



पावर ग्रिड कोर्पोरेशन ऑफ इंडिया लिमिटेड
Power Grid Corporation of India Limited
सूचना का अधिकार अभिनियम 2005 के अंतर्गत केन्द्रीय लोक सूचना अधिकारी
Central Public Information Officer under the RTI Act, 2005
केन्द्रीय कार्यालय, 'सादामिनी', प्लॉट नं.2, सेक्टर-29, गुडगांव, हरियाणा-122007
Corporate Centre, 'Saudamini', Plot No. 2, Sector-29, Gurgaon, Haryana-122007



PGCIL/R/E/20/00157

Dated : 12 May, 2020

Neena Babu,
Panackamattam House, Panayam, Yeroor Dist, Anchal, Pin:691312,

Sub: Information under Right to Information Act, 2005.

Sir/Madam,

This has reference to your RTI request dated 24 April, 2020 for providing information under RTI Act, 2005.

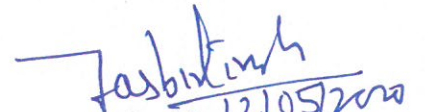
The information sought is attached at annex-I

First Appeal, if any, against the reply of CPIO may be made to the first appellate Authority within 30 days of the receipt of the reply of CPIO. Details of Appellate Authority at Corporate Centre, Gurgaon, under RTI Act, 2005 is as below:

Shri Sanjeev Singh,
Executive Director (CMG); Appellate Authority
Corporate Centre, Power Grid Corporation of India Limited
"Saudamini", Plot No. 2, Sector-29, Gurgaon – 122007, Haryana.
Email ID: sanjeev@powergridindia.com
Phone No. 0124-2571962

Thanking you,

भवदीय,


(जसबीर सिंह)
12/05/2020

मुख्य महाप्रबंधक (के. आ.) एवं के.लो.सू.अधिकारी

Email ID: cpio.cc@powergrid.co.in

Q1: Enterprise Risk Management framework:

Reply: The equity shares of POWERGRID are listed in National Stock Exchange Limited (NSE) and the Bombay Stock Exchange Limited (BSE). As per the Listing Agreement, the company is required to lay down procedures for risk assessment and minimization procedures, which are required to be periodically reviewed through means of a properly defined framework.

Accordingly, for the purpose of evaluating and managing the uncertainties the enterprise faces, Enterprise Risk Management framework has been implemented in the Company. The framework is a structured, consistent and continuous process for identification, assessment, monitoring and management of risks. As per this framework, the significant business processes / risks are monitored and controlled through various Key Performance Indicators (KPIs). The Company has a duly constituted Risk Management Committee and a designated Chief Risk Officer. Inputs regarding KPIs and Risk updations are periodically obtained from various departments and consolidated reports are prepared and submitted to the Risk Management Committee. The Committee reviews KPIs and major business risks and provides corrective measures to improve business process efficiencies, wherever required.

Q2: Internal Control Framework of POWERGRID,

Reply: POWERGRID has a comprehensive internal control mechanism in place to verify the Accounting and Financial Management System, adequacy of controls, material checks, financial propriety aspects and compliance implementation mechanism. The elaborated guidelines for preparation of Accounts are followed consistently for uniform compliance.

In line with the provisions of Section 179 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Internal Auditors were appointed by the Board of Directors. Regular and exhaustive Internal Audit on half yearly basis is carried out by the experienced Cost/Chartered Accountant Firms to ensure that all checks and balances are in place and all internal controls/systems are in order.

Further, Annexure 3 to the Auditors Report on the adequacy of Internal Financial Controls for the Financial Year 2018-2019 is also attached at Annex-II.





Annexure '3' to the Auditors' Report

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31st March, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the act")

We have audited the internal financial controls with reference to Ind AS financial statements of the company as at 31st March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to Ind AS financial statements, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Ind AS financial statements that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

A company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of internal Financial Controls with reference to Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at 31st March, 2019, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.K. Mittal & Co.
Chartered Accountants
Firm Regn No. 001135N

For R.G.N.Price & Co.
Chartered Accountants
Firm Regn No. 002785S

For Kothari & Co.
Chartered Accountants
Firm Regn No. 301178E

For Parakh & Co.
Chartered Accountants
Firm Regn No. 001475C

(CA S. Murthy)
Partner
M.No. 072290

(CA Rangarajan Raghavan Iyengar)
Partner
M.No. 041883

(CA Manaswy Kothari)
Partner
M.No. 054601

(CA Gotam Kumar Bagariya)
Partner
M.No. 425104

Place: New Delhi
Date: 29th May, 2019