MANIKARAN POWER LIMITED

ANTI-CORRUPTION COMPLIANCE PROGRAMME

PREFACE:

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ANTI-CORRUPTION COMPLIANCE PROGRAMME

1. PURPOSE AND SCOPE

The purpose of this document is to describe the different elements comprising the anti-corruption programme to which Manikaran Power Limited and investments in associated companies (the "Group", the "Company" or "MPL") must adhere. This document also contains a high level assessment of MPL's exposure to corruption risks and how the anti-corruption programme has been designed to mitigate MPL's exposure to such risks.

2. GROUP STRUCTURE AND ACTIVITIES

Group overview and key activities

MPL has maintained a remarkable position in the market in electricity trading. It seeks to provide comprehensive services in the power trading market to fulfill the Short term, Medium term as well as Long term energy requirements of its customers. As a power trader, MPL supports their clients with data driven power market analysis to help them get best returns. It is not only providing power in Day Ahead Market (DAM) through Exchanges but is also imparting the services to its clients in Term Ahead Market (TAM) of the Power Exchanges. MPL is adept at providing a wide range of services to its clients vide Sale/Purchase of power through Short/medium term trades, bilateral contracts and banking of power. It also specializes in trading of Renewable Energy Certificates on Power Exchanges platform.

Geographical presence

MPL is having its Registered Office in Ranchi and its Corporate Office in New Delhi, India and having branch offices in different areas of the country.

3. THE RISK OF CORRUPTION IN THE INDUSTRY

The markets for technology are often relatively new and expanding at a rate that can bring huge financial rewards for those who manage to secure a good position within them. But such companies must have an awareness of the risk of corruption – or other types of business crime – if they are not to suffer the problems that other corporate houses in other sectors have experienced after not paying enough attention to compliance.

Technology may be a relatively new market place and its range of products may be new and ever changing. But those involved in this market need to understand the value of the preventative measures that have been keeping all sorts of firms out of legal trouble for decades.

4. REGULATORY & CONTRACTUAL OBLIGATIONS

Corporate governance

MPL has complied with the regulatory provisions of Companies Act, 2013 and Secretarial Standards issued by ICSI for the effective management and control over activities with the aim of securing the greatest possible value creation over time in the best interest of companies, shareholders, employees and other stakeholders.

Anti-corruption legislation

The company is subject to various anti-corruption legislation. Under the Indian Penal Code, offering or providing bribes (active bribery) as well as requesting or receiving bribes (passive bribery) is an offence. The influencing of conduct of any position, office or assignment by offering or requesting an improper advantage (trading in influence) is also an offence.

A bribe is described as an improper advantage in connection with a position, office or assignment. An offer or a payment may be deemed improper by the courts based on several criteria or factors, including the objective of the offer, the position of the person offering or receiving the advantage, the value or the nature of the advantage in question, the level of transparency in place, and whether it is an act contrary to the ethical rules for that office, assignment or position.

'Position, office or assignment' also refers to a position, office or assignment in a foreign country.

MPL's employees must – neither directly nor indirectly through a third party - offer anything of value to influence the actions or decisions of any official, other person in public or legal duty, any person acting on behalf of customers or sub-contractors/suppliers, or any other third party, or to otherwise obtain any improper advantage, in selling goods and services, conducting financial transactions or representing the company's interests.

MPL can be prosecuted for violations of the law, even if no individual is punished for the offense. Other consequences for MPL may include civil liability, loss of business and a damaged reputation. Individuals involved in acts of corruption may also be exposed to civil and criminal liability.

Examples of improper advantages may include cash, expensive gifts, or hospitality which has no business content.

ANTI CORRUPTION LAWS IN INDIA

- The Prevention of Corruption Act 1988 as amended from time to time, is the principal anti-corruption law. It penalises offences committed by public servants in relation to the acceptance or attempted acceptance of any form of illegal gratification (i.e, anything of value other than a legal entitlement).

- The act of bribe giving is an offence under the Prevention of Corruption Act and commercial organisations can be held liable for the same if any person associated with them gives or promises to give any undue advantage to a public servant with the aim of receiving or retaining business or an advantage in the conduct of business. Commercial organisations can claim defence if they can prove that they had adequate procedures in place to prevent such acts by any person associated with them. Such procedures must comply with the guidelines to be prescribed by the government.

- The Penal Code 1860 is the penal law of India and sets out provisions which are interpreted to cover bribery and fraud matters, including those committed in the private sector. Its provisions include offences relating to cheating and dishonestly inducing delivery of property and criminal breach of trust.

- The Companies Act 2013 contains certain provisions to prevent corruption and fraud in the corporate sector, including:

    - the duty of statutory auditors to disclose any instances of fraud (which covers instances of corruption and bribery) committed by company employees;
    - increased penalties for fraud offences (up to 10 years of imprisonment and a fine of up to three times the amount involved in the relevant fraudulent transaction);
    - vesting increased powers (eg, power to arrest);
    - provisions for the establishment of vigilance mechanisms and audit committees; and
    - increased responsibilities of independent directors.

- The Lokpal and Lokayuktas Act 2013 establishes the offices of the nodal ombudsman for the central and state governments (Lokpal and Lokayuktas, respectively) and accords relevant powers to these bodies to unearth and investigate cases of corruption in the public sector in India (eg, the authority to provisionally attach property pending proceeding).

- The Foreign Contribution (Regulation) Act 2010 regulates the acceptance and use of foreign contributions and hospitality by corporate entities and individuals. Receipt of foreign contributions requires prior registration with or approval of the Ministry of Home Affairs. In the absence of such registration or approval, receipt of foreign contributions may be considered illegal and punishable.

- The Prevention of Money Laundering Act 2002 aims to prevent instances of money laundering and prohibit use of the proceeds of crime in India. It prescribes strict penalties for violation of its provisions, including imprisonment of up to 10 years and the attachment or confiscation of tainted property.

- the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act 2015, which penalises the concealment of foreign income and assets and any related tax evasion;

- the Benami Transactions (Prohibition) Amendment Act 2016, which empowers the competent authorities to attach and confiscate benami properties (ie, any property which is held by or transferred to or for benefit of a person, and the consideration for which has been provided or paid by another person);

The scope of application of the primary anti-corruption law is limited to the public and government sectors, and does not cover extraterritorial activity (ie, instances of illegal gratification and payments made to foreign officials or persons employed by public international organisations).

However, the Institute of Company Secretaries of India formulated the Corporate Anti-bribery Code in 2017, which outlines a systematic mechanism that could be voluntarily adopted by companies to prevent bribery in both public and private sectors. The code also prohibits bribery of foreign public officials to obtain or retain business or receive an improper advantage in business (which is otherwise not specifically addressed under the anti-corruption laws).

5. STAKEHOLDERS

Key stakeholders to MPL's anti-corruption programme include the following:

- Indian and foreign authorities;
- MPL's shareholders;
- board of directors and senior management;
- MPL's business partners; and
- communities in the locations where MPL operates.

6. HIGH LEVEL CORRUPTION RISK ASSESSMENT

The areas of the Group's operating activities through which it is exposed to the risk of corruption are reviewed on an annual basis. The following table provides a list of the high-level risk areas that have been identified (alphabetical order). As MPL's business is project related, the table below specifies whether the risk described is applicable at enterprise and/or project level (although the consequences of the risk materialising are not necessarily isolated to that level).

Sl.No.	Head	Sub-Head	Description
1.	**Employment**	• Enterprise • Project	MPL is having its registered office in Ranchi, Jharkhand, also operating through various Branch Offices in India, where permanent members of staff are employed. Furthermore, given MPL's rapid growth and/or the need

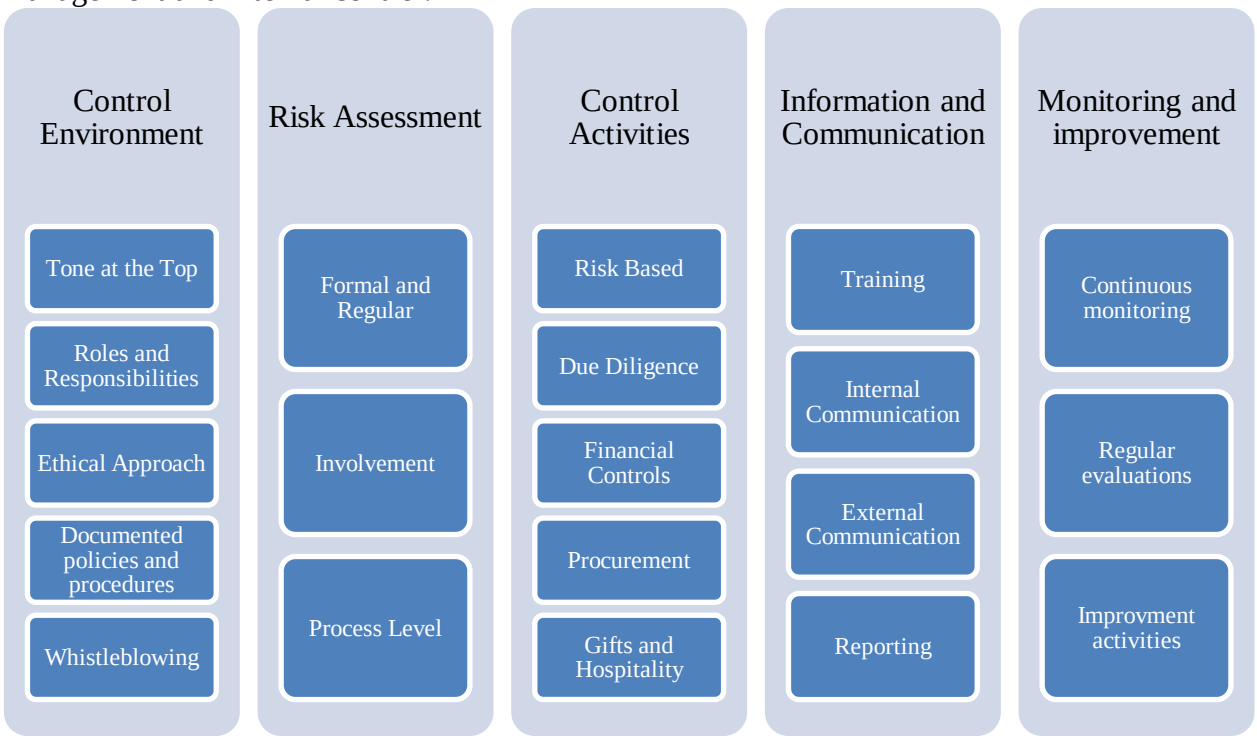
			to establish project offices under time pressure, there is a risk that for project-based employment decisions, the ordinary HR procedures, particularly pre-employment vetting, are not conducted thoroughly or at all. This would increase the risk of a faulty hiring decision, for example the hiring of someone with previous instances of corrupt behavior.
2.	**Gifts and Hospitality**	• Enterprise • Project	There is a risk that gifts and/or hospitality offered by MPL's employees or third parties with whom they do business, could be seen to be excessive or otherwise improper in the context of the activity/ies to which they relate. There is also a risk that gifts might improperly influence a recipient, or be seen to do so. This applies both to third parties with whom MPL does business as well as employees in their dealing with others in the course of business.
3.	**Licences and Permits**	• Project	MPL's services are subject to the requirement to hold a range of permits and licenses. In the processes to obtain such licenses and permits, MPL's employees generally deal directly with the authorities in the various jurisdictions in which the company operates. There is a risk that a member of MPL's staff might offer an improper inducement to obtain or retain a critical license.
4.	**Partners**	• Project	The selection of a local partner, be it an individual or a company, is part of the development phase of a project, and ongoing cooperation with that partner is an integral element of each project. There is a risk of MPL selecting and/or continuing to conduct business with a partner that has engaged and/or engages in bribery and corruption.
5.	**Procurement**	• Project	There is a risk that a member of MPL's staff might accept an improper payment offered by a supplier to secure the award of a contract from MPL. There is also a risk that family connections and personal relationships and allegiances may play an unacceptable role in the award of a supplier contract.
6.	**Sales**	• Project	There is a risk that a MPL employee might offer an

			improper inducement in order to secure such a contract. Furthermore, where MPL becomes involved in a project once an agreement has already been negotiated, there is a risk that an inducement was offered in order to secure the contract, of which MPL is unaware.

7. MPL's ANTI-CORRUPTION COMPLIANCE PROGRAMME

MPL has designed what it considers to be an adequate and proportionate anti-corruption programme based upon our exposure to corruption risk, structured according to the following five headings.

The structure of this programme is based upon COSO's 2013 Internal Control–Integrated Framework, which is one of the most widely recognised frameworks on enterprise risk management and internal control.



In the following five sections, which correspond to the components of the programme as shown above, we will describe the different elements, such as organization, policies and procedures, controls and activities that constitute this programme.

A. CONTROL ENVIRONMENT

i. "Tone at the top"

The Companies's leadership is committed to anti-corruption, and there is a zero tolerance approach to bribery and corruption.

The board of directors and top management's commitment to the anti-corruption programme is displayed in a number of ways. MPL has an committee, elected by the board, which has a mandate that includes the monitoring of systems for internal control and risk management.

ii. Roles and responsibilities

Internal stakeholder groups have the following specific responsibilities:

Board of Directors

The board of directors has the following responsibilities with regard to anti-corruption risk management:

- maintain oversight of and approve the MPL's anti-corruption programme;
- seek the views of the external auditor, the individual with responsibility for compliance and others regarding the topic of corruption and the effectiveness of the anti-corruption programme; and
- ensure that the adequate and appropriate resources are allocated.

Management

Management in the Group has the following responsibilities with regard to anti-corruption risk management:

- demonstrate that internal controls, including those addressing the risk of corruption, are important;
- be responsible for the implementation of the anti-corruption programme; and
- take remedial action in instances of breaches of this programme.

Employees

MPL's employees have the following responsibilities with regard to anti-corruption risk management:

- understand and comply with anti-corruption policies and procedures;
- seek advice from line management or the compliance function if clarification on any anti- corruption related matter(s) is required; and
- report any corruption-related concerns to line management, or use the whistleblowing channel.

iii. Ethical Approach

The Board of Directors of the company should always motivate the management and employees of the company to fulfill their jobs and responsibility in an ethical manner which addresses the following matters:

- Mission and Vision, & Core Values
- Responsibilities
- Integrity and Trust
- Human Rights
- Conflict of Interest
- Bribery and Corruption
- People Opportunities and Diversity
- Supplier and Sub-contractors
- Competition

iv. Documented policies and procedures

The key documents that set out the Company's policies on anti-corruption consist of:

- Code of Conduct
- Partner Conduct Principles

These documents are drafted by the compliance function and approved by the board of directors. The compliance function reviews the policies on an annual basis and revises them as often as is necessary. Approval of the board of directors is required for any amendment(s).

Anti-corruption policies and procedures adequately address, and are up to date to accurately reflect, all areas of corruption to which the organization is exposed, and they provide details on how the effective implementation of the policies is monitored.

Each Group company utilizes existing sources of information in order to monitor the effectiveness of its anti-corruption policies and procedures, such as the use of expense registers to test the completeness of gift and hospitality recording.

v. Whistleblowing

MPL has a public grievance mechanism for individuals and communities to report concerns, incidents of grievances. Such reports can be made to registered office of the company through email/written letter.

B. RISK ASSESSMENT

i. Formal and regular

Owing to the fact that risks are continually evolving, a corruption risk assessment is performed annually for all areas of the Group's operations. The assessment of residual risk gives consideration to the design and operation of key mitigating controls.

Where the risk assessment identifies that the level of residual risk is high, a plan is put in place to remediate the controls, and a reassessment is performed again in a timely manner.

The results of the risk assessment are reported to the board of directors by the compliance function as part of the regular management information that they produce.

The risk assessment process also includes a consideration of the risk of management override of controls.

ii. Involvement

Corruption risk assessment is performed annually and updated based on any changes in MPL's activities, expectations from stakeholders or input from the organization.

iii. Process level

MPL's risk assessment includes an assessment of the adequacy of controls for those processes which are assessed as being most exposed to the risk of corruption.

C. CONTROL ACTIVITIES

i. Risk-based

MPL adopts a risk-based approach to its anti-corruption programme. A corruption risk assessment is performed on an annual basis and the controls in place to the Board with the deemed corruption risks that have been identified during the risk assessment process.

ii. Due diligence

Anti-corruption risk is a key consideration when deciding to start and/or continue a relationship with a business partner. MPL has created a risk-assessment tool based on key risk indicators that it uses to assess the risk of corruption related to an individual business associate, or group of business associates that are subject to the due diligence process. These indicators include:

- geographic location;
- background and identity of the third party;
- connection with government official or entities;
- compensation structure of the proposed arrangement;
- manner in which third party was selected;
- the value of the contract; and
- the nature of the work/services to be performed.

The outcome of the overall corruption risk assessment determines the extent of due diligence required, which is commensurate with the deemed risk of corruption. Due diligence is completed, documented, reviewed and approved by senior management before appointing business partners. Defined approval procedures are in place for changes to due diligence results.

Post-approval, written contracts are in place between the Group and all business partners with which it has a relationship. All contracts contain a clause prohibiting corruption, and the consequences of potential breaches. For business partners assessed as posing a higher risk of corruption, specific wording around specific obligations and rights are considered.

iii. Financial controls

The Group has in place financial controls which minimise the risk of MPL, or any of our employees or other associated persons acting on behalf or for our benefit, paying or receiving a bribe.

Those controls which mitigate an identified corruption risk are mapped to corruption risks as part of the annual risk assessment exercise. The compliance function has responsibility for maintaining oversight of the effective operation of the financial controls for this purpose.

The Authority and Signature Matrix describes signature and approval rights relating to the

following activities/areas:

- Operating expenses
- General operating expenses
- Project Development Costs
- Marketing / Corporate Communication / IR
- Legal Counsel
- Other Signature & Approval rights
- Personnel & Appointment Matters
- Acquisition of businesses (including acquisition of SPV/project rights for PV systems)
- Disposal of businesses – e.g. operating subsidiaries (excl. sale of SPVs/PV Plants)
- Equity investment in subsidiaries
- Litigation
- Financing
- Bank bonds (unconditional) or letters of credit
- Parent Company Guarantees
- Foreign Exchange Risk
- Security against assets

iv. Procurement

Procurement is one element of the non-financial controls implemented by the Group to help ensure that non-financial aspects are being properly managed.

The “Supply Chain Management” team is responsible for MPL’s purchasing activities.

v. Gifts and hospitality

MPL has developed procedures which are designed to prevent the offer, provision or acceptance of gifts, hospitality, donations and similar benefits where the offer, provision or acceptance is or could reasonably be perceived as bribery.

These procedures apply to the following three situations:

- gifts and hospitality;
- political or charitable donations, sponsorship, promotional expenses and community benefits; and
- client representative or public official travel.

D. INFORMATION AND COMMUNICATION

i. Training

Employees

All employees receive introduction training on the Ethical approach, and a record is kept of the date on which the training was delivered.

The training needs analysis identifies those employees who require additional anti-corruption training owing to their particular role, for example employees operating at remote locations or in higher risk countries. In such instances, training is tailored to the employees' roles.

ii. Internal communication

There is clear communication of the anti-corruption programme across all levels of the organization. Furthermore, through introduction to the Ethical approach, employees understand relevant aspects of the anti-corruption programme and understand what behaviour is acceptable and unacceptable. As part of this, all personnel are required to make a compliance declaration that they agree to comply with the Ethical Approach, and records of the declaration are maintained.

iii. External communication

The Company has adopted a report on corruption, if occurs in any year, through its Annual Report.

iv. Reporting

The compliance function is responsible for providing the board with risk-focused and relevant anti- corruption Management Information (MI), and time is allocated in the board meeting's

agenda to discuss this in sufficient detail.

E. MONITORING AND IMPROVEMENT

i. Continuous monitoring

The compliance function is responsible for overseeing the monitoring of the anti-corruption programme. It conducts continuing and/or separate evaluations to determine that the anti-corruption policies and procedures are operating effectively.

The company utilises existing sources of information in order to monitor the effectiveness of the anti-corruption policies and procedures, such as the use of expense registers to test the completeness of gift and hospitality recording. These procedures are formalized within the relevant policies and procedures.

When evaluations identify deficiencies they are documented and reported to senior management and remedial action is taken.

Specific anti-corruption related monitoring performed by the compliance function includes the following:

- payments to business associates: monitoring involves selecting an appropriate sample of relevant payments and independently testing them to ensure that the relevant laws and the company's policies have been complied with, and that controls are operating as designed;
- project execution: monitoring involves checking that the result of corruption risk assessments are included and that due diligence has been conducted and documented;

ii. Regular evaluations

The Company performs periodic reviews of the anti-corruption programmes which are designed to evaluate and improve their effectiveness in preventing and detecting corruption, taking into account relevant developments in the field, and industry standards.

iii. Improvement activities

Monitoring of anti-corruption policies and procedures is a central component of the compliance function’s annual plan, which helps to ensure that control activities have been appropriately designed to mitigate the current corruption risks to which the company is exposed. Where weaknesses are identified, the compliance function will ensure that actions are taken to improve the management of the given risk.

PROCEDURE FOR INTERNAL INVESTIGATIONS

1. Scope and purpose

This document applies to all personnel in Manikaran Power Limited and investments in associated companies ("the Group" or "MPL").

This document describes the procedure for internal investigations of MPL's, which are reported, detected or reasonably suspected. This includes reports received via the whistleblowing channel.

The purpose of the procedure is to ensure that internal investigations of breaches of the Ethical Approach which are reported, detected or reasonably suspected are performed in an appropriate and consistent manner, which is in adherence with the Group's internal and external requirements.

2. Principles for investigations

MPL has the following principles for the handling of compliance-related issues and/or breaches of compliance-related controls, which are reported, detected or reasonably suspected:

- adherence to applicable laws;
- safety of personnel;
- protection of people making reports and of others involved or referenced in the reports;
- confidentiality; and
- data protection.

3. Confidentiality and Data Protection

The team/individual performing the investigation will treat all information received confidentially.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

In the case that external resources are used in the performance of an investigation, MPL will enter into a Data Handling Agreement with the third party.

4. Roles and responsibilities

The Board of Directors will play key role in the investigation, but if, in the case of reported, detected or reasonably suspected breaches of this programme which concern the Board of Directors, then the board will appoint another individual to lead and coordinate the investigation.

5. Investigation process

The company's response to breaches of this programme which are reported, detected or reasonably suspected will be commensurate with the nature and severity of the issue.

Preliminary inquiries will be performed, pursuant to the applicable laws and regulations. The company's response should include such investigations as are necessary to uncover the facts that have been notified, and clarify the applicable consequences of the facts uncovered. Information may be collected in a number of ways, including:

- conducting interviews and meetings with the whistleblower and/or the individual(s) under investigation and other key personnel;
- collecting and reviewing documentation such as accounts, books and records, correspondence, policies and procedures; or
- acquiring and examining electronic evidence such as e-mails and other documentation.

The acquisition and examination of electronically stored information will only be performed if there are reasonable grounds to do so, and if the statutory conditions for performing such activities are met.

For the examination of electronically stored information, a report must be prepared which shows how electronically stored information is secured and the investigations that have been performed on the information.

6. Outcomes of investigations

The outcome of reported, detected or reasonably suspected breaches of this programme will typically fall into one of the following categories:

- termination of the matter;
- internal referral of the matter for further treatment; or
- referral of the matter to the appropriate authorities and/or regulatory agency.