



## **NTPC GREEN ENERGY LIMITED (NGEL)**

### **Anti-Bribery and Anti-Corruption (ABAC) Policy**

#### **I. Preamble and Purpose**

NTPC Green Energy Limited (NGEL) is committed to conduct business in accordance with highest ethical standards within prescribed rules and applicable laws of the land. Integrity and trust which are accepted as the core values of NGEL form the basis of all the activities towards achieving its Vision.

The purpose of this Code is to enhance integrity, ethics & transparency in governance of the Company and thereby to reinforce the trust and confidence reposed in the Company by the shareholders and other stakeholders". The Company is therefore committed to act professionally and fairly with integrity in all its business dealings and relationships in its all operations and to enforce effective systems to counter bribery.

Being a CPSE and a subsidiary of NTPC Limited, a Maharatna CPSE, NGEL is committed to prevention, deterrence and detection of bribery and other corrupt business practices & for the same various policies have already been implemented in NGEL. The Anti Bribery and Anti-Corruption (ABAC) policy of NTPC is also applicable on NGEL and will supplement the existing systems and procedures in the Company to uphold its zero-tolerance approach to bribery and corruption. The provisions of this ABAC Policy shall be in addition to and to be read in conjunction with the following policies of NTPC Limited wherever applicable on employees of NGEL:

1. Conduct, Discipline and Appeal Rules (CDA Rules)
2. Fraud Prevention Policy
3. Policy & Procedure for debarment from Business dealings,
4. Integrity Pact
5. Whistle Blower Policy,
6. Complaint Handling Policy;
7. Applicable Standing Orders under the Industrial Employment Standing Orders Act,1946
8. Code of Conduct for Board of Directors and Senior Management Personnel etc.
9. Any other relevant Circulars/policies as may be implemented from time to time.

As a responsible organization, we have brought this policy intervention to ensure Zero Tolerance approach to bribery and corruption. The purpose of Anti-Bribery and Anti-Corruption (ABAC) policy is to ensure that adequate procedures are in place in order to prevent involvement of designated persons (as defined below) in any activity relating to bribery, corruption, illegal gratification and improper benefit.

NGEL is following and has adopted the ABAC Policy of NTPC Limited and ABAC Policy of NTPC mutatis mutandis apply to NGEL to the extent applicable as follows:



## II. Scope

ABAC Policy is applicable to all individuals working in the Company /subsidiary Companies at all levels and grades. This includes Directors, employees (full time, part time or employees appointed on adhoc/temporary/contract basis), trainees as well as to any other person associated with the Company including representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency(ies), or such other persons, including those acting for or on behalf of the company or any of its JVs/ subsidiaries, wherever located (collectively referred to as " **designated persons**" in this policy).

## III. Policy Statement

Anti-Bribery and Anti-Corruption Policy of NGEL states that no designated persons shall give/ receive / facilitate bribes or other illegal gratification /gifts to another person or organization in order to un- duly favor any person/party or to gain any unfair advantage or obtain /retain business. This includes compliance of prevailing anti-corruption laws of the land, prohibitions of improper payments, gifts, lavish hospitality or any kind of illegal gratification, illegal payments directly or through third parties and any kind of direct or indirect bribe.

To prevent bribery and corruption in all its activities and business dealings, NGEL shall uphold the applicable laws in the country of operation. The elements of the ABAC policy includes:

- All expenses should be incurred or received in a lawful manner and should not provide the impression of same being used for influencing any business decision.
- Proper and accurate record keeping along with the supporting documentation which indicate the reason for the expenditure, the period, the evidence, etc. needs to be maintained for all expenses incurred.

Accordingly, NGEL shall adhere to the Prevention of Corruption Act 1988(Amendment) act to counter bribery and corruption in India. In addition to the PCA, the following laws in India also presently apply to offences related to or resulting in corruption and bribery and resolutions available in case of occurrence of corruption or bribery:

- i). Indian Penal Code (IPC), 1860;
- ii). Prevention of Money Laundering, 2002; iii). Central Vigilance Commission Act, 2003;

The Policy provides clear guidelines to its designated persons for enabling them to act ethically while performing business activities. The Policy also provides adequate reporting channels to provide any disclosure, raise concerns or to seek clarifications in ambiguous situations.

Designated persons are encouraged to be sensitive to potential high-risk conduct and corruption "red flags" and report any concerns they may have to the Nodal Officer. An indicative list (not exhaustive) of red flags has been placed at **Annexure 1**.

## IV. Definitions

1. '**Bribery**' means anything of value that is offered, promised, given or received to influence a decision or to gain an improper or unfair advantage. Bribery may not always be in the form of cash payments and may take many other forms, including offering,



providing, receiving, or soliciting any inducement of any kind in order to influence or expedite any decision/action, which affects the business of NGEL or for the personal gain of an individual.

2. **'Corruption'** includes wrongdoing on the part of an authority or those in power through means that are illegitimate, immoral or incompatible with ethical standards.
3. **'Company'** means NTPC Green Energy Limited (NGEL).
4. **'Board'** means the Board of Directors of the Company and includes, in relation to the exercise of powers, any committee of the Board/Management or any officer of the Undertaking to whom the Board delegates any of its powers.
5. **"Competent Authority"** means the authority empowered by Board of Directors by any general or special rule or order to discharge the function or use the powers specified under the relevant rules or order.
6. **"Nodal Officer"** (as mentioned and appointed under the NGEL Fraud Prevention Policy) shall refer the details of the bribe/corruption cases to Vigilance Department for further appropriate investigation and needful action. After completion of the investigation, due & appropriate action, which could include administrative, disciplinary, civil or criminal action or closure of the matter (if it is found that no offense is attracted) shall be undertaken under the relevant rules of NGEL. Nodal Officer shall maintain records and perform other duties outlined in the ABAC Policy
7. **"Relevant Rules"** means and includes NGEL Fraud Prevention Policy, Whistle Blower Policy, Policy & Procedure for debarment from Business dealings, NGEL Conduct, Discipline and Appeal Rules, Code of Conduct for Board of Directors and Senior Management Personnel, Applicable Standing Orders, Integrity Pact and its amendments thereof wherever applicable.
7. **"Third Party/ies"** includes any person or an entity that performs services for or on behalf of NGEL. Third Parties engaged in activities that requires or involves interaction with any level of the government (domestic or foreign) and includes accounting firms, consultants, lawyers, investment bankers, bankers, contractual vendors etc. They perform business activities on behalf of NGEL Ltd. including facilitating performance of contractual obligations, obtaining licenses, permits and similar authorizations liaising with various regulatory authorities for regulatory compliances.
8. **"Anything of Value"** - NGEL shall not allow its designated persons and business partners to offer, pay or promise to give "anything of value" to any individual or organization for performing / facilitating any business activity. 'Anything of Value' may be monetary or in-kind and can be very small or include intangible benefits of personal value. It includes any inducement but not limited to Cash and cash equivalents / other benefits, Gifts, lavish meals, travel, Honours / Awards etc.

This includes any enticement given to any individual or organization to influence or to obtain any ad- vantage. Such payments may be direct or indirect (i.e. via an agent or other intermediary), or for the benefit of someone other than the person who is being influenced. This includes 'facilitation payments'.



9. **“Improper benefit”** – A benefit is considered improper or corrupt if made or promised for the purpose of:
- Inducing an official to act or not to act or use his/her influence
  - Obtaining or retaining business
  - Obtaining a business advantage
10. **“Conflict of Interest”** – A Conflict of Interest arises when any relationship (whether personal or professional), influence or activity may impair or appear to impair the ability of designated persons to a) make fair and objective decisions when performing their jobs, or b) act in the best interests of the Company.
11. **“Government or Public Official”** – A “Government or Public official” is any person who is employed by or is acting in an official capacity for a government, a department, agency or instrumentality of a government, or a public international organization. This includes elected or appointed persons who hold legislative, administrative, or judicial positions such as politicians, bureaucrats, and judges. The term will also include employees of government-owned or controlled businesses like Public Sector undertakings.
12. **“Political Contribution”** is any gift, loan, advance or deposit of money or anything of value made for the purpose of influencing any state, country, or local election for political office or ballot initiative; and/or to pay debt incurred in connection with any an election or ballot initiative.
13. **“Charitable/Community Contribution”** is a financial support or goods and services to non-profit organizations. It might be a cash contribution, or it could be the giving of 'in kind' support such as the supply of kit or network capacity, employee volunteering or any other services to a charity or organization running a charitable or community program and includes without limitation all the community developments activities being undertaken under the R& R and Corporate Social Responsibility Policy of the Company

#### **V. Gifts/Mementoes, hospitality, entertainment**

No designated persons of the Company shall accept or permit any member of his family or any other person acting on his behalf, to accept any gift which includes free-transport, boarding, lodging or other service or any other pecuniary advantage when provided by any person other than a near relative or a friend having no official dealings with the employee. A designated person of the Company shall avoid acceptance of lavish or frequent hospitality from any individual or firm having official dealings with him.

Under applicable clauses of NGEL CDA Rules and Standing Orders, employees have to furnish their Annual Property Return every year within the given timelines where declarations on permissible gifts have to be made.

Explanations:

A) Following expenditures are not prohibited under this policy:

- i. expenditures incurred to execute protocol norms during visit/ program of a Constitutional Authority,



- ii. expenditures for normal business hospitality, so long as it is reasonable, appropriate, modest
  - iii. expenditures for bona fide corporate hospitality.
- B) Expenditures incurred for the above purpose must be
- i. Legal under all applicable anti-corruption laws.
  - ii. All expenditures on official entertainment, hospitality must be approved by and recorded with the Competent Authority as laid down under DOP (Delegation of Power).

While approving, the above considerations are to be applied by the competent authority.

A record of the cumulative annual expenditures in this regard is to be maintained by the employees for themselves and for other designated persons related to their department/area and the same should be disclosed and maintained under the Department Stock Register.

## **VI. Travel & Lodging**

The Company acknowledges that there could be instances of nominal expenses incurred during inter- actions/engagements with Business Partners/Third Parties. In such cases the following rules will apply:

- In case travel & Lodging arrangements need to be made for Government Officials or any person not in the employment with NGEL, approval must be taken from the Competent Authority as laid down under DOP.
- For all International bookings i.e. air ticket and lodging, approval from the Competent Authority should be obtained.

## **VII. Political and Charitable Contributions**

NGEL does not make any contributions, whether in cash or kind, in support of any political party/ies or electoral candidates, as this can be perceived as an attempt to gain an improper business advantage.

NGEL believes in contributing to the communities in surrounding areas where it conducts business. All charitable donations made by NGEL have to be approved under the CSR/R&R Policy of the Company.

## **VIII. Sponsorships**

Sponsorship is allowed for genuine business reasons, brand building of the organization or for charitable objectives without any element of quid pro quo. Any such sponsorship must be, properly documented, duly approved by the Competent Authority and duly reported as per extant policies and procedures of the organization.

## **IX. Facilitation Payments**



This ABAC Policy specifically prohibits facilitation payments, also known as “grease” or “speed” payments, which are small payments to secure or expedite a routine government action by a government or public official. All designated persons must avoid any activity which may lead to or suggest a Facilitation Payment or Kickback will be made or accepted by the Company.

#### **X. Action against Third Party/ies**

NGEL expects third parties to conduct their activities as per this policy. This Policy and other relevant anti-corruption laws prohibit use of third parties as a conduit for making indirect payments for the purposes of bribery. Regarding fraud /illegal means adopted by the third party/ies to secure business with NGEL, appropriate action against the party will be taken under the Company’s Fraud Prevention Policy, Policy & Procedure for debarment from Business dealings and Integrity Pact.

#### **XI. Training & Awareness**

Awareness training on ABAC Policy requirements will be imparted to all employees & trainees by EDCs, RLIs and Power Management Institute, who are required to maintain adequate records as evidence of such training. At the end of the final training sessions, all participating employees will be required to sign off an ‘Annual Affirmation with the Anti-Bribery and Anti-Corruption policy’ (**Annexure 2**).

For external persons among designated persons like Contractors and their employees, Consultants, or any other person associated with business of NGEL Ltd., adherence to the ABAC policy shall be incorporated in the contract documents (as at Annexure 3) and the policy shall also be displayed at NGEL Website and intranet.

#### **XII. Record Keeping**

All of the Company’s books, records, accounts and financial statements will continue to be maintained in reasonable detail, must be timely, accurately and completely reflected in the Company’s transactions. Falsification of any documentation relating to support for receipts or expenditures incurred by employees and associates (e.g., expense reports, reimbursements, and petty cash documents) is prohibited. NGEL will continue to maintain records and accounts that accurately and fairly reflect trans- actions and dispositions of assets and will monitor internal accounting controls to ensure compliance with anti-corruption laws and this Policy.

#### **XIII. Procedure for reporting Concerns and investigation procedure:**

Every person to whom this policy applies to, is encouraged to raise their concerns about any bribery issues or suspicion of malpractice at the earliest possible stage. If any stakeholder, believes or suspects that any designated persons, or any other person acting for or on behalf of the company, may have engaged in conduct inconsistent with the Company’s ABAC policy or applicable laws of the land related to bribery, the employee or person associated with the company may raise the concern to the nodal officer.

Reporting and Investigation of the ABAC cases shall be done as per the relevant rules framed



by NGEL.

#### **XIV. Penalties**

The breach of this Policy by the designated persons of the Company shall lead to appropriate actions against such persons as per laid down procedures by the company in this regard. After completion of the investigation, due & appropriate action, which could include administrative action, disciplinary action, civil or criminal action or closure of the matter (if it is proved that no such breach is committed etc.) depending upon the outcome of the investigation shall be undertaken under the relevant rules of NGEL.

#### **XV. Responsibility for ABAC Policy:**

All designated persons are responsible for the successful implementation of the principles set forth in this policy and should ensure that they use it to disclose any suspected concern or wrongdoing. All designated persons shall ensure that they have read and understood this Policy and must at all times comply with its requirements.

All HOP/BUH/HOD and Senior Management shall have the responsibility for ensuring that those re- porting to them are made aware of and understand the Policy and shall ensure proper monitoring for strict compliance.

#### **XVI. Continuous Improvement & Review**

To maintain an anti-corruption program that meets regulatory requirements and stakeholder expectations, the Company will periodically change, improve, and communicate its anti-corruption-related policies, practices, and procedures. The Company will establish, maintain, and monitor a variety of feedback mechanisms and other internal processes designed to support the continuous operation and improvement of the program. Risk assessments would be undertaken across all regions and establishments for risks related to corruption and the same shall be integrated with the Enterprise Risk Management Framework. The policy shall be reviewed & revised by the Management as and when required. The Management shall monitor the effectiveness and review the implementation of the compliance principles set forth in this Policy, regularly considering its suitability, adequacy, and effectiveness.





## Annexure 1

### Sample Red Flag Behaviours

- The presence of one or more of the following should act as a red flag of improper behaviour and you should contact the Nodal officer immediately:
- The requested payment circumvents authorized internal controls or practices.
- The person receiving the payment refuses to provide adequate supporting documentation or a receipt or attempts to provide inadequate supporting documentation.
- Background information on the person receiving the payment indicates allegations of im- proper business practices, a reputation for giving and/or receiving bribes, and/or a family or other relationship that could improperly influence the decision of a Public Official.
- A stakeholder/ Public Official recommends a specific representative or company with whom the Company should conduct business.
- The recipient of the payment requests that the Company direct payment to a country, per- son, or entity not related to the transaction.
- The requested payment is disproportionate (i.e., exceeds fair market value) to the services to be provided.





**Annexure 2**

**Annual Affirmation by the Designated Persons of the company with the Anti-Bribery and Anti-Corruption Policy**

I-----do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the ANTI-BRIBERY AND ANTI-CORRUPTION POLICY, during the financial year ending 31<sup>st</sup> March, 20--.

Signature.....  
Designation.....  
Date.....  
Place.....

Name.....  
Relation with NGEL.....



### **Annexure 3**

#### **ABAC Policy Statement to be incorporated in the Contract documents**

Each Party represents and confirms that it is aware of, understands, and will comply with all applicable laws and regulations relating to anti- corruption and anti-bribery and the ABAC Policy of NGEL. In addition, each Party agrees that so long as it is conducting business with the other Party or the other Party's affiliates, it will not, directly or indirectly, on behalf of the other Party or the other Party's affiliates promise, offer, solicit, authorize, give or receive bribe, or other corrupt payment, item or service of value, or any other corrupt advantage, whether in cash or in kind, in relation to the performance of the Contract.