



1.4 GIFTS & HOSPITALITY POLICY

SSEL

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Approved by : Group CEO

Business gifts and hospitality are sometimes used in the normal course of business activity. However, if offers of gifts or hospitality (including entertainment or travel) are frequent or of substantial value, they may create the perception of, or an actual conflict of interest or “illicit payment”.

Therefore, gifts and hospitality given or received should be modest in value and appropriate, and in compliance with our company’s gifts and hospitality policy.

Scope

This Gifts and Hospitality Policy (“this policy”) covers receipt of gifts and hospitality.

This policy applies to all employees of the Company (Head office and all the divisions).

It should be borne in mind that if stricter norms are prescribed under any applicable law with respect to gifts and hospitality, then, the employees shall comply with such stricter norms.

Definitions

The term “gifts” would include any gratuitous monetary or non-monetary unsolicited benefit.

The term “hospitality” would include any form of travel, hotel, food, drinks, entertainment, or any events (participating or watching) such as sporting events, theatrical events, awards or ceremonies.

The term “business associate” would include suppliers, customers, vendors, dealers, distributors, franchisees, lessors, lessees or such other persons with whom the Company has any business or transactional dealings

Touchstone for Accepting A Gift Offered/Received

The Company recognizes that it is customary for some of its business associates to occasionally give small gifts to those with whom they do business or have transactional dealings. It is important, however, that the gift

- Does not affect an employee’s business judgment, or give the appearance that judgment may be affected.
- Does not influence, or have the potential to influence, an employee in such a way as to compromise or appear to compromise the integrity and impartiality
- Does not create a conflict of interest or perception of conflict of interest.
- Whatever the circumstance, the following gifts are should never be accepted:
 - gifts of cash or gold or other precious metals, gems or stones;
 - gifts that are prohibited under applicable law;
 - gifts the recipient knows are prohibited by the gift giver’s or recipient’s organization; and
 - gifts given in the form of services or other non-cash benefits (e.g., a promise of employment).

The cumulative value of all gifts an employee of the Company may receive from any one gift giving organization (cumulative of several representatives/occasions) cannot exceed Rs.10,000 in a **financial year**, unless disclosed in the Gift Register and approved by the CEO/Director/CMD, after appropriate consultation with the General Counsel.

An employee who receives a gift at an event of a ceremonial nature (e.g., a customer outing or a commemoration of a business transaction) that might not be appropriate under these guidelines, but is impractical or offensive to refuse, may accept the gift and then promptly report it to his / her Departmental Head/CEO/Director/CMD. The employee can then discuss the appropriate response, in consultation with them, and act as per the direction provided.

Employees should consult the General Counsel when in doubt as to whether a gift is appropriate or not.

Disclosure in the Gift Register

All gifts, donations and entertainment beyond the value specified earlier, received by an employee, should be disclosed in the Gift Register, along with the following information:

Employee name; Description of gift, relevant date; Identity of the gift giver; Approximate value of the gift; Context / business purpose of the gift; Approval, if applicable; Whether accepted or declined; If accepted, the manner & reason/s; If declined, the manner & reason/s.

Touchstone for Accepting Hospitality Offered/Received

Business hospitality (e.g., meals, tickets to a theatre or a sporting event) may be provided to strengthen working relationships among business associates. Accordingly, the employees may accept business hospitality offered for legitimate business purposes, such as building goodwill and enhancing relationships with customers or suppliers, provided that it complies with the following guidelines.

Specifically, accepting hospitality from the business associates is **permitted only** if such hospitality:

is infrequent; reasonably related to a legitimate business purpose (e.g., accompanying a customer or supplier to a local theatre/sporting event or attending a business meal); is not given as a bribe, payoff, kickback or facilitation payment (e.g., in order to obtain or retain business or to secure an improper advantage); is in good taste and occurs at a business appropriate venue; is duly approved (example in case of overnight/flight/out of country travel) if applicable, by the CEO/Director/CMD, after appropriate consultation with the Ethics Counsellor & entered in the Gifts Register.

Inappropriate hospitality should never be accepted:

“Adult” entertainment, or any sort of event involving nudity or lewd behavior; Hospitality that can be viewed as creating any affiliation of the Company with any particular political party; Hospitality that would involve a breach of any applicable law.

Employees should consult the General Counsel when in doubt as to whether an event, location or expenditure is appropriate or not.

Finally, the above hospitality guidelines apply to situations in which the host is present. Tickets to sporting or cultural events provided to the employees, and not attended by the host are essentially “gifts,” and not “hospitality,” and hence should be in accordance with the gift guidelines specified above.

A common list of the kinds of gifts that might be received normally is provided below:

- Articles of only an edible nature for festive occasions.
- Articles of use in an office such as table clocks, stationery, desk accessories with gift giving Company’s logo.
- Gift worth up to Rs.3000/-.

Circumstances under which cash gifts can be accepted:

- Receipt of Cash Gift (from employees): Only in the case of retirement or cessation of employment Cash gift from fellow employee (s) (no limit) can be retained by employees. In case of any other occasion, cash gifts received beyond Rs3000/ from any single employee should be entered in the cash register & can be retained by the recipient.
- Only in the case of retirement or cessation of employment cash gift from outsider can be accepted upto Rs3000/. If beyond limit of Rs3000/ it needs to be deposited with Shirdi Sai Electricals Ltd.

Gifts received in recognition of a professional contribution made by the recipient, such as for making a presentation, conducting a training program/workshop for a professional and academic institution, Multilateral Agencies, Government bodies, Organizations/ Companies, etc. where the receipt of gift is in gift vouchers and memento / gift of value up to Rs. 10,000/-, the recipient may be permitted to retain the same and the overall limit will be restricted to Rs. 10000/- per financial year. Any tax liability on the same shall be borne by the employee in such cases.

If the value of gift cheque/gift voucher is higher than Rs. 10,000/-, amount more than Rs.10000/-, shall be passed on to Shirdi Sai Electricals Ltd. All such cases should be informed to the General Counsellor. **No cash to be received.**

During interaction, Shirdi Sai Electricals Ltd employee should make the vendors/parties aware that Shirdi Sai Electricals Ltd., Ethics/Gift Policy does not encourage sending or giving gifts and that, parties should refrain from sending gifts. Also, the vendors / parties should be told by the recipient that the receiving of gift will be informed by the employee to the employer.

No gifts should be accepted from any person or party who is in default of the Company in any manner. By way of illustration, parties in default would be parties from whom moneys are overdue or parties with whom the Company is engaged in litigation and parties against whom disciplinary action has been taken. It is desirable that the recipient should check the status of the parties from General Council & Head Procurement and Head of Finance to make sure that the provisions of the above clause are not contravened.

Guidelines for giving gifts: is the same as receiving gifts – only what is permitted to be received shall be given.

Policy Violation and Subsequent Action

Not abiding with this policy would constitute violation of “Our Employees” Stakeholder group Clause “Gifts and Hospitality” of the Shirdi Sai Electricals Ltd Code of Conduct. Prompt action will be taken against violations.

Employees are expected to report all violations to the General Counsel. Failure to report a violation would constitute withholding of information and would in turn be a violation of Clause “Raising Concern” of the Shirdi Sai Electricals Ltd.

Any deviation from this policy must be supported by appropriate rationale and must be duly approved by CEO/Director/CMD. In any case, in dealing with such deviations, the spirit of the SSE code of conduct should in no case be compromised.

If it is determined that an employee / associate has violated this policy, appropriate action including termination of the employee’s employment or association with Shirdi Sai Electricals Ltd. Will be taken.

In case of any clarification / interpretation of this policy, the employee should contact the office of General Counsel, Shirdi Sai Electricals Ltd.

This policy will be applicable with immediate effect and reviewed every 2 years.

