



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

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**CODE OF BUSINESS CONDUCT AND  
ETHICS FOR SENIOR MANAGEMENT  
PERSONNEL**

# **POWER GRID CORPORATION OF INDIA LIMITED**

## **CODE OF BUSINESS CONDUCT AND ETHICS FOR SENIOR MANAGEMENT PERSONNEL**

### **1. INTRODUCTION**

- 1.1 This Code of Conduct (“this Code”) shall be called "The Code of Business Conduct and Ethics for Senior Management Personnel" of POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID) hereinafter referred to as “the Company”.
- 1.2 This code is in alignment with Company’s Mission & Objectives 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 and those governed by the Standing Orders under the Industrial Employment (Standing Orders) Act, 1946. This Code for Senior Management Personnel 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. 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 “Senior Management Personnel” shall mean employees of the Company who are members of its core management team excluding Board of Directors and would comprise all Executive Directors, General Managers, Heads of Regions and Regional Load Despatch Centers, Company Secretary and other Functional Head(s), if reporting directly to a Director.

- 2.3 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)**
- 2.4 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.
- 2.5 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:

Senior Management Personnel as defined in clause 2.2 of this Code.

## **PART I**

### **4. KEY REQUIREMENTS**

The Senior Management Personnel 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 Chairman & Managing Director 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 Chairman & Managing Director 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/ Senior Management Personnel/ 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 Chairman & Managing Director 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 Senior Management Personnel,

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 Senior Management 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 Senior Management Personnel 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 Chairman & Managing Director, the Senior Management Personnel 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.

Senior Management Personnel 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 Senior Management Personnel 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.

Senior Management Personnel shall obtain prior approval of the Chairman & Managing Director of the Company for accepting Directorship of any other company or partnership of a firm.

The Senior Management Personnel 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 service of the Company unless approved by the Chairman & Managing Director.

## **9. PREVENTION OF INSIDER TRADING**

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

## **10. 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 Senior Management Personnel shall comply with the Code of Corporate Disclosure Practices.

#### **11. RELATED PARTY DISCLOSURES**

The Senior Management Personnel shall make disclosure of related party transactions to the Chairman & Managing Director 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.

#### **12. 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 Senior Management Personnel have access or which are in their possession, must be considered confidential and held in confidence. No Senior Management Personnel shall provide any information either formally or informally, to the press or any other media, unless specifically authorized. Provided that Senior Management Personnel 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 Sub-Committees; or
- (c) required to be disclosed in accordance with applicable laws, rules, regulations, guidelines, or directions from the Ministry of Power.

#### **13. PROTECTION OF ASSETS**

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

#### **14. 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.

#### **15. 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.

#### **16. ANNUAL COMPLIANCE REPORTING**

16.1 In terms of Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Senior Management Personnel 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 Senior Management Personnel 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.

16.2 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.

#### **17. ENFORCEMENT OF CODE OF CONDUCT**

Each Senior Management Personnel shall be accountable for fully complying with this Code.

#### **18. CONSEQUENCES OF NON- COMPLIANCE OF THIS CODE**

In case of breach of this Code by the Senior Management Personnel, the same shall be dealt with in accordance with the CDA Rules of the Company.

**19. WHERE TO SEEK CLARIFICATIONS**

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

**20. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE**

All Senior Management Personnel 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.

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**POWER GRID CORPORATION OF INDIA LIMITED**  
**CODE OF BUSINESS CONDUCT AND ETHICS FOR SENIOR MANAGEMENT**  
**PERSONNEL**

**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 SENIOR MANAGEMENT PERSONNEL**

The Senior Management Personnel 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 Senior Management Personnel:

- (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 contracts<sup>1</sup> (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 CORPORATION OF INDIA LIMITED**

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**ANNUAL COMPLIANCE REPORT\***

I,.....(name),.....(designation), having read and understood the Code of Business Conduct and Ethics for Senior Management Personnel, hereby solemnly affirm that I have complied with and have not violated any of the provisions of the Code during the year ended 31<sup>st</sup> March .....

**Signature:.....**

**Name :.....**

**Designation :.....**

Date :.....

Place :.....

**\* To be submitted by 30<sup>th</sup> April each year.**

**POWER GRID CORPORATION OF INDIA LIMITED**

**CODE OF BUSINESS CONDUCT AND ETHICS FOR SENIOR MANAGEMENT PERSONNEL**

**ACKNOWLEDGEMENT FORM**

I ....., have received and read the Company's "CODE OF BUSINESS CONDUCT AND ETHICS FOR SENIOR MANAGEMENT PERSONNEL" ("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 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 31<sup>st</sup> March every year.

**AFFIRMATION**

(By Senior Management Personnel of the Company on Annual basis by 30<sup>th</sup> April of every year)

I,.....(name),.....(designation), having read and understood the Code of Business Conduct and Ethics for Senior Management Personnel, hereby solemnly affirm that I have complied with and have not violated any of the provisions of the Code during the year ended 31<sup>st</sup> March .....

**Signature:** .....

**Name :**.....

**Designation:**.....

Date :.....

Place :.....