

## Quarterly Compliance Report on Corporate Governance

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

Quarter ended on: 31.03.2013

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
<b>I. Board of Directors</b>	49I		
(A) Composition of Board	49I(A)	Yes	CMD, 4 functional Directors, 2 Official Part-time Directors and 7 non-Official Part-time Directors (Independent Directors) were on the Board during the quarter.  Five Independent Directors have been appointed by the President of India on the Board of POWERGRID w.e.f. 16.01.2013.
(B) Non-executive Directors' compensation & disclosures	49 I(B)	N.A.	The 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	
<b>II. Audit Committee</b>	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) - (12A).	Director (Finance) / CFO are appointed by the Administrative Ministry through Public Enterprise Selection Board.
(E) Review of Information by Audit Committee	49 II (E)	Yes	
<b>III. Subsidiary Companies</b>	49 (III)	N.A.	As on date, POWERGRID has three wholly owned Subsidiary companies as under:  1. Power System Operation Corporation Ltd.  2. Powergrid NM Transmission Limited  3. Powergrid Vemagiri Transmission Limited

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			The aforesaid Subsidiary 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/IPP. The Projects / Schemes are made part of the 'Transmission Service 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> <p>The Enterprise Risk Management Framework (ERM) and Internal Control Framework for CEO/CFO certification" exists.</p>
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 IV (D)	Yes	
(E) Remuneration of Directors	49 IV (E)	Yes	
(F) Management	49 IV (F)	Yes	
(G) Shareholders	49 IV (G)	Yes	
V. CEO/CFO Certification	49 (V)	Yes	
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	
<b>VII. Compliance</b>	49 (VII)	Yes	

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

*Divya Tandon*  
(Divya Tandon)  
Company Secretary

Date: 15<sup>th</sup> April, 2013