POWER GRID CORPORATION OF INDIA LIMITED

MINUTES OF 22nd ANNUAL GENERAL MEETING OF THE MEMBERS OF POWER GRID CORPORATION OF INDIA LIMITED HELD ON MONDAY, 19TH SEPTEMBER, 2011 AT 11:00 A.M. AT NDMC TALKATORA INDOOR STADIUM, TALKATORA GARDEN, PARK STREET, NEW DELHI - 110 001

PRESENT:

1. Shri R. N. Nayak	-	Chairman & Managing Director
President of India (Through Authorised Representative):-		
2. Shri A. A. Tazir Director (Transmission)	-	Representative of the President (Ministry of Power)
3. Shri Asholl Chalal Director	-	Representative of the President (Ministry of Dev. of North Eastern Region)
4. Shri R. T. Agarwal	-	Director (Finance)
5. Shri I. S. Jha	-	Director (Projects)
6. Shri V. M. Kaul	-	Director (Personnel)
7. Mrs. Rita Acharya	-	Director
8. Shri Rakesh Jain	-	Director
9. Ms. Divya Tandon	-	Company Secretary

17,384 Members were present in person.

709 Members were present through proxy.

1. Shri R. N. Nayak, Chairman & Managing Director took the Chair. Quorum of the Meeting being present, the Chairman & Managing Director declared the meeting open. He welcomed the Members attending the meeting. Thereafter, Company Secretary introduced the Members of the Board.

The Chairman stated that the Register of Directors, Register of Directors' Shareholding and the Proxy Register were available during the Meeting for inspection of the Members.

With the consent of all the Members present, the notice of meeting and Directors' Report, which were with the shareholders for some time, were taken as read.

Thereafter, the Chairman & Managing Director delivered his speech giving a brief account of performance highlights of the Company during the year under review. The main points covered in the Chairman's speech were on the highlights of performance during the year 2010-11 covering Financial Performance, Capital Investment Programme, Operational Performance, Technology Initiatives for operation of Sub-stations and Transmission, Concern for Environment and optimization of Right of Way, Consultancy

assignments, Telecom Business, POWERGRID's FPO, Enterprise Risk Management, Operationlisation of POSOCO (a wholly owned subsidiary Company), Corporate Social Responsibility, Sustainability Reporting, integrated planning of transmission system, accolades and award received by the Company etc.

The Chairman concluded his speech by thanking Ministry of Power, Ministry of Finance, Ministry of External Affairs, Department of Public Enterprises, Planning Commission, Ministry of Environment and Forests, Central Electricity Authority, Central Electricity Regulatory Commission, Regional Power Committees, Department of Telecom, Statutory Auditors, Comptroller and Auditor General of India (C&AG) and State Power Utilities/all customers, Financial Institutions - both domestic and international, Multilateral Funding Agencies, Securities and Exchange Board of India, National Stock Exchange of India Ltd., Bombay Stock Exchange Ltd., Independent Directors, all fellow Members on the Board, Employee Unions and Shareholders of the Company for their valuable inputs and support.

2. Company Secretary read the Auditors' Report dated 24th May, 2011.

3. **Adoption of Annual Accounts**

Item No. – 1

To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the financial year ended on that date together with Report of the Board of Directors and Auditors thereon.

Shri Asholi Chalai, Representative of the President, (Ministry of Dev. of North Eastern Region) (DPID- IN301330 and Client ID- 20156259) proposed and Shri Kewal Krishan (DPID- IN300394 and Client ID- 13084704) seconded the following Resolution:

"Resolved that the Profit & Loss Account of the Company for the financial year ended on 31st March, 2011 and Balance Sheet as on that date together with report of the Auditors thereon and report of the Board of Directors and Cash Flow Statement for the year ended 31st March, 2011 be and are hereby received, considered and adopted."

Thereafter, the resolution was put to vote by show of hands and was carried with requisite majority.

4. **Item No. – 2**

To take note of payment of Interim Dividend and declare Final Dividend for the Financial Year 2010-11.

Shri A. A. Tazir, Representative of the President (Ministry of Power) (DPID-IN301330 and Client ID-20155555) proposed and Shri Hari Krishan Pathak (Client ID-1201890200018378) seconded the following resolution:

"Resolved that the interim dividend @ 5% of the paid-up equity share capital declared on 8th February, 2011 subject to rounding off of the dividend amount payable to individual shareholders to the nearest rupee as per Rule 23 of Companies (Central Government's) General Rules & Forms, 1956 for which payment of ₹231,51,25,404/- was made on 24th February, 2011 be and is hereby noted and pursuant to the recommendation of the Board of Directors, final dividend amounting to ₹578,71,56,691/- @ 12.5 % of the paid-up equity share capital of the Company of ₹4629,72,53,530/-, subject to rounding off of the dividend amount payable to individual shareholders to the nearest rupee as per Rule 23 of Companies (Central Government's) General Rules & Forms, 1956 be and is hereby declared out of the profits of the Company for the financial year 2010-11 and be paid to the equity shareholders of the Company whose name appear on the Company's Register of Members on 19th September, 2011 in respect of physical shares and in respect of dematerialized shares, the dividend be paid to the beneficial owners of the shares whose names appeared in the Statement of Beneficial Ownership, as at the close of business hours on 7th September, 2011, furnished by National Securities Depository Limited and Central Depository Services (India) Limited."

Thereafter, the resolution was put to vote by show of hands and was carried with requisite majority.

5. **Item No. – 3**

To appoint a Director in place of Shri V. M. Kaul, who retires by rotation and being eligible, offers himself for re-appointment.

Shri Manjit Singh (DPID-IN300206 and Client ID-10907641) proposed and Shri B. B. Gupta (DPID-IN300450 and Client ID-10226047) seconded the following Resolution:

"Resolved that Shri V. M. Kaul, Director who retires by rotation pursuant to Article 31 (c) (iii) of the Articles of Association of the Company and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company."

Thereafter, the resolution was put to vote by show of hands and was carried with requisite majority.

6. **Item No. – 4**

To appoint a Director in place of Shri Rakesh Jain, who retires by rotation and being eligible, offers himself for re-appointment.

Shri Naresh Gupta (DPID-IN300708 and Client ID-10083009) proposed and Ms. Manju Gupta (DPID-IN300708 and Client ID-10083035) seconded the following Resolution:

"Resolved that Shri Rakesh Jain, Director who retires by rotation pursuant to Article 31 (c) (iii) of the Articles of Association of the Company and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company."

Thereafter, the resolution was put to vote by show of hands and was carried with requisite majority.

7. **Item No. – 5**

To fix the remuneration of the Auditors for the Financial Year 2011-12.

POWERGRID being a Government Company, the Auditors of the Company are appointed by the Comptroller & Auditor General of India and remuneration of Auditors is fixed by the Members of the Company in the General Meeting. Accordingly, shareholders approval has been sought to authorize the Board of Directors of the Company to fix the remuneration for the Financial Year 2011-12.

Shri Bansi Lal (Client ID-1201410000012013) proposed and Shri Ashok Kumar Gupta (DPID-IN300118 and Client ID-10445470) seconded the following resolution:

"Resolved that the Board of Directors of the Company be and are hereby authorized, to fix and approve the remuneration of the Joint Statutory Auditors appointed by the Comptroller and Auditor General of India for the financial year 2011-12 for statutory audit and supplementary report on the accounts of the Company under section 619(3) of the Companies Act, 1956 and any other fee, as the Board may deem fit, taking into account the recommendation of the Audit Committee in this regard."

Thereafter, the resolution was put to vote by show of hands and was carried with requisite majority.

Members were informed that in terms of the authorization by the members to the Board of Directors of the Company, in the last Annual General Meeting of the Company, Board of Directors approved the remuneration of

₹ 32.40 lakhs plus applicable taxes for the Statutory Audit and supplementary report under Section 619(3) of the Companies Act,1956; In addition, ₹ 2.25 lakhs plus applicable taxes for Statutory Audit of Consolidated Financial statement as per the requirement of AS-21 & AS-27; and reimbursement of actual travelling and out of pocket expenses, to the three joint statutory Auditors for the Financial Year 2010-11 viz. (i) M/s A. R. & Co., (ii) M/s Umamaheshwara Rao & Co., and (iii) M/s S R I Associates.

After business items set out in the notice of Annual General Meeting were taken up, the Chairman invited the Members to offer their comments and observations.

The observations made by the shareholders were appropriately replied by the Chairman & Managing Director.

There being no other business to transact, the meeting concluded with a vote of thanks to the Chair by the Company Secretary.

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