



ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

PURPOSE:

The Anti-Bribery and Anti-Corruption Policy ('**the Policy**') of Madhur Industries Limited ('**we**') emphasizes zero tolerance policy for bribery and corruption in any form. We are committed to ensure that it is acting professionally, fairly and with utmost integrity while conducting any business dealings. The Policy ensures implementing and enforcing adequate procedures to counter bribery and corruption.

We recognize that bribery and corruption can take many forms including cash or gifts to an individual or family members or associates, inflated commissions, fake consultancy agreements, unauthorized rebates, non-monetary favors and false political or charitable donations. These actions may be undertaken directly or through a third party.

The purpose of this Policy is to outline the guiding principles and adequate procedures to prevent any activity or conduct relating to bribery, facilitation payments, or corruption. It includes compliance with all laws, domestic and foreign, prohibiting improper payments, gifts or inducements of any kind to / or from any person, including private or public officials, customers and suppliers.

It requires all employees to be subjected to the Policy and to recognize questionable transactions, behavior or conduct, and to take steps to comply, record and follow the procedures set in place to deal with such behavior or conduct.

SCOPE & APPLICABILITY:

This Policy is applicable to all activities undertaken directly or indirectly. This Policy is also applicable to subsidiaries, associates and joint venture companies, if any.

This Policy is applicable to all individuals working at all levels and grades, including directors, senior managers, officers, associates, other employees (whether permanent, contractual, non-contractual, or temporary), retainers, trainees, seconded staff, agents, associated with our Company (all individuals referenced in the paragraph are collectively referred to as "**Personnel**").



It is therefore, the responsibility of all Personnel to follow and adhere to all the elements described in this Policy and to ensure that Madhur's procedures and measures to combat bribery and corruption are implemented in the strictest way. In case of any questions arising as a result of this Policy, you can consult the Compliance Officer.

POLICY STATEMENT:

We does not tolerate any bribery or corruption in any form or manner. We are committed to implement and follow the adequate procedures as set forth below in this Policy to counter and prevent bribery and corruption in any form.

- We ensures maintaining detailed and accurate books of account of all transactions, which will aid in detection of bribery or corruption.
- Any violation of any clause or provision of this Policy by any Personnel will be regarded as a serious crime and strict and stringent action will be taken against the concerned Personnel.
- This Policy constitutes a minimum standard that must be complied with in all countries of business and operations. These minimum standards are applicable even when this Policy is stricter than the anti-bribery and anti-corruption laws that are applicable in any country - including both applicable local laws and laws with extra-territorial application. However, when the applicable anti-bribery and anti-corruption laws are stricter than this Policy, such laws must be complied with.
- The guidelines in this Policy should be read in conjunction with any other relevant internal policies as may be implemented from time to time.

GENERAL PRINCIPLES:

RISK ASSESSMENT

- Bribery and corruption risks may vary due to various factors therefore, a risk-based approach shall be taken to build required safeguards.
- Risk assessment process will be undertaken every year depending upon factors which impact risk or cause major changes in the operations.
- A risk assessment shall be conducted to identify risk profile of business transactions in relation to bribery and corruption. This shall include review of internal factors such as training program, data analysis, changes in policies etc. and external factors such as industry, geographic footprint, regulatory landscape, etc.
- Based on such risk profiles being identified, necessary and immediate mitigating steps will be undertaken by Madhur.

GIFTS, ENTERTAINMENT AND HOSPITALITY

- Gifts, entertainment, and hospitality may be acceptable if they are reasonable, made in good faith and in compliance with the policies including the Code of Conduct and any other policy on Hospitality or Gifts, if any, and various internal guidelines issued from time to time.
- The giving or receipt of gifts by Personnel is not prohibited, if the same complies with this Policy; is given under the brand name of Madhur and not in the name of any Personnel; it is a part of customary celebration in many parts of the world during national, cultural or religious occasions, however, it should be of an appropriate type and value and should be given at an appropriate time; it should not be secretly given; and it should be modest, desirable, reasonable.
- No Personnel should accept or solicit any personal benefit from anyone in the course of business or employment in a manner that might compromise or appear to compromise their objective assessment relating to such business or employment.
- Personnel are prohibited from offering gifts or granting favors outside the ordinary course of business to current or prospective customers, their employees or agents or any person or any third party (including but not limited to Public Officials) with whom or its business associates have a contractual relationship or intend to negotiate an agreement.
- Personnel should exercise professional judgment in identifying the inappropriate, frequent, or material gifts and entertainment and should avoid the same to maintain integrity and independence.
- This policy does not intend to prohibit normal and appropriate hospitality (offered and received) to or from third parties. Hospitality limited to meals, drinks and other such sustenance may be offered without prior approval if it is reasonable and justifiable in all the circumstances, considering the reason and nature, appropriate type, value, given at an appropriate time and not made with the intention of influencing a third party or implicit exchange for favors or benefits.
- The limits of monetary value in relation to gifts and hospitality should be decided and approved from the team head, business finance head, and the Compliance Officer.
- Madhur Personnel must follow strict processes and adhere to the system of internal control 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 to maintain documentation supporting our internal controls.

FACILITATION PAYMENTS OR KICKBACKS

- Any Facilitation Payments and kickbacks are inappropriate payments, and any such payments during the course of the business or employment is strictly forbidden.
- All Madhur Personnel must strictly avoid any activity that may lead to, or suggest that Facilitation Payment or Kickbacks will be made or accepted by Madhur.
- If any Madhur Personnel is asked to make a payment on behalf of Madhur, he/she should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. A receipt that details the reason for the payment should be maintained.
- Any such 'red flags' or potential 'red flags' (illustratively discussed in Annexure 1) observed by any Madhur Personnel should be notified to the Compliance Officer as soon as possible. This should cover both actual and suspected conflict with the compliance principles outlined in this Policy.

INTERACTION WITH CUSTOMERS

Where a Personnel is responsible for relationships with customers, she/he may entertain customers for bona-fide purposes only in accordance with Code of Conduct and other applicable policies and guidelines. Records of such entertainment should be maintained.

USE OF THIRD-PARTY AGENTS, CONSULTANTS AND OTHER INTERMEDIARIES

- The following should be kept in mind prior to engaging a third party:
 - i. Appropriate due diligence is conducted and properly documented.
 - ii. Appropriate provisions in addition to other relevant policies are incorporated in the contracts, including the right to audit, as well as a clause on termination, if the partner/party fails to abide by this Policy.
 - iii. Formal written commitment is sought from the third party to ensure compliance to these standards.
 - iv. Due diligence process shall be based on the level of risk to which Madhur is exposed to, due to contracting with the third party. For high risk third parties, a detailed due diligence process shall be carried out on the promoters/key managerial personnel and the entity involved. This shall include searches in various compliance databases and media records, site visits, market research, analysis of financials, etc. The due diligence process for low-risk vendors could be limited to searches in various compliance databases, media records, etc. The due diligence process shall be carried out at least once in three years or at the time of renewal of contracts / purchase orders, as applicable.



- Any such bribery or corruption practice should be immediately reported to the Compliance Officer and appropriate steps and actions should be taken against such Personnel.

GOVERNMENT INTERACTION

- Business with any Government authority is always highly regulated and stricter rules and regulations are applied as compared to entering into business with non-government authority. There is a special duty of care and know-how required and you have to comply with all the rules and regulations in order to adhere with the highest level of integrity while entering into business with Government authority.
- It is the responsibility of Madhur Personnel to always be truthful, co-operative, and accurate when conducting operations and activities which involve business with Government authorities. We have to ensure that all Madhur Personnel comply with this Policy which prohibits corrupt, improper and unethical payments in any form to the Government Officials. Any such payment if required to be made by any Personnel on behalf of our Company, the same should be fully transparent, documented and accounted in the books of account.
- Any such 'red flags' or potential 'red flags' (illustratively discussed in Annexure 1) observed by any Personnel should be notified to the Compliance Officer as soon as possible and appropriate steps and actions should be taken against such Personnel.

POLITICAL, COMMUNITY OR CHARITABLE CONTRIBUTIONS OR DONATIONS AND SPONSORSHIPS

- Madhur always functions in accordance to the constitutional charter that is Memorandum of Association and Articles of Association of the Company and Code of Conduct for senior management and Directors, the governance system of India and in harmony with our vision and mission statement. Madhur or any of its Personnel does not support any specific political party or candidature for any political office. We ensure that our method of performing our business does not seek to influence any outcome of public elections or undermine or alter any system of governance.
- We should work in such a manner that our conduct does not imply or interpret any dependence/ favor with any political body or person. Unless mandated under the applicable laws for the time being enforced and the CSR Policy, Madhur does not offer or give any company funds or property to as donation or charity to any government agency or its representatives either directly or via intermediaries.



- Thus, if any activity such as providing funds to Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund (PM Care Fund) or any other fund set up by Central Government for any emergency or socio-economic development etc. fall into the category of contributions under our CSR Policy, then the same is permitted, provided it is transparent and in compliance with the CSR Regulations under the Companies Act, 2013 and rules made thereunder and as per the CSR Policy of the Company .
- Any such financial contributions made by Madhur or Madhur Personnel on behalf of Madhur must be duly authorized, transparent, non-discriminatory and non-discretionary and must be approved by the Board.
- It is important that we exercise reasonable caution when making donations, such that the donations made shall be without any demand or expectation, so as to ensure that our donations would not be considered inducements in any form or manner. Thus, contributions by Madhur to community projects or charities need to be made in good faith and in compliance with this Policy and all other relevant policies and procedures, as updated from time to time.
- Before making any donations or charities, background checks should be conducted of such charitable organizations to ensure that the charity does not act as conduit to fund illegal activities which are in violation to anti-money laundering laws, anti-bribery and corruption laws, and any such other applicable laws.
- Such charities/donations should be allowed only to such organizations which are registered with the concerned government body, legal and ethical under the local laws and practice.
- Sponsorships are closely allied to the various types of community / business activities undertaken by Madhur. These could range from sponsoring educational scholarships to local sports teams. Any sponsorship must be for genuine business or charitable objectives without any element of quid pro quo. Any such sponsorship must be transparent, duly approved, properly documented and duly reported as per internal guidelines or any other applicable policy.

MERGERS AND ACQUISITIONS, JOINT VENTURES, PARTNERSHIPS

- Madhur will ensure that appropriate steps and reasonable due-diligence is performed and undertaken when it is engaging in any mergers and acquisitions, joint ventures, partnerships within India or in any cross-border transactions.



- We should ensure that our actions are in consonance with this Policy, as well as the integrity and reputation of any business either within India or globally in which we make investment.
- We should also ensure that when Madhur is acquiring a potential target or entering into a joint venture or partnership or similar business arrangement, Madhur will extend all our relevant policies to such business units, train employees of such business units, re-evaluate third parties under company standards and where appropriate, conduct audits on such business units.

BOOKS, RECORDS, AND INTERNAL CONTROL REQUIREMENTS:

- Madhur is required to keep accurate the books and records and to maintain internal controls to prevent and detect potential violations of our policies or of applicable laws. Madhur has appropriate controls to ensure that diligence is conducted, transactions properly approved, documentation received to support expenses, and interactions handled as required by our policies.
- Accurate and complete record-keeping is essential to the successful operation of Madhur, as well as to our ability to meet our legal and regulatory obligations. Each Madhur Personnel has a responsibility to be accurate, complete and honest in what they report and record in all internal and external documents, including but not limited to the accounting records, timecards, expense reports, invoices, payroll records, safety records, business records, performance evaluations, contracts, etc. Records and documents generated in connection with the principles set forth in this policy, including, but not limited to, any diligence files and contracting documents, must be maintained and stored in the book of accounts as mentioned in the Data retention policy.
- Expenses must never be hidden or purposefully misclassified. Many serious global bribery and corruption scenarios are found to involve inaccurate record- keeping. To prevent this, international anti-corruption laws generally require detailed and accurate accounting records for transactions, including cash and bank accounts. All Madhur Personnel must ensure that we maintain accurate books, records and financial reporting.
- All business units and entities must maintain an effective system of internal control and monitoring of transactions. Certain monitoring controls are identified in our policies, specifically regarding approval of travel and entertainment expenses.



- It is the responsibility of Madhur Personnel to be knowledgeable about control procedures and ensure compliance. They are required to ensure that all expense claims relating to hospitality, gifts or charitable donations are submitted in accordance with applicable policies and specifically record the reason for the expenditure.
- All business units and entities must maintain an effective system of internal control and monitoring of our transactions. Certain monitoring controls are identified in our policies, specifically regarding approval of travel and entertainment expenses.
- Madhur Personnel are required to maintain all financial records and have appropriate internal controls in place which will evidence the business reason for making payments to or receiving payments from third parties.
- All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, suppliers and business contacts, should be prepared and maintained with accuracy and completeness. Our records management and retention policies ensure to maintain the records required to meet legal, tax and regulatory requirements and securely dispose-off records that are no longer needed or are beyond the statutory retention period.
- Madhur Personnel should take care never to dispose of information that may be relevant to current or threatened litigation or subject to a legal prohibition or stipulation until they are authorized in writing to do so by the relevant department. They who see or suspect financial misconduct should notify their supervisors immediately, and contact the Compliance Officer.

COMMUNICATION AND COMPLIANCE TRAINING:

- It is our commitment to ensure that Madhur has adequate procedures to combat bribery and corruption risks and threats. To meet this objective, regular training will be made available to all business units in relation to the Policy, obligations of Madhur Personnel, company procedures and measures. The details of our Madhur whistleblowing procedures will be disseminated to the Madhur Personnel on a regular basis.
- Training will be conducted either on-line or in-person or a combination of both and will be administered by the Compliance Officer. The training will be required to be completed within a specified timeframe. Madhur Personnel are expected to keep themselves up to date by undergoing repeat training at regular intervals or each time a training program is updated.



- Our Company may also extend training programs to third parties, if it is envisaged that the work profile allocated to them carries a significant risk as per this Policy.

RESPONSIBILITIES:

A. Risk Management Committee / Board Of Directors

- i. The Risk Committee shall have oversight of governance and compliance with this Policy. Aggravated cases from the Compliance Officer shall be escalated immediately to the Risk Committee. The Risk Committee will monitor the effectiveness and review the implementation of this Policy, considering its suitability, adequacy and effectiveness.

B. Compliance Officer

- i. Madhur shall designate an employee on the basis of her/his competence, independence, seniority and experience as the Compliance Officer to ensure compliance with the provisions of this Policy.
- ii. The Compliance Officer so appointed shall monitor the effectiveness and review the implementation of the compliance procedures and principles under this Policy, regularly considering its adequacy and effectiveness.
- iii. The Compliance Officer shall undertake periodic review and update this Policy to reflect the latest amendments, regulations, government notifications and laws as updated from time to time. Any such changes to this Policy should be tracked, documented and informed to Madhur Personnel for future reference.
- iv. The Compliance Officer should ensure that regular and relevant on-going training and awareness sessions are made available to Madhur Personnel in relation to this Policy. The Compliance Officer is also responsible for the successful implementation of the principles set forth in this Policy and should ensure they use it to disclose any suspected concern or wrongdoing.
- v. All reports, complaints, doubts or concerns in relation to this Policy shall be raised to the Compliance Officer. Any query, concerns or complaint received by any Madhur Personnel should be promptly reported to the Compliance Officer.
- vi. Every query or concern raised in relation to any suspected violation of this Policy shall be reviewed/ investigated by the Compliance Officer. Any action required to be undertaken shall be taken by the Compliance Officer in accordance with this Policy.
- vii. For the purposes of this policy, the Managing Director shall be the Compliance Officer.

C. Personnel

- i. All Madhur Personnel should acquaint themselves with this Policy and should be aware of the procedures and principles of this Policy. They should participate thoroughly in the training sessions conducted by Madhur and should abide by the guidelines issued from time to time.
- ii. Madhur Personnel should ensure that Madhur's procedures and measures to mitigate the bribery and corruption risks are upheld and strengthened.
- iii. In case of any queries or doubts on this Policy, all Madhur Personnel shall consult the Compliance Officer.
- iv. Madhur Personnel are required to ensure that all expense claims relating to hospitality, gifts, charitable donations or payments made to third parties are submitted in accordance with applicable policies and that all such expense claims specifically record or state the reason for such expenditure.
- v. All Madhur Personnel who are in managerial position shall ensure that their team members are aware of this Policy and have completed the training(s) organized under this Policy. They shall guide and ensure that the guidelines in this Policy are strictly followed by their team members and the third parties working with them.
- vi. Any such 'red flags' or potential 'red flags' (illustratively discussed in Annexure 1) observed by any Madhur Personnel should be notified to the Compliance Officer as soon as possible and appropriate steps and actions should be taken to deal with the potential violation(s).
- vii. All Madhur Personnel shall provide full cooperation for any enquiry or investigation conducted or to be conducted by Madhur for potential violation of this Policy.

WHEN COMPELLED FOR BRIBE OR FACILITATION PAYMENT:

- There may be certain exceptional circumstances wherein in spite of Madhur being committed to this Policy, Madhur Personnel's or third-party's safety is compromised due to demand of bribe or facilitation payment by an individual having authority. For example, medical emergency, etc.
- In such exception circumstances, Madhur Personnel must consult their Functional Head and the Compliance Officer before accepting the demand of bribe or facilitation payment. Madhur Personnel will not be in breach of this Policy in respect of any payment made for reasons of personal safety and security. Any payment made under such exceptional circumstances must be reported formally to the Compliance Officer within 24 hours with complete details of the payment.



- Once the urgency of the situation has been resolved, the payment must be accurately and completely recorded in Madhur's book of accounts.
- Madhur's Legal Head shall report the matter to the relevant law enforcement authority or regulatory body within a period of seven days from the date of such payment.

REPORTING OF CONCERNS AND INVESTIGATIONS:

- All Madhur Personnel are encouraged to raise concerns about any bribery issue or any case of corrupt practice or any breach of this Policy or any other suspicion of malpractice or breach of any applicable law at the earliest possible stage. If they are unsure whether a particular act constitutes bribery or corruption, or if they have any other queries, these should be raised with their respective reporting manager and the Compliance Officer.
- Madhur Personnel may also raise concerns or queries to their Functional / Department head/ Business Head or the Compliance Officer by following the procedure mentioned under the Whistle-blower Policy.
- Any Madhur Personnel who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. Madhur aims 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. No personnel who in good faith, reports a violation of this Policy shall suffer any harassment, detrimental treatment, retaliation or adverse employment consequences. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern.
- If any Madhur Personnel believes that he or she has suffered any such treatment, he or she should inform the Compliance Officer immediately.
- For the reported concern(s) of potential or actual violation(s) of this policy, the Chief Compliance Officer shall take appropriate steps such as:

I) Investigation:

- Enquiry or investigation of the reported concern for potential violation of this Policy shall be conducted by or with oversight of the Compliance Officer. The objective of such enquiry or investigation would be to determine the facts.
- All investigations shall follow principles of natural justice and shall ensure that the relevant Madhur Personnel are provided with an opportunity to present their case before the investigation team.



- Experts with the right knowledge and skills may be appointed to investigate thereported concern.
- The investigation process and the report should be kept confidential and shall beshared only with such persons who have a “need to know” under applicable law orCompany’s standard investigation process.

II) Corrective Action: Based on the investigation, and if necessary, corrective actions shall be prescribed or suggested to appropriate managers, officers and employees for implementation.

III)Disciplinary Action: The Compliance Officer after considering inputs from relevant stakeholders shall recommend appropriate disciplinary action, including but not limited to suspension and termination of service of such a defaulting Madhur Personnel. The Compliance Office shall also recommend if the violation is potentially criminal in nature and should be notified to the relevant authorities under applicable law. In the event of criminal or regulatory proceedings, the Madhur Personnel shall co-operate with relevant authorities. Depending on the nature and scale of default the Compliance Officer may also recommend to the Board to commence civil and/or criminal proceedings against such Madhur Personnel in order to enforce immediate remedies that available to Madhur under applicable laws.

PENALTIES:

- Any violation of this Policy by Madhur Personnel will be regarded as a serious matter and shall result in disciplinary action, including but not limited to termination of employment, consistent with applicable law and the relevant terms of employment.
- Bribery is a criminal offense. Madhur Personnel will be accountable whether they pay a bribe themselves or if such Madhur Personnel authorizes, assists, or conspires with someone else in contravention to the anti-bribery and anti-corruption laws. Punishment for violating the law against an individual includes imprisonment, probation, and monetary fines (which will not be paid by Madhur. For example, punishment under the Prevention of Corruption Act, 1988 ranges between three and seven years, along with a fine.

AMENDMENT OF THE POLICY: Madhur reserves the right to vary and/or amend the terms of this Policy from time to time.

EXCEPTION(S):All exceptions to this policy must be approved by the Compliance Officer.