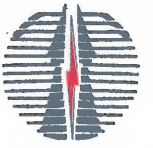


पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड

(भारत सरकार का उद्यम)

POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)



पावरग्रिड

केन्द्रीय कार्यालय: "सौदामिनी" प्लॉट सं. 2, सेक्टर-29, गुडगाँव-122 001, (हरियाणा) दूरभाष: 0124-2571700-719, फैक्स : 0124-2571762,  
"Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001, (Haryana) Tel.: 0124-2571700-719, Fax: 0124-2571762, Web.: www.powergridindia.com

CIN : L40101DL1989GOI038121

16<sup>th</sup> April, 2019

To  
GM (Listing)  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400 051.

To  
GM (Listing),  
Listing Department  
BSE Limited  
Firoze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

Dear Sir,

**Subject: Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring & Reporting of Trading in Securities of Power Grid Corporation of India Limited. (Effective from 01.04.2019).**

**Ref: Symbol: POWERGRID; Series: EQ; ISIN: INE752E01010**

Please find attached copy of amended Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring & Reporting of Trading in Securities of Power Grid Corporation of India Limited. (Effective from 01.04.2019), approved by the Board of Directors.

This is being informed in terms of Regulation 8(2) of the SEBI (prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

Thanking you.

Yours faithfully,

  
(Divya Tandon)

**CGM & Company Secretary - Compliance Officer**

Encl : as above.

पंजीकृत कार्यालय: बी-9, कूतब इंस्टीट्यूशनल एरिया, कटवारिया सराय, नई दिल्ली-110016 दूरभाष: 011-26560112, 26560121, 26564812, 26564892, फैक्स: 011-26601081  
Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel.: 011-26560112, 26560121, 26564812, 26564892, Fax: 011-26601081, Web.: www.powergridindia.com

स्वहित एवं राष्ट्रहित में ऊर्जा बचाएं  
**Save Energy for Benefit of Self and Nation**



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

CIN: L40101DL1989GOI038121

Regd. Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi -  
110016.

Phone No.: 011-26560112, Fax: 011-26601081

Corp. Off.: "Saudamini", Plot No. 2, Sector-29, Gurgaon-122001 (Haryana)

Phone No.: 0124-2822000-2823000, Fax: 0124-2571762

Website: [www.powergridindia.com](http://www.powergridindia.com),

Email ID: [investors@powergrid.co.in](mailto:investors@powergrid.co.in)

**Code of Practices & Procedures for Fair Disclosure of  
Unpublished Price Sensitive Information  
and  
Conduct for Regulating, Monitoring & Reporting of Trading in  
the Securities of Power Grid Corporation of India Limited**

**[PURSUANT TO REGULATIONS 8 & 9 OF SEBI (PROHIBITION OF INSIDER TRADING)  
REGULATIONS – 2015, as amended vide SEBI (PROHIBITION OF INSIDER TRADING)  
(Amendment) REGULATIONS – 2018]**

**(Effective from 1<sup>st</sup> April,2019)**



## CHAPTER- I

### 1.0 Preliminary:

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the 'Code of Internal Procedures and Conduct for Prevention of Insider Trading in dealing with Securities of Power Grid Corporation of India Limited' was implemented with the effect from 05.10.2007. Thereafter, the Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring & Reporting of Trading by Insiders of Power Grid Corporation of India Limited was implemented w.e.f. 1<sup>st</sup> May, 2015 pursuant to Regulations 8 & 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The aforesaid Code of Conduct was implemented with the aim that 'Designated Persons' shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information (UPS I) about the Company which is not in the public domain and thus constitutes insider information.

Further, SEBI, vide Notification dated 31<sup>st</sup> Decemebr, 2018 notified Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. Pursuant to the said Amended Regulations, this Code of Conduct is modified. These modified Regulations will come into force with effect from 1<sup>st</sup> April, 2019.

The Code of Conduct is uploaded on the website of the Company at <http://www.powergridindia.com/code-conductpolicies>

CMD is authorized to amend this Code, if such amendment(s) are necessitated on account of amendments/circulars etc. issued by SEBI from time to time.

## CHAPTER- II

### 2.0 Definitions:

- 2.1 **“Act”** means the Securities and Exchange Board of India Act, 1992.
- 2.2 **“Associate Company”** means Company as defined in Section 2 (6) of the Companies Act, 2013.
- 2.3 **“Audit Committee”** shall mean Committee of the Board of the Company constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- 2.4 **“Board”** means the Board of Directors of the Company.



- 2.5 **“Code”** means this Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring & Reporting of Trading in Securities of Power Grid Corporation of India Limited (‘POWERGRID’ or ‘Company’) including modifications made thereto from time-to-time by the Company.
- 2.6 **“Company”** means Power Grid Corporation of India Limited or POWERGRID.
- 2.7 **“Compliance Officer”** means Company Secretary or such other senior officer, designated so and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the Rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these Regulations under the overall supervision of the Board of Directors of the Company.
- 2.8 **“Connected Person”** means:
- (i) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the Company, whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
  - (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established -
    - (a) an immediate relative of connected persons specified in clause (i); or
    - (b) a Holding Company or Associate Company or Subsidiary Company; or
    - (c) an Intermediary as specified in Section 12 of the Act or an employee or director thereof; or
    - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
    - (e) an official of a stock exchange or of clearing house or corporation; or
    - (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
    - (g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
    - (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
    - (i) a banker of the company; or



- (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest.

2.9 **“Dealing in Securities”** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the Securities of the Company either as principal or agent.

2.10 **“Designated Persons”** (DP) means –

- i) Promoter(s) / Promoter Group(s)
- ii) Designated Employees of the Company which shall include:
  - (a) All Directors and CVO
  - (b) All executives of POWERGRID at the level of E-8 or above i.e. General Manager including those on secondment basis in Subsidiaries and Joint Venture Companies.
  - (c) Officials as mentioned below which might have access to price sensitive information as defined in Code:
    - (i) All executives working in: (1) Company Secretariat Department, (2) Books & Accounts Department, (3) Company Secretary of wholly owned subsidiary companies acquired under TBCB route, (4) Investors Services Cell, (5) STAs and Executive Secretaries to all functional Directors and (6) Executives working in CMD Secretariat.
    - (ii) All the executives at the level of E-6 and above working in the following departments of Corporate Center:
      - i. Finance Department (other than those covered in (ii) (c) (i) above)
      - ii. Corporate Planning
      - iii. Commercial Department
      - iv. Central Transmission Utility
      - v. TBCB Department
      - vi. Regulatory Cell
      - vii. Corporate Communication
      - viii. International Business
      - ix. BDD, JV & PI Department.
    - (iii) such other Employee of the Company, including those on secondment basis in Subsidiaries and Joint Venture Companies that may be notified by the Compliance Officer from time to time with the approval of the Board of POWERGRID; and

**Note:** In case any of any Designated Employee(s), as defined in the Code, separates from the services of the Company due to superannuation / resignation / termination etc. he/she shall continue to be considered as Designated Employee(s) for a further period of six months subsequent to the date of his separation from the Company.



- 2.11 **“Director”** means a member of the Board of Directors of the Company.
- 2.12 **“Employee”** means every employee of the Company including the Directors in the employment of the Company including those on secondment basis in Subsidiaries and Joint Venture Companies.
- 2.13 **“Financially Literate”** means a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account and statement of cash flows.
- 2.14 **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis.
- 2.15 **“Immediate Relative”\*** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.
- 2.16 **“Insider”** means any person who is:
- i) a Connected Person;
  - ii) in possession of or having access to unpublished price sensitive information including in receipt of UPSI.
- 2.17 **“Key Managerial Person”** means person as defined in Section 2(51) of the Companies Act, 2013.
- 2.18 **“Leak of UPSI”** shall refer to such act / circumstance(s) by which an UPSI is made available or becomes available, by any means or mode to any person, association, body, firm, agency, society, entity or to a group thereof, whether registered or otherwise before its official publication or announcement or formal circulation in public domain and which shall also include any purported attempt thereof.
- 2.19 **“Legitimate Purpose”** shall include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
- 2.20 **“Material financial relationship”** shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.
- 2.21 **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

\* This Code is applicable to Immediate Relative(s) of Designated Persons defined in Clause 2.10 of this Code.



- 2.22 **"Promoter Group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- 2.23 **"Proposed to be listed"** shall include securities of an unlisted company:
- (a) if such unlisted company has filed offer documents or other documents, as the case may be, with the Board, stock exchange(s) or registrar of companies in connection with the listing; or
  - (b) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act,2013.
- 2.24 **"Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- 2.25 **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.
- 2.26 **"Takeover Regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- 2.27 **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- 2.28 **"Trading Day"** means a day on which the recognized stock exchanges are open for trading.
- 2.29 **"Unpublished Price Sensitive Information" (UPS I)** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
- (i) financial results;
  - (ii) dividends;
  - (iii) change in capital structure;
  - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
  - (v) changes in key managerial personnel.

Words and expressions used and not defined in these Regulations but defined in the Securities and Exchange Board of India Act,1992 (15 of 1992), the Securities Contracts (Regulation) Act,1956 (42 of 1956), the Depositories Act,1996 (22 of 1996) or the Companies Act,2013 (18 of 2013) and Rules and Regulations made thereunder shall have the meanings respectively assigned to them in those legislations.



## CHAPTER- III

### 3.0 Applicability:

This Code shall be applicable to all Insiders, Designated Persons and Immediate Relatives of Designated Persons described under Clause 2.10 hereinbefore.

## CHAPTER-IV

### 4.0 COMPLIANCE OFFICER:

The Company Secretary shall be the Compliance Officer for the purposes of this Code. In his/her absence, the Assistant Company Secretary/ person next in rank below the Company Secretary in the Company Secretariat, shall act as Compliance Officer. The Compliance Officer should be financially literate as defined under Clause No. 2.13 of this Code.

In order to discharge his/her functions effectively; the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure to effectively discharge his/her functions. In the performance of his/her duties, the Compliance Officer shall have access to all information and documents relating to the Securities, Employees and Unpublished Price Sensitive Information of the Company.

The Compliance Officer shall act as the focal point for dealings with SEBI in connection with all matters relating to the compliance and effective implementation of the Regulations and this Code.

### 4.1 DUTIES OF THE COMPLIANCE OFFICER:

4.1.1. The Compliance Officer shall be responsible for:

- reporting to the Board of Directors of the compliance of the Code. The Compliance Officer shall put up to the Audit Committee for review of compliance of the Regulations at least once in a financial year. The Audit Committee shall verify that the systems for internal control are adequate and operating effectively.
- compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the Codes specified in these Regulations under the overall supervision of the Board of Directors.





## CHAPTER-V

Mechanism on Internal Control for ensuring adequate and effective system of internal controls, the following procedure shall be followed:

- A. Sharing of information pursuant to Legitimate Purpose:
- Any person in receipt of UPSI pursuant to legitimate purpose shall be considered 'Insider' for the purpose of the Code, and
  - due Notice shall be served on such person by way of email / issuance of letter / inclusion in the contractual agreement to maintain confidentiality while in possession of such Unpublished Price Sensitive information.
  - Such person has to ensure compliance with the Code, as amended from time to time.
- B. Documents to be shared by Designated Person with Company:
- 'Designated Person' shall be required to disclose names and PAN or any other identifier authorized by law, of the following persons, to the Compliance Officer, on an Annual Basis and as when the information changes:
- Immediate Relatives;
  - Person with whom such designated person(s) share a material financial relationship; and
  - Phone, mobile and cell number which are used by them. In addition, the name of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.
- C. Creating a Chinese Wall:
- To prevent the misuse of confidential information, the Departments which have access to confidential information will be considered as "inside areas" from those areas providing support services, considered "public areas". The employees in the "inside area" shall not communicate any UPSI to anyone in public area. In exceptional circumstances, Designated Persons from the "public areas" may be brought "over the wall" and given UPSI on the basis of "need to know" criteria, under intimation to the Compliance Officer.
- D. Digital Database: The Company shall maintain digital database with time stamping and audit trails to ensure non-tampering of the data base containing the name of the person/entity(ies) with whom information is shared under these Regulations along with the PAN or any other identifier authorized by law where PAN is not available.
- E. The Compliance Officer shall give prior notice to employee who are brought 'inside' on sensitive transaction(s) and also made aware about the duties and responsibilities attached to receipt of inside information and liability that attaches to misuse or unwarranted use of such information on case to case basis.



- F. Non-disclosure Agreement shall be executed with Employees covered in the definition of Designated Persons of the Company or notice will be served to them, in association with HR Department, to maintain the confidentiality of UPSI.
- G. Documentation: The Compliance Officer shall maintain following documents/ records for such period as may be deemed fit / statutorily required:
- (i) Register of initial & continuous disclosure;
  - (ii) Register of Designated Persons and changes therein;
  - (iii) Record of date of closing and opening of trading window;
  - (iv) Record of application made for preclearance along with undertaking taken thereof;
  - (v) Record of cases waiving holding period during emergency.

## CHAPTER – VI

### 5.0 RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

#### 5.1 Communication or procurement of unpublished price sensitive information

- 5.1.1 No Insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations or otherwise permitted under these Regulations.
- 5.1.2 No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 5.1.3 All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.
- 5.1.4. The Policy for determination of 'Legitimate Purpose' is attached and form part of this Code (**Annexure-A**).

Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered an "Insider" for purposes of these Regulations and due notice be given to such persons to maintain confidentiality of such UPSI in compliance with the Regulations.

- 5.1.5. All Insiders need to ensure that details of the persons/entities, including Name and Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available, with whom UPSI is shared, is immediately provided to the Compliance Officer to enable maintenance of the structured digital database as required under SEBI Insider Trading Regulations.



5.1.6. Notwithstanding anything contained in these Regulations, unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

- (a) entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company; or
- (b) not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

However, the Compliance Officer with the approval of the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of Sub-regulation 3 of Regulations and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

## **5.2 Limited access to confidential information:**

All Persons who are privy to the confidential information shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination, adopt among others but not limited to the following safeguards:

- To keep files containing confidential information secured.
- To keep computer files with adequate security of login through a password.

## **5.3 Need to know:**

All persons, who are privy to unpublished Price Sensitive Information, shall handle the same strictly on a "Need to Know" basis. This means the unpublished Price Sensitive Information shall be disclosed only to those persons within the Company who need to know the same in the course of performance or discharge of their respective professional duties and whose possession of unpublished Price Sensitive Information will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

## **6.0 TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION.**

6.1 No Insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information unless such trades were according to the trading plan set up as per Clause 7.1 or otherwise permitted under the Regulations.



If a Person has traded in Securities, his trade would be presumed to have motivated by the knowledge & awareness of UPSI in his possession.

Provided, that the Insider may prove his innocence by demonstrating the circumstances including the following: –

- (i) the transaction is an off-market *inter-se* transfer between Insiders who were in possession of the same unpublished price sensitive information without being in breach of Regulation 3 of the Regulations and both parties had made a conscious and informed trade decision.

Provided that such UPSI was not obtained under Clause 5.1.6. of this Code.

Provided further that such off-market trade shall be reported by the concerned Designated Person to the Company within 02 working days.

The Compliance Officer shall notify the particulars of such trade(s) to the Stock Exchanges, on which Securities are listed, within 02 working days from receipt of such disclosure or from becoming aware of such information.

- (ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of Regulation 3 and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained by either person under Clause 5.1.6. of this Code.

- (iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona-fide transaction.
- (iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable Regulations.

- (v) in the case of non-individual Insiders: –

- (a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

- (b) appropriate and adequate arrangements were in place to ensure that the provisions of the Regulations and this Code of Conduct were not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

- (vi) the trades were pursuant to a trading plan set up in accordance with Clause 7.1 of this Code.