

Quarterly Compliance Report on Corporate Governance

Name of the Company: Power Grid Corporation of India Ltd.

Quarter ending on: 30.06.08

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
I. Board of Directors	49I		
(A) Composition of Board	49I(A)	Yes	<p>Presently, the Board consists of Director (Projects) with additional charge of CMD*, 1 functional Director, 2 official part -time Directors and 6 non - official part -time Directors (Independent Directors).</p> <p>The post of 2 Functional Directors viz. Director (Personnel) and Director (Operations) are vacant since 25.01.07 and 30.01.07 respectively. On the appointment of Functional Directors, the resultant vacancy of Non – official Part – time Director(s) (i.e. Independent Directors) is required to be filled up.</p> <p>(* MoP vide their Order No. 11/24/2007-PG dt. 08/07/2008, conveyed the approval of Hon'ble President of India for the appointment of Director (Personnel), NHPC, as CMD, POWERGRID with effect from the date of his taking charge of the post on or after 01.08.2008.)</p>
(B) Non-executive Directors' compensation & disclosures	49 I(B)	N.A.	The non – executive Directors are paid only the sitting fees. The sitting fee

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			is within the limits prescribed under the Companies Act, 1956.
(C) Other provisions as to Board and Committees	49 I(C)(i)	Yes	The Board meets more frequently than the minimum requirement of four times in a year.
	49I (C)(ii)	Yes	The overall Directorship of the Directors in various Companies is within the permissible limits. Almost all the issues listed under Annexure 1A are being placed before the Board of Directors.
(D) Code of Conduct	49 I(D)	Yes	
II. Audit Committee	49 II		
(A) Qualified & Independent Audit Committee	49II (A)	Yes	
(B) Meeting of Audit Committee	49 II (B)	Yes	
(C) Powers of Audit Committee	49 II (C)	Yes	
(D) Role of Audit Committee	49 II(D)	Yes	
(E) Review of Information by Audit Committee	49 II (E)	Yes	
III. Subsidiary Companies	49 (III)	N.A.	POWERGRID has incorporated a "Project Specific" shell Company as its subsidiary company, which is yet to commence business. The said company does not fall under the scope of "Material Non - Listed Indian Subsidiary".

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IV. Disclosures	49 (IV)		
(A) Basis of related party transactions	49 IV (A)	Yes	
(B) Disclosure of Accounting Treatment	49 IV (B)	Yes	
(C) Board Disclosures	49 IV (C)	Yes	<ul style="list-style-type: none"> - All the Projects / Schemes to be undertaken by the Company are agreed to prior to execution by all the Beneficiary States. The Projects / Schemes are made part of the 'Bulk Power Transmission Agreement'. - Contractual provisions for timely execution of the Projects / Schemes are in place. - To ensure the timely completion of the Projects necessary steps are discussed and taken.
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 IV (D)	Yes	
(E) Remuneration of Directors	49 IV (E)	Yes	The remuneration of the Directors is disclosed in the "Corporate Governance Report". The element of remuneration is not being mentioned as POWERGRID is a Government Company and the remuneration of the Directors is determined by the guidelines issued by the Department of Public Enterprises.

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(F) Management	49 IV (F)	Yes	Being published since 2003-04.
(G) Shareholders	49 IV (G)	Yes	
V. CEO/CFO Certification	49 (V)	N.A.	The shares of the Company were listed on 5 th October, 2007. The certification was placed before the Board with Annual Financial Statement.
VI. Report on Corporate Governance	49 (VI)	Yes	
VII. Compliance	49 (VII)	Yes	

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