

पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड  
(भारत सरकार का उद्यम)  
POWER GRID CORPORATION OF INDIA LIMITED  
(A Government of India Enterprise)



केन्द्रीय कार्यालय : "सौदामिनी" प्लॉट सं. 2, सेक्टर-29, गुडगाँव-122 001, हरियाणा  
फोन : 2571700 - 719, फैक्स : 2571760, 2571761 तार 'नेटग्रिड'  
Corporate Office : "Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001. Haryana  
Tel. : 2571700 - 719, Fax : 2571760, 2571761 Gram : 'NATGRID'

संदर्भ संख्या/Ref. Number

C/COS/767

Dt. 15.10.2009

The GM (Listing)  
National Stock Exchange of India Limited,  
Exchange Plaza, Plot No. C/1, G - Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai- 400 051

Dear Sir,

Sub: Quarterly Compliance Report on Corporate Governance

Enclosed please find the Quarterly Compliance Report on Corporate Governance for the Quarter ended 30.09.2009. This is being filed in terms of Clause 49VI(ii) of the Listing Agreement.

Thanking you,

Yours faithfully,

  
(Divya Tandon)  
Company Secretary

पंजीकृत कार्यालय : बी-9, कुतब इंस्टीट्यूशनल एरिया, कटवारिया सराय, नई दिल्ली-110016 दूरभाष : 26560121 फैक्स : 011-26560039 तार 'नेटग्रिड'  
Registered Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel. : 26560121 Fax : 011-26560039 Gram : 'NATGRID'

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

**Quarterly Compliance Report on Corporate Governance**

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

Quarter ending on: 30.09.09

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, 4 functional Directors, 2 official part -time Directors and 7 non - official part -time Directors (Independent Directors).
(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		

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Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
(A) Qualified & Independent Audit Committee	49II (A)	Yes	POWERGRID has an independent and qualified Audit Committee as specified in Clause 49II(A).
(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.	<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. The Company is yet to obtain the Certificate of Commencement of Business.</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 executed by POWERGRID as consultancy work. Internal approval for winding up the Company has been obtained and further processing in this regard is being initiated.</p>

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Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
			As on date, both the above companies do not fall under the scope of "Material Non -- Listed Indian Subsidiary".
<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 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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Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
(F) Management	49 IV (F)	Yes	Being published since 2003-04.
(G) Shareholders	49 IV (G)	Yes	
V. CEO/CFO Certification	49 (V)	Yes	The certification was placed before the Board with Annual Accounts for the F.Y. 2008-09.
VI. Report on Corporate Governance	49 (VI)	Yes	
VII. Compliance	49 (VII)	Yes	

*David*