

GIFTING POLICY

1. Policy Principle:

Gifting is a widespread aspect as a customary practice in the country, and that refusal of gift can be considered offensive.

However, Gifts can be seen as bribes and they may be intended to influence decisions of an organization or create reciprocal obligations. While it is discouraged to accept or offer (directly or indirectly) gifts or entertainment from customers, suppliers, distributors, dealers, or any other business associates of the company, however in some situations it is considered customary to accept or offer gifts.

The Corporate Gifting Policy defines guidelines and acceptable norms for accepting and offering of gifts.

2. Scope:

This policy shall apply to all regular employees of MSIL.

3. Receipt of Gifts:

Definition:

A gift is an item of cash or goods or any service of commercial value that is given to an individual for personal use/benefit without any return of payment. Following are the guidelines with regards to receipt of gifts:

3.1 Guidelines on Acceptable Gifts:

The following kind of gifts are acceptable:

- a. Gifts in the form of flowers/fruits/sweets/food items/company souvenirs if they are of nominal value are acceptable.
- b. In any event, the above acceptable gifts should be addressed to the Company rather than the particular individual handling the business transaction and receipt of such gifts at residence or any other place other than work related places is strictly prohibited

3.2 Guidelines on Unacceptable Gifts:

The following kinds of gifts are strictly unacceptable:

- a.** Gifts in the form of cash or cash equivalent (gift vouchers) or anything that is illegal, unsavory or offensive or that brings in an agreement of reciprocal obligation whether immediate or at a later period should not be accepted on any occasions viz. marriage invitation, dealer meet, inauguration or launch of an event, achievement of milestones etc.
- b.** Services provided by a business associate at nil or reduced cost. E.g. free boarding, transportation, lodging, free telephone facilities, free or subsidized tour packages etc. or other service when provided by any other person other than a near relative or a personal friend having no official dealings with the Company.
- c.** Acceptance of any other expensive gifts in the form of goods like any kind of electronic items like mobile phones, watches, cameras; jewelry, precious stones or metals; etc. is strictly prohibited and to be returned politely with a refusal letter (template attached).
- d.** Any sponsorship by a business associate for the employee and/or their family members.
- e.** Remuneration in cash for lectures/professional talks at public forums should be politely refused, however gifts in line with Company Guidelines on Acceptable Gifts can be accepted.
- f.** No employee should accept or permit any member of his family or any other person acting on his behalf to accept any gift directly from Vendors, Dealers, Contractors, Suppliers, and anyone having business dealings with the Company or from their employees/relatives.

4. Meals and Entertainment:

- 4.1** Attendance at lunches, dinner and other ceremonies (seminars/lectures) are acceptable if these are part of normal business discussions or negotiations. Attendance at such events should not form part of a regular pattern of activity.
- 4.2** Invitations to attend recreational events should be agreed beforehand by the employee's reporting officer. Non business related recreation provided free of charge by business associates is treated as a gift and should only be accepted within the limits of this policy.
- 4.3** All expenses made towards entertainment or of recreation should be reasonable and commensurate with the purpose and should be duly supported by bills and vouchers and reimbursement thereof claimed through expenses statement clearly stating the purpose and details of people involved and duly authorized by the approving authority as per Entertainment Expense Policy.

5. Giving Gifts:

5.1 Outside the Organization:

a. Since giving away gifts during the festive season is part of our national culture, distribution of company souvenirs/gifts to individuals with whom Company has business relationships, public officials, and other business associates is required. Different categories of souvenirs/gifts are defined based on stature/position of the recipients and maximum upper limit fixed from time to time at the discretion of the Company.

b. However, such a gift should be infrequent and should not be seen as a favor extended to a section or group of people as a matter of gratification.

c. In case of gifts required to be given on special occasions such as festivals & wedding etc. to business associates, the same matrix should be followed and should be claimed through an expense statement, clearly setting out the purpose for which the gift was made with the details of the recipient and duly authorized by the approving authority as applicable for Entertainment Expenses.

d. In the case of public officials such gifts will be given only where customary and reasonable under generally accepted practice, provided it will not be seen as favoritism or gratification.

e. In any event, the gift should be from Maruti Suzuki and not from an individual employee or department.

6. Disciplinary Action:

6.1 Any deviation of this policy will be seen as violation of MSIL's Code of Conduct.

6.2 Any employee who accepts money, gifts, favors or benefits for an inappropriate purpose or of an inappropriate monetary value will be liable to disciplinary action, to be investigated by the Disciplinary Committee.

6.3 Disciplinary actions may include immediate termination of employment or business relationship or any other necessary action based on the severity of the breach at Company's sole discretion.