



**Power Grid Corporation of India Limited
(A Government of India Enterprise)**

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**CODE OF BUSINESS CONDUCT AND ETHICS
FOR BOARD MEMBERS**

POWER GRID CORPORATION OF INDIA LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS

1. INTRODUCTION

- 1.1 This Code of Conduct ("this Code") shall be called "The Code of Business Conduct and Ethics for Board Members" of Power Grid Corporation of India Limited (POWERGRID) hereinafter referred to as "the Company".
- 1.2 This code is in alignment with the Mission & Objectives of the Company and aims at enhancing ethical and transparent process in managing the affairs of the Company.
- 1.3 The Company currently has Conduct, Discipline & Appeal Rules ("CDA Rules"), which govern the conduct of all permanent employees of the Company including Whole-time Directors but excluding Non Whole-time Directors and those governed by the Standing Orders under the Industrial Employment (Standing Orders) Act, 1946. This Code for Board Members has been framed specifically in compliance with the provisions of Regulation 17 (5) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the Guidelines of DPE. In respect of Whole-time Directors this Code is to be read in conjunction with the CDA Rules.
- 1.4 It shall come into force with immediate effect.

2. DEFINITIONS AND INTERPRETATION

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

- 2.1 The term "Board / Board of Directors" shall mean the Board of Directors of the Company.
- 2.2 The term "Board Members" shall mean the Directors on the Board of Directors of the Company.
- 2.3 The term "Whole-time Directors" or Functional Directors shall mean the Board Members who are in whole-time employment of the Company.
- 2.4 The term 'Part time Directors' or "Non-Whole-time Directors" shall mean the Board Members who are not in whole time employment of the Company which includes Independent Director as defined in Section 2(47) of the Companies Act, 2013.
- 2.5 The term "Relative" shall mean 'relative' as defined in Section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of definitions details) Rules, 2014. **(Refer Appendix-I)**
- 2.6 The term "Conflict of Interest" means where the interests or benefits of one person or entity conflict with the interests or benefits of the company.

- 2.7 The Term “Public Spokesperson” shall mean the Officer of the Company nominated as such under the Code of Corporate Disclosure Practices for Prevention of Insider Trading.

In this Code words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

3. APPLICABILITY

This Code shall be applicable to the following persons:

- a) All Whole-time Directors including Chairman and Managing Director.
- b) All Part time / Non Whole-time Directors including Independent Directors unless specifically exempted from some provisions of this Code.

Part I

4. KEY REQUIREMENTS

Board Members shall act within the authority conferred upon them, keeping the best interests of the Company in view and observe the following:

- i) shall ensure that the products of the Company shall be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others
- ii) shall be alert to, and make others aware of, both a legal and a moral responsibility for the safety and the protection of human life and environment.
- iii) shall uphold the values of equality, tolerance, respect for others, and the principles of equity & justice.
- iv) shall not discriminate on the basis of race, sex, religion, caste, age, disability, national origins or other such factors.
- v) Shall act with utmost care, skill, diligence and integrity.
- vi) Shall act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised.
- vii) Shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his opinion is likely to arise.
- viii) Shall make disclosures to the Board relating to all material financial and commercial transactions, if any, where they have personal interest that may have a potential conflict with the interest of the company at large.
- ix) Shall not, in his official capacity, enter into business with

- (a) a relative or
 - (b) a Private Limited Company in which he or his relative is a Member or a Director
 - (c) a Public Limited Company in which he or his relative holds 2% or more paid-up share capital and
 - (d) with a firm in which the relative is a partner, except with the prior approval of the Board unless otherwise permitted by law.
- x) Shall avoid having any personal and/or financial interest in any business dealings concerning the Company.
 - xi) Shall avoid any dealing with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board Members/ Company.
 - xii) Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company.
 - xiii) Shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors of the Company and the Board declines to pursue such opportunity and allow him to avail such opportunity.
 - xiv) Shall not seek or accept, directly or indirectly any gift from anyone having business dealings with the Company.
 - xv) Shall not make any statement which has the effect of adverse criticism of any policy or action of the Government or of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders.

Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him.

- xvi) Shall not commit any offence involving moral turpitude.
- xvii) Help create and maintain a culture of high ethical standards and commitment to compliance;
- xviii) Keep the Board informed in an appropriate and timely manner any information in the knowledge of the member which is related to the decision making or is otherwise critical for the company.
- xix) Treat the other members of the Board and other persons connected with the Company with respect, dignity, fairness and courtesy.

5.0 Pledge & Practice

The Directors shall:

- I. Strive continuously to bring about integrity and transparency in all spheres of the activities.
- II. Work unstintingly for eradication of corruption in all spheres of life.
- III. Remain vigilant and work towards growth and reputation of the Company.
- IV. Bring pride to the organization and provide value-based services to Company's stakeholders.
- V. Do duty conscientiously and without fear or favour.

PART II

6.0 Specific Professional Responsibilities

6.0.1 Live the Objectives, Mission and Values of POWERGRID- each day

Live the Objectives, Mission and Values of Power Grid Corporation of India Ltd. each day.

Objectives

The Corporation has set following objectives in line with its mission and its status as "Central Transmission Utility" to:

- Undertake transmission of electric power through Inter-State Transmission System.
- Discharge all functions of planning and coordination relating to Inter-State Transmission System with-
 - (i) State Transmission Utilities;
 - (ii) Central Government;
 - (iii) State Government;
 - (iv) Generating Companies;
 - (v) Regional Power Committees;
 - (vi) Authority;
 - (vii) Licensees;
 - (viii) Any other person notified by the Central Government in this behalf.
- To ensure development of an efficient, coordinated and economical system of inter-state transmission lines for smooth flow of electricity from generating stations to the load centers.
- Efficient Operation and Maintenance of Transmission Systems.

- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.
- Provide consultancy services at national and international levels in transmission sector based on the in-house expertise developed by the organization.
- Participate in long distance Telecommunication business ventures.
- Ensure principles of Reliability, Security and Economy matched with the rising/desirable exception of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

Vision

“World Class, Integrated, Global Transmission Company with Dominant Leadership in Emerging Power Markets Ensuring Reliability, Safety and Economy”

Mission

“We will become a Global Transmission Company with Dominant Leadership in Emerging Power Markets with World Class Capabilities by:

1. World Class: Setting superior standards in capital project management and operations for the industry and ourselves.
2. Global: Leveraging capabilities to consistently generate maximum value for all stakeholders in India and in emerging and growing economies.
3. Inspiring, nurturing and empowering the next generation of professionals.
4. Achieving continuous improvements through innovation and state of the art technology.
5. Committing to highest standards in health, safety, security and environment.”

Values

- Zeal to excel and zest for change
- Integrity and fairness in all matters
- Respect for dignity and potential of individuals
- Strict adherence to commitments
- Ensure speed of response
- Foster learning, creativity and team-work
- Loyalty and pride in POWRGRID

- 6.1 **Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work** : Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

- 6.2 **Acquire and maintain professional competence** : Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are, therefore, expected to participate in setting standards for appropriate levels of competence, and strive to achieve those standards.
- 6.3 **Accept and provide appropriate professional review** : Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of theirs.
- 6.4 **Manage personnel and resources to enhance the quality of working life:** Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members would be reasonable for ensuring human dignity of all employees, would encourage and support the professional development of the employees of POWERGRID by providing them all necessary assistance and cooperation, thus enhancing the quality of working.
- 6.5 **Observe Corporate Discipline:-** The flow of communication within POWERGRID is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.
- 6.6 **Conduct in a manner that reflects credit to the Company:-** All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behaviour has bearing on the standing of Company and the way in which it is perceived within the organization and by the public at large.
- 6.7 **Be accountable to Company's stakeholders:-** All of those whom we serve, be it our Customers, without whom the Company will not be in business, the Shareholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Company to deliver in time and Society to which Company is responsible for its actions – are stakeholders of the Company. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.
- 6.8 **Identify, mitigate and manage business risks:-** It is everybody's responsibility to follow the Risk Management Framework of the Company to identify the business risks that surround function or area of operation of the Company and to assist in the company-wide process of managing such risks, so that Company may achieve its wider business objectives.

7. COMPLIANCE OF LAW

The Board Members shall comply with all provisions of existing local, state, national, and international laws, rules and regulations relating to the business

of the Company. They should also follow and obey the policies, procedures, rules and regulations relating to business of the Company.

8. OTHER DIRECTORSHIPS

Unless specifically permitted by the Board, the Board Members shall not serve as Director of any other Company or as Partner of a Firm that is engaged in a business competing with the Company or with which the Company has business relations. This clause is not applicable to Ex-officio Government Nominee Directors.

The Board members shall undertake to inform the Chairman and Managing Director/ Company Secretary of the Company of any changes in their other Board positions, relationship with other business and other events/ circumstances/ conditions that may interfere with their ability to perform Board/ Board Committee duties or may impact the judgement of the Board as to whether they meet the independence requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines of DPE.

The Board members shall undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company.

The Board Members shall not accept any appointment or post, whether advisory or administrative, carry on business in any company or firm, whether Indian or Foreign, having competitive nature of business (other than (i) Joint Venture Companies with management control vested in POWERGRID and (ii) Subsidiary Companies of POWERGRID) or with which the Company has or had business relations, within one year from the date of cessation of Directorship/service of the Company unless approved by the Government in case of Whole-time Directors, Board of Directors in case of Non Whole-time Directors.

9. RESPONSIBILITIES OF THE BOARD

1. Disclosure of Information

- a. Members of the Board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- b. The Board and top management should conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

2. Key functions of the Board

The board should fulfill certain key functions, including:

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b. Monitoring the effectiveness of the company's governance practices and making changes as needed.
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.
- e. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing Board Evaluation framework.

3. Other responsibilities

- a. The Board should provide the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.
- b. The Board should set a corporate culture and the values by which executives throughout a group will behave.
- c. Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.
- d. The Board should encourage continuing directors training to ensure that the Board members are kept up to date.
- e. Where Board decisions may affect different shareholder groups differently, the Board should treat all shareholders fairly.
- f. The Board should apply high ethical standards. It should take into account the interests of stakeholders.

- g. The Board should be able to exercise objective independent judgement on corporate affairs.
- h. Boards should consider assigning a sufficient number of non-executive Board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- i. The Board should ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the company to excessive risk.
- j. The Board should have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the company's focus.
- k. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.
- l. Board members should be able to commit themselves effectively to their responsibilities.
- m. In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.
- n. The Board and senior management should facilitate the Independent Directors to perform their role effectively as a Board member and also a member of a committee.

10. DUTIES OF DIRECTORS:

- (1) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (2) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (3) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (4) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

- (5) A director of a company shall not assign his office and any assignment so made shall be void.

11. GUIDELINES OF PROFESSIONAL CONDUCT FOR INDEPENDENT DIRECTORS:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

12. ROLE AND FUNCTIONS OF INDEPENDENT DIRECTORS:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

13. DUTIES OF INDEPENDENT DIRECTORS:

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

14. LIABILITY OF INDEPENDENT DIRECTORS:

An independent director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. PREVENTION OF INSIDER TRADING

The Board Members shall comply with the Code of Internal Procedures and conduct for prevention of Insider Trading in dealing with securities of the Company.

16. CORPORATE DISCLOSURE PRACTICES

The Code of Corporate Disclosure Practices for Prevention of Insider Trading regulates disclosure of “Unpublished Price Sensitive Information”.

The Public Spokesperson is responsible for overseeing and co-ordinating disclosure of “Unpublished Price Sensitive Information” to stock exchanges, analysts, shareholders and media including drafting of the press release or the text of the information to be posted on the Company’s web-site/released to the press with the approval of the Director (Finance). No person except the Public Spokesperson or those authorized by the Public Spokesperson, shall disclose any information relating to the Company’s Securities to analysts/research persons and institutional investors. The Board Members shall comply with the Code of Corporate Disclosure Practices.

17. RELATED PARTY DISCLOSURES

The Board Members shall make disclosure of related party transactions to the Board of Directors in the format provided under Indian Accounting Standard (Ind AS) 24 (**Appendix II**) notified by the Ministry of Corporate Affairs (MCA) and/or any modification or recodification thereof.

18. CONFIDENTIALITY OF INFORMATION

Subject to the Code of Corporate Disclosure Practices as may be prevalent in the Company from time to time any information concerning the Company’s business, its customers, suppliers, etc. to which the Board Members have access or which are in their possession, must be considered confidential and held in confidence. No Board Member shall provide any information either

formally or informally, to the press or any other media, unless specifically authorized. Provided that Board Members shall in consultation/under intimation to the Public Spokesperson of the Company be free to disclose such information which is:

- (a) part of the public domain at the time of disclosure; or
- (b) authorised or required to be disclosed pursuant to a decision of the Board or any of its Committees/ Sub-Committees; or
- (c) required to be disclosed in accordance with applicable laws, rules, regulations, guidelines, or directions from the Ministry of Power.

19. PROTECTION OF ASSETS

The Board Members shall protect the Company's assets including physical assets, information and intellectual rights and shall not use the same for personal gain.

20. AMENDMENTS TO THE CODE

The provisions of this Code can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/ modifications shall take effect from the date stated therein.

21. PLACEMENT OF THE CODE ON WEBSITE

Pursuant to Regulation 46 (2) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Code and any amendment thereto shall be hosted on the website of the Company.

22. ANNUAL COMPLIANCE REPORTING

22.1 In terms of Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members shall affirm compliance of this Code within 30 days of close of every financial year. The Annual Report of the company shall contain a declaration to this effect signed by the Chairman & Managing Director. A proforma of Annual Compliance Report is at **Appendix-III**. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Director leaves the Company any time during a financial year, he shall send a communication to Company Secretary affirming compliance of the Code till the date of his association with POWERGRID.

22.2 The Chairman & Managing Director of the Company and the Whole Time Finance Director or any other person heading the finance function shall certify to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of this Code.

23. ENFORCEMENT OF CODE OF CONDUCT

Each Board Member shall be accountable for fully complying with this Code.

24. CONSEQUENCES OF NON- COMPLIANCE OF THIS CODE

24.1 In case of breach of this Code by the Non Whole-time Directors, the same shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary.

24.2 In case of breach of this Code by the Whole-time Directors, the same shall be dealt with in accordance with the CDA Rules of the Company.

25. WHERE TO SEEK CLARIFICATIONS

Any member of Board requiring any clarification regarding this code of conduct may contact Company Secretary/ any officer specifically designated by the Board of Directors.

26. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE

All Board Members shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as at **Appendix-IV** and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this code.

POWER GRID CORPORATION OF INDIA LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS

EXTRACT OF SECTION 2 (77) OF THE COMPANIES ACT, 2013

Meaning of “relative”

2 (77) “relative”, with reference to any person, means any one who is related to another, if –

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed;

List of relatives in terms of clause (77) of section 2.- A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

- (1) Father:
Provided that the term “Father” includes step-father.
- (2) Mother:
Provided that the term “Mother” includes the step-mother.
- (3) Son:
Provided that the term “Son” includes the step-son.
- (4) Son’s wife.
- (5) Daughter.
- (6) Daughter’s husband.
- (7) Brother:
Provided that the term “Brother” includes the step-brother;
- (8) Sister:
Provided that the term “Sister” includes the step-sister.

POWER GRID CORPORATION OF INDIA LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS

The Board Members shall disclose the following, in respect of all transactions with related parties, as covered in Ind AS -24 notified by MCA:

- (i) the name of the transacting related party;
- (ii) a description of the relationship between the parties;
- (iii) a description of the nature of transactions;
- (iv) volume of the transactions either as an amount or as an appropriate proportion;
- (v) any other elements of the related party transactions necessary for an understanding of the financial statements.

Signature :

Name

Designation

Date :

Place :

Note: The following are illustrative and not exhaustive list of examples of the related party transactions in respect of which disclosures should be made by Board Members:

- (a) purchases or sales of goods (finished or unfinished);
- (b) purchases or sales of property and other assets;
- (c) rendering or receiving of services;
- (d) leases;
- (e) transfers of research and development;
- (f) transfers under licence agreements;
- (g) transfers under finance arrangements (including loans and equity contributions in cash or in kind);
- (h) provision of guarantees or collateral;
- (i) commitments to do something if a particular event occurs or does not occur in the future, including executory contracts¹ (recognised and unrecognised);
- (j) settlement of liabilities on behalf of the entity or by the entity on behalf of that related party; and
- (k) management contracts including for deputation of employees.

POWER GRID CORPORATIN OF INDIA LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS

ANNUAL COMPLIANCE REPORT*

I,.....(name),.....(designation), having read and understood the Code of Business Conduct and Ethics for Board Members, hereby solemnly affirm that I have complied with and have not violated any of the provisions of the Code during the year ended 31st March

Signature:.....

Name :.....

Designation :.....

Date :.....

Place :.....

*** To be submitted by 30th April each year.**

POWER GRID CORPORATION OF INDIA LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS

ACKNOWLEDGEMENT FORM

I, have received and read the Company's "CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS" ("this Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this code.

If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of POWERGRID or the legal and regulatory requirements applicable to my job, I know I can consult Director or Company Secretary, POWERGRID knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide following Affirmation on an Annual basis to the Company within 30 days from the end of 31st March every year.

AFFIRMATION

(By Board Members of the Company on Annual basis by 30th April of every year)

I,.....(name),.....(designation), having read and understood the Code of Business Conduct and Ethics for Board Members, hereby solemnly affirm that I have complied with and have not violated any of the provisions of the Code during the year ended 31st March

Signature:
Name :.....
Designation:.....

Date :.....
Place :.....