

VIGIL MECHANISM

1. Preface

- a) The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company lays down a set of principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the principles and standards, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Employees, Directors and its stakeholders in pointing out such violations cannot be undermined.
- b) Section 177 (9) & (10) read with rule 7 of Chapter XII of the Companies Act, 2013 mandates the following classes of companies to constitute a Vigil Mechanism:–
 - Every listed company;
 - Every other company which accepts deposits from the public;
 - Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

for the directors and employees .

- c) Accordingly, this Vigil Mechanism has been formulated with a view to provide a mechanism for the Directors, employees and stakeholders of the Company to approach the Chief Ethics Counsellor/ Chairman of the Audit Committee of the Company to report concerns of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. This Mechanism shall provide adequate safeguards against victimization of persons who use such mechanism and shall also ensure direct access to the Chief Ethics Counsellor or Chairman of the Audit Committee in appropriate or exceptional cases.

2. Definitions

The definitions of some of the key terms used in this Policy are given below.

- a) **“Associates”** means and includes vendors, suppliers and others with whom the Company has any financial or commercial dealings.
- b) **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
- c) **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors of the Company.
- d) **“Director”** means every Director of the Company, past or present.
- e) **“Stakeholders”** means every Consumer/prospective Consumer, Contractual employees, Business Associates (who have business dealings with TATA Power-DDL).
- f) **“Ethics Counsellor”** means Chief Ethics Counsellor.

- g) **“Investigators”** means those persons authorized, appointed, consulted or approached by the Chief Ethics Counsellor/ Chairman of the Audit Committee and includes the auditors of the Company and the police.
- h) **“Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. However, the Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- i) **“Subject”** means a person against or in relation to whom a Disclosure has been made or evidence gathered during the course of an investigation.

3. Scope

- a) This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company’s rules/policies/guidelines, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activities on account of which the interest of the Company is affected and formally reported by employees/Directors/stakeholders.
- b) The role of complainant is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- c) Complainant should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chief Ethics Counsellor or the Chairman of the Audit Committee or the Investigators.
- d) Disclosure will be appropriately dealt with by the Chief Ethics Counsellor or the Chairman of the Audit Committee, as the case may be.

4. Eligibility

All Employees, Directors, Associates, BA Employees, Consumers and other stakeholders are eligible to make Disclosures under this mechanism. The Disclosures may be in relation to matters concerning the Company.

5. Procedure

- a) All Disclosures, where major financial/accounting matters are involved, should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- b) In respect of all other Disclosures, those concerning the Chief Ethics Counsellor and employees at the level of Vice President and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees should be addressed to the Chief Ethics Counsellor of the Company.
- c) If a Disclosure is received by any executive of the Company other than Chairman of Audit Committee or the Chief Ethics Counsellor, the same shall be forwarded to the Company’s Chief Ethics Counsellor or the Chairman of the Audit

Committee for further appropriate action. Appropriate care shall be taken to keep the identity of the complainant confidential.

- d) The contact details of the Chairman of the Audit Committee and of the Chief Ethics Counsellor of the Company are as under:

Mr. Amar Jit Chopra, Chairman - Audit Committee

C/o. Chief Ethics Counsellor.
NDPL House,
Hudson Lines, Kingsway Camp,
Delhi – 110 009
E-mail: ethics@tatapower-ddl.com

Mr. Sunil Kumar Sharma

Chief Ethics Counsellor
TATA Power-DDL District Office
Inder Puri, Opposite Pusa Institute,
Delhi – 110 012
Mob.: 9650095504
E-mail: SunilK.Sharma@tatapower-ddl.com

- e) The complainant can make the disclosures through any of the following means available in the Company:
- Online Ethics Portal through website
 - IVRS (66404040)
 - E-mail (ethics@tatapower-ddl.com)
- f) Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- g) Disclosure should **preferably be reported in writing** so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Complainant.

6. Investigation

- a) All Disclosures reported under this Policy will be thoroughly investigated by the Chief Ethics Counsellor / Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee. If any member of the Audit Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and the other members of the Audit Committee should deal with the matter on hand.
- b) The Chief Ethics Counsellor / Chairman of the Audit Committee may at his/her discretion, consider involving any Investigators for the purpose of investigation.
- c) The decision to conduct an investigation taken by the Chief Ethics Counsellor / Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the complainant that an improper or unethical act was committed.

- d) **Anonymous** complaint which does not disclose the identity of the complainant shall be investigated only if it merits appropriate consideration, or contains sufficient leads or particulars to enable the taking of further action.
- e) On receipt of the complaint through any of the means, Chief Ethics Counsellor/ Audit Committee Chairman shall make a record of the disclosure and carry out the preliminary analysis. Chief Ethics Counsellor/ Chairman of Audit Committee shall carry out investigation either himself or at its discretion by involving any other official of the Company or an outside agency as it may deem fit based on the severity of complaint. Chief Ethics Counsellor will ensure proper system and procedures are in place to monitor the process and ensure the resolution in a time bound manner.
- f) The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- g) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- h) It shall be duty of the Subjects to co-operate with the Chief Ethics Counsellor / Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- i) Subjects have a right to consult with a person or persons of their choice, other than the Chief Ethics Counsellor / Investigators and/or members of the Audit Committee and/or the Complainant. Subjects shall be free at any time to engage Counsel at their own cost to represent them in the investigation proceedings.
- j) Subjects shall not interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- k) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- l) Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- m) The investigation shall be completed normally within 45 days and not more than 90 days, of the receipt of the Disclosure. Sufficient monitoring shall be done to avoid delay in investigation process.
- n) The investigation team shall submit the enquiry report with the findings and recommendation to the Management for taking necessary action.

7. Protection

- a) No unfair treatment will be meted out to a Complainant by virtue of his/her having reported a Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Complainants. Complete protection

will, therefore, be given to Complainants against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Complainant's right to continue to perform his duties/functions including making further Disclosure(s). The Company will take steps to minimize difficulties, which the Complainant may experience as a result of making the Disclosure. Thus, if the Complainant is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Complainant to receive advice about the procedure.

- b) A Complainant may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- c) The identity of the Complainant shall be kept confidential to the extent possible and permitted under law. Complainants are cautioned that their identity may become known for reasons outside the control of the Chief Ethics Counsellor / Chairman of the Audit Committee (e.g. during investigations carried out by Investigators).
- d) Any other Employee assisting in the said investigation shall also be protected to the same extent as the Complainant.

8. Disqualifications

- a) While it will be ensured that genuine complainants are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a complainant knowing it to be false or bogus or with a mala fide intention.
- c) Complainant(s), who make three or more Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Disclosures under this Policy. In respect of such complainants, the Company/Audit Committee would reserve its right to take/ recommend appropriate disciplinary action.

9. Investigators

- a) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Chief Ethics Counsellor / Audit Committee when acting within the course and scope of their investigation.
- b) Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- c) Investigations will be launched only after a preliminary review which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct, and

- ii. either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

10. Decision

If an investigation leads the Chief Ethics Counsellor / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chief Ethics Counsellor / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chief Ethics Counsellor / Chairman of the Audit Committee deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

11. Reporting

The Chief Ethics Counsellor shall submit a report to the Audit Committee on a regular basis about all Disclosures referred to him/her with results of investigations, if any.

12. Retention of documents

All Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

13. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the employees, Directors and all concerned unless the same is notified to the employees in writing or in the same manner as notified originally/published on website.