



KERALA INFRASTRUCTURE FUND MANAGEMENT LIMITED

ANTI BRIBERY AND ANTI CORRUPTION POLICY

JUNE 2023

Policy	Anti-Bribery and Anti-Corruption Policy	Version: 1.0
Reference:	Effective date:	
KIFML:	Approved by:	

Revision History

Base Version	Release date	Rationale for change	Summary changes	of	Updated by	Approved by
1.0						
1.1						
1.2						

1. PREAMBLE

This policy is pursuant to the Prevention of Corruption Act (PCA). In addition to the PCA, 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:

- Indian Penal Code, 1860 ("IPC").
- Prevention of Money Laundering, 2002.
- Central Vigilance Commission Act, 2003.
- Lok Ayukta Acts of various states.

The following amendments to the PCA shall also be applicable to the company:

- 'Supply' side of bribery (i.e., bribe giving) to be covered by making it a substantive offence under the PCA.
- A company could be held liable under the PCA as an offender if any person 'associated' with the company gives a bribe. However, a company would be able to defend itself by proving that it had in place adequate procedures (such as a robust ABAC program) designed to prevent persons associated with it from undertaking such conduct; and
- Every director, manager, secretary, or other officer with whose 'consent or connivance' the offence was committed, to be made liable under the PCA.

2. PURPOSE AND CONTEXT

To offer, to give, to seek or to receive a gift/benefit with the intention of influencing the behaviour of any person to act contrary to the rules of honesty and integrity is considered an offence under both Indian/common law and accepted business practices.

Wherever we may operate and Whom so ever we may deal with, KIFML is committed to doing lawfully, ethically and with integrity. As part of this commitment, all forms of bribery / corruption / gifts / offers are unacceptable and will not be tolerated by the organization.

KIFML recognizes the potential for corruption (in the form of bribery) arising from the giving and receiving of gifts and benefits in relation to the operations and decisions of its employees, given their sensitivity. Having done so, KIFML is committed to developing guidelines that provide clear boundaries as to when and what gifts and benefits may and may not be accepted.

Therefore, KIFML aims to develop and support sound business practices that demonstrate its commitment to the principles of integrity and honesty. The purpose of this policy is not to endorse nor encourage the presentation or exchange of gifts / benefits / offers / bribery / corruption. Instead, the policy aims/intends to ensure such exchanges are limited to appropriate circumstances and are undertaken in an ethical manner that will not compromise the reputation of KIFML or its employees.

This policy is also designed to help everyone in the organisation to identify when something is prohibited so that bribery and corruption is avoided and provide with help and guidance if one is unsure about whether there is a problem and need further advice.

3. APPLICATION OF THIS POLICY

The fundamental standards of integrity under which KIFML operate do not vary depending on where the organisation work or with whom it is dealing with. This policy applies to all KIFML officers, management, employees (full and part time) and contract workers (such as consultants or contractors together referred to as “employees” in this document) across the Company, no matter where they are located or what they do. It is the responsibility of each employee to ensure compliance with these standards in the daily working lives. This policy sets out a single standard that all employees must comply with, regardless of whether local law or practices might permit something to the contrary.

KIFML’s commitment to prevent bribery and corruption is to ensure that the everyone acting on its behalf also do so in compliance with effective anti-bribery and corruption policies. Accordingly, where KIFML engage third parties such as vendors, service providers, contractors, etc. it has obligations to complete sufficient due diligence when entering into arrangements to ensure that they are not acting corruptly and to periodically monitor their performance to ensure ongoing compliance. It should ensure that anti-bribery and anti-corruption clauses and other relevant policies are incorporated in the contracts with third parties including monitoring, corrective and punitive measures in cases of instances of corruption.

4. GETTING HELP

If you are unsure about your obligations under this policy, you should contact any one of the following (in the given order) Officials for help:

- 4.1 Compliance Officer/Company Secretary
- 4.2 Head-of Administration
- 4.3 Chief Operating Officer
- 4.4 MD/Chief Executive Officer
- 4.5 Designated Officers as appointed by the MD/ CEO

5. WHAT IS BRIBERY

Bribery involves the following:

- When a financial or other advantage is offered, given or promised to another person with the intention to induce or reward them or another person to perform their responsibilities or duties improperly (it does not have to be the person to whom the bribe is offered that acts improperly); or
- When a financial or other advantage is requested, agreed to be received or accepted by another person with the intention of inducing or rewarding them or another person to perform their responsibilities or duties inappropriately (it does not have to be the person who receives the bribe that acts improperly).

It does not matter whether the bribe is given or received directly or through a third party (such as someone acting on KIFML's behalf for the benefit of the recipient or some other person).

Bribes can take many forms, for example:

- Money (or cash equivalent such as shares).
- Unreasonable gifts, entertainment or hospitality.
- Kickbacks.
- Unwarranted rebates or excessive commissions (e.g., to sales agents or marketing agents).
- Unwarranted allowances or expenses.
- Political/charitable contributions.
- Uncompensated use of company services or facilities; or
- Anything else of value

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.

The ingredients of an act of bribery under the PCA are

- Any gratification to a public servant for doing or forbearing to do an official act or favour/ disfavour to any person.
- Any gratification to any person for inducing any public servant by corrupt/ illegal or personal influence to do/ forbear from doing an official act or to show favour/ disfavour to any person.
- Providing of any valuable thing, without adequate payment for the same, to a public servant by a person who has or is likely to have official dealings with the public servant.

Violators of the PCA shall be subject to fines and/or imprisonment. Liability could also be attributed to a company, if an employee/agent acted within the scope of employment, to obtain benefit for such a company. The PCA and recent judgments of the Supreme Court of India have made it clear that private persons can be prosecuted under the PCA along with public servants for having abetted the offence of bribery. Improper Performance could lead to accusations of criminal breach of trust, which is an offence under the Indian Penal Code (IPC). The IPC also penalises abetment as an offence. Under the IPC any person who intentionally aids, by any act or illegal omission, the doing of a thing, or engages with a person(s) in a conspiracy for the doing of a thing, is guilty of the offence of abetment. Additionally, a person could also be prosecuted for offenses of cheating and/or criminal breach of trust under the IPC

6. WHAT IS CORRUPTION

Corruption can take place in many types of activities. It is usually designed to obtain financial benefits or other personal gain. For example, bribes are intended to influence behaviour – they could be in the form of money, a privilege, an object of value, an advantage, or merely a promise to influence a person in an official or public capacity. Usually, two people are involved and both would benefit. Examples of a bribe include offering or receiving of cash in the form of a kickback, loan, fee, or reward, or giving of aid, donations, or voting designed to exert improper influence.

The areas of business where corruption, including bribery, can most often occur include:

- Gifts, Entertainment and Hospitality.
- Procurement Process.
- Political, Community or Charitable Contributions.
- Improper Performance of Duties.
- Favours Regarding Recruitment Opportunities

7. GENERAL PROHIBITION

KIFML will not tolerate any act of bribery or corruption. Any breach of this policy or local law could result in disciplinary action being taken and ultimately could result in dismissal. A bribe does not actually have to take place - just promising to give a bribe or agreeing to receive one is prohibited.

Bribery is prohibited when dealing with any person whether they are in the public or private sector and the provisions of this policy are of general application.

8. GIFTS, HOSPITALITY & EXPENSES

- Giving or receiving gifts or hospitality is often an important part of maintaining and developing business relationships. However, all gifts and hospitality should be for a genuine purpose, reasonable, given in the ordinary course of business.
- Lavish or unreasonable gifts or hospitality, whether these are given or received, are unacceptable as they can create the impression that we are trying to obtain or receive favourable business treatment by providing individuals with personal benefits. In addition, gifts and hospitality can themselves be a bribe. Be careful to avoid even the appearance that the giving or accepting of gifts or hospitality might influence the decisions you take on behalf of KIFML.
- Hospitality as per normal business practices to various stakeholders may be permitted. However, this should be related to legitimate business purposes and reasonable in the given business context.

All payments and fees to third parties must:

- be made in accordance with the policies relevant to the business.
- be made via bank through the accounts payable system and be fully accounted.
- be in line with generally accepted rates and business practice for the service in question and should not be unjustifiably excessive or unsupportable.
- be made in accordance with the terms of the contract with the person or company providing the services.

Dealing with public officials

- KIFML employees dealing with Government shall be familiar with provisions in Prevention of Corruption Act 1988 (and any amendments thereafter) and shall follow the same in all their dealings with all public officials
- Although this policy applies to both public and private sectors, dealing with public officials poses high risk in relation to bribery due to the strict rules and regulations in many countries.

- Specifically, in KIFML context, any exceptional payments that may be warranted out of business necessity must be approved.

The prior approval of appropriate authority as per the Delegation of Powers is required in relation to:

- Any payment in respect of fees, salary or commission (this does not include official fees).
- Making charitable contributions in connection with dealings with a public official

In addition, many public officials have their own rules regarding the acceptance of gifts and hospitality, etc., and such rules must be respected where applicable. In accordance with the KIFML Code of Ethics, political and religious donations by or on behalf of KIFML are prohibited.

Record Keeping and Monitoring

To effectively meet legal and regulatory obligations and promote a culture of transparency, accurate and complete record keeping is required. All monetary transaction, travel and entertainment expenses and gifting history should be recorded and monitored by compliance officers

9. RESPONSIBILITIES

Audit Committee:

The Company has in place the Audit Committee in accordance with the provisions of the Companies Act 2013, as amended from time to time. The Audit Committee of the Company shall oversee the governance and compliance with this ABAC Policy. All aggravated cases of breach of the policy shall be escalated immediately to the Audit Committee. The effectiveness of the policy and its implementation will be monitored by the Audit Committee. The policy shall be reviewed from time to time based on its suitability, adequacy and effectiveness.

Compliance Officer:

The company secretary shall be the compliance officer. The compliance officer shall ensure compliance with the provisions of this ABAC Policy. The responsibilities of the compliance officer are as follows:

1. Ensure regular and relevant on-going training and awareness sessions are made available to Designated Person(s) in relation to this ABAC Policy.
2. All reports, complaints, doubts or concerns in relation to the ABAC Policy shall be raised to the Compliance Officer. Any query, concerns or complaint received by any Designated Person(s) including Company Ethics Counsellor regarding bribery or corruption issue should be promptly reported to the Compliance Officer.
3. All query or concern raised regarding the suspected violation of this ABAC Policy shall be investigated and necessary action shall be taken by the Compliance Officer.
4. The Compliance Officer shall present quarterly compliance reports to the Audit Committee.

Employees and other designated persons (vendors, contractors, third persons, etc.):

1. Familiarise themselves with the ABAC Policy and other relevant guidelines.

2. Ensure compliance with ABAC Policy before taking relevant action
3. Consulting relevant persons specified above for guidance in case of doubt.
4. Ensure all expense claims relating to hospitality, gifts, or payments made to third parties are submitted in accordance with applicable policies and a record of the same is maintained.
5. Report any non-compliance noted so that necessary action can be taken by the Company promptly to mitigate the risks.

10. COMPLIANCE WITH THE POLICY

- Each of the employee has an obligation to act with integrity and to ensure that this policy is understood in realistic manner and to ensure compliance with this policy. Ongoing compliance will be monitored by Admin Team, Legal and Compliance team jointly or individually.
- Training will be provided to relevant employees in complying with their responsibilities. In addition, all employees will be required to confirm that they have understood and complied with the policy annually.
- Failure to comply with this policy, whether or not that is intentional, may lead to disciplinary action (up to and including dismissal), and criminal liability for the individual involved (up to and including imprisonment). Employees will be required to confirm that they have read and understood the policy and that they comply with its terms as part of their ongoing employment assessment processes. In addition, relevant employees will be required to attend training to support the guidance in this policy.

KIFML is committed to ensuring that employees can speak up with confidence if they have any concerns or need to ask for help. If employee suspect or observe anything that he/she think might be in contravention of this policy, they have an obligation to report it. They should raise the concerns to designated personnel such as:

- Compliance Officer/Company Secretary
- Head-of Administration
- Chief Operating Officer
- MD/Chief Executive Officer
- Designated Officers as appointed by the MD/ CEO

KIFML will 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 will be treated confidentially. An enquiry shall be conducted about the reported violation and corrective, disciplinary or punitive action may be undertaken on a case-by-case basis.

11. 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 for determining the facts of the case.
- The compliance officer will assign an investigation team comprising of employees with the right knowledge and objectivity, subject matter experts, legal experts and third-party observants to investigate a complaint

- The objective of such an investigation would be to determine the facts, through interviews with concerned participants and/or review of documents. Such investigation team will make a written demand for information, records etc. that is reasonably related to the alleged offence
- It shall follow the principles of natural justice.
- Confidentiality shall be maintained at all stages of the investigation.

Corrective action: If necessary, corrective actions shall be prescribed or suggested to appropriate managers, officers and employees for implementation.

Disciplinary action: The Compliance officer shall implement penalties after consultation with the investigation team and the ethics officers:

- This may include suspension or termination of service of the personnel involved, if found guilty.
- The case may be referred to relevant authorities in case of potential criminal nature of violation.

As bribery is a criminal offence, penalty for violating the Prevention of Corruption Act may apply as determined by a court of law.

12. PERIODIC REVIEW AND EVALUATION

- KIFML ensures that it has adequate procedures to combat threats relating to bribery and corruption. Accordingly, KIFML provides appropriate training for its employees on prevalent anti- bribery & anti-corruption laws, their role and importance; in order to be in conformance with legal requirements and be in compliance thereof.
- KIFML will monitor the effectiveness and review the implementation of this Policy, considering its suitability, adequacy, and effectiveness.
- KIFML reserves the right to vary and/or amend the terms of this ABAC Policy from time to time

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