performed under this Agreement. You will fully cooperate with any such inspection that may be conducted;
- e) You shall notify Company immediately if at any time the foregoing representations and warranties shall not be true and correct. Upon receipt of such notification, or in the event that Company determines that a breach of any of the representations and warranties has occurred or is likely to occur, Company shall have the right to unilaterally terminate this Agreement upon written notice without further payment under this Agreement; withhold payment under this Agreement until such time as it has received confirmation to its satisfaction that no breach has occurred or is likely to occur; and/or pursue any other remedies available to it;





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“Government Official” is broadly defined and includes (a) officials and employees of and (b) any person acting in an official capacity on behalf of:

- governments, governmental agencies and instrumentalities, and public international organizations;
  - companies that are partially or wholly-owned or controlled by governments or governmental agencies (notwithstanding that the company may be publicly listed); and
  - political parties, including candidates of the party.
- (f) Company shall not be obligated under this Agreement to take any action or omit to take any action that it believes, in good faith, would cause it to be in violation of any applicable anti-corruption laws.

### II. Other Required Provisions

- a) Payments: All payments due to you under this Agreement will be made by cheque or bank transfer in the place where your business is domiciled or where you perform services for Company. Company will not make any payments which are owed to
- b) You under this Agreement to a third party.
- c) Permitted Disclosure: You agree that Company may disclose the terms of this Agreement, including, without limitation, your identity, services rendered and the payment terms, to any third party who, in Company’s judgment, has a legitimate need to know, including government agencies.

