

**Quarterly Compliance Report on Corporate Governance**

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

Quarter ending on: 31.03.09

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
<b>I. Board of Directors</b>	49I		
(A) Composition of Board	49I(A)	Yes	Presently, the Board consists of CMD, 3 functional Directors, 1 official part -time Director and 7 non -official part -time Directors (Independent Directors).  The post of 1 Functional Director viz. Director (Operations) is vacant since 30.01.07 .
(B) Non-executive Directors' compensation & disclosures	49 I(B)	N.A.	The non – executive Directors are paid only the sitting fees. The sitting fee 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	
<b>II. Audit Committee</b>	49 II		
(A) Qualified & Independent Audit Committee	49II (A)	Yes	POWERGRID has an independent and qualified Audit Committee as specified in Clause 49II(A).

*Sando*

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
			However, in deference with Clause 49A(iv), it is mentioned that the Chairman of the Audit Committee could not attend the AGM as he suddenly fell ill; however, the Chairman of Shareholders/ Investors Grievance Committee, who is also a member of the Audit Committee was present to answer the queries of the shareholders.
(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	
<b>III. Subsidiary Companies</b>	49 (III)	N.A.	<p>POWERGRID has incorporated a 100% subsidiary Company named Power System Incorporation Corporation Ltd. on 20<sup>th</sup> March, 2009 for independent system operation with separate accounting and Board structure.</p> <p>POWERGRID had incorporated a "Project Specific" shell Company named Byrnihat Transmission Co. Ltd. as its subsidiary company. The Company was incorporated to take up implementation of Misa Byrnihat Transmission Line on JV route. The said Transmission line is being</p>

*Standard*



Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
			<p>executed by POWERGRID as consultancy work. Byrnihat Transmission Co. Ltd. is yet to commence business.</p> <p>As on date, both the above companies do not fall under the scope of "Material Non – Listed Indian Subsidiary".</p>
<b>IV. Disclosures</b>	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"> <li>- 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'.</li> <li>- Contractual provisions for timely execution of the Projects / Schemes are in place.</li> <li>- To ensure the timely completion of the Projects necessary steps are discussed at Project Review meetings and at higher levels and implemented.</li> </ul>
(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

*Standard*

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
			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.
(F) Management	49 IV (F)	Yes	Being published since 2003-04.
(G) Shareholders	49 IV (G)	Yes	
<b>V. CEO/CFO Certification</b>	49 (V)	Yes	The certification was placed before the Board with Annual Accounts for the F.Y. 2007-08.
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	
<b>VII. Compliance</b>	49 (VII)	Yes	

  
**DIVYA TANDON**  
 Company Secretary  
 POWERGRID