

Quarterly Compliance Report on Corporate Governance

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

Quarter ended on: 30.06.2012

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
I. Board of Directors	49I		
(A) Composition of Board	49I(A)	No	CMD, 3 functional Directors, 2 Official Part-time Directors and 2 non-Official Part-time Directors (Independent Directors) remained on the Board during the entire quarter. Five more vacancies of Independent Directors are to be filled up, considering the post of Director (Operations) also to be filled up which is presently vacant. POWERGRID, being a Govt. Company within the meaning of Section 617 of the Companies Act, 1956, the power to appoint functional/ Official Part-time Directors / non-Official Part-time Directors (Independent Directors) vests with the President of India. The matter is being taken up with MoP to expedite the appointment of remaining Independent Directors on the Board of POWERGRID. The details of such appointment will be informed accordingly.
(B) Non-executive Directors' compensation & disclosures	49 I(B)	N.A.	The non-executive Independent Directors are paid sitting fee. The sitting fee paid is within the limits prescribed under the Companies Act, 1956.
(C) Other provisions as to Board and Committees	49 I(C)	Yes	
(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 Except Clause 49 (II) (D)	Director (Finance) / CFO are appointed by the Administrative Ministry through Public Enterprise Selection Board.

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		(12A).	
(E) Review of Information by Audit Committee	49 II (E)	Yes	
III. Subsidiary Companies	49 (III)	N.A.	<p>As on date, POWERGRID has three wholly owned Subsidiary companies as under:</p> <ol style="list-style-type: none"> 1. Power System Operation Corporation Ltd. 2. Nagapattinam-Madhugiri Transmission Company Limited 3. Vemagiri Transmission System Limited <p>The aforesaid Subsidiary Companies do not fall under the scope of "Material Non-Listed Indian Subsidiary".</p>
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/IPPs. 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 at Project Review meetings and at higher levels and implemented. <p>"The Enterprise Risk Management Framework (ERM) and Internal Control Framework for CEO/CFO certification", in compliance with Clause 49 of the Listing Agreement, has been implemented w.e.f. 1st September, 2011 and accordingly process reviewed. General Manager (Corporate Planning) has been appointed as Chief Risk Officer of the Company.</p>

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(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". Presently, all elements of remuneration are not being mentioned, as POWERGRID is a Government Company and the remuneration of the Directors is determined in terms of the guidelines issued by the Department of Public Enterprise. The Remuneration Committee for deciding PRP for Directors and Executives is in place.
(F) Management	49 IV (F)	Yes	Being published since 2003-04.
(G) Shareholders	49 IV (G)	Yes	
V. CEO/CFO Certification	49 (V)	Yes	
VI. Report on Corporate Governance	49 (VI)	Yes	
VII. Compliance	49 (VII)	Yes	

For and on behalf of
Power Grid Corporation of India Limited.


(Divya Tandon)
Company Secretary

Date: 13th July, 2012