

## **TATA POWER DDL GIFT & HOSPITALITY POLICY**

Tata Power Delhi Distribution Limited (TPDDL) recognizes the need for supporting special customary of exchange of gifts with people with whom we do business with is not unusual and is considered acceptable. The receipt and giving of gifts is part of normal social exchange. Such exchange is neither irregular nor is it unusual.

### **Principles for acceptance of gifts/benefits**

A gift or benefit may be accepted only if it complies with all of the following principles:

It does not influence, or have the potential to influence, an employee in such a way as to compromise or appear to compromise integrity and impartiality or to create a conflict of interest or perception of conflict of interest;

### **Principles for non-acceptance of gifts/benefits**

The gift or benefit may not be accepted or given if any of the following principles apply:

It is intended—or is likely—to cause the recipient or donor to act in a partial manner in the course of their duties; or

The donor would apprehend that the recipient may be under obligation to the donor; or

It is not offered openly; or

It is an offer of money or anything readily convertible to money—for example, shares.

### **The policy will apply to all employees of TPDDL (including contractual staff):**

- 1) Gifts could be either solicited or unsolicited. The Company, regardless of the circumstances, does not permit the soliciting of gifts. This policy defines the circumstances under which unsolicited gifts either in India or abroad can be accepted and retained.
- 2) The circumstances under which gifts might be received fall into various categories.
  - i. Gifts received on New Year and other festive occasions.
  - ii. Gifts received on occasions of wedding of self or children.
  - iii. Gift vouchers / gift cheques/honorarium/ memento received in recognition of a professional contribution made by the recipient, such as for making a presentation, conducting a training programme / workshop for a professional and academic institution, Multilateral Agencies, Government bodies, Organizations/ Companies.
  - iv. Gifts received on the occasion of a terminal event such as a transfer or on cessation of employment.
  - v. Gifts of any value received for any other reason (not stated in Sl. No.1 to 4, approval to be taken from the Chief Ethics Counsellor).

- vi. Arrangement of travel by the interested party (Multilateral Agencies, Government bodies, Organizations/ Companies)

3) Declaration regarding receipt of gift:

In all instances, the recipient of a gift will make a declaration stating the description of the gift that has been received, the estimated value of the gift and the circumstances or occasion (refer [2] above) for which the gift was received and particulars of donor. Such declaration should be submitted in the office of Chief Ethics Counsellor and the respective Functional head within 15 days of the receipt.

4) Kind of Gift

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

- Articles of only an edible nature for festive occasions, e.g. in item 2 (i).
- Articles of use in an office such as table clocks, stationery, desk accessories with Company's logo in item 2 (i).
- Gift worth upto Rs.3000/- for wedding only in item 2(ii).
- Gift vouchers / Gift cheques/ honorarium/ memento only in the case of professional contribution in item 2(iii).

5) Circumstances under which gifts can be accepted:

- Receipt of Cash Gift (from employees): Only in the case of retirement or cessation of employment. Cash gift from fellow employee (s) (no limit) can be retained by employees. If it is from outsider, then gift beyond Rs. 2000/- needs to be deposited with TPDDL.
- However, in the case of transfers outside Delhi, collective gift in kind can be received. The value limit is not applicable in such cases.

6) Gifts received in recognition of a professional contribution made by the recipient, such as for making a presentation, conducting a training programme/workshop for a professional and academic institution, Multilateral Agencies, Government bodies, Organizations/ Companies, etc. where the receipt of gift is in gift vouchers and memento / gift of value upto Rs. 10,000/-, the recipient may be permitted to retain the same and the overall limit will be restricted to Rs. 10000/- per financial year. Any tax liability on the same shall be borne by the employee in such cases. If the value of cheque/gift voucher is higher than Rs. 10,000/-, amount more than Rs.10000/-, shall be passed on to TPDDL. All such cases should be informed to the Chief Ethics Counsellor. **No cash to be received.**

7) Receipt of gift from parties having business relationship with the Company including gifts from subordinates could derive benefits from the recipient should only be of a value up to Rs. 2000/-. Illustrative categories of parties with business relationships with the Company would be vendors, dealers, contractors, consultant and customers etc. However, all such gifts should have donor's Company's logo or business identity.

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

While dealings with vendors, TPDDL employees will have to ensure the following:

- No airline travel, whether domestic or international, is to be accepted from vendor without prior approval of CEO&ED. Such request may be for attending seminars/ conferences/ business meets, etc. which is being organized by the vendor.
  - No overnight accommodation is to be accepted from vendor without prior approval of CEO&ED. Such request may be for attending seminars/ conferences/ business meets, etc. which is being organized by the vendor.
  - Interaction with vendors must take place in locations / establishments generally recognized as appropriate for the conduct of business. Interactions in adult entertainment clubs or at adult / inappropriate events are expressly prohibited.
- 8) No gifts should be accepted from any person or party who is in default of the Company in any manner. By way of illustration, parties in default would be parties from whom moneys are overdue or parties with whom the Company is engaged in litigation and parties against whom disciplinary action has been taken. It is desirable that the recipient should check the status of the parties from Head of Contracts & Procurement and Head of Finance) to make sure that the provisions of the above clause are not contravened.
- 9) It is recognized that at times gift exceeding the value caps contained in this policy are to be received as the return of these gifts may cause embarrassment. This situation may occur specially during overseas visit of our officers where sometimes expensive gifts are given by the overseas hosts. In this situation, the recipient should surrender the gift at the earliest to the Company. The Company will decide the procedure for utilization of such gifts.
- 10) The Company considers it good practice to share gifts of a nature, which an employee is permitted to receive, such as gifts of an edible nature, with fellow employees. The nature of the gift permitting, it would also be good practice to use gifts in the office.
- 11) Guidelines for giving gifts:
- i) Permissible gifts like eatables, sweets etc. can be given on festive occasions as a customary practice, in spirit of goodwill and relationship development. However, the value of such gift should not be higher than Rs. 2000/-.
  - ii) Employees must refrain from giving any gifts that imply soliciting a favorable response in future dealings with that company/ agency.
  - iii) Money in any form, valuables and vouchers for exchange etc. are strictly non-permissible gifts. Therefore, such gifts should not be made to any level of officers in the Government or any other organization, in order to facilitate/ speed up a process
  - iv) Employees are strictly not permitted to send any gifts at the residence of representatives of agencies, suppliers, distributors, service providers, etc.
- 12) Violation:
- i) Not abiding with this policy would constitute violation of Clause No. 5 of the Tata Code of Conduct (TCoC). Prompt action will be taken against violations.
  - ii) Employees are expected to report all violations to the Chief Ethics Counsellor/ Locational Ethics Counsellors. Failure to report a violation would

constitute withholding of information and would in turn be a violation of Clause No.25 of the Tata Code Conduct (TCoC)

- iii) Any deviation from this policy must be supported by appropriate rationale and must be duly approved by CEO&ED who is also the Principal Ethics Officer. In any case, in dealing with such deviations, the spirit of the TCoC should in no case be compromised.
- iv) If it is determined that an employee / associate has violated this policy, appropriate action including termination of the employee's / associate's employment or association with TPDDL may be decided upon.

In case of any clarification / interpretation of this policy, the employee should contact the office of Chief Ethics Counsellor, TPDDL.

This policy will become effective with immediate effect.