

SADBHAV INFRASTRUCTURE PROJECT LIMITED

GIFTS, HOSPITALITY AND ENTERTAINMENT POLICY (GH&E)

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SADBHAV INFRASTRUCTURE PROJECT LIMITED

GIFTS, HOSPITALITY AND ENTERTAINMENT POLICY

Sadbhav Infrastructure Projects Limited ('SIPL') adopted the Gifts, Hospitality and Entertainment Policy (GH&E) pursuant to a resolution of its Board of Directors dated 9th September, 2019. The key principles of the Gifts, Hospitality and Entertainment Policy are set out below:

1. POLICY BACKGROUND

- 1.1. This document sets out SIPL's Policy on giving and receiving Gifts, Hospitality and Entertainment (GH&E). It should be read in conjunction with SIPL's Anti-Bribery and Corruption Policy.
- 1.2. GH&E, which is or may be regarded as, exceptional, lavish or disproportionate and/or intended to induce or reward improper conduct is prohibited. Employees are advised to follow the policy in spirit & exercise reasonable judgment in exercise of this policy
- 1.3. SIPL, its employees must not offer, provide, accept or solicit gifts in the form of cash, cash equivalents, commissions, loans, securities or goods/services at below-market value.
- 1.4. SIPL, its employees must pay all costs associated with GH&E (e.g. transport, accommodation and meals) directly to suppliers and not to the recipients of the GH&E.
- 1.5. GH&E must not be offered or provided to relatives of the recipient. Approval of GH&E, including GH&E relating to Public officials, is required in accordance with this Policy and must be obtained in advance of any offer or acceptance of GH&E. If circumstances clearly prevent obtaining advance approval, the GH&E must be reported to the designated Compliance Officer at the earliest available opportunity.
- 1.6. Failure to comply with this Policy may result in disciplinary action, including possible termination of employment.
- 1.7. If you have any questions about offering or accepting GH&E or the operation of this Policy, please contact the Designated Compliance Officer.

2. OBJECTIVES

The purpose of this Policy is to set out the guidelines and procedures for giving and receiving Gifts, Hospitality, Entertainment and other benefits. This principle aim of this Policy is to minimize real, potential or perceived conflicts of interest and situations that may be characterized as Bribery or Corruption. The items within this Policy should be interpreted as a whole and should be considered complimentary to SIPL's Code of Conduct (COC) and Anti-Bribery and Corruption Policy.

3. APPLICABILITY

This Policy shall be followed by all Employees of SIPL and would be applicable to all third parties with whom the Company deals, including but not limited to Public Officials, vendors, consultants, customers, etc.

4. DEFINITIONS

- 4.1. Employee: It means and includes every individual on the employee payroll of SIPL (whether based in India or abroad), consultants and includes non-executive and independent directors.
- 4.2. Entertainment: It means and includes any activity or event where the sole purpose is entertainment or leisure such as parties, shows, movies, sporting events or dining out and commemorative meals.
- 4.3. Gift: It means and includes any item that (i) has a nominal value and includes moderately priced assortments; (ii) is distributed as a courtesy, advertising, regular marketing tool or festivity; (iii) bears the company logo of the issuing party; (iv) is of a general nature and therefore, does not exclusively target any individual or organization.
- 4.4. Hospitality: It includes travel costs (air, ground or maritime travel costs), accommodation, hospitality fees, food services and costs, whether classified as corporate entertainment, or otherwise.
- 4.5. Public Official : It means anyone in the service of the Central Government, State Government or an instrumentality of the Central and State Government and includes *inter alia* persons employed by any government ministry, department or agency, an official of a political party, or a candidate for political office, members of Parliament or other legislative bodies, other financial regulators, governors or provincial or district leaders, members of

the judiciary, government enforcement authorities, anyone working in city and local governments, at any level.

4.6. Relatives: In relation to an individual, means the spouse, son, daughter, brother, sister, father and mother who may be expected to influence, or be influenced by, that individual in his/her dealings.

4.7. Company: Sadbhav Infrastructure Project Limited (SIPL)

5. Relevant Factors to Approve GH&E Request

- a. Any GH&E paid / offered in excess of INR 10,000 requires prior approval of the Compliance Officer. Any GH&E paid in excess of INR 20,000 requires the additional prior approval of the Managing Director or a whole time Director of SIPL. GH&E given to the same recipient and on the same occasion must be considered and valued collectively. As a general practice, SIPL may give and offer gifts only on customary occasions (festivals, birthdays, anniversaries) for the purpose of generally maintaining business courtesy/relationships.
- b. SIPL, its employees wishing to offer GH&E must complete the GH&E Approval Form (see Appendix 1) and submit it to the Designated Compliance Officer for approval.
- c. Set out below is a non-exhaustive list of factors which the Designated Compliance Officer and (where required) the Managing Director or a Whole time Director of SIPL may take into consideration when deciding whether assessing the acceptance and offering of GH&E'.
 - Is the GH&E compliant with applicable laws, policies/procedures and market practice?
 - Is there a genuine business or commercial rationale for the GH&E?
 - Is the GH&E reasonable and proportionate having regard to the business rationale, position and status of the recipient and appropriate to the occasion?
 - Is the GH&E being given in an open and transparent manner? Is it to be given or received through an intermediary (rather than directly)?
 - Is the GH&E being given with undue frequency to the same recipient?
 - Is there any indication that the GH&E contains an element of reciprocity or an expectation of receiving something in return for the GH&E, or a risk that the GH&E will influence the intended recipient's objectivity?
 - Is the GH&E being given at a time when prospective business or key business decisions/transactions involving SIPL and the recipient (e.g. an

award of a contract) are in contemplation (or have recently been concluded)?

- Is the GH&E being given to an Official? If so, the reputational risk to the SIPL should be assessed, the GH&E should be carefully scrutinized and extreme caution exercised before granting approval.

d. Receiving GH&E

- As best business practice, employees are advised not to receive any GH&E in relation to performance of their duties.
- Employees are restricted from accepting favours or gifts from partners with whom the Company does business for either personal gain or for gain to a family member.
- Employees are restricted from accepting any money in the form of cash or cash equivalents, commissions and loans, securities or goods/services at below-market value.
- Employees must not receive gifts, hospitality or travel at their place of residence
- In relation to maintaining business courtesy, such receipt of gifts, if made, should be reported to the Compliance Officer and further recorded in the gift register. Failure to report constitutes a breach of Company Code of Conduct

6. RECORD KEEPING AND REVIEW

- a. All GH&E, whether accepted or offered must be properly recorded and accounted for in SIPL's books and records and must be supported by original receipts.
- b. All GH&E Approval Forms (whether approved or declined) must be held on file by the Compliance Officer for a period of eight years or more as per laws in force, whichever is more.
- c. GH&E with a value in excess of INR 10,000 must be recorded by the Compliance Officer in the Annual GH&E Central Register.
- d. The Annual GH&E Central Register must be submitted to, and reviewed annually by the Audit Committee and sign off should be obtained on the same.
- e. The Compliance Officer, with the approval of the Audit Committee of SIPL may periodically revise the thresholds set out in paragraphs 2.1 and 3.3 above to ensure they are set at an appropriate level.

- f. The Compliance Officer, in consultation with the Audit Committee, may prescribe appropriate guidelines or criteria to aid the implementation of this Policy.
- g. Original bills/receipts should be submitted to the Accounts Department with the Purchase Requisition Form with details of the nature of gifts, no. of gifts procured & cost & list of receivers.

7. GENERAL GUIDELINES

The following may be considered as best business practice while offering any form of GH&E:

- GH&E must not be offered to obtain or retain business or gain an improper advantage in business.
- Offer of GH&E must be lawful under the laws of the country where the GH&E is being given.
- Gifts should not be sent at the residence of Public Officials, representatives of agencies, suppliers, distributors, service providers etc.
- Any dining out should preferably take place at lunch hours, and dining out with business partners should be avoided during the negotiation/contract signing phases.
- Hotel accommodation, travel arrangements and hospitality must not be organized for third parties, business partners, customers or Public Officials other than in the normal course of business or if the agreement with such third party specifically allow for such arrangement.
- The GH&E provided to Public Official should confirm and align from time to time with the central and state services conduct rules and shall always be within reasonable bounds.
- If an Employee has any questions regarding offering any type of GH&E, they he/she may contact their immediate superior, manager or directly contact the Compliance Officer for further clarification
- As a matter of prudence, offering the following gifts should be avoided such as payment of silver/gold coins, expensive/luxury pens, cash or cash equivalents, loans, commissions etc., with the exception of SIPL branded products

8. UNACCEPTABILITY CLAUSE

- a. Offering any gifts in the course of negotiations or tender. This includes contract amendments and dilution/waiver of Company rights.
- b. Offering any gifts to any political organization and its affiliates excluding legally permissible CSR contributions and donations to Political Parties as per

relevant provisions of Companies Act, Income Tax Act including amendments issued thereto.

- c. Encouraging or inducing an employee to do anything that is prohibited by the law, regulation or the policy

9. COMMUNICATION AND TRAINING

SIPL shall conduct training sessions which should include provisions of GH&E policy for its Employees, suppliers, business partners etc., to promote and strengthen the importance of compliance of the GH&E Policy.

The senior management of SIPL should be held responsible for discussing the relevance and promoting awareness in relation to compliance with the Policy. Efforts should be made to create a safe environment for Employees and third parties to openly approach the Compliance Officer and the senior management with questions or concerns regarding how to deal with issues.

10. REPORTING OF VIOLATIONS

All individuals affected by this Policy should immediately report any acts or suspicions of Bribery, Corruption and/or giving/receiving bribes or any other acts that may violate the provisions of this Policy and/or the Code of Conduct to the Compliance Officer. In furtherance of the same, the Company has developed a confidential whistle blower mechanism (please refer to the Whistle Blower Policy) to encourage protected disclosures.

11. INVESTIGATIONS AND SANCTIONS

All reported infractions of this Policy will be immediately investigated by the Compliance Officer. If any misconduct is, in fact, verified after the appropriate investigation, immediate corrective measures will be taken according to the circumstances, severity and in accordance with the applicable laws.

Any Employee, third party service provider or partner that violates this Policy shall be subject to disciplinary actions.

12. MODIFICATION

SIPL reserves the right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

Signature and Date:

Place:

**APPENDIX-1
GIFTS, HOSPITALITY AND ENTERTAINMENT APPROVAL FORM (ALL FIELDS
MANDATORY)**

No.	Particulars	Details
1	Name of Applicant	
2	Job title/Department	
3	Recipient/Donor of the GH&E(attach a separate sheet where appropriate): · Name and job title · Company/organization	
4	What is the nature of your business dealings with the Recipient/donor and his/her company/organization?	
5	Description of GH&E and purpose of GH&E	
6	Total estimated value of Gifts or Hospitality in INR	
7	Does the GH&E involve an Official?	
8	If so, please provide details.	
9	Have GH&E been given previously to this recipient in this calendar year? If so, please provide details.	
10	Does the timing of the GH&E coincide with any key business decision / transaction in contemplation (or recently concluded) involving SIPL, its employees and the recipient/donor of the GH&E? If so, Please provide details.	
11	Any other relevant information	

I confirm that this GH&E complies with the SIPL GH&E Policy	
Signature	Date
I confirm that this GH&E complies with the SIPL GH&E Policy Pre-approved by [Compliance Officer] [Chief Executive]	
Signature	Date