

## **GIFTS AND ENTERTAINMENT POLICY**

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Effective date	Prepared by	Approved by	Version

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## GIFTS AND ENTERTAINMENT POLICY

### 1. PURPOSE

This Gifts and Entertainment Policy (the “**Policy**”) sets forth various rules relating to gifts, entertainment, travel, meals, lodging, and employment. All such expenditures must be recorded accurately in the books and records of the Madhucon Projects Limited and its subsidiaries/affiliates (the “**Company**”), in accordance with the guidance below.

### 2. SCOPE

This Policy is applicable to all directors, senior executives, senior managers, officers, employees (whether permanent, fixed term or temporary), consultants, contractors, trainees, interns, seconded staff, clients, vendors, suppliers, contractors, auditors, agents, and *inter alia* any third-party intermediaries engaged by the Company (“**Company Personnel**”).

For the purpose of this Policy, the term “**Public Official**” means anyone in the service, of the Central Government, State Government or an instrumentality of the Central and State Government, foreign public official and includes *inter alia*, persons employed by any government ministry, employees of public and private sector bank, department or agency of any government ministry, an official of a political party, or a candidate for political office, members of Parliament or other legislative bodies, ministers of finance or 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 etc., ~~and~~ includes the immediate family of such Public Officials employees and representatives of public international organizations.

The Company shall appoint an Ethics and Compliance Officer to ensure compliance with the Policy.

(a) The contact details of the Ethics and Compliance Officer are as follows:

**Mr. K. Venkateshwarelu: cco@madhucon.com**

### 3. DEFINITIONS

This Gifts Policy seeks to guide Company Personnel to ensure that they adopt best practices and avoid situations that may interfere with their decisions thus causing or perceiving to cause discredit to their own reputation or to the Company. For the purpose of this Gifts Policy, the terms:

- 3.1 **Gifts** mean ~~any~~ any item of any value, without limitation that may be that (i) is distributed as a courtesy or festivity; or (ii) may or may not bear the logo of the issuing party and; (iii) is of a general nature, therefore, does not exclusively target any individual or organization.
- 3.2 **Entertainment** means 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 and where Company Personnel are present.
- 3.3 **Hospitality** includes travel costs (air, ground or maritime travel costs), hospitality fees, food services and costs, whether classified as corporate entertainment, or otherwise

#### 4. GIFTS

This Policy sets forth various rules relating to gifts, entertainment, travel, meals, lodging, and employment. All such expenditures must be recorded accurately in the books and records of the Company, in accordance with the guidance below.

As a general matter, the Company competes for and earns business through the quality of its personnel, products, and services, not with gifts or lavish entertainment. The use of Company funds or assets for gifts, gratuities, or other favors to Public Officials or any other individual or entity (in the private or public sector) that has the power to decide or influence the Company's commercial activities is prohibited, unless ***all*** of the following circumstances are met.

- (a) the gift does not involve cash or cash equivalent gifts (*e.g.*, gift cards, store cards, or gambling chips);
- (b) the gift is permitted under both local law and the guidelines of the recipient's employer;
- (c) the gift is presented openly with complete transparency;
- (d) the gift is properly recorded in the Company's books and records;
- (e) the gift is provided as a token of esteem, courtesy, or in return for hospitality and should comport with local custom;
- (f) the item costs less than **INR 1500**; and
- (g) Gifts provided are branded by Company's logo.

Gifts, gratuities, or other favours to private individuals or entities that do not fall specifically within the above guidelines require advance consultation and approval by the Ethics and Compliance Officer. In addition to meeting the above conditions, all gifts, gratuities, or other favours to Public Officials require advance consultation and approval by the Ethics and Compliance Officer, regardless of whether they comply with factors (a) - (f) set forth above.

Note that the provision of gifts, as well as the reporting requirements, in this Policy, apply even if Company Personnel are not seeking reimbursement for the expenses (*i.e.*, paying these expenses out of your own pocket does not avoid these requirements).

Company Personnel must not accept or permit any member of his or her immediate family to accept any gifts, gratuities, or other favours from any customer, supplier, or other person doing or seeking to do business with the Company, other than items of nominal value. Any gifts that are not of nominal value should be returned immediately and reported to your supervisor. If immediate return is not practical, they should be given to the Company for charitable disposition.

#### 5. MEALS, ENTERTAINMENT, AND LODGING

Common sense and moderation should prevail in business entertainment and the payment of travel, and lodging expenses engaged in on behalf of the Company. Company Personnel should provide business entertainment to someone doing business with the Company only if the entertainment is infrequent, modest, and intended to serve legitimate business goals.

Meals, entertainment, travel, and lodging should never be offered as a means of influencing another person's business decision. Each should only be offered if it is appropriate, reasonable for promotional purposes, offered or accepted in the normal course of an existing business relationship, and if the primary subject of discussion or purpose of travel is business. The appropriateness of a particular type of entertainment, travel, and lodging of course, depends upon both the reasonableness of the expense and on the type of activity involved. This is determined based on whether or not the expenditure is sensible and proportionate to the nature of the individual involved. Adult entertainment is strictly prohibited.

Expenses for meals, entertainment, travel, and lodging for Public Officials or any other individual or entity (in the private or public sector) that has the power to decide or influence the Company's commercial activities may be incurred without prior approval by the Ethics and Compliance Officer only if all of the following conditions are met:

- (a) The expenses are bona fide and related to a legitimate business purpose and the events involved are attended by appropriate Company representatives;
- (b) The cost of the meal, entertainment, travel, or lodging is less than INR 1,500 per person; and
- (c) The meal, entertainment, travel, or lodging is permitted by the rules of the recipient's employer (if applicable).

For all such expenses, the reimbursement request must identify the total number of all attendees and their names, employer, and titles. All expense reimbursements must be supported by receipts, and expenses and approvals must be accurately and completely recorded in the Company's records. In all instances, Company Personnel must ensure that the recording of the expenditure associated with meals, lodging, travel, or entertainment clearly reflects the true purpose of the expenditure.

Note that the provision of meals, entertainment, travel, and lodging as well as the reporting requirements, in this Policy, apply even if Company Personnel are not seeking reimbursement for the expenses (*i.e.*, paying these expenses out of your own pocket does not avoid these requirements).

When possible, meals, entertainment, travel, and lodging payments should be made directly by the Company to the provider of the service and should not be paid directly as a reimbursement. Per diem allowances may not be paid to a Public Official or any other individual (in the private or public sector) that has the power to decide or influence the Company's commercial activities for any reason.

Any meal, entertainment, travel, or lodging expense greater than **INR 1500** per person, or any expense at all that is incurred for meals, entertainment, travel, or lodging unrelated to a legitimate business purpose, must be pre-approved by the Ethics and Compliance Officer.

Please note that in addition to traditional gifts, meals, entertainment, and travel that are provided to business relationships where Company Personnel are not in attendance shall be considered gifts, and subject to the rules and requirements for gifts specified in this Policy.

## 6. **GIFTS, ENTERTAINMENT AND HOSPITALITY TO PUBLIC OFFICIALS**

- 6.1 Gifts to Public officials are strictly prohibited, unless such gifts are provided to them as part of the general gift's distribution (where gifts are provided to other than Public Officials also, such as marketing events or on the occasion of the festivals).
- 6.2 Gifts, Hospitality and Entertainment must not be offered to gain an improper advantage by any Company Personnel, and Company Personnel must refrain from giving any gifts that imply soliciting a favourable response in future dealings with a public official, business partners, vendors etc. or imply a quid pro quo or a promise to give something in exchange for something as a future return.
- 6.3 Gifts must not be made to any Public Officials or any other organization, in order to facilitate/speed up a process.
- 6.4 Company Personnel are prohibited from sending any Gifts at the residence of representatives of Public Officials, business partners, suppliers, vendors etc.
- 6.5 Company Personnel shall not offer or provide favours, money, presents and hospitality to Public Official or those related to Public Official, seeking to gain advantage or influence their decisions for personal gain.
- 6.6 Notwithstanding any other provisions in this Policy, the Gifts provided to a public official or a public official shall not exceed value of **INR 1500 (per instance)**.
- 6.7 Any Gifts to government or public officials must be pre-approved by the Ethics and Compliance Officer (irrespective of the value) and properly recorded in the Gifts and Entertainment Tracker
- 6.8 Hotel accommodation, travel arrangements and other hospitality must not be organized for any Public Officials.

## 7. **GIFTS AND ENTERTAINMENT TRACKER**

The Gifts and Entertainment Tracker, enclosed as Annexure I to this Policy, must be maintained at the Company corporate office in Hyderabad, and should include all gifts provided or received by Company Personnel in connection with their employment at the Company.

The maintenance of the tracker shall be the responsibility of the Ethics and Compliance Officer or his/her designee and is to be updated to ensure that claims in respect of gifts or entertainment are recorded in an appropriate manner within 15 days from the event of providing or accepting gifts or entertainment.

All documentation should be recorded and retained as per the Document Retention Policy.

## 8. **REPORTING**

It is imperative that all Company Personnel under this Policy immediately report any acts or suspicions of bribery, corruption, money laundering and/or giving/receiving bribes or any other acts that may violate the provisions of this Policy. Any Company Personnel who violates this Policy will be subject to disciplinary actions, as per the Disciplinary Actions Policy.

Company Personnel are encouraged to raise concerns to the Ethics and Compliance Officer, without any fear of retaliation, if they come across any activity or conduct which has taken place or which they suspect to take place in contravention of the provisions of this policy.

All concerns raised by Company Personnel shall be treated with strict confidence and appropriate action in line with company policies would be taken to address the concerns raised. Company shall take disciplinary action up to and including termination for anyone who threatens or engages in retaliation, retribution, or harassment of any other person who has reported or is considering reporting a violation of this policy or any other bribery or corruption concern.

Incidents of offering or accepting inappropriate gifts or entertainment in violation of this policy shall be reported to the Ethics and Compliance Officer at **cco@madhucon.com** or to the Ethics and Compliance Officer respective supervisor.

#### 9. **ISSUANCE OF AND AMENDMENTS TO POLICY**

Policy shall be reviewed periodically by Ethics and Compliance Officer to determine whether revisions may be required due to changes in the law or regulations, or changes in our business or the business environment. The Board of Directors must approve any change(s) to the Policy.

For further information / clarification, please contact the Ethics and Compliance Officer.

**Mr. K. Venkateshwarelu: cco@madhucon.com**

The Company may revise this 'Gifts and Entertainment Policy' or implement such other policies or procedures as deemed suitable to conduct business in an ethical environment and comply with the applicable laws and regulations.

Details of the designated persons named in this policy might change, and additional contacts may be included at the discretion of the Company's senior management. Any changes made in the policy, or any matter related thereto, would be intimated through proper channels to all Company Personnel.



## ANNEXURE 1

**Gift Receipt Register:**

**Register of Gifts/Hospitality received**

**Division/Department: -**

**Financial Year: -**

<b>S. no.</b>	<b>Description of item</b>	<b>Reasons</b>	<b>Date of offer</b>	<b>Estimated monetary value</b>	<b>Location where provided</b>	<b>Action on Gifts received (whether allowed to be taken or put up for draw or donation)</b>	<b>Party details (receiver and giver)</b>	<b>Signature of Ethics &amp; Compliance Officer</b>

## ANNEXURE-2

### Gift Offer Register

Gift Offering Declaration Format		
Name: -		Division: -
Code: -		Location: -
Details of the Gift: -		
Purpose of the Gift		
Approximate Value of the Gift: -		
Party Name: -		
<b>Prepared by</b>	<b>Approved by (Ethics and Compliance Officer)</b>	<b>Date</b>
I hereby declare that the Gifts offered by me are in accordance with the Company's Code of Conduct, the Gifts Policy and other allied policies.		