

Anti-Bribery and Anti-Corruption Policy

Version	Date of Approval
1.0	September 02, 2021
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1. Introduction

1.1. This Anti-Bribery and Anti-Corruption Policy (The Policy), commits Pragati Finserv (“The Company”) to conduct its business activities ethically with utmost integrity. We have a zero-tolerance policy for corruption or bribery in any form and are committed to acting with integrity and in a professional manner in all our business dealings and relationships, where we operate.

2. Scope

2.1. This Policy applies to Pragati Finserv (the “**Company**”) and its directors, officers, and employees (“**Employees**”); and any contractors, agents, representatives, intermediaries, distributors or other third parties (“**Business Associates**”) engaged by Pragati Finserv.

3. Definitions

3.1. “**Objectionable Practice**” means any Corrupt Practice, Fraudulent Practice, Money Laundering Activities, Obstructive Practice, Sanctionable Practice or Terrorist Financing.

3.2. “**Corrupt Practice**” means:

3.2.1. the promising, offering, giving, making, authorising, insisting on, receiving, accepting or soliciting, directly or indirectly, of any illegal or undue payment, bribe, kick-back, or advantage of any nature, to or by any person, with the intention to, or the knowledge that such payment or advantage may, directly or indirectly influence, whether as inducement or reward, the actions or decisions of any person, including causing any person to refrain from any action or decision; or

3.2.2. any action or omission which is prohibited in any applicable jurisdiction by law or regulation relating to bribery or corruption.

3.3. “**Fraudulent Practice**” means any action or omission including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial benefit or to avoid an obligation.

- 3.4. **“Illicit Origin”** means any origin which is illicit, criminal or fraudulent, including without limitation, corruption, Terrorist Financing, and tax evasion.
- 3.5. **“Money Laundering Activities”** means the process of moving funds of Illicit Origin through a cycle of transformation in order to create the end appearance of legitimately earned funds. The process of moving funds consists of providing, receiving or assisting in transfer of funds;
- 3.6. **“Obstructive Practice”** means deliberately destroying, falsifying, altering or concealing evidence material to the assessment or the making of false statements to those performing the assessment, in order to materially impede an assessment of allegations of a Corrupt Practice, Fraudulent Practice, Money Laundering Activities, or Terrorist Financing and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the assessment or from pursuing the assessment; or acts intended to materially impede the exercise of Pragati Finserv’s access to contractually required information in connection with an assessment of allegations of a Corrupt Practice, Fraudulent Practice, Money Laundering Activities, or Terrorist Financing.
- 3.7. **“Sanctionable Practice”** means any business activity or transaction with any entity, individual or country which at or during the time of such business activity or transaction is included on the lists of sanctioned entities, individuals or countries published and updated from time to time by the Office of Foreign Assets Control of the US Department of Treasury (OFAC), the European Union or the United Nations.
- 3.8. **“Terrorist Financing”** means financing terrorists, terrorist acts and terrorist organisations.

4. Policy Statement

- 4.1. Pragati Finserv, the Employees, and Business Associates shall not directly or indirectly engage in any Objectionable Practice.

5. Gifts & Hospitality

- 5.1. No gifts can be given, nor hospitality (such as entertainment, meals, hotels, invitations to non-business events, etc) can be provided by the Employees, and Business Associates to any person.

- 5.1.1. For the purposes of obtaining or retaining business, securing any improper advantage, or influence any action or decision for Pragati Finserv and/or
 - 5.1.2. which may be considered reasonably likely to influence the decisions of counterparties or Governmental Authorities in connection with the business or operations of Pragati Finserv.
- 5.2. Subject to the foregoing, items of nominal value (such as corporate calendar, pens, mugs, books, T-shirts, bouquet of flowers or a pack of sweets or dry fruits) can be given by Pragati Finserv to employees of current or prospective Business Associates, consultants, advisors, clients, lenders and investors as modest gifts in the ordinary course of business, provided that:
 - 5.2.1. no such gift to any person exceeds Rs.2,500/- in value (or its equivalent foreign currency) unless otherwise approved in writing by the MD&CEO and
 - 5.2.2. no cash or cash equivalent like jewellery, etc. are paid.
- 5.3. No Employee shall accept any gift in the form of cash or cash equivalent like jewellery, etc. or any gift that exceeds Rs. 1000/- in value (or its equivalent foreign currency).

6. Donations

- 6.1. Pragati Finserv shall not directly or indirectly make any political contributions, donations or sponsorships in any country. Any charitable contributions or donations shall be made only with the approval of MD&CEO. All charitable contributions and sponsorships shall be disclosed to the public.

7. Record Keeping

- 7.1. No payment by or on behalf of Pragati Finserv in excess of Rs.2,500 shall be approved or made for any purpose other than that described by valid documents supporting the payment.
- 7.2. Any expenses that an Employee or any Business Associate incurs on behalf or in connection with the business of Pragati Finserv shall not be reimbursable unless they are lawful and supported by valid documentation including, invoices or receipts.
- 7.3. The HR Team shall declare and keep a written record of all gifts and hospitality above the acceptable threshold which shall be subject to managerial review. The Company shall ensure all expense claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our Policy on Gifts and Entertainment and specifically record the identity of any third parties and the reason for the expenditure. All accounts, invoices, memoranda

and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, shall be prepared and maintained with strict accuracy and completeness. No accounts shall be kept off-book to facilitate or conceal improper payments.

8. Engagement of Business Associates

8.1. Only persons or entities of good repute be engaged to act on behalf of Pragati Finserv after obligating such persons or entities to comply with this Policy.

9. Reporting Violations

9.1. Employees are required to report known or suspected violation of this Policy at the earliest possible stage. The Vigil Mechanism and Whistle-blower Policy of Pragati Finserv provides a mechanism for its Employees to raise concerns on any financial irregularities, or violations of policies or law, etc. For more details, refer to the procedure for reporting and dealing with disclosures under the Vigil Mechanism and Whistle-blower Policy of Pragati Finserv.

9.2. Employees who report in good faith under this policy their suspicion that an actual or potential violation of this Policy has taken place or may take place in the future shall be protected from detrimental treatment/retaliation as stipulated in the Vigil Mechanism and Whistle Blower Policy.

9.3. Pragati Finserv shall not tolerate retaliation in any form against anyone for raising concerns or reporting what they genuinely believe to be improper, unethical or inappropriate behaviour. All reports shall be treated confidentially. Pragati Finserv is committed to ensuring 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 offense has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

10. Consequences of Breach

10.1. Breach of this Policy by any Employee or Business Associate shall be regarded as a serious misconduct. Any Employee who breaches this Policy may be subjected to disciplinary action, which may include termination of employment. If it comes to the knowledge of Pragati Finserv that any Business Associate engages in any Objectionable Practice, then such Business Associate

shall be blacklisted and no longer be permitted to represent or act for or on behalf of Pragati Finserv.

11. Policy Administration

11.1. Training

11.1.1. All Employees working in areas of the company seen as susceptible to bribery and corruption risk, are to receive appropriate training, including refresher training, relating to this Policy and related policies and procedures periodically. Any newly hired Employee shall receive such training as part of their induction.

11.2. Monitoring and Oversight

11.2.1. Adherence to this Policy shall be monitored by the Head of Audit under the oversight of the Audit Committee of the Board of Directors of Pragati Finserv.

11.3. Third Parties

11.3.1. The Company's zero-tolerance approach to bribery and corruption shall, wherever relevant, be communicated to all third parties at the outset of the Company's business relationship with them and as appropriate thereafter. Wherever possible, all such third parties shall also be sent a copy of this Policy at the outset of the said business relationship and periodically throughout the term of the relationship.

11.4. Annual Certification

11.4.1. All employees shall be required to give an annual certification confirming their compliance with the Policy in the prescribed format. This confirmation would be obtained either through mail, HRIS or in physical mode.