



POWER GRID CORPORATION OF INDIA LIMITED

Regd. Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.

POSTAL BALLOT NOTICE

(Pursuant to Section 192A of the Companies Act, 1956)



To,
The Shareholder(s),

Sub: Passing of Resolution by Postal Ballot

Notice is hereby given that the proposed Resolutions are circulated for approval of the Shareholders of the Company to be accorded by Postal Ballot in accordance with the provision of Section 192A of the Companies Act, 1956 (the Act) read with the Companies (passing of the resolution by postal ballot) Rules, 2011. The Company is offering e-voting facility also to all the Shareholders of the Company.

Board of Directors of the Company, in its meeting held on 23rd October, 2013 have approved the following for approval of the Shareholders of the Company:

- (i) increase in the borrowing limits by authorizing the Board of Directors to borrow monies for implementation of various projects / expansion from the existing limit of ₹ 1,00,000 crore to ₹ 1,30,000 crore.

Pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013, the Board of Directors of the Company, with the approval of the Shareholders, borrow monies in excess of paid-up share capital and free reserves, It is, therefore, proposed to empower Board to exercise borrowing power pursuant to Section 180 (1) (c) of the said Act and also to create charge on the properties of the Company to secure the borrowings; and

- (ii) increase in Shareholding limit for Foreign Institutional Investors (FIIs) from 24% to 30% of the paid-up capital of POWERGRID.

Present holding of FIIs in POWERGRID is about 16% of paid up capital and the same is on an increasing trend post FPO in 2010. To make more headroom for FIIs, it is proposed to increase the limit for FII shareholding in POWERGRID from 24% to 30% of paid up capital.

The proposed Resolutions, Explanatory Statement and a Postal Ballot form are enclosed.

The Company has appointed Ms. Savita Jyoti, Savita Jyoti Associates, Company Secretaries, a Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot process in accordance with law.

Please read carefully the instructions printed in the Postal Ballot form and return the form duly completed in all respects in the enclosed self addressed pre-paid postage envelope so as to reach the Scrutinizer before the close of working hours on or before Monday, 23rd December, 2013.

The Scrutinizer will submit the report to the Chairman and Managing Director or Company Secretary of the Company after completion of the scrutiny. The result of the voting by Postal Ballot will be declared by the Chairman & Managing Director/ person authorised by him on Friday, 27th December, 2013 and the result of the Postal Ballot will be informed to the Stock Exchanges on the same day where the Shares of the Company are listed and the results will be also be published in the Newspapers on Tuesday, 31st December, 2013.

By order of the Board
For Power Grid Corporation of India Limited

Divya Tandon
(Divya Tandon)
Company Secretary

Date : 7th November, 2013.

Place : New Delhi

Special Business

Item No. 1

Enhancement of Borrowing Limits from ₹ 1,00,000 Crore to ₹ 1,30,000 Crore.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

- (i) "Resolved that in supersession of Resolution passed on 6th August, 2012 for enhancing the Borrowing Powers to ₹1,00,000crore, approval of which was obtained from the Shareholders of the Company in the 23rd Annual General Meeting held on 19th September, 2012, the consent of the Shareholders be and is hereby accorded to the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 / Companies Act, 1956 and the Articles of Association of the Company for borrowing, whether by way of Term Loan/Equipment Finance/Cash Credit facilities or the like, from time to time, any sum or sums of money at its discretion from National/International Financial Institutions/ Banks or from Public/Bodies Corporate or from Government Body/Corporation or Govt. of India or by way of issue of Bonds from Domestic/International sources, on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business) shall not exceed in the aggregate at any time ₹1,30,000Crore (Rupees One Lac Thirty Crore Only) irrespective of the fact that such aggregate amount of borrowings outstanding at any one time may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves."
- (ii) "Further resolved that pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 / Companies Act, 1956, consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company to mortgage and/or create charge on all or anyone or more of the movable/immovable properties or such other assets of the Company, wheresoever situated, both present and future, on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favour of National/International Financial Institutions/Banks/multilateral institutions, etc. hereinafter referred as "the lenders" and Trustees to the Lenders & Bondholders to secure any Term Loans/Cash Credit Facilities/ Debentures/Bonds or the like, obtained/to be obtained from any of the aforesaid lenders together with interest thereon at the respective agreed rate(s); compound interest, additional interest, liquidated damage(s), commitment charge(s), premia on prepayment or on redemption, cost, charge(s), expenses and all other monies payable by the Company to such lenders under the respective loan/other agreement(s) entered/to be entered into between the Company and the lender(s) in respect of the said borrowing(s), such security to rank in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board."

- (iii) "Further resolved that the Board of Directors be and is hereby authorised and it shall always be deemed to have been so authorised to finalise and execute with the Lenders/Trustees the requisite agreement, documents, deeds and writings for borrowing and/or for creating the aforesaid mortgage(s) and/or charge(s) and to do all such other acts, deeds and things as may be necessary to give effect to the above resolutions".
- (iv) "Further Resolved that the Director (Finance) / Company Secretary be and is hereby authorized to carry out minor modifications, if any, and to do all such acts deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolutions."

Item No. 2

Increase in Shareholding limit for Foreign Institutional Investors (FIIs) from 24% to 30 % of the paid-up capital of Power Grid Corporation of India Limited.

- (i) "RESOLVED that pursuant to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and all other applicable Rules, Regulations, Guidelines and laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall include a duly authorized Committee of Directors for the time being exercising the powers conferred by the Board of Directors), consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company to permit Foreign Institutional Investors (FIIs) registered with The Securities and Exchange Board of India (SEBI) to acquire and hold on their own account and on behalf of each of their SEBI approved sub-accounts, shares of the Company upto an aggregate limit of 30% (Thirty per cent) of the paid-up capital, provided, however, that the shareholding of each FII its own account and on behalf of each of their SEBI approved sub-accounts in the Company shall not exceed 10% (Ten per cent) of the total paid-up capital or such limits as are or may be prescribed, from time to time, under applicable laws, rules and regulations."
- (ii) "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto including delegation of all or any of the powers conferred herein to any Committee of Directors or any Director or Officer of the Company including of informing the concerned authorities or other regulatory bodies".

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1

Enhancement of Borrowing Limits from ₹ 1,00,000 Crore to ₹ 1,30,000 Crore.

The existing limit of borrowing powers of Board of Directors is ₹1,00,000 Crore. The total amount of loans drawn and tied up to be drawn along with those to be tied up, will exceed the existing borrowing limit of ₹1,00,000 Crore as would be around ₹1,30,000 Crore, as detailed here under:

BORROWING PROJECTIONS OF POWERGRID UPTO FY 2015-16 as on 30th September,2013			
(₹ in Crore)			
Sr. No.	Particulars	Amount	Amount
A	LOANS DRAWN/LIKELY TO BE DRAWN/TIED UP		
1	DOMESTIC LOAN		
	(a) As on 30.09.2013	51498	
	(b) Loan projected to be drawn during FY		
	2013-14 (excluding drawl of ₹ 1000 cr. from SBI)	2498	
	2014-15	7795	
	2015-16	12105	
	(c) Balance existing SBI term loan (₹ 5000 Cr less ₹ 2555 Cr) as on 30.09.2013	2445	76341
2	FOREIGN CURRENCY LOAN *		
	(a) As on 30.09.2013	26212	
	(b) Loans tied up and Un-drawn as on 30.09.2013	13080	39292
	Total A [1+2]		115633
B	LOANS PROJECTED TO BE TIED UP DURING 2013-14 & 2014-15		
1	Domestic Loan Projected SBI Term Loan (Line of Credit)	10000	
2	Foreign Currency Loan proposed (Through PCG of World Bank (USD 300 Million)+KFW (EUR 560 Million) for Green Energy Corridor+ ADB (USD 500 Million)	9990	
	Total B [1+2]		19990
	TOTAL LOANS [A+B]		135623
C	Loans Repayment expected (01.10.2013 to 31.03.2015)		5523
	TOTAL LOANS DRAWN/LIKELY TO BE DRAWN/TIED UP/TO BE TIED UP [A+B-C]		130100 Say 1,30,000 Crore

* Exchange rate as on 30.09.2013 is for 1 US \$ = ₹63.37 , 1 SEK=₹9.92 and 1 EURO=₹87.87

In pursuance of Section 180 (1) (c) of the Companies Act, 2013 approval of the Shareholders is required to borrow money in excess of paid-up capital of the Company and its free reserves and to create security by way of creating mortgage and/or charge on movable/immovable properties of the Company, approval of the Shareholders is required under Section 180 (1) (a) of the Companies Act, 2013.

None of the Directors are concerned or interested in the resolution except to the extent that he or she is a Director of the Company.

Item No. 2

Increase in Shareholding limit for Foreign Institutional Investors (FIIs) from 24% to 30 % of the paid-up capital of Power Grid Corporation of India Limited.

In terms of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Foreign Institutional Investors (FIIs)/SEBI approved sub-accounts of FIIs can, in aggregate, hold upto 24% of paid-up capital. The said Regulations further provide that the limit of 24% may be increased upto the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Present holding of FIIs in POWERGRID is about 16% of paid up capital and the same is on an increasing trend post FPO in 2010. To make more headroom for FIIs, it is proposed to increase the limit for FII shareholding in POWERGRID from 24% to 30% of paid up capital.

The Resolution set out at Item No. 2 of the Notice will also enable the FIIs to acquire shares of the Company within proposed limit of 30% of paid-up capital under the Portfolio Investment Scheme of the Reserve Bank of India.

None of the Directors are concerned or interested in the resolution except to the extent that he or she is a Director of the Company.

Accordingly, Shareholders are requested to pass the proposed Special Resolutions through postal ballot as permissible under Article 25(ii) of the Articles of Association of the Company read with Companies (passing of resolution by postal ballot) Rules, 2011.

All the documents referred to in the accompanying Notice and explanatory Statement are open for inspection between 10.00 a.m. to 12.00 noon on all working days at the Corporate Office of the Company i.e. 'Saudamini', Plot No.2, Sector-29, Gurgaon-122 001 or at the Registered Office i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016 up to Monday, 23rd December, 2013.

By order of the Board
For Power Grid Corporation of India Limited

Divya Tandon

(Divya Tandon)
Company Secretary

Date : 7th November, 2013.

Place : New Delhi

Notes

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.
2. The Notice is being sent to all the Shareholders, whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on 8th November, 2013.
3. The Company has appointed Ms. Savita Jyoti, Savita Jyoti Associates, Company Secretaries, a Practising Company Secretary, as a Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
4. In compliance with provisions of Section 192A of the Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the Company is offering **e-voting facility** to all the Shareholders of the Company. Karvy Computershare Private Limited, our Registrar and Transfer Agent will be facilitating e-voting to enable the Shareholders to cast their votes electronically instead of dispatching Postal Ballot Form wherever e-mail ID is registered. E-voting is optional.
The instructions for Shareholders for e-voting are as under:

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

The procedure and instructions for e-voting are as follows:

- i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Event no. followed by Folio Number registered with the company
Password	Your Unique password is printed on the Postal Ballot Form / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) Please contact our toll free No. 1-800-34-54-001 for any further clarifications.
- iv) Members can cast their vote online from Sunday, 24th November 2013 from 9:00 AM to Monday, 23rd December 2013 till 5:30 PM.
- v) After entering these details appropriately, click on "LOGIN".
- vi) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case

you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- ix) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'.
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii) Corporate/Institutional Members (corporate /FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to savitajyoti@yahoo.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."

(b) In case of Shareholders' receiving Postal Ballot Form by Post:

- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN(E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://evoting.karvy.com> or contact Karvy Computershare Private Limited at the Telephone No.: (Toll Free No.: 1800 345 4001)
- (d) If you are already registered with Karvy Computershare Private Limited for e-voting then you can use your existing user ID and password for casting your vote.
- (e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Postal Ballot Form. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the link <https://evoting.karvy.com> or http://apps.powergridindia.com/powergrid/docs/powergrid_evoting.pdf. To seek duplicate Postal Ballot Form Please contact our Registrars and Transfer Agent M/s. Karvy Computershare Private Limited, Unit: Power Grid Corporation of India Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 and request you to fill in the details and send the same to the Scrutinizer.

5. **Kindly note that the Shareholders can opt only one mode of voting, i.e., either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.**
6. Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self addressed business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted.
7. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 8th November, 2013.
8. The voting period ends on the close of working hours (i.e. 1730 hours), Monday, 23rd December, 2013. The e-voting module shall also be disabled by Karvy Computershare Private Limited for voting thereafter.
9. The Scrutinizer will submit her report to the Chairman and Managing Director or Secretary of the Company after completion of the scrutiny of the Postal Ballot Forms and the result of the Postal Ballot will be announced at the Registered Office of the Company situated at B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016. The result of the Postal Ballot will also be displayed on the Company's website www.powergridindia.com and communicated to the stock exchanges where the Company's shares are listed. The result of the Postal Ballot will also be published in the newspapers. In the event, the draft resolution is assented to by the requisite majority of Shareholders by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolution. The result of the Postal Ballot shall also be announced at the next Annual General Meeting of the Company.
10. The Board of Directors has appointed CMD / Director (Finance) / Company Secretary as the persons responsible for the entire postal ballot process.
11. All the documents referred to in the accompanying Notice and explanatory Statement are open for inspection between 10.00 a.m. to 12.00 noon on all working days at the Corporate Office of the Company i.e. 'Saudamini', Plot No.2, Sector-29, Gurgaon-122 001 or at the Registered Office i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016 up to Monday, 23rd December, 2013.



POWER GRID CORPORATION OF INDIA LIMITED

Regd. Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016.



POSTAL BALLOT FORM

SERIAL No. _____

1. Name(s) of Member(s)
(Including joint holders, if any)
(in block letters)

2. Registered address of the
sole/first named Member

3. Registered folio No./
DP ID No./Client ID No.*
(*Applicable to investors holding
shares in dematerialized form)

4. Number of shares held

5. I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through Postal Ballot for the Business stated in the Postal Ballot Notice and Explanatory Statement annexed thereto by sending my/our assent (FOR) or dissent (AGAINST) to the said resolution by placing the tick (✓) mark at the appropriate box below:

Item No.	Item	Nature of Resolution	No. of shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Enhancement of Borrowing Limits of Board of Directors from ₹ 1,00,000 Crore to ₹ 1,30,000 Crore and to create security on assets of the Company.	Special Resolution			
2	Increase in Shareholding limit for Foreign Institutional Investors (FIIs) from 24% to 30 % of the paid-up capital of Power Grid Corporation of India Limited.	Special Resolution			

Place:

Date:

(Signature of the Member)

ELECTRONIC VOTING PARTICULARS

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

Last date for receipt of Postal Ballot Forms by Scrutinizer is Monday, 23rd December, 2013

Note: Please read the instructions printed overleaf carefully before exercising your vote.