



AVIK PHARMACEUTICAL LIMITED

A-1/7 & A-1/8, 1st Phase, GIDC Vapi - 396 195. Dist.-Valsad, Gujarat State, India

Phone : (0260) 2401593, E-mail: avikpharma@avikpharma.com

CIN : U99999MH1979PLC021711

ANTI-BRIBERY and ANTI-CORRUPTION (ABAC) POLICY

Introduction & Purpose:

Avik pharma is committed to conduct business in promise with maximum ethical standards within prescribed rules and regulations. Integrity and trust which are accepted as the core values of Avik pharma form the basis of all the activities towards achieving its Vision.

Purpose of this policy to enhance integrity, ethics & transparency in governance of the Company and thereby to reinforce the trust and confidence reposed in the Company by the shareholders and other stakeholders.

- This policy covers the principles and requirements on Anti-bribery and Anti-corruption (ABAC) maintain of business documentation and financial records;
- This Policy aligns with Anti-bribery and Anti- corruption Laws and regulations;
- This policy ensure to the Company's business is conducted in a socially responsible manner.

The company is committed to prevention, deterrence and detection of bribery and other corrupt business practices.

The purpose of Anti-Bribery and Anti-Corruption (ABAC) policy is to ensure that adequate procedures are in place in order to prevent involvement of **designated persons** (as defined below) in any activity relating to Bribery, Fraud, Corruption, Illegal Gratification and Improper Benefit.

Scope:

The ABAC Policy is applicable to all individuals working in the Avik pharma Company /Group Companies at all levels. This includes Directors, Employees (full time or employees appointed on temporary/contract basis), Trainees as well as to any other person associated with the Company including representatives of Vendors, Suppliers, Contractors, Consultants, Service Providers or any outside agencies or such other persons, including those acting for or on behalf of the company wherever located (collectively referred to as " **Designated persons**" in this policy).

This policy covers:

- Bribes
- Fraud
- Corruption
- Kickbacks
- Extortion
- Gifts and hospitality



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Policy statement:

It is Avik pharma policy to conduct all of its business in an honest and ethical manner. Avik pharma takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships. It is the goal of Avik pharma to avoid acts which might reflect adversely upon the integrity and reputation of the Company.

Anti-Bribery and Anti-Corruption Policy of Avik pharma states that no designated persons shall give/ receive / facilitate bribes or other illegal gratification /gifts to another person or organization in order to un-duly favor any person/party or to gain any unfair advantage or obtain /retain business. This includes compliance of prevailing anti-corruption laws of the land, prohibitions of improper payments, gifts, and lavish hospitality or any kind of illegal gratification, illegal payments directly or through third parties and any kind of direct or indirect bribe.

To prevent bribery and corruption in all its activities and business dealings, Avik pharma shall uphold the applicable laws in the country of operation. The elements of the ABAC policy include:

- All expenses should be incurred or received in a lawful manner and should not provide the impression of same being used for influencing any business decision;
- Proper and accurate record keeping along with the supporting documentation which indicates the reason for the expenditure, the period, the evidence, etc. needs to be maintained for all expenses sustained.

Accordingly, Avik pharma shall adhere to the Prevention of Corruption Act 1988(Amendment) act to counter bribery and corruption in India. In addition to the PCA, the following laws in India also presently apply to offences related to or resulting in corruption and bribery and resolutions available in case of occurrence of corruption or bribery:

1. Indian Penal Code, 1860.
2. The Prevention of Corruption Act, 1988.

Definitions:

- **“Bribes”** mean anything of value that is offered, promised, given or received to influence a decision or to gain an improper or unfair advantage. Bribery may not always be in the form of cash payments and may take many other forms, including offering, providing, receiving, or soliciting any inducement of any kind in order to influence or expedite any decision/action, which affects the business of Avik pharma or for the personal gain of an individual.
 - Employees must not engage in any form of bribery, either directly or through any third party (such as an agent or distributor).
- **“Corruption”** Bribes or other improper or unauthorized payments that directly or indirectly make, offer or promise to make, kickbacks, benefits, or advantages to any person, individual, organization, or entity, are prohibited by this Policy.



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- **“Fraud”** is theft by deception. It is any deliberate intent to permanently deprive a person or organization of money or goods through the falsification of any records or documents.
- **“Kickbacks”** means a sum of money that is paid to someone illegally.
- **“Extortion”** means to directly or indirectly demand or accept a bribe, facilitation payment or kickback.
- **Anti-bribery and corruption standards:**
 - It is prohibited for Avik pharma or its Directors, Officers, Employees, Consultants or Contractors/Supplier to:
 - (a) Give, promise to give, or offer, a payment, gift or hospitality to a third party or otherwise engage in or permit a bribery offence to occur, with the expectation or hope that an advantage in business will be received, or to reward a business advantage already given;
 - (b) Give, promise to give, or offer, a payment, gift or hospitality to a third party to "facilitate" or expedite a routine procedure;
 - (c) Accept a payment, gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by the Company in return;
 - (d) Threaten or retaliate against another employee or worker who has refused to commit a bribery offence or who has raised concerns under this Policy;
 - (e) Engage in any activity that might lead to a breach of this Policy;
 - Non-compliance with the Policy may result criminal or civil penalties which will vary according to the offence. An employee acting in contravention of the Policy will also face disciplinary action up to and including summary notice.
- **“Gifts and hospitality”** Employees must not offer or give any gift or hospitality: This Policy does not prohibit normal and appropriate hospitality (given or received, in accordance with Avik Gifts & Hospitality Policy) to or from third parties.
 - Which could be regarded as illegal or improper, or which violates the recipient’s policies;
 - to any public employee or government officials or representatives,
 - Which exceeds Rs.10, 000 in value for each individual gift or Rs.10,000 in value for each hospitality event (not to exceed a total value of Rs.10,000 in any financial year), unless approved in writing by the employee’s manager.

Employees may not accept any gift or hospitality from our business partners if:

- it exceeds Rs.10,000 in value for each individual gift or Rs.10,000 in value for each hospitality event (not to exceed a total of Rs.10,000 in any financial year), unless approved in writing by the employee’s manager;
- it is in cash;
- There is any suggestion that a return favor will be expected or implied.



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Where a manager's approval is required above, if the manager is below Director Level then approval must be required from a Director. Where this policy requires written approval to be given, the Company management shall put in place a process to maintain a register of all such approvals.

Procurement process:

Designated Persons must follow Avik pharma processes and adhere to the system of internal controls around supplier selection. Supplier selection should never be based on receipt of a gift, hospitality or payment. When supplier's election is a formal, structured invitation for the supply of products or services, it is most important we maintain documentation supporting our internal controls. Designated Persons must familiarize themselves with Avik pharma procurement processes and must adhere to the same.

Responsibilities under the policy:

All Directors, Officers, Employees, Consultants, Contractors/Suppliers/Vendors of Avik pharma must read, understand and comply with this Policy and the following related policies:

- Code of Ethics & Conduct;
- Whistle Blowing Policy;
- Gifts & Hospitality Policy

All Directors, Officers, Employees, Consultants and Contractors/Suppliers/Vendors of Avik pharma must participate in all training provided by the Company.

The prevention, detection and reporting of bribery offences and other forms of corruption are the responsibility of all those working for Avik pharma or under its control. All such persons are required to avoid any activity that might lead to, or suggest, a breach of this Policy.

All directors, officers, employees, consultants and contractors/suppliers/vendors of Avik pharma must notify the Compliance Officer or make a disclosure under Avik Whistle Blower Policy as soon as possible if they believe or suspect that an action in conflict with this Policy has occurred, or may occur in the future, or has been solicited by any person.

Any person who breaches this Policy will face disciplinary action, which could result in notice for gross misbehavior. Avik pharma reserves its right to terminate its contractual relationship with other persons if they breach this Policy.



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Books & Record-keeping & payment:

Books And Records Include Accounts, Invoices, Correspondence, Memoranda, Tapes, Discs, and Papers, Books and Other Documents or Transcribed information of any type. All our financial books and records accurately reflect the rationale, purpose, substance and legality of transactions and payments.

We do not induce or facilitate third parties to make incomplete or misleading entries in their records.

- We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties;
- The following practices are prohibited:
 - Authorizing or funding any transaction that is undisclosed or unrecorded in our books, records and accounts;
 - Approving, inducing or making any payment with the purpose or understanding that any of it will be used for anything other than what is described in the supporting documents;
 - Neglecting, falsifying or disguising entries in any of our books and records or inducing or facilitating any third party to do so on their own; and
 - Paying expenses that are improper, unauthorized, and/or not supported by adequate documentation.
- Financial team must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review;
- If financial team have custody of books and records and responsible for their accuracy and security;
- Payments are made and received in the country where the third party is resident and in the currency agreed in the contract. We do not make or receive payments to or from unrelated third parties or countries. Any exceptions require specific written approval by a member of the Finance Leadership Team supported by written advice from Legal.

Employment Practices:

- The following employment practices are directly linked to the management of our Bribery, Fraud and Corruption risk.

Pre-employment screening

Pre-employment / pre-engagement screening is used to help protect our employees, assets, intellectual property and products. This screening checks that the people we hire have:

- The qualifications they claim
- The experience required for their positions
- The alignment with our values and expectations
- No history of bribery, fraud and corruption.



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Reporting Fraud, Bribery or Corruption:

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery, fraud or corruption or if you have any other queries or concerns; these should be raised with manager or the Company management.

Training and communication:

Training on this policy forms part of the induction process for all new employees. All existing employees will receive regular, relevant training on how to implement and adhere to this policy. Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

Who is responsible for the policy?

- The board of directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

Date: 07/05/2024.

FOR AVIK PHARMACEUTICAL LTD

Dr. Abhay H. Chheda

President - Operations