



ANTI-BRIBERY AND CORRUPTION POLICY

Version -1



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1. Purpose

- 1.1. The purpose of this Anti-Bribery and Corruption Policy is to provide guidance on compliance to various laws and regulations, both domestic and international, relating to Anti-Bribery and Corruption. Electrosteel Castings Limited (hereinafter referred to as the "Company") is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, and to implementing and enforcing effective systems to counter bribery and corruption to its employees and Third Parties. The Company aims to maintain the highest level of ethical and professional standards in the operation of its business. The Company is equally committed to the prevention, deterrence and detection of bribery and other corrupt business practices.
- 1.2. 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 favours and false political or charitable donations. These actions may be undertaken directly or through a third party. It is illegal and immoral to, directly or indirectly, offer or receive a bribe.

2. Applicability and Applicable Laws and Regulations

- 2.1. This Policy is applicable to our Company including its all Divisions. and all employees of Electrosteel Group, including its subsidiaries, joint ventures and associates and Directors, Senior Managers, Officers, other employees (whether permanent or contractual), consultants and also to all suppliers, contract manufacturers, distributors, and any other third parties acting for or on behalf of the Company. The following laws in India also presently apply to offences relating to or resulting in corruption and bribery and resolutions available in case of occurrence of corruption or bribery:
 - i) Indian Penal Code, 1860 ("IPC");
 - ii) The Prevention of Money Laundering Act, 2002;
 - iii) The Central Vigilance Commission Act, 2003;
 - iv) The Loka Yukta Acts of various states.

3. Definitions

"Bribe" or "Bribery" is an inducement, payment, reward or advantage offered, promised or provided or authorized to be provided, directly or indirectly, to any person or entity to gain any commercial, contractual, regulatory or personal advantage.

A bribe may be anything of value and not just money/gifts, inside information, sexual or other favours, business contracts, corporate hospitality or entertainment, offering employment, payment or reimbursement of travel expenses, donation or social contribution, abuse of function and can pass directly or through a Third party.

Bribery includes both:

- Official bribery i.e. corruption of a Government Official; and
- Commercial bribery i.e. corruption of a private/ non-governmental individual or



entity.

3.2. Bribery by Commercial Organisation –

A Commercial organisation shall be held liable if a person associated with a such commercial organisation gives or promises to give any undue advantage to a public servant intending—

- (a) to obtain or retain business for such commercial organisations; or
- (b) to obtain or retain an advantage in the conduct of business for a such commercial organisation.

3.3 Corruption

Corruption includes wrongdoing on the part of an authority, a commercial organisation (any person associated with a such commercial organisation) or those in power, through means that are illegitimate, immoral, or incompatible with ethical standards.

3.4 Public Official (Government official or Public servant) / Foreign Public Official

In the Indian context, a public official would include (but not be limited to) the following:

- 3.4.1 Any minister, elected or appointed official, director, officer or employee (regardless of rank), any person in the service or pay of the government or remunerated by the government by fees or commission for performing any public duty, or person acting on behalf of any government (whether at a national, state/provisional or local level) or any department, agency or instrumentality thereof, and/or of any state-owned or state-controlled enterprise, or an entity that is financed in large measure through public appropriations, is widely perceived to be performing a government function, or has its key officers and directors appointed by a government;
- 3.4.2 Any judge, including any person empowered by law to discharge, whether by himself/herself or as a member of any body of persons, any adjudicatory functions;
- 3.4.3 Any person authorised by a court of justice to perform any duty, in connection with the administration of the justice, including a liquidator, receiver or commissioner appointed by such court;
- 3.4.4 Any person who performs a public duty, including for a public agency or public enterprise, or provides a public service, as defined in the domestic law of the country and as applied in the pertinent area of law;
- 3.4.5 Political party officials and candidates for public office, or any person acting on their behalf;
- 3.4.6 Any person who prepares electoral rolls;
- 3.4.7 Spouse, significant other, child, or close relative of the above will also be considered as a "Government Official" for the purpose of this Policy.

3.5 " HR department" shall mean the human resource department of the Company.

3.6 Third Party-

The term "third party" includes any individual or organization, who/which comes into contact with the Company or transacts with the Company, and also includes actual and potential clients, vendors, consultants, retainers, agents, advisors, distributors, business associates,



partners (including academic institutions), contractors, suppliers or service providers who work for and on behalf of the company.

4 Bribes or facilitation payments

“Facilitation Payments” are unofficial payments made to public officials in order to secure or expedite the performance/ non-performance of a routine or necessary action. They are sometimes referred to as 'speed' money or 'grease' payments or 'good-will money'. The payer of the facilitation payment usually already has a legal or other entitlement to the relevant action. “Kickbacks” are typically payments made in return for a business favour or advantage.

The Company prohibits making or accepting, facilitation payments or "kickbacks" of any kind. All associates must avoid any activity that might lead to a facilitation payment or kickback being made or accepted.

5 Gifts, Entertainment and Hospitality

This policy does not prohibit normal business hospitality, so long as it is reasonable, appropriate, modest, and bona fide corporate hospitality, and if its purpose is to improve our company image, present our products and services, or establish cordial relations.

5.1 No Company personnel should directly or indirectly accept, provide, offer, promise or authorize payment of anything of value, including Gifts or Entertainment, in order to bias a decision, obtain or keep business, or secure some other improper advantage either for the Company or for self.

5.2 The Company personnel should ensure that members of their immediate family do not provide, solicit or accept cash or its equivalent, Entertainment, favors, Gifts or anything of substance to and from competitors, vendors, suppliers, customers or Business partners that do business or are seeking to do business with Electrosteel Group, to secure any improper advantage. Loans should not be accepted from any persons or entities having or seeking business with the Company, except recognized financial institutions.

5.3 Gifting is strictly prohibited when used as a bribe.

5.4 Modest promotional gift is permitted under this policy, only if it meets all the following requirements:

- It 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 an explicit or implicit exchange of favours/benefits or of any other corrupt purpose;
- It complies with applicable law;
- It does not include cash or cash equivalent (such as gift certificates or vouchers);
- It is applicable in certain circumstances. For example, in India, it is customary for gifts of nominal value to be given on Diwali time;
- It is given openly, not secretly or in a manner that avoids the appearance of impropriety.
- It is given in accordance with this policy and the Code of Conduct of the Company.
- Disclosure of the gifts does not cause embarrassment to the giver or receiver or to the company in question



6 Political Contributions and Activities

The Electrosteel group is apolitical. Any contributions made to political parties must be in accordance with all applicable laws under the provisions of the Companies Act 2013 and in compliance with our Company's Corporate Social Responsibility Policy.

7 Charitable Contributions

- 7.1 As a part of Corporate Social Responsibility (CSR) activities, or otherwise, the Company may support local charities or provide sponsorship to events, for example educational, sporting or cultural events, that are legal, ethical, permissible under local laws and practices, and within the scope of the CSR policy and corporate governance framework of the Company.
- 7.2 The Company may make legitimate charitable contributions/donations but only if they are ethical and in compliance with this policy.

8 Due diligence and Third-Party screening:

- 8.1 While dealing with Third Parties, proper due diligence must be conducted to ensure that Company does not conduct any business with corrupt parties or with parties engaged in illegal or unethical practices.
- 8.2 For screening the third parties, the company will develop procedures for conducting appropriate risk-based due diligence, and the implementation of appropriate steps to address any identified risks, to ensure compliance with applicable anti-corruption laws.
- 8.3 Based on findings of due diligence, the Company may decide to engage or reject the Third Parties.

9 Monitoring and Review:

- 9.1 The head of the HR Department will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvement identified will be made and incorporated as soon as possible. Internal control systems and procedures will be subject to regular audits to ensure they effectively counter bribery and corruption.
- 9.2 All associates are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

10 Disciplinary action for non-compliance

Our Company takes the subject of corruption and bribery very seriously and adherence to this policy shall be monitored with the support of the Ethics & Compliance Task Force. In accordance with its guidelines, the Internal Auditors shall conduct periodic reviews of the policy and its implementation and compliance from time to time.

In case of violations of this policy, disciplinary actions shall be taken which may include the followings:

- Counselling



- Formal apology
- Censure
- Recovery of financial loss incurred
- Down-gradation of designation
- Reduction in compensation
- Withholding of Promotion
- Down-gradation in Grade
- Voluntary resignation
- Termination of services

In exceptional cases, as determined by the Ethics & Compliance Task Force, any other penalty may be imposed. Business Partners, such as consultants and representatives, who violate this policy may be subject to the imposition of large fines/penalties as the case may be, in addition to the immediate termination of commercial / business relationships with the Company.

OCTOBER 2021

SUNIL KATIAL
(Director-incharge)

ATINDRA NARAYA DEY
(Convenor-ESG)

JNAN PRAKASH JENA
(Senior Vice President - CHRO)

INDRANIL MITRA
(Company Secretary)