



**KALPATARU**<sup>®</sup>

**KALPATARU PROJECTS INTERNATIONAL LIMITED**  
(Formerly Kalpataru Power Transmission Limited)

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***Anti-Bribery Anti-Corruption Policy***

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## Anti-Bribery Anti-Corruption Policy

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## Anti-Bribery Anti-Corruption Policy

### 1. INTRODUCTION

Bribery and Corruption violates the public's trust, threatens national and international economic and social development and substantially impedes fair trade. Bribery occurs when there is an offer or payment made or the seeking or accepting of a payment, gift or favor to influence a business outcome, which is considered a crime in eyes of law. Bribery and corruption may involve government officials or private/ commercial individuals and can be direct or indirect, through third parties and joint venture partners. Kalpataru Projects International Limited (KPIL) (Formerly Kalpataru Power Transmission Limited) prohibits any facilitation payments and consider it as a bribe.

As a part of the Company's commitment to maintaining a high standard of business conduct, direct or indirect involvement in acceptance or payment of bribes or use of company funds or assets for any other illegal, improper, or unethical purpose is unacceptable and prohibited. This commitment must be reflected in every aspect of business. Therefore, there is an obligation to prevent bribery by complying with this policy.

### 2. OBJECTIVE

KPIL is committed to the prevention, deterrence and detection of bribery, fraud and all other corrupt business practices. It is KPIL's policy to conduct all of its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its business practice, wherever it operates throughout the world. If local laws or regulations establish stricter requirements, KPIL will comply with such stricter requirements.

### 3. SCOPE AND RESPONSIBILITIES

This policy is applicable to all officers, board members, key managerial personnel, directors, employees, temporary/ contractual staff, consultant(s), vendor(s), and third Parties working for or acting on behalf of KPIL and are required to read, understand and adhere to this policy. This policy applies to all dealings and transactions in India or abroad where KPIL operates. In addition, KPIL's Anti Bribery Management Committee (ABMS) headed by the Chief Ethics Officer and other members as constituted and amended from time to time are required to enforce the policy and ensure that employees, individuals, and entities for which they are responsible, are aware of, understand, and adhere to the requirements of this policy.

In countries where the local laws or regulations are silent on the issue of Anti-Bribery Anti-Corruption (ABAC), this ABAC Policy may be applied. In each of the jurisdictions in which the Company operates, employees are expected to follow the KPIL ABAC policy or the applicable laws, whichever is stricter.

No Stakeholder can waive compliance with this policy.

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### 4. DEFINITIONS:

The following terms are used in this document:

#### A. Anything of Value

“Anything of Value” covers just about any form of benefit, which includes, but is not limited to:

- Cash or cash equivalents, loans, gifts or prizes;
- Employment offers or promises of future employment (to an individual or any of his/her relatives);
- Favorable terms on a product or service or product discounts;
- Entertainment/hospitality (payment of travel, hotel or restaurant bills, living expenses, or costs of trips or resort stays);
- Use of vehicles or vacation homes;
- Discounted or free tickets to events;
- Services, personal favors, or home improvements;
- Sponsorships
- Political or charitable donations
- Sexual favors/ Adult entertainment
- Opportunity to buy direct shares ("friends and family shares") in a company with a connection to KPIL.

#### B. Bribe/Bribery

To “bribe” or “bribery” means directly or indirectly offering, promising, giving, accepting or soliciting ‘Anything of Value’ (which could be financial or non-financial), and irrespective of location(s), in violation of applicable law to an individual, a government official or an employee of a commercial enterprise for the purpose of obtaining or retaining business, to win a business advantage, or to influence a decision regarding KPIL. This also includes obtaining licenses or regulatory approvals, preventing negative government actions, reducing taxes, avoiding duties or custom fees, or blocking a competitor from bidding on business.

#### C. Corrupt Practice

Any offering, giving, receiving or soliciting directly or indirectly of ‘Anything of Value’ to influence improperly the actions of another party. Any other misconduct related to fraud, cartels and other anti-trust/anti-competition offences, collusion, coercive practices or money laundering shall tantamount to a Corrupt practice.

#### D. Stakeholder

This includes internal stakeholder(s) like KPIL employee(s), officer(s), project trainee(s), temporary/ contractual staff, member(s) of Executive Board. This includes external stakeholder(s) like, consultant(s), vendor(s), any third party(ies) or representative(s) or agent(s), working or acting on its behalf of KPIL and includes each of their employees, partners, directors, trustees and owners.

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### **E. Facilitation Payment**

Any payment to a government official designed to secure or speed up any government action by a government official. These are generally known as “Routine government actions”. Some examples are provided below:

- Obtaining routine permits and licenses
- Processing passports, visas and work orders
- Providing police protection, mail pickup or delivery
- Providing phone service, power and water supply, loading and unloading cargo,
- Scheduling inspections or transit of goods across country; Expediting shipments through customs
- Please note that “routine government action” does not include:
- Any decision by a government official to award new business; or
- To continue business with a particular party; or
- To secure an advantage with respect to a discretionary approval / licenses

### **F. Third parties**

Includes any individual or entity acting as a vendor to or supplier of KPIL, acting on behalf of KPIL, under the supervision of KPIL, or jointly with KPIL, engaged in order to market or deliver services, in connection with KPIL’s business. Such individuals or entities may include but are not limited to consultant(s), advisor(s), lawyer(s), surveyor(s), retainer(s), specialist valuer(s), academic institution(s), contractor(s), software supplier(s), agent(s), and/or other specialist(s). Third parties are further categorized based on the purpose for which they are engaged. These categories include joint business relationship partner(s), subcontractor(s), commercial associate, vendor(s) or supplier(s).

### **G. Government Official**

“Government/ Public Official” shall include:

- An officer or employee, regardless of rank, of any national, provincial, regional or local government agency or department (whether domestic or foreign), including but not limited to police agencies, customs officials, local tax officials, issuers of government permits, approvals or licenses and/or immigration officials;
- An officer or employee of any company, business or commercial enterprise or entity that is owned or controlled in whole or in part by any government;
- A political candidate or a political party or any officer or employee of a political party;
- An officer or employee of a public (quasi—governmental) international organization (such as the United Nations, World Bank, International Monetary Fund, International Olympic Committee, or African Union);
- Any private person acting in an official capacity for or on behalf of any government or public international organization (an official advisor to the government or a consultant responsible for making procurement recommendations to a government);
- Spouses, family members and close associates of any of the individuals specified above.

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### H. Government/ Public Entity

Any agency, instrumentality, subdivision or other body of any national, state or local government including government committees or commissions and regulatory agencies or government-controlled businesses, corporations, companies or societies. Even if a Company is not wholly owned by the State, it may be considered an "instrumentality" of a government if the government exercises substantial control over the Company. State-owned banks, power companies, utilities, universities, banks and hospitals are examples of government instrumentalities. It includes public entities like (a) a municipal state, regional or national government entity or agency thereof; (b) an entity that is wholly or partially owned by a government agency, such as a public hospital; or (c) a public international organization.

### I. Relative

For the purposes of this policy, relative of an individual is defined as the individual's spouse, mother, father, son, daughter, brother, sister or any of these step or in law relationships whether established by blood or marriage

## 5. APPLICABLE LAWS AND GUIDELINES:

All national/ international laws relating to bribery and corruption that are in place where KPIL and its entire stakeholder have or may carry out KPIL related work. Some of the laws and regulations, which may be applicable to KPIL, includes but not limited to, as below:

### A. Indian Laws

- The Indian Penal Code, 1860
- The Prevention of Corruption Act, 1988
- The Integrity Pacts propounded by the office of the office of the Central Chief Vigilance Commissioner and which Integrity Packs forms part of the Bids/ Tenders of Public Sector Enterprises in India
- Prevention of Money Laundering Act, 2002
- The Benami Transaction (Prohibition) ACT 1988
- The Whistle Blowers Protection Act 2011
- The Lokpal and Lokayukta Act 2013
- Competition Act, 2002
- Any other laws and regulation(s) being applicable or required due to nature of transaction with the third party (ies)

As amended and re – enacted from time to time

### B. INTERNATIONAL LAWS

Some examples of the international laws and regulation prohibiting bribery, fraud and corruption are:

- i. USA: The Foreign Corrupt Practice Act.
- ii. UK: The United Kingdom Bribery Act.

### C. INTERNATIONAL ORGANISATIONS/ CONVENTIONS

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- Anti-corruption Ethics And Compliance of Business Policies of :
  - OECD (Organization for Economic Co-operation and Development.
  - UNODC (The United Nations office of Drugs and Crime)
  - The World Bank
  - Inter- American Convention Against Corruption
  - United Nations Convention Against Corruption
  - Counsel of European Criminal Law convention on Corruption.
  - Asian Development Bank
  - Japan International Cooperation Agency
  - African Development Bank

### 6. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Kalpataru Projects International Limited (KPIL) expects all its relevant stakeholders to adhere to the policy. For the purpose of this policy stakeholders include internal stakeholder(s) like KPIL employee(s), officer(s), project trainee(s), temporary/ contractual staff, member(s) of Executive Board. This includes external stakeholder(s) like, consultant(s), vendor(s), any third party(ies) working or acting on its behalf of KPIL, for KPIL, representative(s), agent(s), employees of joint venture(s)/ subsidiary(ies)/ Governments official(s)/ agency(ies)/ society(ies), if any. The Company prohibits anyone acting on its behalf, including directors, board members, officers, employees and Third Party Intermediaries, directly or indirectly, from making or receiving improper payments.

‘Improper payment’ is defined as any payments constituting the receipt or payment of bribes or giving, offering, authorizing or promising to give money or anything else of value to any person, including any Government Official, in order to improperly influence any act or decision of a person, or to otherwise gain an improper benefit for the Company.

Without limiting the foregoing, the following are improper payments:

- Payments (other than those expressly required to be made and codified under applicable law or regulation) in order to secure licenses, permits, renewals, and any other required approvals or clearances in order to operate in a county, state, country or other jurisdiction;
- Payments to influence any act or decision of a Governmental Official or individual in the private sector in his or her official capacity; and
- Payments inducing a Governmental Official to use his or her influence with a government or government instrumentality to affect or influence any act or decision of a government or instrumentality.

This ABAC Policy also covers the receipt of a bribe by, or for the benefit of, a KPIL employee, suppliers, agents, consultants, distributors, and business partners. The areas of business where corruption, including bribery, can most often occur include:

- A. Gifts and Entertainment;
- B. Hospitality;
- C. Facilitation Payments;

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- D. Business Relationships
- E. Political, Community and Charitable Contributions.
- F. Other misconduct
- G. Employment of former public officials or their relatives and engagement of Third party(ies) owned or controlled by public officials (including former public officials) or their relatives

### **A. Gifts and entertainment**

Gifts and entertainment are acceptable if they are reasonable, proportionate and bonafide, consistent with local customs and practices and in compliance with ABAC laws and all applicable company policies. One must be mindful of not violating the law by offering or receiving excessively lavish gifts that may be perceived as bribes. Note that this Policy applies to gifts and entertainment provided by the Company and/or individuals as well as such items received by the Company and/or individuals covered by this Policy.

KPIL recognizes that modest gifts and hospitality are a legitimate part of business life and that giving and receiving gifts and hospitality are often useful ways for employees to express gratitude and respect towards the recipient of the gifts.

To determine whether an offered gift or entertainment is acceptable, the following should be adhered to:

- Must be bona fide and customary business expense in the normal course of business
- Should be moderate and reasonable (Cash, cash equivalents like vouchers, bullions, etc. are not allowed)
- Must comply with the anti-corruption laws applicable to the company
- Disclosure should not cause embarrassment to the giver/receiver/respective organizations
- Must adhere to the company Code of Conduct (COC) and ABAC policy
- Fully documented and supported clearly and in an identifiable manner, by receipts and accurately recorded in the company's books.
- Not designed to influence the judgment or encumber the independence of the person receiving the said courtesy

**Giving of gifts:** Prior to giving any gift, KPIL stakeholders are required to obtain a pre-approval from the respective BU Head or from the ABMS Committee depending upon the recipient of the gift.

Category of recipient	Value of gift	Required approvers
Non-government/non-public officials	Up to INR 2,000/- per person per calendar year	Pre-approval from the respective BU heads
Government/ Public officials	Reasonable and customary festive gifts in the form of flowers, sweets, fruits, dry	Pre-approval from ABMS Committee by



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	fruits, KPIL branded stationery (such as pen, calendar, key chain, diary, etc.) commensurate with the occasion	submitting 'gift declaration form' (Annexure 1 - Gift Declaration Form).
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It is clarified that giving of any gift to Non- government/non-public officials above the monetary threshold shall require a waiver under this policy and will be governed as per Section 13 (Waiver and amendment of the Policy) i.e. will require prior approval from ABMS Committee.

**Receipt of gifts:** KPIL discourages receipt of any type of gifts by its internal stakeholders from its external stakeholders (including customers, vendors and other third parties). Receipt of reasonable and customary edible gifts (such as sweets / dry fruits) during festivals shall be reported to the Chief Ethics Officer within 5 working days and shall be distributed amongst the employees. Apart from receipt of such gifts, no other gifts are acceptable by internal stakeholders.

Further, any gift or entertainment provided should be clearly and accurately recorded in the books of accounts along with adequate documentation (original receipts, requisite approvals, names and designation etc.)

All procurement related to giving of gifts shall be made according to the procurement process (as per respective BU) of KPIL. However, in exceptional circumstances, gifts can be procured locally with the prior approval of BU Head. Employees who are specifically responsible for or involved in procurement of goods / services or any other possible risk profile area shall take particular care when exposed to such situations.

For the avoidance of doubt, the Company or any person acting on its behalf (including directors, officers, employees or Third Party Intermediaries) shall in no event provide gifts or entertainment to, or receive them from, a Government Official (or their close families or business associates) in violation of applicable laws and regulations as defined under Section 5 – Applicable laws and guidelines above.

### **B. Hospitality/ Hosting / Business courtesies**

Hospitality/ Hosting / Business courtesies can be offered or received when it is considered customary, legal, properly and accurately recorded. It should be reasonable and follow the accepted customary norms/practices and legislations of the country including meals, accommodation and transport and customer specific hospitality events.

Instances where an individual will have to exercise additional diligence and care when accepting or offering any Hospitality/ Hosting / business courtesies are as follows:

- During business negotiations for renewal or obtaining new business
- Any interaction with government officials for obtaining approvals / renewal of licenses etc.

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- Interactions with respective supplier or retainers prior to award of any contracts by the company to them

Travel, Lodging & Boarding (Except meals & refreshments) can be provided to Government/ Public official only when the same is required under statutory or contractual provisions. While offering hospitality/ hosting(s)/ business courtesies to government employees / entities by the stakeholder(s), as permitted under this policy, pre-approval from the ABMS Committee shall be required. In addition to such pre-approvals, below stated procedures shall also be followed:

- Expenses because of such hospitality / hosting(s) / business courtesies shall be clearly and accurately recorded in the books of accounts.
- The requirements under the statutory/contractual provisions should be documented and should form part of approval mechanism.
- There shall be adequate documentation (original receipts, requisite approvals, names and designation, etc.) supporting such expenditure
- A separate Hospitality/ Hosting/ Business courtesies request form (refer **Annexure 2 – Hospitality/ Hosting/ Business courtesies Request Form**) shall be maintained to record such hospitality/ hosting(s)/ business courtesies provided
- Below monetary thresholds should be observed while offering Hospitality. In case of any exceptions, the same should be explained and ABMS Committee while granting approval shall record rationale and justification for such exceptional expenses:

Nature of Hospitality	Monetary Threshold	Compliances for Exceptions
Travel by Air	Economy Class ticket.	Business Class can be offered only if the proposed recipient is eligible for such ticket in the host organization. The ABMS Committee member representing the concerned BU shall report to the ABMS Committee about the eligibility of the proposed recipient in his host organization and/or other justifications to provide for business class travel.
Travel by Road	Local: Car cost not exceeding INR 25 per km or INR 10,000 per day per person, whichever is higher. Alternatively,	Higher car cost can be incurred in case if no car at such cost is available or if the proposed recipient is eligible for a higher model

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	radio cabs can be provided.	car in the host organization. ABMS Committee Member representing the concerned BU shall report to the ABMS Committee about the eligibility of the proposed recipient in his host organization and/or other justifications to provide for higher car cost.
Travel by Train	Train ticket not exceeding II AC Class or its equivalent in case of a foreign country	I AC Class can be offered if the proposed recipient is eligible for same in the host organization. ABMS Committee Member representing the concerned BU shall report to the ABMS Committee about the eligibility of the proposed recipient in his host organization and/or other justifications to provide for higher Class travel than II AC.
Lodging & Boarding	<p>In case if the Company Guest House is available, Lodging should be arranged at Guest House.</p> <p>If Guest House is not available, Lodging can be offered subject to:</p> <p>a) Near to the work place b) Room cost not exceeding INR 12,000 or its equivalent per person per day for lodging in Metro Cities in India and not exceeding INR 6,000 or its equivalent per person per day for cities in India other than Metro Cities.</p>	Higher Room cost can be incurred if the proposed recipient is eligible for same in the host organization

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	<p>c) Room cost not exceeding US \$ 250 per person per day in any international location.</p> <p>d) In case if the basic room cost exceeds such limit and no other lodging facility is available in the vicinity of 10 km of the work place, then such basic room can be offered.</p>	
Meals and Refreshments	Not exceeding INR 2,500 or its equivalent per person per day in India and if it is outside India, not exceeding US \$ 100 per person per day.	In case if the proposed recipient is proposed to be offered meal at a posh hotel or restaurant exceeding the monetary thresholds, the justification should be explained to ABMS Committee
Other Hospitalitys	Not permitted	In case if any other kind of hospitality is proposed to be offered, prior recommendation from Chief Ethics Officer should be obtained and should be placed for approval from ABMS Committee.

In case of above mentioned Exceptional scenarios, the request for approval of ABMS Committee should be accompanied with recommendation from ABMS Committee Member or Chief Ethics Officer.

Notwithstanding anything, if the Company is required to provide Travel, Lodging & Boarding, meals & refreshments to any official by virtue of a statutory or contractual obligation, in such cases, the same can be provided after prior approval from respective Head of Department and approval of ABMS Committee shall not be required for the same. The examples of same are a) Visit by Client officials for inspection of Factory or site b) Training to Client officials at KPIL locations c) Site visits and attending Consortium meetings by officials of Banks etc. However, the respective business team needs to ensure that the amounts are within the official permissible limits as per the recipient of such allowances/ hospitality and maintain appropriate documentation of such official permissible limits along with the expenses.

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**Receipt of hospitality/entertainment/travel:** KPIL discourages receipt of any type of hospitality/entertainment/travel by its internal stakeholders from its external stakeholders (including customers, vendors and other third parties). Receipt of reasonable hospitality/travel by internal stakeholders from external stakeholders is permitted if arising out of business activities in normal course and the same shall be reported to the Chief Ethics Officer within 5 working days. Entertainment is strictly not allowed to be acceptable.

### **Red flags relating to gifts/ hospitality/ hosting/entertainment/business courtesies:**

The following is a list of possible red flags that may arise during the course provision of gifts/ hospitality/ hosting/entertainment/business courtesies [to private/public official(s)], which may raise concerns under this policy. The list is not intended to be exhaustive and is for illustrative purposes only.

If any Stakeholder(s) encounter any of these red flags, he/ they must report them promptly using the procedure set out in our “Whistle Blower Policy”

- When demand is received for booking accommodation/travel at a location, which is different from geographic location of operations/purpose.
- Giving gifts/entertainment/hospitality/business courtesies during or immediately after a bidding process but before award of project
- When the gift is not appropriate to the business relationship.
- Demand for gift Items like liquor, wines, lavish meals, luxurious stays, spa facilities, visit to clubs/holiday homes, etc
- Demand for personal/sexual favours, adult entertainment
- Demand for extended stay in the disguise of inspections, audits, etc
- Demand for lavish travel facilities during their visits, etc
- Incomplete travel expenses (missing receipts/ inadequate descriptions) for concealing expenses

### **C. Facilitation Payments**

It is understood that in certain jurisdictions, facilitations payments are allowed. However, KPIL Management discourages its stakeholders to make any facilitation payments. For the purpose of this policy stakeholders include internal stakeholder(s) like KPIL employee(s), officer(s), project trainee(s), temporary/ contractual staff, member(s) of Executive Board. This includes external stakeholder(s) like, consultant(s), vendor(s), any third party(ies) working or acting on its behalf of KPIL, for KPIL, representative(s), agent(s), employees of joint venture(s)/ subsidiary(ies)/ Governments official(s)/ agency(ies)/ society(ies), if any. In case a demand is received for payment to perform routine government actions, one should:

- i. Refuse to make such payment without official receipt and inform that the same is not permissible as per company policies;
- ii. Report to the Chief Ethics Officer regarding demand for such payment;

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- iii. In case of exceptional circumstances, such as threat to personal safety, medical emergency, extortion, duress etc. facilitation payments may be made. Post such payments, the same shall be brought to the notice of the Chief Ethics Officer who shall ensure that these expenses are appropriately recorded in the books along with reasons. Further, an approval from the governing body/ top management should be obtained for such instances.

### **D. Business Relationships**

In the conduct of business, KPIL may be required to maintain business relationships with every stakeholder(s) including governing bodies and government officials. While dealing with such business relationships the stakeholder(s) are expected to adhere to this policy. For the purpose of this policy stakeholders include internal stakeholder(s) like KPIL employee(s), officer(s), project trainee(s), temporary/ contractual staff, member(s) of Executive Board. This includes external stakeholder(s) like, consultant(s), vendor(s), any third party(ies) working or acting on its behalf of KPIL, for KPIL, representative(s), agent(s), employees of joint venture(s)/ subsidiary(ies)/ Governments official(s)/ agency(ies)/ society(ies), if any.

KPIL may interact with Government departments/ entity and third/ or party (ies) in various forms such as approver, regulatory authority, supplier, customer, etc. In dealing with Government departments/ entity and/ or third parties the stakeholder(s) shall take care and demonstrate highest standards of integrity and transparency. During interaction, the stakeholder(s) shall ensure that appropriate approvals are in place for the given business dealing. The stakeholder(s) shall not use/ receive private funds in case of dealing for, on behalf of or to benefit KPIL and/ or any of the stakeholder(s).

This Policy prohibits corrupt offer(s), request(s), demand(s), promise(s) and payment(s) made/ received through third party (ies) or agents.

The type of counterparty involved may also present bribery issues. Therefore, it is important not to disregard or ignore any facts that indicate a probability that a corrupt payment may occur and hence all the internal stakeholder(s) shall follow KPIL's third party due diligence policy while dealing with third party (ies) and/or Government bodies/ officials.

### **E. Political Contributions/ Donations/ Sponsorships**

#### **Political Contributions:**

KPIL does not allow any political contribution outside India. As regards political contributions in India, KPIL does not allow any contributions to be made to any political party or for any political purpose except as permitted under Companies Act, 2013 and all such political contributions shall be disclosed in the Financial Statements in accordance with the requirements of the Companies Act and the Rules made thereunder. In all such cases, approvals as required under the Companies Act, 2013 including the prior approval of Chief Ethics Officer (for any integrity risks) and Board

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of Directors shall be obtained and the rationale for such political contribution shall be recorded in the minutes of Board meeting wherein the proposal has been approved.

KPIL prohibits all types of indirect political contributions and Internal Stakeholder(s) should exercise utmost care to ensure that such instances does not occur. Instance of such indirect political contributions may take many forms like:

- direct provision of cash contributions to a political party or for any political campaigns,
- provision of material resources or services including personnel or labour to governmental / public entity
- Donations to political action groups or non-governmental organizations with a political agenda,
- contribution to charity of the government official's choice unless the funds are utilized for the benefit of public at large and adequate due diligence is undertaken,
- sponsoring political conferences or events;
- gift, loan, advance or deposit of money or anything of value for the purpose of influencing any election for international, national, regional or local office or a ballot initiative; and
- Payment of debt incurred in connection with any election or ballot initiative.

In addition, if KPIL is contributing any political contribution to a political party, the Chief Ethics Officer shall ensure that such political party is registered under Section 29A of the Representation of People Act, 1951.

Further to the extent required under applicable law from time to time, the Chief Ethics Officer shall maintain details of recipient of the political contribution along with its due diligence documents.

### **Contributions/ Donations/ Sponsorships:**

Internal Stakeholders should ensure that charitable contribution(s), Donations(s)/ Sponsorship(s) shall not be used as a subterfuge for misconducts. Contribution(s), donation(s), sponsorship(s) made by or on behalf of or to benefit KPIL shall be made in only such approved community projects or charities which are approved by BU Head or ABMS Committee. Additionally the contributions for projects that qualify as CSR activities under Companies Act, 2013 shall be approved and documented by CSR Committee. KPIL Company Secretary shall conduct appropriate due diligence to ensure that the CSR Projects do not violate this policy, KPIL's Code of Conduct and other applicable policies and procedures. Any contribution(s), donation(s) or sponsorship(s) made to specific entities or charities at the request of customers, Governments or Third Parties shall have prior approval from BU Head and ABMS Committee.

BU Head/ ABMS Committee/ CSR Committee (as applicable) shall ensure:

- Charity is a legitimate charity;

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- A complete due diligence (as mentioned in the TPDD Policy) is done on the charitable recipient before contributing;
- Payment shall not be diverted to or otherwise benefit any government official(s) or his or her family;
- Contribution(s), donation(s) and/ or sponsorship(s) shall be transparent and properly recorded in the financial records;
- Fund arrangement, if any, shall comply with all applicable laws; and
- Contribution(s), donation(s) and/ or sponsorship(s) shall not be given/ received in exchange for a favorable decision by/ for the requestor

All contribution(s), donation(s) and/ or sponsorship(s) shall be clearly and accurately recorded in the books of accounts along with adequate documentation (original receipts, requisite approvals, names and designation, etc.)

Unless secrecy or confidentiality is legally required, the details of contribution(s), donation(s) and/ or sponsorship(s) shall be displayed on the website of the Company and shall be updated on a yearly basis.

*This section should be read in conjunction with KPIL's 'CSR policy'.*

### **F. Other misconducts**

Misconduct related to fraud, cartels and other anti-trust/anti-competition offences, collusion, coercive practices or money laundering shall tantamount to a Corrupt practice and KPIL strictly prohibits such practices across its Business functions. KPIL Internal Stakeholders and External Stakeholders should refrain from such kind of misconducts and in case if they become aware of same, it should be immediately reported to the ABMS Committee. The Business Unit Heads and Function Heads should ensure that respective business units / functions do not form any kind of cartel or engage in anti-competitive behavior while bidding for Tenders.

*(The scope of prohibition of misconduct is elaborated and illustrated in various training materials of the Company viz. E-learning module, etc)*

#### **(i) Disclosure of Engagement of Third Parties in the Bid submission**

Head – Tendering Team and/or Head – Business Development of respective BU shall ensure that if the Company has engaged any third party in the bid submission, names and details of all such third parties engaged by it shall be disclosed in the bid submission documents, as per the requirements of the public procurement guidelines or applicable laws or Tender documents and a written assurance of Head – Tendering Team and/or Head – Business Development of respective BU should be documented with respect to it.



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### **(ii) Disclosure of complete information under Tender documents**

Head – Tendering Team and Head – Business Unit of respective BU shall ensure that the Company has disclosed all information, details, declarations etc. in the Tender documents as are required and no information should be suppressed or misrepresented. Written assurance in the form of a checklist be signed by Head of Tendering department and Head - Business Unit and should be documented. In case of international bidding, the Company, as far as possible, should hire local counsel / attorney to advise on disclosure requirements and in all such cases compliance of (i) above be ensured.

In case of any exceptions to the disclosures to be made in the bid documents, the same should be expressly and specifically submitted & clarified to the Client / customer / bidding agency and should be pre-approved by Head of respective Business Unit.

Further, representative of each BU in the ABMS Committee shall ensure that the written assurances and relevant supportings are available for review of Chief Ethics Officer.

### **(iii) Specialized Training for Tendering department and Business Development Department**

All employees of Tendering Department and Business Development Department should mandatorily attend one specialized Training on misconducts like fraud, cartels and other anti-trust/anti-competition offences, collusion, coercive practices or money laundering which fall within the definition of “Corrupt Practice” once a year.

### **G. Employment of former public officials or their relatives and engagement of Third party(ies) owned or controlled by public officials (including former public officials) or their relatives**

Any employment of former public officials or their relatives is required to undergo documented hiring procedures and due diligence. Any such relationship requires pre-approval of Chief Ethics officer. Further, KPIL does not permit employment of any current public officials or public officials on “cooling-off period” as per applicable laws.

The Third Party Due diligence policy of the Company regulates onboarding of Third party(ies) and due diligence requirements thereto. All Third party(ies) known to have been owned/controlled by a current or former public official or one or more of relatives of current or former public official should be categorized as high risk Third party and all risk mitigating procedures as prescribed in TPDD Policy should be followed before onboarding such Third party(ies) and at periodic intervals as prescribed therein.

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(Any person shall be categorized as a former public official for a period of three years from the date of cessation as public official.)

### 7. TRAINING

All internal stakeholders and high risk Third Parties are required to participate in the Anti – Bribery and Anti – Corruption training mandatorily.

### 8. BOOKS, RECORDS AND INTERNAL CONTROL REQUIREMENTS

This policy shall require detailed and accurate accounting records for transactions, including cash and bank accounts. Any ‘off-the record’ payments/ receipts and any form of fraudulent accounting or purposefully misclassified expenses/ income or falsification of books and records to conceal or layer any improper payment/ receipt are prohibited. All internal stakeholder(s) shall ensure that accurate books, records and financial reporting are maintained to avoid any non-compliance with KPIL’s ABMS framework and related policies

Internal stakeholder(s) shall be obligated to report all transactions accurately, ensure no payment(s)/ receipts(s) are made based on false documentation and maintain adequate documents related to expenditure incurred.

KPIL’s Finance team shall review all transactions thoroughly specifically related to travel and entertainment expenses, gifts, hospitality expenses, donations, etc., and may refuse payment or reimbursement of any unreasonable expenditure, despite it having been previously approved by the relevant functional head.

All transactions related to gift(s), hospitality, hosting(s) and/ or entertainment shall be recorded in a separate register maintained with ABMS Committee.

### 9. CONTRACTUAL PROVISIONS

Contracts with employees as well as third party (ies) should in principle include appropriate provisions protecting the Company from corrupt activities. These provisions will typically include but not limited to:

- a) Requirements of anti-bribery anti- corruption representations, warranties and covenants relating to compliance with ABAC laws and regulations;
- b) Avoidance of relationships and activities with disreputable individuals and party(ies); and
- c) Right to terminate because of any violation of ABAC laws and regulations or the representations, warranties and covenants of the agreement related to such matters.
- d) Rights to obtain annual statements and conduct audits of books and records of the third party(ies) to ensure compliance with these representations, warranties and covenants

Periodic ABAC related declaration (refer Annexure 3 – **Employee ABAC declaration**) to be obtained. The ABMS Committee to retain declaration related documents.

## Anti-Bribery Anti-Corruption Policy

*This section shall be read in conjunction with KPIL's 'Third Party Due Diligence' policy.*

### 10. NON-COMPLIANCE AND PENALTIES

- a. Failure to ensure compliance with this policy could lead to the following consequences for the company including but not limited to:
  - Criminal or civil liabilities for KPIL including fines and imprisonment;
  - Serious reputational damage including media comment for KPIL
  - Debarment from tendering for contracts in India and/or Abroad; and
  - The unenforceability of contracts entered into because of acts of bribery, fraud or other illegality.
  
- b. Failure to ensure compliance with this ABC Policy could lead to the following consequences for employees, including but not limited to:
  - Personal criminal liability followed by fines or imprisonment;
  - Disciplinary action initiated by KPIL, including dismissal/termination of Contract;
  - Personal reputational damage.

KPIL shall not be liable to any such fines/ penalties levied because of the violation by any of its stakeholder(s). For the purpose of this policy stakeholders include internal stakeholder(s) like KPIL employee(s), officer(s), project trainee(s), temporary/ contractual staff, member(s) of Executive Board. This includes external stakeholder(s) like, consultant(s), vendor(s), any third party(ies) working or acting on its behalf of KPIL, for KPIL, representative(s), agent(s), employees of joint venture(s)/ subsidiary(ies)/ Governments official(s)/ agency(ies)/ society(ies), if any.

### 11. INCENTIVIZATION

It is the duty of each and every stakeholder related to KPIL to comply with KPIL Policies including the Anti-Bribery Anti-Corruption Policy. However, it is KPIL's endeavour to appropriately reward KPIL's internal stakeholders who extra ordinarily contributes in developing and strengthening the ABMS culture in the Organization. The recognition will be evaluated on various parameters like extra ordinary contribution for meeting Training Targets, Organizing of self-help sessions with the Division, Suggestions including Innovative methods conveyed for strengthening ABMS and Whistle Blower mechanism etc.

Towards this end, KPIL HR department on annual basis shall identify five Ethics Champions each from respective Business Unit and shall reward them initially with Appreciation Letter and Public recognition as may be decided by the Chief Ethics officer. An Ethics Champion shall also be eligible for cash reward as may be decided by Chief Ethics Officer in case of continuous recognition for any two years over a block of three years.

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### 12. REPORTING VIOLATIONS OR SUSPICIOUS ACTIVITY

KPIL encourages its Stakeholder(s) to report in good faith or based on a reasonable belief attempted, suspected and actual bribery, or any violation of or weakness in ABMS as soon as possible. Any Stakeholder(s) raising concern(s) under this policy shall be protected from victimization.

*This policy shall be read in conjunction with KPIL's 'whistle blowing' policy.*

### 13. WAIVER AND AMENDMENT OF THE POLICY

KPIL is committed to continuously reviewing and updating the policies and procedures based on the learnings and changes in the relevant regulations. This is so even when KPIL enters new market/ sector/ country, which may pose a risk under this ABAC Policy. The Chief Ethics Officer will monitor the effectiveness and review the implementation of this ABAC Policy, regularly considering its suitability, adequacy and effectiveness.

Any exception to this policy shall have written preapproval from ABMS Committee.

### 14. CONTACT ADDRESS

In case of registering any complaint or for any questions /query on this policy please contact the ABMS Committee of KPIL in the following address:

Kalpataru Projects International Limited  
101, Part III, G.I.D.C. Estate  
Sector — 28, Gandhinagar — 382028  
Gujarat, India.  
Email: [abms@kalpatarupower.com](mailto:abms@kalpatarupower.com)

### 15. ANNEXURES

<b>Title:</b> <b>Annexure 1 - Gift Declaration Form</b>	
	<b>Version Number: 2.0</b>

**Reference Number – KPIL gift/ BU name/ 0001**

The approval Form must be completed and approved prior to offering or giving any Gift to an external stakeholder as defined in the KPIL ABAC policy. Please direct any questions that you may have regarding this Form to the Head of ABMS Committee.

#### **Section A: Information about Gift(s)**

1. Please provide details of the proposed recipient(s) of the Gift(s).

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Institution/ Agency	Job Title and department	Name(s)	Description of Gift(s)*	Value of gift given (Per recipient)	Aggregate Value in Calendar Year (Per recipient)

*\*Gifts cannot be in the Form of cash or cash equivalents (e.g., Gift card, vouchers, bullion, etc.)*

2. Is the Gift
- a) directly related to the promotion, demonstration or explanation of Company products or services,
  - b) Being given as a courtesy or as a token to an external stakeholder in connection with a recognized Gift-giving holiday or event (e.g. Diwali)?

Yes     No

If yes, please explain.

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**If No**, the Gift must **not** be given.

3. Have the external stakeholder recipients received Gifts from the Company in the past year?

Yes     No

If yes, please explain.

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4. Do you have any reason to believe the Gift is being offered or given to the external stakeholder in order to improperly influence or induce any act or decision of the external stakeholder or to secure any improper advantage for the Company?

Yes     No

**If Yes**, the Gift must **not** be given.

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5. Is the Gift appropriate and without any appearance of impropriety or any reputational risk to the Company (e.g., appearance of possible conflict of interest, improper inducement, favoritism, etc.)?

Yes  No

**If No**, the Gift must **not** be given.

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

#### Section B: Approvals

##### **BU HEAD APPROVAL**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**GIFT IS:**  **APPROVED**  **REJECTED**

1. Please submit a completed copy of the Form to the procurement team for initiation of purchase of gift.
2. Forms must be completed and submitted to the BU Head at least **five (5) days before** the Gift is to be offered.
3. While approving the gift given to an external stakeholder, the BU Head must assess that the aggregate value of gift given in a calendar year shall not exceed INR 2,000

<b>Title:</b> <b>Annexure 2 – Hospitality/ Hosting/ Business courtesies Request Form</b>	
	<b>Version Number: 2.0</b>

This approval form must be completed and approved prior to hosting (travel, lodging, meals, or entertainment) any government official/ entity as defined in the KPIL ABAC policy. Please direct any questions that you may have regarding this form to the Head of ABMS Committee.

**Section A: Information about Hosting**

1. Please state the business purpose for the Hospitality/ Hosting/ Business Courtesy.

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2. Please provide details of each government official/ entity being hosted, including the business purpose for the government official/ entity's attendance. Use a separate sheet if necessary.

<b>Institution/Agency</b>	<b>Title/Job Position</b>	<b>Name</b>	<b>Location</b>	<b>Business Purpose for Attendance</b>

### Anti-Bribery Anti-Corruption Policy

3. Please provide information about any travel, lodging, meals or entertainment that the Company will pay for, reimburse, or provide in-kind to government official/ entity. Please note that these must be consistent with Company policies and standard operating procedures. Use a separate sheet if necessary.

(i)		(ii)	(iii)	(iv)	(v)	(vi)
				If answer is No to Point no (iii)	If answer is No to point no (iv)	
Type		Estimated Cost (INR) (Per recipient)	Whether hospitality is to be given based on statutory/contractual requirements? (Yes/No)	Whether hospitality is to be given within the thresholds prescribed in ABAC Policy (Yes/No)	Justification for exceeding monetary thresholds,	Recommendation from BU ABMS Committee Member or Chief Ethics Officer in terms of clause 6 (B) of this Policy
Air travel						
Ground travel						
Lodging (include days and location)						
Meals						
Entertainment						



### Anti-Bribery Anti-Corruption Policy

Any other recreation or gifts						
Other (provide details)						

4. Please answer the questions in the Checklist below.

<b>CHECK</b>	<b>YES</b>	<b>NO</b>
Will the Company pay for the hospitality/ hosting/ business courtesies directly to the service provider or directly to the relevant government agency or body (and not to any individual being hosted)?	<input type="checkbox"/>	<input type="checkbox"/>
Are the hospitality/ hosting/ business courtesy expenses the Company will incur:		
<ul style="list-style-type: none"> <li>• Necessary to carry out the promotion, demonstration or explanation of KPIL services, or the execution or performance of a contract with a government Entity thereof?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Not being paid or reimbursed to the government official/ entity through a related Public Entity?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Not being provided to improperly influence or induce any act or decision of the government official/ entity or to secure any improper advantage for KPIL?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Is the hospitality/ hosting/ business courtesies customary and proportionate in nature?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Is each of the people being hosted an employee of the Public Entity (and not a spouse, family member, or other relative of an external stakeholder)?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Does the hospitality/ hosting/ business courtesy comply with the policies of the relevant Public Entity?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

## Anti-Bribery Anti-Corruption Policy

If the answer to any of the above questions is “No,” preapproval by BU Head is necessary.\*

### CERTIFICATION

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### Section B: Approvals

**\*If the answer to any of the questions under No. 4 above is “No,” the following approvals are also needed prior to the hosting.**

### BU HEAD

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**HOSTING IS:  APPROVED  REJECTED**

1. Please submit a completed copy of the Form to the ABMS Committee where the hospitality is not as per contractual/statutory provisions; for approval of hospitality/ hosting/ business courtesy.
2. In other cases, forms must be completed and submitted to BU Head at least **five (5) days before** the hospitality/ hosting/ business courtesy is to be offered.

<b>Title:</b> <b>Annexure 3 – Employee ABAC declaration</b>	
	<b>Version Number: 2.0</b>

To,  
KPIL's ABMS Committee

**Subject:** Declaration for anti-bribery and anti-corruption policy ('ABAC Policy')

This is to confirm that:

- I have been provided the copy of your organization's ABAC policy and have read and understood the letter and spirit of the same
- I agree to comply by ABAC policy and related policies & procedures and to all the changes which might occur time to time; at all times during the term of my association with the organization
- I agree that I shall not directly or indirectly promise, give, offer, agree to receive, request, or accept any monies or anything of value, which is improper, in course of my employment at KPIL, when conducting KPIL's business or when representing KPIL in any capacity
- I acknowledge and agree, on becoming aware of, to report any suspicious activity, event, and occurrence that may amount to be a bribe being offered, promised, requested, given and accepted or any Corrupt practice being undertaken (either involving me or another person/ company); immediately to the ABMS Committee
- I confirm that, I have reported any known or suspected violation of law, regulation, or company policy through the appropriate channels
- I agree not to engaged in any business relationships with KPIL vendor(s) or other third parties working on behalf of KPIL other than for the services being officially involved in
- I agree to cooperate in manner required with respect to ABAC procedures including but not limited to any internal investigation or audit.
- I am fully aware that if found that I have willfully kept secret, the knowledge about such practices, or are found involved in any bribery related case; I shall be immediately terminated and KPIL may take legal action, if required.

Signature

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Name:  
Designation  
Date: