

Sadbhav Infrastructure Project Limited

Political and Charitable Donation Policy

Version – 1

Sadbhav Infrastructure Project Limited

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Sadbhav Infrastructure Project Limited

Political and Charitable Donation Policy

Sadbhav Infrastructure Project Limited ('SIPL') has adopted the Political and Charitable Donations Policy pursuant to a resolution of its Board of Directors passed through Circular resolution dated 9th September, 2019. The key principles of the Political and Charitable Donations Policy are set out below:

1. BACKGROUND

- 1.1 This document sets out SIPL's Policy on the making of political or charitable donations by SIPL and its employees. It should be read in conjunction with the SIPL's Anti-Bribery and Corruption (ABC) Policy.
- 1.2 A political donation means any item of value, whether in cash or in kind, which is given to any political party (registered with the Election Commission of India), organization, or campaign; party official or a political candidate (including sponsorship or subscription made in relation to any political party or political organization) and contributions made to affiliates of political parties and groups/movements endorsing political parties or any other campaign/movement intended to directly or indirectly influence the outcome of election results. All political donations must be strictly made and properly disclosed in compliance with relevant provisions of Companies Act, Income Tax Act and amendments made in thereto. Failure to adhere will lead to serious breach and non-compliance of company Code of Conduct.
- 1.3 A charitable donation means any item of value, whether in cash or in kind, given to a cause and/or for charitable purposes to a recognized, reputable and registered charity or public international organization.
- 1.4 Charitable donations made on behalf of the SIPL and its employees must only be made to bona fide charities, being those (i) which are recognized as such by the government, either through registration with a competent authority of the government or by the grant of an exemption, as a charitable organization, from paying income tax on donations; or (ii) which the Compliance Officer, as designated by SIPL, determines to be bona fides prior to the giving of the donation, having conducted appropriate due diligence on the history, reputation, performance and charter documents of the organization. The same should be approved by the Compliance Officer.
- 1.5 Any questions about donations or the operation of this Policy may be addressed to the Compliance Officer.

1.6 Employees of the SIPL (including senior management, executives, and directors) should not make any political or charitable donation using the funds of SIPL, under or with reference to SIPL's name without first obtaining approval in accordance with this Policy.

1.7 Donations are permissible where:

- they serve a legitimate purpose;
- they are not intended (nor would appear to be intended) to influence the decisions of any Official or other person on matters affecting the SIPL and its employees;
- they are reasonable and proportionate; and
- they are made transparently.
- they are not made for the personal, financial, or political benefit of any government official, or any customer/supplier/third party (or their families).
- they are permissible under the applicable laws.

1.8 No single donation shall exceed INR 10 million.

1.9 Donations must not be used as a subterfuge for bribery and corruption, improper influence, money laundering or terrorist financing.

1.10 Any donation (political or charitable) may only be paid by way of electronic transfer of funds/account payee cheque to a bank account in the name of the recipient political and charitable organization (or in the case of an independent election candidate to an account in that person's name), held at a reputable bank. A charitable Donation to such an organization should not be made without first discussing this with the compliance officer.

1.11 Charitable donations to organizations in which government officials (who are in a position of authority to influence company operations) have a role may be considered to provide a benefit to those Officials. A Charitable Donation to such an organization is not allowed.

1.12 All charitable donations (except the CSR Contributions which are to be disclosed in Annual Accounts and to be published on the company's website) made by SIPL and its employees must be disclosed in the Charitable and Political donations central register maintained with the Compliance Officer.

Private donations

1.13 If an employee of SIPL makes a donation in a private capacity, to the extent necessary or appropriate in the particular circumstances, they should ensure it is made clear to the recipient, and in any publicly available information regarding the donation, that the donation is not being made for or on behalf of, or in connection with the activities of the SIPL.

1.14 SIPL and its employees are prohibited from making personal donations if the intent or possible effect of such donation is or may be to influence the decisions of any Official or any person on matters affecting the SIPL or may result in a reputational risk to the SIPL and its constituents.

2. APPROVAL PROCESS and MONETARY LIMITS FOR DONATIONS

2.1 All charitable donations made by or on behalf of SIPL must be approved in advance by the Compliance Officer. All Political donations must be approved in advance by the Board of Directors. Approval is sought by completing and submitting the Political and Charitable Donations Approval Form (see Appendix 1).

2.2 Set out below is a non-exhaustive list of factors the Compliance Officer and (where applicable) the Board of Directors may take into consideration when deciding whether or not to approve a donation:

- Is the recipient of donation registered under the relevant law?
- Is there a legitimate reason for the donation?
- Is the donation reasonable and proportionate?
- Is the donation being made in an open and transparent manner (and not through an intermediary)?
- Has an Intermediary or Official (in particular any Official with decision-making authority over the SIPL's business) requested that the donation be made?
- Is the recipient closely connected with an Intermediary or official (in particular any Official with the authority to make decisions which directly affect the business of SIPL)?
- Does the recipient have the legal recognition/registration/license required
- Are there any factors which indicate a link between the donation and the obtaining or retaining of business or a business advantage by the SIPL and its employees, or which appears to have been given for or in connection with the improper performance of a function or activity?
- Is there a risk that the donation is being used as subterfuge for bribery and corruption, money laundering or terrorist financing?
- Is there a risk to the reputation of the SIPL and its constituents?
- Is the Recipient entity or any of its officers or directors related to directors or executive officers of SIPL?
- Are there any legal proceedings pending against the entity or any of its officers or directors in any court in India or outside India?
- Are the programs and services of the recipient entity in line with the Company's objective of making the Charitable Donations?
- Is the Donation compatible with the Company's Code of Conduct and other internal policies?

2.3 The Compliance Officer/Board of Directors must document in writing their reasons for approving the donation.

3. RECORD KEEPING AND REVIEW

- 3.1 All Political and ad hoc Charitable Donations (approved as well as rejected) must be properly recorded and accounted for in the SIPL and records including entry in the Annual Political and Charitable Donations Central Register maintained with the Company Secretary. Proper donation acknowledgement receipts should be obtained and submitted to the Accounts department for its records. Political donations should be made following provisions laid in the Companies Act, 2013 and should be appropriately disclosed as a separate line item in profit and loss account of the company.
- 3.2 All Donations Approval Forms must be submitted to the Designated Compliance Officer shall be retained for a period of 08 years or such other period as specified by any other law in force, whichever is more.
- 3.3 All donations must enter in the Annual Political and Charitable Donations Central Register (see Appendix 2).
- 3.4 The Annual Political and Charitable Donations Central Register must be submitted to and Reviewed annually by Audit committee.
- 3.5 The Compliance Officer, in consultation with the Board of Directors, may prescribe appropriate guidelines or criteria to aid the implementation of this Policy.

4. MODIFICATION

SIPL reserves its 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

POLITICAL AND CHARITABLE DONATIONS APPROVAL FORM

Description of proposed donation and reason for it	
Political/Charitable	
Value of proposed donation	
Date of proposed donation	
Name of employee requesting proposed donation	
Job title	
Department	
Recipient of the proposed donation: <ul style="list-style-type: none"> • Name • Organization contact details • Name and contact details of the personal within the organization 	
Describe the nature and purpose of the Intended recipient of the proposed donation	
Does the recipient have any relationship with the SIPL and its employees?	
Does the recipient have any relationship with an Official (including any Official with decision making authority over the business of SIPL)?	
Does the recipient have any relationship with the Intermediary of SIPL and its employees?	
Has the recipient availed a donation from SIPL or its employees in the past 12 months? If so, please provide details. (To be filled in by the Compliance Officer)	
Does the timing of the donation coincide with any key business decision/transaction in contemplation (or recently concluded) involving the SIPL or its employees and the recipient / donor of the donation? If so, please provide details.	
Any other relevant information	

I confirm that this charitable donation complies with the Political and Charitable Donations Policy of SIPL Pre-approved by [name of Compliance Officer]	
Signature	Date
I confirm that this political donation complies with the Political and Charitable Donations Policy of SIPL and has been approved by a resolution of the Board Pre-approved by [authorized signatory of Board]	
Signature	Date
I confirm that this donation complies with the Political and Charitable Donations Policy Request for approval by [name of requestor]:	
Signature	Date

APPENDIX 2

[Political & Charitable Donations Central Register] (An illustrative format)

S.No	Date	Type of donation (Charitable or Political)	Amount (in INR)	Entity name	Approver
1					
2					
3					
4					
5					
6					