



Environmentally Sensitive, Growing Global

ANNUAL REPORT 2009-2010



Mission

“Establishment and operation of Regional and National Power Grids to facilitate transfer of electric power within and across the regions with Reliability, Security and Economy, on sound commercial principles.”

Objectives

The Corporation has set following objectives in line with its mission and its status as “Central Transmission Utility”:

- Undertake transmission of energy through Inter-State Transmission System
- Discharge all functions of planning and coordination relating to Inter State Transmission System with -
 - (i) State Transmission Utilities;
 - (ii) Central Government;
 - (iii) State Government;
 - (iv) Generating Companies;
 - (v) Regional Electricity Boards;
 - (vi) Authority;
 - (vii) Licensees;
 - (viii) Transmission Licensees;
 - (ix) Any other person notified by the Central Government on this behalf.
- Exercise supervision and control over the Inter-State Transmission System
- Efficient Operation and Maintenance of Transmission Systems
- Establish/augment and operate all Regional Load Despatch Centres and Communication facilities
- To facilitate private sector participation on Transmission system through Independent Private Transmission Company, Joint Ventures.
- To assist various SEBs and other utilities in upgradation of skills & sharing of expertise by organising regular conferences, tailor-made training workshops directed towards specific technological and O&M areas and extending laboratory facilities for testing purposes etc.
- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.
- To provide consultancy services at national and international levels in transmission sector based on the in-house expertise developed by the organisation.
- To participate in long distance Trunk Telecommunication business ventures.

PowerTel

Diversified into telecommunication additional resources to establish much needed National Grid.

- Established Broadband Telecom Network of about 22,000 kms connecting over 110 cities on extensively spread Transmission Infrastructure.
- Only utility in the country having overhead optic fibre on its Extra High Voltage Transmission Network.
- POWERGRID Telecom Network
 - Sturdy & Secure
 - Free from rodent menace and vandalism.
- Network has multiple self resilient rings for complete redundancy in backbone as well as intra-city access networks.
- To offer Total Solutions and to meet specific needs of the customers.
- Reliability of Telecom Network 99.99%
- Bandwidth capacity available on all the metros & major cities.
- Extend telecom network to serve uneconomic and backward areas for the benefit of the common man.
- Plan to extend network to neighbouring countries for terrestrial SAARC Telecom Grid.
- Possesses National Long Distance (NLD), Internet Service Provider (ISP) Category-A and Infrastructure Provider Category-I (IP-I) Licenses to provide Telecom services in the country.
- Plan to Introduce other Value Added Services.
 - Video Conferencing
 - Virtual Local Area Network (VLANs)
 - Multi Protocol Label Switching (MPLS) based on VPNs Data Centres.
 - Voice Over Internet Protocol (VOIP)


NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of Power Grid Corporation of India Limited will be held on **Friday, 24th September, 2010 at 10.00 a.m. at "Air Force Auditorium, Subroto Park, New Delhi - 110 010"** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the financial year ended on that date together with Report of the Board of Directors and Auditors thereon.
2. To note the payment of interim dividend and declare Final Dividend for the Financial Year 2009-10.
3. To appoint a Director in place of Shri Ashok Khanna, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Smt. Sarita Prasad, who retires by rotation and being eligible, offers herself for re-appointment.
5. To fix the remuneration of the Auditors for the Financial Year 2010-11.

By order of the Board of Directors



**(Divya Tandon)
Company Secretary**

Regd. Office:

B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi.

Pin:-110 016.

Date: 11.08.2010



पावरग्रिड

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting, i.e., latest by **10.00 a.m. on Wednesday, the 22nd September, 2010**. Blank proxy form is enclosed.

2. As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges the relevant details of Shri Ashok Khanna and Smt. Sarita Prasad, Directors retiring by rotation and seeking re-appointment under Item No. 3 and 4 aforesaid in accordance with applicable provisions of the Articles of Association of the Company as well as of the Director who has been appointed since the last Annual General Meeting, are also annexed. The tenure of Shri Ashok Khanna is up to 24th April, 2011 and Smt. Sarita Prasad is up to 3rd August, 2011 as per terms of their appointment by the Government of India.
3. None of the Directors of the Company is in any way related with each other.
4. Members are requested to:-
 - (i) Note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - (ii) Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
 - (iii) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counter at the venue to be exchanged with the attendance slip. Photocopies of Attendance Slip will not be entertained for issuing entry slip for attending Annual General Meeting.
 - (iv) Quote their Folio/Client ID & DP ID Nos. in all correspondence.
 - (v) Note that due to strict security reasons, mobile phones, brief cases, eatables and other belongings are not allowed inside the Auditorium.
 - (vi) Note that no gifts/coupons will be distributed at the Annual General Meeting.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 9th September, 2010 to 24th September, 2010 (both days inclusive). The final dividend on equity shares, as recommended by the Board of Directors, subject to the provisions of Section 206A of the Companies Act, 1956, if declared at the Annual General Meeting, will be paid on or after 29th September, 2010.
7. The Board of Directors in its meeting held on 6th January, 2010 had declared an interim dividend @ 5% on the paid-up equity share capital of the Company which was paid on 25th January, 2010. Members who have not received or not encashed their dividend warrant may approach Karvy Computershare Private Limited, Registrar and Transfer Agent of the Company, for revalidating the warrant or for obtaining duplicate warrant. The Board had further recommended a Final Dividend @ 10% on the paid-up equity share capital of the Company at its meeting held on 25th May, 2010. The dividend, if declared at the Annual General Meeting will be paid on or after 29th September, 2010 to those Members, whose names appear on the Register of Members of the Company as on 24th September, 2010 in respect of physical shares. However, in respect of shares held in dematerialised form, the dividend will be payable to those persons whose names appear as beneficial owners as at the closure of the business hours on 8th September, 2010 as per details to be furnished by the depositories.
8. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. After such transfer, there remains no claim of the members whatever on the said amount. Members are advised to encash their Dividend warrants immediately on receipt.

9. Members are advised to submit their Electronic Clearing System (ECS) mandates to enable the Company to make remittance by means of ECS. Those holding shares in Electronic Form may obtain and send the ECS Mandate Form directly to their Depository Participant (DP). Those holding shares in physical form may obtain and send the ECS mandate form to Karvy Computershare Private Limited, the Registrar & Transfer Agent of the Company. Those who have already furnished the ECS Mandate Form to the Company/Depository Participant/Registrar & Transfer Agent with complete details need not send it again.

The shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company to enable them to print these details on the dividend warrants.

10. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its Registrar & Transfer Agent along with relevant Share Certificates.
11. Pursuant to Section 619(2) of the Companies Act, 1956 the auditors of the Government company are to be appointed or reappointed by the Comptroller & Auditor General of India (C&AG) and in terms of Section 224(8)(aa) of the Companies Act, 1956 the remuneration has to be fixed by the company in the Annual General Meeting or in such manner as the company in General Meeting may determine. The Auditors for the Financial Year 2010-11 have been appointed by the Comptroller & Auditor General of India (C&AG) vide office of C&AG letter No. CA.V/COY/CENTRAL GOVERNMENT, POGRID (3)/7 dated 12.07.2010. Approval of the Members of the company is required to authorize the Board of Directors of the Company to approve the remuneration of the Statutory Auditors/Joint Statutory Auditors of the company appointed by C&AG, for the Financial Year 2010-11, as the Board may deem fit. Members are 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, your Board of Directors approved the remuneration of ₹ 30 lakhs plus applicable taxes for the Statutory Audit and supplementary report under Section 619(3) of the Companies Act, 1956; limited review fee per quarter @25% of the Annual audit fee and Tax audit fee @30% of the Annual audit fee plus applicable taxes; and reimbursement of actual travelling and out of pocket expenses, to the three joint statutory Auditors for the Financial Year 2009-10.
12. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (barring Saturday and Sunday), between 11.00 AM to 1.00 PM up to one day prior to the date of AGM i.e. up to Thursday, the 23rd September, 2010.
13. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Registrar & Transfer Agent of the Company the prescribed Form (Form 2B in duplicate) of the Companies (Central Government's) General Rules and Forms, 1956. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
14. Annual Listing fee for the year 2010-11 has been paid to the Stock Exchanges wherein shares of the Company are listed.
15. Members are requested to send all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other shares' related matter and bank account to Company's Registrars.
16. Members are requested to notify immediately any change of address:
- (i) to their Depository Participant (DP) in respect of shares held in dematerialized form, and
 - (ii) to the Company at its Registered Office or its Registrar & Transfer Agent, Karvy Computershare Private Limited in respect of their physical shares, if any, quoting their folio number.
17. Members desirous of getting any information on any items of business of this meeting are requested to address their queries to the Company Secretary at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.



BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION AND ALSO OF DIRECTOR APPOINTED SINCE LAST ANNUAL GENERAL MEETING

Directors seeking re-election at the 21st AGM:

Name	Shri Ashok Khanna	Smt. Sarita Prasad
Date of Birth and Age	5th November, 1947/ 62 years	15th August, 1946 / 63 years
Date of Appointment	25th April, 2008	4th August, 2008
Qualification	First class B.Tech. (Hons.) in textile from Bradford University (U.K.).	Masters Degree in Economics from the Delhi School of Economics and Diploma in Development Administration from Birmingham University, U.K.
Expertise in specific functional area	Shri Ashok Khanna is currently CMD of Khanna Watches Ltd. and has vast experience of Corporate management of nearly 40 years. He is Ex. President of PHDCCI and Founder Chairman of CII, Himachal Pradesh. He has been on the Managing Committee of FICCI and also remained Member/Director of various important organizations/associations. Presently, he is on the Managing Committee of ASSOCHAM and is Chairman-Internal Trade Committee of ASSOCHAM.	Smt. Sarita Prasad joined the Indian Administrative Service in 1969 and retired as Secretary to Government of India, Ministry of Social Justice and Empowerment on 31.08.2006. She has held important postings in the Central and State Government. She was Managing Director of three State Corporations and Financial Commissioner, Irrigation and Water Supply in the State Government. In the Government of India she worked as Director in the Ministry of Defence and Joint Secretary in the Ministry of Personnel.
Directorship held in other Companies (Part-time)	<ol style="list-style-type: none"> 1. Khanna Watches Ltd. 2. K-Watch Ltd. 3. Khanna Quartz Ltd. 4. Ansal Housing & Construction Ltd. 5. Worldwide Immigration Consultancy Services Ltd. 6. Nirvana Biosys(P) Ltd. 	NIL
Memberships / Chairmanships of Committees in other Companies	Audit Committee – <ol style="list-style-type: none"> 1. Power Grid Corporation of India Ltd. 2. Ansal Housing & Construction Ltd. 	Shareholders'/Investors' Grievance Committee – Power Grid Corporation of India Ltd.
No. of Shares held	NIL	NIL

Director appointed since last Annual General Meeting held on 9th September, 2009

Name	Dr. M. Ravi Kanth
Date of Birth and Age	25.11.1960 49 years
Date of Appointment	11.12.2009
Qualification	M.A. Eco.; LL.B; M.B.A. Melbourne, Australia.
Expertise in specific functional area	Dr. M. Ravi Kanth, is an Indian Administrative officer of Kerala cadre since 1986. He is currently Joint Secretary in the Ministry of Power. Prior to that, he was C.M.D, National Handicapped Finance and Development Corporation, Ministry of Social Justice & Empowerment. He has held various important positions in Government both at the State and Central level.
Directorship held in other Companies	NIL
Memberships / Chairmanships of Committees in other Companies	NIL
No. of Shares held	NIL

POWER GRID CORPORATION OF INDIA LIMITED

Registered Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016.
Corporate Office: 'SAUDAMINI', Plot No.2, Sector-29, Gurgaon, Haryana-122 001.

FORM OF PROXY

I/We _____ being a Member/Members of
Power Grid Corporation of India Limited hereby appoint Mr./Mrs./Miss _____
_____ of _____ in the district of
_____ and failing him/her Mr./Mrs./Miss _____
of _____ in the district of _____
_____ as my/our proxy to vote for me/us on my/our behalf at the **Twenty First Annual General Meeting** of the Company to be held on **Friday, the 24th September, 2010** at "**Air Force Auditorium, Subroto Park, New Delhi-110 010**" at **10.00 a.m.** and at any adjournment thereof.

Folio / Client ID							
-------------------	--	--	--	--	--	--	--

DP ID Nos.							
------------	--	--	--	--	--	--	--

No. of Shares held							
--------------------	--	--	--	--	--	--	--

Please affix
15 paise
Revenue
Stamp

(Signature of Member)

Note : Proxies in order to be valid must be duly filled in, stamped, signed and deposited at the Registered Office of the Company not less than 48 Hours before the time of commencement of the Meeting.

POWER GRID CORPORATION OF INDIA LIMITED

Registered Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016.
Corporate Office: 'SAUDAMINI', Plot No.2, Sector-29, Gurgaon, Haryana-122 001.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Member/Proxy _____

(First)

(Middle)

(Surname)

I hereby record my presence at the **Twenty First Annual General Meeting** of the Company held on **Friday, 24th September, 2010** at **10.00 a.m.** at "**Air Force Auditorium, Subroto Park, New Delhi-110 010.**"

Folio / Client ID							
-------------------	--	--	--	--	--	--	--

DP ID Nos.							
------------	--	--	--	--	--	--	--

No. of Shares held							
--------------------	--	--	--	--	--	--	--

(Signature of Member/Proxy)

CONTENTS

Notice	i-v
Reference Information	2
Letter to Shareholders	3
Directors' Profile	5
List of Senior Executives	8
POWERGRID'S Performance	9
Five Year Summary	10
Financial Position	11
Directors' Report	12
Annexure I - Management Discussion & Analysis	26
Annexure II - Particulars of employees u/s 217(2A)	43
Annexure III - Particulars u/s 217(1)(e)	54
Annexure IV - Comments of C&AG	58
Annexure V - Report on Corporate Governance	59
Annexure VI - Certificate on Corporate Governance	79
Revenue Expenditure on Social Overheads	80
Accounting Policies	81
Balance Sheet	86
Profit & Loss Account	87
Schedules	88
Auditors' Report	126
Annexure to Auditors' Report	127
Cash Flow Statement	129
Annual Report of Subsidiary	133

REFERENCE INFORMATION

<p>Registered Office B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016</p>	<p>Company Secretary & Compliance Officer Ms. Divya Tandon</p>
<p>Corporate Office "Saudamini", Plot No. 2, Sector 29, Gurgaon - 122 001 (Haryana)</p>	<p>Statutory Auditors A. R. & Co. Chartered Accountants A-403, Gayatri Apartment, Airlines Group Housing Society, Plot No. 27, Sector 10, Dwarka, New Delhi - 110 075.</p> <p>Umamaheswara Rao & Co. Chartered Accountants Flat No. 5-H, 'D' Block, 8-3-324, Krishna Apartments, Yellareddyguda Lane, Ameerpet 'X' Roads, Hyderabad - 500 073.</p> <p>S R I Associates Chartered Accountants 3-B, Garstin Place, Kolkata - 700 001.</p>
<p>Registrar & Share Transfer Agent Karvy Computershare Private Limited Plot No.: 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081 Ph.: 040-23420815 to 824 Fax: 040-23420814 Email: einward.ris@karvy.com Website: www.karvycomputershare.com</p>	<p>Bankers Indian Overseas Bank Bank of Baroda State Bank of Patiala Canara Bank State Bank of India Punjab National Bank Union Bank of India State Bank of Hyderabad HDFC Bank Ltd ICICI Bank</p>
<p>Shares Listed at: National Stock Exchange of India Limited Bombay Stock Exchange Limited</p> <p>Depositories: National Securities Depository Limited Central Depository Services (India) Limited</p>	<p>Central Bank of India Dena Bank IDBI Bank Bank of India Indian Bank Jammu & Kashmir Bank Ltd. Oriental Bank of Commerce State Bank of Travancore Allahabad Bank State Bank of Bikaner & Jaipur State Bank of Mysore Vijaya Bank</p>

LETTER TO SHAREHOLDERS



Dear Shareholders,

I am greatly delighted to communicate with you on the occasion of the Twenty First Annual General Meeting, fixed for 24th September, 2010. Friends, over the span of one year, the Indian economy has posted a good recovery, improving the country's Gross Domestic Product to 7.2 per cent in 2009-10 after it had dipped to 6.7 per cent during 2008-09.

To bring the economy to still higher GDP, electricity is one of the key drivers. The focus on investments in Power sector has been continuing and the economic activity in the Sector has shown better growth in 2009-10 over the preceding year.

I am happy to inform that your company, the Central Transmission Utility has achieved an impressive performance in fiscal 2009-10 on various fronts. On the financial front, your company's Gross Turnover for the Fiscal 2009-10 grew to ₹7503.58crore, an increase of 22.23% compared to the previous Fiscal 2008-09. Similarly, Profit after Tax during the year increased to ₹2040.94Crore from ₹1690.61Crore in Fiscal 2008-09, registering a growth of 20.72%. Our gross fixed assets as on 31st March, 2010 are valued at ₹43,202.28 Crore as against ₹24,888.25 crore at the end of 31st March, 2006, a growth of about 73.58% in the last five years. POWERGRID is continuously realising 100% of its current dues for the last six years.

On the operational front, as on 31st March, 2010, your company owns and operates a transmission network of about 75,290 ckt kms of inter-State transmission lines, 124 nos. of EHV & HVDC substations with transformation capacity of about 83,100 MVA and about 50% of total power generated in the country is wheeled over it. Transmission system availability of 99.77% was achieved, highest so far in the history of the Company. Transmission projects worth about ₹3,610 Crore were commissioned during the year. Further, **Board of Directors of your company accorded investment approval for 14 new transmission projects during the year 2009-10, with an estimated cost of about ₹13,450 Crore.**

Under RGGVY, during the year 2009-10, POWERGRID created infrastructure for electrification in 3402 un-electrified villages against a target of 3100 villages, achievement of 110%. Service connections to about 6.87 Lakh BPL households were provided against a target of 6 Lakh, achievement of about 115%.

With the declaration of commercial operation of Barh- Balia 400kV D/c transmission line in July 2010, the Inter-regional transmission capacity of your company stands enhanced to 22,400MW.

The business development opportunities continued to receive focussed attention in the domestic market and outside. During 2009-10, your Company earned revenue of ₹269.17 Crore as consultancy fee from its various ongoing assignments as compared to ₹215.90 Crore last year. The telecom segment earned a revenue of ₹157.72 crore as compared to ₹149.83 Crore last year

Friends, Non-discriminatory Open Access is the key for development of a successful Competitive Electricity Market. Short-Term Open Access in inter-State transmission has been successfully implemented. Around hundred captive power plants across the country have also exploited the benefit of short-term open access. During the year, more than 18,244 transactions were approved under open access, involving about 39,500 MUs of energy.

Further, the Regulations on **CERC (Grant of Connectivity, Long Term Access & Medium Term Open Access in inter-State Transmission and related matters), which shall facilitate in providing transmission products of different varieties and ensuring level playing field among different categories of market players have been made effective from 01.01.2010 along with the standardized procedures.**



पावरग्रिड

I am happy to share with you that the CERC has in May,2010 granted regulatory approval to the proposal of POWERGRID for the nine numbers of High Capacity Power Transmission Corridors associated with with IPP projects in Orissa, Jharkhand, Sikkim, Chattisgarh, Madhya Pradesh, Krishnapatnam Area in Andhra Pradesh, Tuticorin Area in Tamil Nadu, Srikakulam Area in Andhra Pradesh and IPP projects in Southern Region for transfer of power to other regions, with a tentative cost estimate of about ₹58,000 crore.

Also, the Regulations on 'Sharing of Inter-State Transmission charges & losses' factor distance & direction sensitivity in transmission charges and losses besides quantum of power flow, in line with the Tariff policy. The regulations have been notified on 15.06.2010 and shall come into force from 01.01.2011.

I am happy to share with you that Dept. of Revenue, Ministry of Finance vide Notification No. 45/2010-Service Tax dated 20.07.2010 has exempted Transmission of Power from the Service Tax. With this, the Contingent liability of your company on account of Service tax liability would be NIL.

Your company has implemented Corporate Social Responsibility Policy and during the year, an amount of ₹4.29 crore was spent on CSR activities. I am happy to inform you that the **Board of Directors of the company have recently enhanced the CSR Budget to 1% of the PAT of the preceding financial year.** A major portion of CSR initiatives was in the development of physical infrastructure in nearby villages of our offices/sub-stations like constructing class room, library, computer room for schools, primary health centre, drinking & sanitation facility, drainage, roads, community centre, etc. These facilities were created with the objective of these being of long lasting value and have multiplier effect on improving the standard and quality of life of the villagers.

Your Company has also **featured in the list of top 250 global energy companies** compiled by Platts, a leading provider of energy and commodities information and named in the 20 fastest-growing Asian companies. Your Company has been conferred with three Gold Shields and one Silver Shield in the **National Awards** for Meritorious Performance in Power Sector for the year 2008-09. It is a matter of pride that your Company has been receiving these awards continuously for last five years.

For Power System Operation Corporation Ltd (**POSOCO**), the wholly owned subsidiary incorporated by POWERGRID for Independent System Operation, POWERGRID has obtained the consent of Shareholders for transfer of movable assets relating to Regional Load Despatch Centers & National Load Despatch Center to POSOCO. **The transfer agreements would be executed on receipt of notification u/s 27(2) of the Electricity Act, 2003.**

Last but not the least, I am happy to mention that your company is **presently planning to come out with a Follow-on-offer of its equity shares of 10% of its existing paid up share capital coupled with disinvestment of 10% of its existing share capital.** The Government of India approval in this regard has been received. The company has recently **appointed four Book Running Lead Managers for the Follow-on-offer.** The other modalities are being worked out. **As in September, 2007, the tremendous response that your company got in the IPO, I look forward to your impressive response when the Follow on offer is launched.**

I am confident that with a dedicated and committed resource of employees and valuable support of our esteemed shareholders, POWERGRID will continue to deliver its responsibilities and enhance value to its stakeholders.

With best wishes,

Yours sincerely,

(S. K. Chaturvedi)

Chairman & Managing Director

Place: New Delhi
Date: 11.08.2010

DIRECTORS' PROFILE



SHRI S. K. CHATURVEDI
Chairman & Managing Director

Shri S. K. Chaturvedi, aged 59 years, is the Chairman & Managing Director of our Company. He is a First Class First Graduate and Post Graduate in Science from University of Lucknow. He holds a Post Graduate Diploma in Personnel Management & IR and is a seasoned HR professional with varied experience of more than 30 years in the area of Human Resource Management, Industrial Relations and Organisational Development. He has also worked with Steel Authority of India Ltd., NTPC Ltd., POWERGRID (for more than thirteen years in POWERGRID from August 1991) in various capacities in HR and then joined NHPC Ltd. as Director (Personnel) in October, 2004. A strong votary of human development, Shri Chaturvedi has introduced several new concepts of employee development and was responsible for initiating several progressive HR policies in the organizations he has served. Shri Chaturvedi joined POWERGRID as Chairman & Managing Director on 01.08.2008.

SHRI J. SRIDHARAN
Director (Finance)



Shri J. Sridharan, aged 59 years, is the Director (Finance) of our Company. He graduated with a Bachelor of Commerce degree from Madras University. He is a member of Institute of Chartered Accountants of India and Institute of Cost and Works Accountants of India. He has 35 years of work experience primarily in the field of financial management. Prior to joining our

Company in 2000, he has worked in organizations such as Airport Authority of India and Bharat Heavy Electricals Limited. He was appointed as a Director on our Board in December, 2005.

SHRI V. M. KAUL
Director (Personnel)



Shri V. M. Kaul aged 58 years, is the Director (Personnel) of our Company. He is a first class Bachelor of Mechanical Engineering from IIT, Delhi with MBA Degree from IGNOU. Shri Kaul has over 36 years of work experience primarily in the power sector. He has previously held the position of Executive Director (Human Resource), Executive Director in-charge of

Private Investment and Business Development and Corporate Planning. Prior to joining our company Shri Kaul has worked for 23 years in NTPC and handled various multi-disciplinary functions like Contract Management, Project Management, Joint Venture, Quality Assurance and Inspection; five years in Engineers India Limited. He was appointed as a Director on our Board in March, 2009.



पावरग्रिड

SHRI R.N.NAYAK

Director (Operations)



Shri R.N.Nayak, aged 54 years, is the Director (Operations) of our Company. He is a first class Bachelor of Electrical Engineering from REC Rourkela and holds an M. Tech(Electrical) from IIT Kharagpur. Shri Nayak has over 32 years of work experience, primarily in the power sector. He has worked for more than 19 years in POWERGRID and handled various multi-disciplinary

functions like Engineering, Load Despatch & Communication, Contract Management, Quality Assurance and Inspection; Telecom and Human Resources. He has previously held the positions of Executive Director (Engineering & QA&I); Executive Director (Human Resource), Executive Director (R&D) in POWERGRID. Prior to joining POWERGRID in 1990, he has worked for about 7 years in NTPC and had a stint with SAIL. He has introduced many new technologies in the Indian Power Sector such as ± 800 KV HVDC and 1200 KV AC UHV. He has also published and presented a large number of technical papers in various reputed International/National journals/conferences. Considering his contribution to power sector, he has been awarded P.M. Ahluwalia Award; is a Senior Member of IEEE and has been honored with Fellow of the Indian National Academy of Engineering(INAE) in Electrical Engineering Field. He was appointed as a Director on our Board in May, 2009.

SHRI I.S.JHA

Director (Projects)



Shri I.S.Jha, aged 51 years, is Director (Projects) of our Company. He is an Electrical Engineer from NIT, Jamshedpur and a well known Electrical Power System Professional. He has previously held the position of Executive Director (Engineering), Executive Director - Corporate Monitoring Group and Executive Director of North Eastern Region.

Apart from these functions he was a lead Member in Planning, Engineering and Execution of APDRP and RGGVY schemes in POWERGRID. He has published numerous articles, technical papers in the field of power system in various international and National Conferences/Symposia. He was appointed as a Director on our Board in September, 2009.

Dr. M. RAVI KANTH

Government Nominee



Dr. M. Ravi Kanth, aged 49 years, is a Government nominee Director of our Company. He is M.A (Eco.) and L.L.B. He is also an M.B.A from Melbourne, Australia. Dr. Kanth is an officer of Indian Administrative Service (RR) (1986). He is currently Joint Secretary (Transmission) in the Ministry of Power. Prior to that, Dr. M. Ravi Kanth was C.M.D, National Handicapped Finance and

Development Corporation, Ministry of Social Justice & Empowerment. He has held various important positions in Government both at the State and Central level. He was appointed as a Director on our Board in December, 2009.

SHRI RAKESH JAIN

Government Nominee



Shri Rakesh Jain, aged 53 years, is a Government nominee Director of our Company. He holds Masters Degree in Physics from Delhi University. He is an officer of Indian Audit & Accounts Service (1981). He is currently Joint Secretary and Financial Adviser (JS&FA) in the Ministry of Power. He is a Government nominee Director on the Board of Directors of NTPC Ltd.,

NHPC Ltd., PFC and EESL under the Ministry of power. Before joining Ministry of power, he has held various important positions such as Director General (Accounts, Entitlement, Complaints & Information System); Principal Director (Report States) – Office of Comptroller & Auditor General of India; Accountant General (AG) (Audit), Rajasthan; AG(AE-II) Madhya Pradesh; Principal Director (Commercial Audit) Ranchi and Principal Director of Audit, Embassy of India, Washington, USA. He was appointed as a Director on our Board in June, 2009.

SHRI S. C. TRIPATHI**Independent Director**

Shri S. C. Tripathi, aged 64 years, is an Independent Director of our Company. He holds a Masters degree in Science (Physics – Spl. Electronics) from Allahabad University, LL.B, Diploma in Development (Cantab.), AIMA Diploma in Management. He joined the Indian Administrative Services in 1968 and retired as Secretary to the Government of India, Ministry of Petroleum and

Natural Gas on 31.12.05. He has held important positions in Government both at the State and Central level. He spent nearly 20 years in Finance and Industry Sector at Chief Executive/Secretary level at State and Chief Executive/Jt. Secretary/Addl. Secretary/Secretary level at Central Govt. and in representative capacity at International levels. He was appointed as a Director on our Board in April, 2008.

SHRI ASHOK KHANNA**Independent Director**

Shri Ashok Khanna, aged 62 years, is an Independent Director of our Company. He is a first class B.Tech. (Hons.) in textile from Bradford University (U.K.). He is Ex. President of PHD Chamber of Commerce and Industry (PHDCCI) and Founder Chairman of Confederation of Indian Industry (CII), Himachal Pradesh. He has been on the Managing Committee of Federation of Indian

Chambers of Commerce and Industry (FICCI) and also remained Member/Director of various important organizations/associations. Presently, he is on the Managing Committee of Associated Chambers of Commerce and Industry of India (ASSOCHAM) and is Chairman-Internal Trade Committee of ASSOCHAM. He was appointed as Director on our Board in April, 2008.

SMT. SARITA PRASAD**Independent Director**

Smt. Sarita Prasad, aged 63 years, is an Independent Director of our Company. She holds a Masters Degree in Economics from the Delhi School of Economics and Diploma in Development Administration from Birmingham University U.K. She joined the Indian Administrative Service in 1969 and retired as Secretary to Government of India, Ministry of

Social Justice and Empowerment on 31.08.2006. She has held important postings in the Central and State Government. She was Managing Director of three State Corporations and Financial Commissioner, Irrigation and Water Supply in the State Government. In the Government of India she worked as Director in the Ministry of Defence and Joint Secretary in the Ministry of Personnel. She is a Director of our Board with effect from August, 2008.

SHRI T. VENKATESH**Chief Vigilance Officer**

Shri T. Venkatesh, aged 48 years, has done his post graduation in Mechanical Engineering and is an Indian Administrative Service officer of 1988 batch of U.P. Cadre. Prior to his assignment as Jt. Secy. (DOPT) in the Ministry of Personnel & Public Grievances & Pension he held various administrative posts including DM(Bareilly), Commissioner (Gorakhpur) and

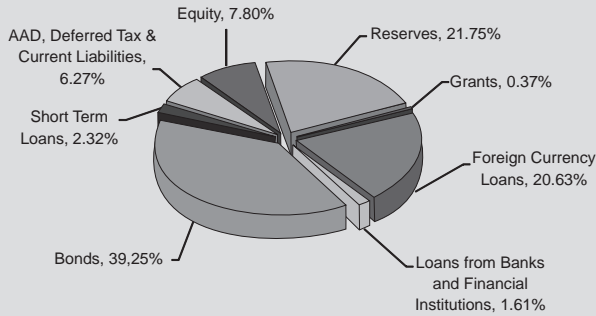
Secretary (PWD) in the State of Uttar Pradesh. He is looking after the work of Chief Vigilance Officer of our company since November, 2009 in addition to being Chief Vigilance Officer of NTPC Ltd.

LIST OF SENIOR EXECUTIVES (BELOW BOARD LEVEL) AND REGIONAL / RLDC HEADS

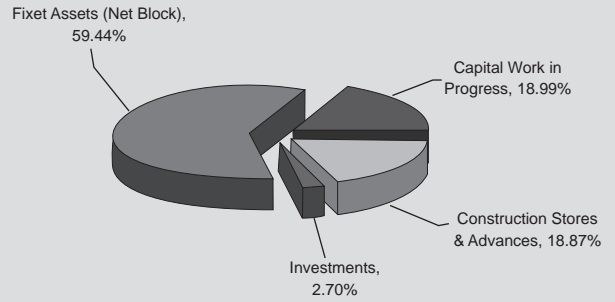
SL	NAME(S/SHRI)	DESIGNATION
1	R.P.Ojha	ED (HR), CC
2	H.L.Tayal	ED (BDD&PI), CC
3	Ganesh Singh	ED (DMS), CC
4	T.K. Wali	ED (CP), CC
5	T.S.P. Rao	ED (Law), CC
6	V.C.Jagannathan	ED (F&A), CC
7	S. Singh	ED (CS&MM), CC
8	B.S.Pandey	ED (HVDC Engg &QA&I), CC
9	Dr.S.K.Agarwal	ED (Technology Dev.), CC
10	I.R. Kidwai	ED (HR), CC
11	Arun Kumar	ED (Commercial), CC
12	R.T. Agarwal	ED (F&A), CC
13	Y.K.Sehgal	ED (Engg-SEF,CE&IT), CC
14	Ashwani Jain	ED (Telecom), CC
17	N.S.Sodha	GM(I/c) (LD&C), CC
18	P.C. Pankaj	ED (I/C Region), NR-I
19	Kaushal K. Agrawal	ED (I/C Region), ER-I
20	Ravi P.Singh	ED (I/C Region), ER-II
21	K.K.Chaudhury	ED (I/c Region), NER
22	Bharat Bhushan	ED (I/C Region), SR-I & SR-II
23	D.K.Valecha	ED (I/C Region), WR-I & WR-II
24	S.C. Singh	GM(I/c) (I/C Region), NR-II
System Operation Segment		
1	S.K. Soonee	ED (SO) & CEO, POSOCO
2	M G Raoot	ED (I/C WRLDC)
3	V K Agarwal	GM (I/C NRLDC)
4	P Pentayya	GM (I/C ERLDC)
5	P.R. Raghuram	GM (I/C SRLDC)
6	T.S. Singh	AGM (I/C NERLDC)
On deputation to Other Organisations		
1	R.P. Sasmal	ED (TVPTL)
2	Prabhakar Singh	ED (Jaypee POWERGRID)
3	R. Bahri	GM (RelianceJV (Parbati Koldam Trans Co.))
4	Dr L Hari	GM (NHTPL)

POWERGRID'S PERFORMANCE

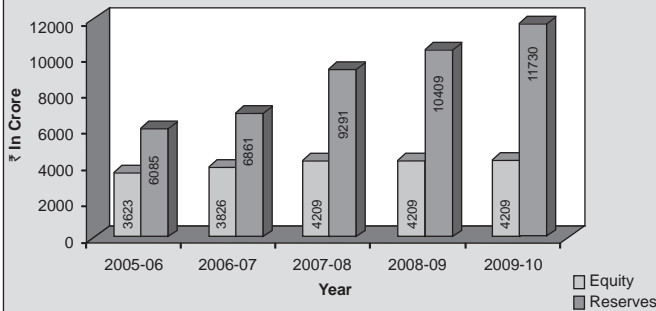
SOURCES OF FUNDS (%) 2009-10



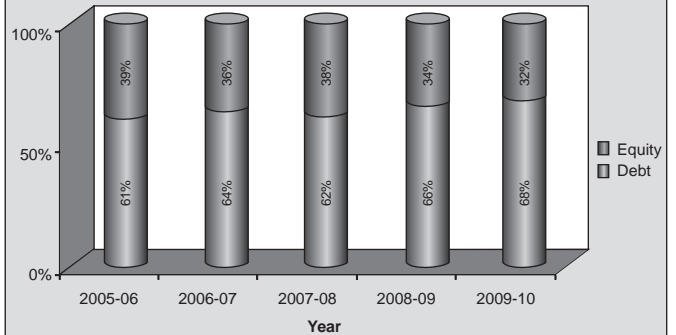
APPLICATION OF FUNDS (%) 2009-10



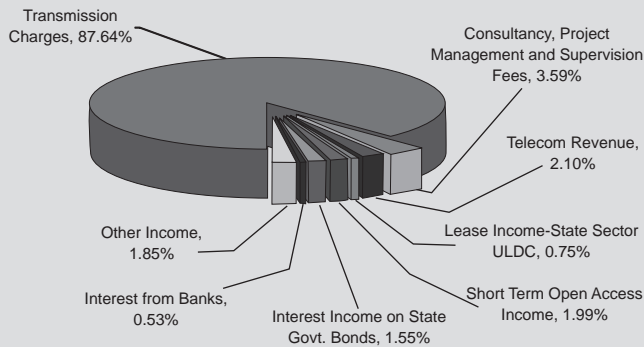
EQUITY AND RESERVES



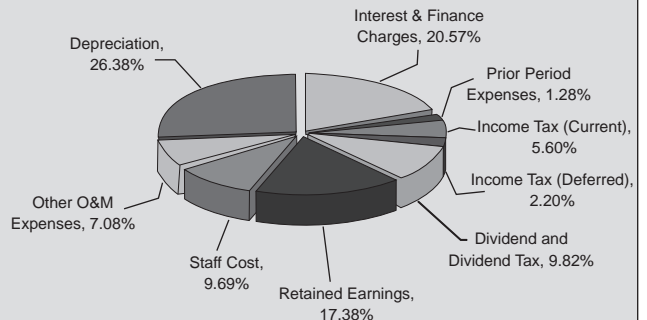
DEBT EQUITY RATIO (%)



INCOME BREAK-UP (%) 2009-10



DISTRIBUTION OF REVENUE - 2009-10



FIVE YEAR SUMMARY

OPERATING RESULTS

(₹in crore)

	2009-10	2008-09	2007-08	2006-07	2005-06
(A) EARNED FROM :					
Transmission Charges	6576.38	5282.84	4188.52	3248.00	2905.27
Consultancy Revenue	269.17	215.90	250.04	226.00	154.99
Telecom Revenue	157.72	149.83	123.53	77.10	37.42
Short Term Open Access Income	124.18	41.42	52.73	38.75	39.08
Other Income	376.13	448.73	466.71	507.30	417.55
Total Earnings	7503.58	6138.72	5081.53	4097.15	3554.31
(B) PAID & PROVIDED FOR :					
Employees Remuneration & Benefits	726.70	643.88	519.06	338.88	256.81
Transmission Expenses	244.91	199.61	171.55	164.44	92.57
Administration Expenses	257.56	208.10	162.42	142.05	122.36
Other Expenses (Including Prior Period Adj.)	101.23	74.26	189.51	-9.15	80.17
Deferred Revenue Expenditure	1.78	1.83	5.43	8.19	8.86
Provisions	22.15	46.23	3.83	2.74	132.77
Total Expenditure (Excluding Depreciation & Interest)	1354.33	1173.91	1051.80	647.15	693.54
Profit before Depreciation & Interest	6149.25	4964.81	4029.73	3450.00	2860.77
Depreciation	1979.69	1093.97	959.65	827.58	744.33
Interest & Finance Charges	1543.24	1642.27	1339.55	1140.42	947.45
Net Profit after Interest &					
Depreciation but before Tax	2626.32	2228.57	1730.53	1482.00	1168.99
Provision for tax (MAT)	421.91	478.60	197.11	134.09	83.16
Fringe Benefit Tax	-1.50	14.60	10.50	8.72	7.74
Net Profit after MAT and FBT	2205.91	1735.37	1522.92	1339.19	1078.09
Deferred Tax	164.97	44.76	74.45	109.82	69.16
Profit after Deferred Tax	2040.94	1690.61	1448.47	1229.37	1008.93
Dividend	631.34	505.08	505.08	368.82	302.68

Note: Previous Year figures have been regrouped/ rearranged wherever necessary

FINANCIAL POSITION

	(₹ in crore)				
	2009-10	2008-09	2007-08	2006-07	2005-06
(A) WHAT THE COMPANY OWNED:					
Gross Fixed Assets	43202.28	40319.33	35417.14	29014.63	24888.25
Less: Depreciation	11141.02	9190.89	8061.94	7198.56	6372.01
Net Fixed Assets	32061.26	31128.44	27355.20	21816.07	18516.24
Capital Work in Progress	10242.37	6533.43	5305.41	6068.85	3635.68
Construction Stores	7433.44	4694.19	2618.39	2708.41	2232.92
Construction Advances	2746.37	2058.38	834.29	663.13	532.26
Investments	1453.22	1592.83	1736.22	1967.00	2139.41
Current Assets, Loans & Advances	9627.32	8312.92	5376.78	3509.72	2724.08
TOTAL (A)	63563.98	54320.19	43226.29	36733.18	29780.59
(B) WHAT THE COMPANY OWED:					
Borrowings From:					
- Govt. of India	-	-	-	49.53	59.34
- Financial Institutions	420.44	511.19	602.84	643.27	727.79
- Foreign Loans	11129.52	10248.83	7006.16	6135.66	5707.39
- Bonds	21171.83	16409.57	13257.81	10999.54	7133.28
- Other Loans	1695.00	1295.84	1396.67	1497.50	1398.33
Total Loans	34416.79	28465.43	22263.48	19325.50	15026.13
Current Liabilities & Provisions	10092.89	8313.19	5024.98	4835.16	3641.46
Deferred Tax Liability	703.51	538.54	493.78	419.33	309.51
Advance against Depreciation	2213.63	2159.59	1697.07	1201.17	822.23
TOTAL (B)	47426.82	39476.75	29479.31	25781.16	19799.33
(C) NET WORTH OF THE COMPANY REPRESENTED BY :					
(i) Equity capital (including Deposit)	4208.84	4208.84	4208.84	3826.22	3623.44
ii) Free Reserves and Surplus	11708.23	10414.75	9298.53	6874.21	6105.59
iii) Less: Misc. Exp. to the extent not written off	3.56	5.50	7.19	12.86	20.73
TOTAL (C)	15913.51	14618.09	13500.18	10687.57	9708.30
(D) COMMITTED RESERVES & LIABILITIES					
i) Grants in Aid	198.82	225.35	246.80	264.45	272.96
ii) LDC Development Fund	16.44	-	-	-	-
iii) CSR Activities Reserve	8.39	-	-	-	-
TOTAL (D)	223.65	225.35	246.80	264.45	272.96
TOTAL (B+C+D)	63563.98	54320.19	43226.29	36733.18	29780.59
CAPITAL EMPLOYED	28678.55	28430.04	25516.15	18870.13	16467.12
(Net Fixed Assets+Net Current Assets)					
(E) RATIOS					
Net Profit to Capital Employed(%)	7.12	5.95	5.68	6.51	6.13
Net Profit to Net Worth(%)	12.83	11.57	10.73	11.50	10.39
Net Worth per Rupee of Paid-up Capital (in ₹)	3.78	3.47	3.21	2.79	2.68
Debt/Equity Ratio	68:32	66:34	62:38	64:36	61:39
Liquidity Ratio	0.74:1	0.75:1	0.75:1	0.54:1	0.57:1
Earning per Share (Diluted EPS) (₹ Per Share)*	4.85	4.02	3.60	3.28	3.03
Book Value per share (₹ Per share)*	37.81	34.73	32.08	28.22	27.08
Capital Expenditure (₹ in Crore)	10617	8167	6656	6383	4134
* Face value per share ₹ 10/- each (₹ 1000/each for FV 2005-06)					
(F) OTHER IMPORTANT INFORMATION					
Length of Transmission Lines (cKms.)	75290	71500	67000	59461	55121
No. of Substations	124	120	111	104	93
No. of Employees	9162	8214	7645	7427	7101
Transmission Network availability (%)	99.77%	99.55%	99.65%	99.20%	99.64%
Power Transmitted on POWERGRID Network (in MU)	363723	334013	328709	298937	

Note: Previous Year figures have been regrouped/ rearranged wherever necessary

DIRECTORS' REPORT

Dear Members,

Ladies & Gentlemen,

It is my pleasure to present, on behalf of the Board of Directors, the 21st Annual Report on the performance of your Company during the financial year that ended on March 31, 2010 along with audited Statement of Accounts, Auditors' Report, comments on the Accounts by the Comptroller and Auditor General of India for the reporting period.

POWERGRID has been contributing significantly towards development of Indian power sector by undertaking coordinated development of power transmission network through continuous innovations in technical & managerial fields along with effective and transparent operation of regional grids. Your company has once again displayed commendable performance during the year in all areas of its operations and established new benchmarks.

Highlights of achievements of your Company during FY 2009-10 are briefly mentioned here to give an overview of success achieved in all fronts:

Your company made an investment of **₹10,617 Crore** during the year for implementation of various transmission projects, an increase of about **30%** over the investment made in last year (₹ 8,167 Crore). The requisite funds were mobilised from domestic market, proceeds of loan from multilateral funding agencies namely, The World Bank (WB) and Asian Development Bank (ADB), besides internal resources. As on 31st March, 2010, your company owns and operates a transmission network of about 75,290 ckt kms of inter-State transmission lines, 124 nos. of EHV & HVDC substations with transformation capacity of about 83,100 MVA. Transmission Projects worth ₹ 3,610 Crore were Commissioned during the year. Under RGGVY, POWERGRID created infrastructure for electrification in **3402 un-electrified villages** against a target of 3100 villages, achievement of 110%. Service connections to **about 6.87 Lakh BPL households** were provided against a target of 6 Lakh, achievement of about 115%. **Transmission system availability of 99.77% was achieved, highest so far in the history of the Company.** There was no major grid disturbance in any part of the country during the year and regional grids were operated smoothly.

220/110/20 kV Chimtala Substation, in **Kabul, Afghanistan** along with the **Pul-e-Khumri - Kabul** 220 kV Double circuit transmission line completed by POWERGRID last year under the consultancy assignment, was inaugurated by **His Excellency Mr. Hamid Karzai, the President of Islamic Republic of Afghanistan** in May, 2009. With the commissioning of Chimtala Substation and associated transmission system in Afghanistan, **power flow to Kabul has commenced from neighboring country Uzbekistan.** It was one of the largest infrastructure projects ever undertaken in Afghanistan and through this system, for the first time in decades, Kabul's four million people can enjoy the benefits of a stable source of electricity. Certificates of appreciation were given by Hon'ble Minister of Energy and Water, Afghanistan in recognition of the difficulties and challenges involved in the project implementation and contributions made by POWERGRID.

On the MoU front, based on overall performance, Company has posted **"Excellent"** for FY 2009-10, continuing the track record of achieving **"Excellent"** rating since signing of its first MoU for 1993-94.

Your Company has **featured in the list of top 250 global energy companies compiled by Platts**, a leading provider of energy and commodities information and **named in the 20 fastest-growing Asian companies.**

Your Company has been conferred with three Gold Shields and one Silver Shield in the National Awards for Meritorious Performance in Power Sector for the year 2008-09. In this, Western Region-I Transmission System and North-Eastern Region Transmission System were awarded Gold Shields for Transmission System Availability, while the 220 kV Double Circuit Transmission Line from Pul-e-Khumri to Kabul in Afghanistan was bestowed with Gold Shield as a Special Award for early completion of project. Eastern Region-I Transmission System bagged the Silver Shield for Transmission System Availability. It is a matter of pride that your Company has been receiving these awards continuously for the last five years.

In addition, during FY 2009-10, POWERGRID has been conferred with **"Certificate of Merit Award"** for its contribution towards Human Resource Development (HRD) by **International Federation of Training and Development Organization Limited, Geneva, Switzerland.** POWERGRID has also received **"INFOCOM CMAI National Telecom Award 2009"** for **"Utilities Providing Best Telecom Infrastructure"** and prestigious **'2nd India Power Award 2009'** under **'Overall Utility Performance Category'**, by **Council of Power Utilities & KW Conference.**

FINANCIAL RESULTS

	2009-10	2008-09
		₹ Crore
Turnover *	7504	6139
Gross Margin	6247	5037
Less:		
Depreciation	1980	1094
Prior period Adjustment	96	70
Deferred Revenue Expenses written off	2	2
PBIT	4170	3871
PBT	2626	2229
PAT	2041	1691
APPROPRIATIONS		
Transfer to Bonds Redemption Reserve	630	491
Interim Dividend	210	210
Proposed final Dividend	421	295
Tax on Interim Dividend	36	36
Provision for Dividend Tax on proposed final dividend	70	50
Transfer to General Reserve	800	700
Transfer to Self Insurance Reserve	38	35
Transfer to LDC Reserve	16	-
Transfer to CSR Activities Reserve	8	-

* Excluding Foreign Exchange Rate Variation.

OPERATIONAL EXCELLENCE

Over a decade and half of excellent business operations, your Company has developed strong in-house expertise in all specialised areas of power transmission business and has carved a niche for itself amongst the largest transmission utilities in the world. As on 31st March, 2010, your company owns and operates a transmission network of about 75,290 ckt kms of inter-State transmission lines, 124 nos. of EHV & HVDC substations with transformation capacity of about 83,100 MVA and about 50% of total power generated in the country is wheeled over it. For the year, availability of 99.77% was achieved for the transmission system, highest ever in the history of the company, and number of tripping per line was contained at 2.07 against MoU target (Excellent) of 2.60.

To enhance the efficiency of its operations, State-of-the-art O&M measures like Hotline Maintenance, Emergency Restoration System and the cleaning of insulators through helicopters was adopted. Equipment health is being assessed periodically using "Condition Assessment Techniques" with sophisticated tools. All shut down and non shut down maintenance activities are planned in advance and an "Annual Maintenance Plan" is worked out for each and every asset. There are well defined levels for approval of test results depending on their importance and criticality. As a result, your company has been able to display its capability in consistently maintaining the high transmission system availability, comparable with the best international standards. In addition, State-of-the-art "Emergency Restoration System" were also deployed for restoration of collapsed transmission lines in minimum possible time. Further, appropriate initiatives have been taken up to replace ageing transmission assets as per prevalent CERC tariff regulations.

O&M activities of your company are ISO certified and systems and procedures are being modified periodically to keep abreast with the latest technology. Documents of maintenance schedule, procedures and formats have been standardized for all assets. All substations and line offices can access these documents through Company's website portal. Periodical reviews are conducted at Substations and Line offices to evaluate implementation of the systems and procedures.



As on date about 16 sub-stations are operated remotely. Keeping in view the successful experience of remote operation and international trend of unmanned sub-stations, actions are being initiated to establish “National Transmission Management Centre” to control & operate most of the sub-stations remotely and “maintenance hub” to cater to the maintenance requirements of nearby group of sub-stations rather than placing staff in each sub-station for optimal utilisation of manpower & also to reduce the response time in case of fault.

Transformer On-Line Condition Monitoring system (TOLCM) was installed at Mandola & Rihand substations to assess the condition of transformers. This system measures bushing Capacitance & Tan delta, DGA, moisture, OLTC monitoring, loading profile, oil temperature, winding temperature and residual life assessment and is helpful in taking advance action in case of any abnormality to avoid catastrophic failures.

Your company has also entered into a contract with M/s UMS Group, USA in March 2010 for the International Benchmarking of its O&M practices through International Transmission Operations & Maintenance Study (ITOMS) based on cost, productivity, service levels, equipment maintenance, Asset Management, safety etc. This exercise will pinpoint areas requiring improvements with respect to similar utilities in the world and will help in identifying opportunities for improvement and discovering best practices in Operations, Maintenance and Technology.

A conference on ‘International Best Practices in O&M of EHV Transmission System’ was organized by POWERGRID on 5th and 6th March, 2010 at Gurgaon. International experts from various renowned utilities and institutions such as Doble-USA; Hydro-Quebec, Canada; BC Hydro, Canada; TEPCO, Japan; NGC, UK; Furnas, Brazil; ASU, USA had participated in the conference and delivered lectures on the best practices being followed in their system. The conference was also attended by executives from all the Regions and Corporate Centre. The conference provided a platform for the employees to learn various emerging techniques in the field of O&M in EHV Transmission System and also to interact with various experts from different utilities across the globe. Further, your company is exploring options to carry out aerial patrolling of transmission lines through helicopter on trial basis and on its successful completion, it is planned to be deployed country wide to optimise manpower & for better efficiency in maintaining the transmission lines.

QUALITY MANAGEMENT

Your Company, in all its endeavours, is committed to provide cost effective & quality services to its valued customers thereby deriving high customer satisfaction. To achieve this, quality improvement measures/ techniques are being adopted at every stage from conceptualisation of project till commissioning and subsequently during operation phase to identify the areas of improvement and develop action plans for achieving the desired level of quality in all of its activities.

During the year, Quality Management System (QMS) of your Company was reviewed and based on evaluation of implementation of the latest systems and procedures the revised certification with validity upto June, 2013 was obtained. Today, your company stands certified with Integrated Management System (IMS) as per **Publicly Available Specification, PAS 99:2006** integrating requirement of ISO 9001:2008 (Quality), ISO 14001:2004 (Environment) and OHSAS 18001:2007 (Occupational Health & Safety Management System). POWERGRID also stands audited for **Social Accountability System, SA 8000:2008** for all its establishments. With the accreditation of **ISO 9001:2000** for all Regional Load Dispatch Centres (RLDCs) during the last year, QMS certification for all establishments of POWERGRID has been completed.

GRID MANAGEMENT AND OPEN ACCESS

Optimum utilization of generation resources requires development of a strong transmission network and its implementation has been taken up by your Company in a phased manner. Planned rapid expansion of regional grids and their integration to form National Grid poses great challenges in Grid Operation & Management. Toward this, various inter-regional links have been implemented matching with generation capacity addition programme and growing power demand in the country. Central Sector Generating Stations have not faced any generation evacuation problem on account of transmission constraints during the year, as the strong and robust transmission network set up by your Company is there to take care of evacuation related issues.

Reliable and stable operation of regional power grids has always been a matter of high priority for your company. The facilities at all the five Regional Load Dispatch Centers (RLDCs) and National Load Dispatch Centre (NLDC) are being upgraded continuously considering the increased complexity of grid operation in the country. Our initiatives towards effective grid management are paying rich dividends leading to minimal grid disturbances along with improvement in vital grid parameters such as voltage and frequency. Indian Power Grids have not experienced any major grid disturbance

during the last seven years. Even minor grid disturbances in regional grids have come down significantly. Further, grid frequency was maintained in the prescribed band as per IEGC, i.e. 49.2 Hz to 50.3 Hz for large percentage of time in all the five regions during the year.

Development of various inter-regional transmission links, strong transmission network and modernised Regional Load Despatch Centers (RLDCs) have also facilitated manifold growth in inter-regional power exchanges on real-time basis. During FY 2009-10, about 52,000 MUs of inter-regional energy transfer was facilitated across the country as compared to about 46,000 MUs during FY 2008-09. The increased inter-regional power exchanges have helped in meeting more demand in energy deficit regions besides achieving overall economy.

On behalf of various State Power utilities and other players in the regional pool, your company, through RLDCs, facilitated settlement of UI charges to the tune of ₹ 12,290 Crore in FY 2009-10 (as compared to ₹ 14,000 Crore in FY 2008-09).

Further, in line with Gol directive, your Company has established **M/s Power System Operation Corporation Limited (POSOCO)**, a 100% subsidiary of POWERGRID, in March, 2009 to look after Grid Management function. However, pending determination and transfer of assets, Grid management function continued to be operated by your Company.

Inter-State power exchange in an Open Access environment:

Non-discriminatory Open Access is the key for development of a successful Competitive Electricity Market. Short-Term Open Access is applicable for utilization of surplus capacity available on the inter-State transmission System by virtue of inherent design margins, margins available due to variations in the power flows and margins available due to in-built spare transmission capacity created to cater to the future load growth or generation addition.

Short-Term Open Access in inter-State transmission has been successfully implemented and facilitated for development of a vibrant short-term electricity market. Around hundred captive power plants across the country have also exploited the benefit of short-term open access. Under open access, more than 18,244 transactions were approved during the year involving about 39,500 MUs of energy. Thus, the Company facilitated flow of power across the country effectively utilising the available transmission capacities, thus bringing much needed open access to reality. Since introduction of Short-term open access in inter-State transmission in May, 2004, more than 40,000 bilateral transactions has taken place and more than 152,500 MUs have been exchanged.

Open access environment encourages exchange of power as per the market conditions. For this purpose, two Power Exchanges have been established in the country, which facilitates collective transactions discovered through a transparent, anonymous double sided based bidding mechanism. In a short-span of less than 2 years, around 10,000 MUs have been exchanged through power exchanges. In this financial year itself, around 7,000 MUs have been exchanged.

PROJECT IMPLEMENTATION

Your Company gives utmost priority for implementation of its projects with economy and within stipulated time frame to be eligible for additional return on equity of 0.5% as per the prevailing CERC tariff norms and to derive maximum economic benefits. Your company's advanced and cost effective Integrated Project Management and Control System (IPMCS) for total project review and monitoring has been contributing significantly. Project implementation activities involves total project review and monitoring including Standardisation of Designs, Project Review Meetings (PRMs) at regular intervals through video conferencing, pre-emptive measures and advance actions on various project linked activities such as land acquisition, survey and soil investigations, tender activities, funding tie-up, etc. in parallel with project investment approval process.

During FY 2009-10, transmission projects worth about ₹ 3,610 Crore were commissioned. These additions to the Company's network have helped in improving power supply situation in various regional grids, facilitating enhanced inter-regional power transfer and improved reliability of the system. Further, Board of Directors of your company have accorded investment approval for **14** new transmission projects with an estimated cost of about **₹ 13,450 Crore** comprising of **6,500 ckm** of transmission lines, **20** no. sub-stations and transformation capacity of about **27,825 MVA**. Major projects includes Transmission System associated with generation Projects like Pallatana GBPP (726 MW), Bongaigaon TPS (750 MW), Mauda (2x500), Kalpakkam PFBR (500 MW), Nabinagar TPS (1000 MW), Simhadri-II (2x500MW), Vindhyachal-IV (1000MW), Rihand-III (1000MW), System Strengthening in Northern Region for Sasan & Mundra Ultra Mega Power Projects, 765 KV System for Central Part of Northern Grid (Part-II&III), Northern Regional Transmission Strengthening Scheme, etc.. Implementation activities of these projects have already commenced.



At the end of March, 2010, transmission projects at a cost of **over ₹ 81,000 Crore involving about 42,000 ckm of transmission lines, 58 new substations and transformation capacity of 88,675 MVA** are under various stages of implementation.

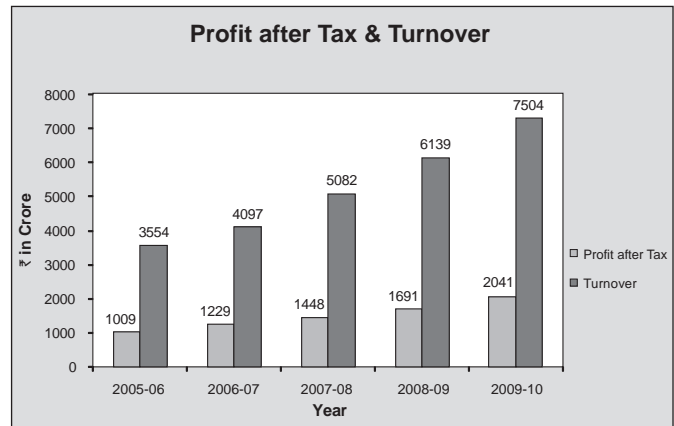
Your Company has also been entrusted by Govt. of India to develop associated transmission systems for evacuation of power from four Ultra Mega Power Projects (UMPPs) viz. Mundra, Sasan, Krishnapatnam and Talaiyya UMPP. Necessary actions are being taken by the Company for implementation of these projects matching with the generation projects. In this, Associated Transmission Systems for Mundra and Sasan UMPPs have been approved and implementation has commenced while transmission system for Krishnapatnam UMPP is under investment approval & that for Tillaiyya UMPP is under finalisation.

FINANCIAL MANAGEMENT

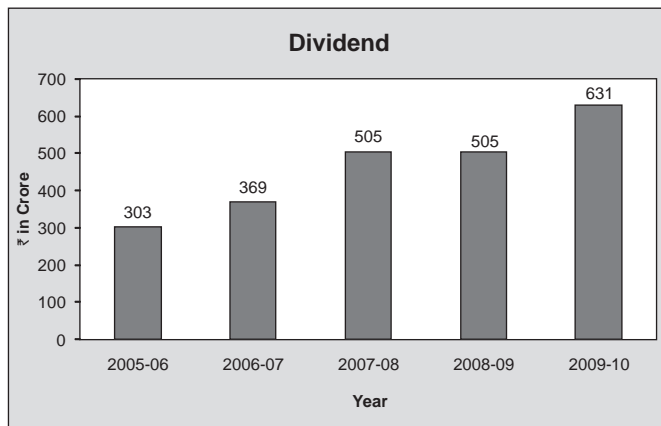
The year 2009-10 has been another year of impressive financial performance for your Company, with a **Turnover of ₹ 7504 Crore and Net Profit of ₹ 2041 Crore** as compared to ₹ 6,139 Crore and ₹ 1,691 Crore respectively during FY 2008-09, an increase of 22.2% and 20.7% respectively. The **Gross Asset Base** of the Company has been enhanced to **₹ 43,202 Crore** in 2009-10 from ₹ 40,319 Crore in 2008-09.

Dividend Payout

In addition to interim dividend of ₹ 0.50 per share paid in January, 2010, your Directors have recommended a final dividend of ₹ 1.0 per share for the year 2009-10. The **total dividend payout for the year is ₹ 1.50 per share** as against ₹ 1.20 per share paid last financial year. The final dividend shall be paid after your approval at the Annual General Meeting.



The total dividend pay-out for the year amounts to ₹ 631.34 Crore representing 30.93% of the profits after tax for the year. Earning per share has also increased to ₹ 4.85 as against ₹ 4.02 last year.

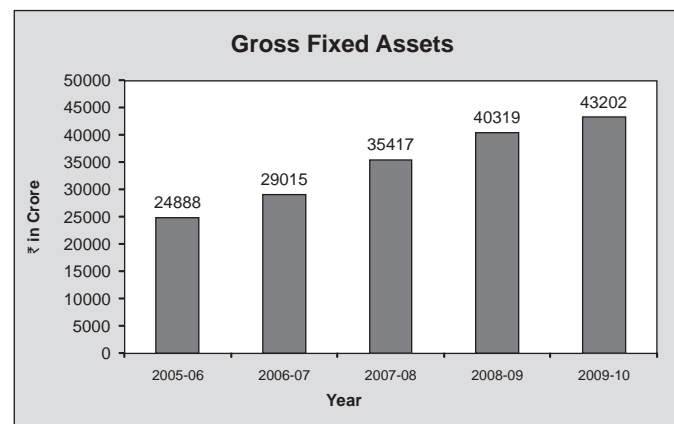


To remain a financially progressive organisation and enhance value for our shareholders in emerging market conditions, company is taking all possible steps to further improve its financial performance by expanding the consultancy activities in synergic businesses such as consultancy assignments at National and International level in transmission, distribution, telecom etc.. Your Directors believe that strategic diversification into synergic business would lead to increase in shareholders' value.

Directors' Responsibility Statement

As required u/s 217 (AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;



- The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- The Directors have prepared the annual accounts on a going concern basis.

XI Plan Investment programme

Government of India's mission of 'Power for All by 2012' envisages sufficient, reliable & quality power to all at optimum cost, and, inter-alia achieving GDP growth rate of 8-9%. The gigantic task can only be accomplished with matching investments in the power sector. For development of inter-State transmission system, an investment of about ₹ 55,000 Crore is planned by the Company during XI Plan for further developing National Grid including inter-regional transmission systems, system strengthening schemes, transmission system for evacuation of power from generation projects under central sector and Ultra Mega Power Projects (UMPPs). In fact, during first 3 years of XI plan, investment of ₹ 25,440 Crore (46% of planned investment) has already been made. For the FY 2010-11, an outlay of ₹ 12,900 Crore has been kept. Balance expenditure of about ₹ 16,700 Crore is envisaged to be made in FY 2011-12 based on the generation capacity addition.

Your Company is placed in a comfortable position in terms of resource mobilisation, as it enjoys an excellent credit rating with financial institutions at national and international level. Our ongoing transmission projects, which are at various stages of implementation, are progressing as per schedule. Your company does not envisage any problem in mobilizing the resources for meeting the planned investment during XI plan period. Loan requirement shall be met through borrowings from multilateral funding agencies (such as The World Bank and Asian Development Bank)/ supplier's credit and balance from domestic sources on yearly basis as per requirement. Presently, about 80% of fund requirement has already been tied-up/ identified and balance shall be mobilized as per requirement. Being a AAA rated, your Company is not foreseeing any problem in mobilizing the resources from domestic market at competitive rates. Equity requirement of about ₹ 16,500 Crore shall be met through internal resources, sale of bonds, follow-on public issue etc. as per requirement/ approval from Govt. of India.

COMMERCIAL PERFORMANCE

Your company's performance has been highly satisfactory on commercial front, in terms of realisation of transmission charges. Current realisation of about ₹ 6570 Crore stood at about 100% of billed amount during the year 2009-10 against ₹ 5,877 Crore realised last year. POWERGRID is continuously realising 100% of its current dues for the last six years. Post-securitisation, outstanding dues (beyond 90 days of billing) stands at nil as on March 31, 2010. The present LC coverage of about ₹ 503 Crore is equivalent to more than 100% of average monthly billing.

DEVELOPMENT OF NATIONAL GRID

Your company is playing an important role in development of National Grid for optimum utilisation of generation resources and for meeting power demand in various parts of the country. As on March 31, 2010, National Power Grid with an inter-regional power transmission capacity of about 20,800 MW has been established which includes one of the largest synchronous grid in the world with installed generation capacity of over 1,15,000 MW. Four major regional power system grids, namely Northern, Eastern, North-Eastern & Western are presently operating at same frequency in synchronous mode. Southern Region is connected to this grid through various HVDC links. Substantial amount of power is being exchanged across the country. In fact, establishment of National Grid is also facilitating transfer of short term surplus power from any place to any other place in the country from generation under State and Private sector as well.

Capacity of National Grid is planned to be enhanced to more than 32,000 MW by end of XI Plan or early XII plan as per materialization of planned generation capacity addition.

HVDC Back to back Station at Sasaram is operating as per system requirements and revenue is being realised as per CERC norms. Considering the future transmission system development in the regions, Standing Committee of Regional Transmission Planning of CEA and Regional power Committees in Southern region, Western Region and Northern Region and constituents of all the three Regions have agreed to shift HVDC equipment at Sasaram to Kolhapur and also to pay transmission charges thereof.

TECHNOLOGY UP-GRADATION, RESEARCH & DEVELOPMENT

In every stage of transmission system development there are challenges, be it Planning, Construction, Operation or Maintenance, Conserving Right-of-Way (RoW), minimizing impact on natural resources and cost effectiveness in evacuation of power, coordinated development of cost effective Transmission corridor, flexibility in upgradation of



transfer capacity of lines matching with power transfer requirement are major areas of concerns in development of transmission network in the country. In order to address these issues effectively, your Company has undertaken several technological innovations aimed at conserving Right-of-Way (RoW), minimizing impact on natural resources & human habitat and cost effectiveness in evacuation of power from the future generation projects.

Technology upgradation is a continuous process. Liberalisation & globalisation have led to greater competition from both domestic as well as international companies. This has reinforced the need for technology upgradation to attain international levels of competitiveness and to be able to offer contemporary levels of technology. In order to meet these objectives, the development effort is being pursued by entering into collaboration with reputed foreign manufacturers, forming joint ventures, in-house R&D efforts and through interaction with various research organisations.

For optimum utilisation of precious right of way and effective Grid Operation & Management, Company is deploying state-of-the-art technologies such as High Temperature Conductors, Series Compensation including Thyristor Control, Multi Circuits, Compact & Tall Towers etc. in transmission systems. Having established the 765kV EHV AC & ± 500 kV HVDC technologies, as a next step to meet expected accelerated growth, initiatives have been taken up to introduce next higher transmission voltages in HVDC and AC, High Surge Impedance Loading (HSIL) Lines, Large Scale Automation of Sub-stations, Use of Helicopter in construction & maintenance, etc. to ensure development of efficient, coordinated and economical inter-State transmission system for bulk transfer of power.

Towards introduction of next voltage level in HVDC, implementation of **± 800 kV, 6000 MW HVDC Bi-pole line from North Eastern Region to Northern Region** have commenced. This link shall pass through chicken neck area of North-Eastern Region and shall be transmitting power over a distance of more than 2000 Kms. With regard to AC, establishment of a **1200kV Ultra High Voltage AC Test Station at Bina** in Western Region is under process as a collaborative effort with manufacturers, who would be able to field test their indigenously developed 1200kV equipment on long term basis. Presently, designs and proto type testing of 1200kV DA type tower has been successfully completed and the same for other types of towers and most of the sub-station equipment are under progress. Tower foundations & erection works are under progress. These technological initiatives are pioneering efforts even globally.

In India, creation of facilities for short-circuit testing of transformers was long felt. In this direction, **National High Power Test Laboratory (Pvt.) Ltd. (NHPTL)**, a Joint Venture Company of NTPC, NHPC, POWERGRID and DVC has been created in May, 2009 for establishment of a fully independent, stand alone, state-of-the-art, professionally managed, international class, On Line High Power Short Circuit Test Facility in India. This shall provide a full range of short-circuit test facilities for the electrical equipment manufacturing industry and power utilities in conformance to Indian and International Standards. NHPTL is proposed to be established at Bina sub-station of your company in Western Region in four stages. Stage-I & II are proposed to be taken up simultaneously which will facilitate testing of large power transformers (up to 400 kV & 765 kV voltage levels) for short-circuit withstand capabilities. Estimated cost of this facility is envisaged to be about ₹ 340 Crore and the facility is expected to be commissioned by June, 2012.

The latest in the transmission business is the use of **Smart Grid technology** which envisages providing choices to each and every customer for deciding the timing and amount of power consumption based upon the price of the power at a particular moment of time. Your Company is taking leadership initiative for implementation of Smart Grid Technology in the country for effective transmission & distribution of power. Two pilot projects for transmission system of Northern & Western Region Power System have already been undertaken which involves deployment of Synchro Phasor based WAMS (Wide Area Measurement System) Technology. Your company's initiative would prompt other utilities for similar action and we are ready to provide necessary help to all these organizations.

A two day international workshop on Smart Grid was organized by your company in January, 2010 for all the Power Utilities of the country at the Gurgaon Office in which technological and strategically important issues involved in implementation of the smart grid were discussed. The workshop was inaugurated by **Hon'ble Union Minister of Power, Shri Sushilkumar Shinde**. Senior officials of Ministry of Power, Central Electricity Authority, State Power utilities and Industry experts from India, and abroad, etc. have participated in the workshop.

PERFORMANCE IN TELECOM

Your Company is one of the few telecom players with marked presence in remote areas and has acquired Infrastructure Provider Category-I (IP-I), Internet Service Provider (ISP) Category 'A' and National Long Distance (NLD) licenses to provide a variety of services. Our major customers include prestigious Government organizations such as ERNET, STPI, NIC and various Government Ministries along with other prime telecom companies. It is our constant endeavour to

provide a robust highway of telecommunication at affordable cost with ultra modern and eco-friendly implementation techniques. In the coming years, Company is also planning to attract customers from entertainment and broadcasting industry.

At the end of FY 2009-10, your Company has established **around 20,600 Kms** of telecom network connecting all metros, major cities & towns. Availability of the Telecom Network has been consistently maintained at **99.9%** during 2009-10.

Despite a general slowdown experienced by Telecom industry wherein intense price war is resulting into declining average revenue per user, your Company has achieved a growth and earned revenue of **about ₹ 158 Crore** in telecom business during FY 2009-10, compared to ₹ 150 Crore in FY 2008-09.

POWERGRID is a consortium member for implementing the prestigious telecom infrastructure project of national importance, namely National Knowledge Network (NKN) project, which envisages a gigantic 3 layer Telecom network of all knowledge centres across the country such as IITs, IISc, etc. on high speed connectivity at an estimated total project cost of about ₹ 6,000 Crore. Based on the work likely to be allocated to your company, our investment in the NKN project is expected to be of the order of about ₹ 560 Core. A revenue of about ₹ 1000 Crore over a period of 10 years is envisaged by your company from this project.

Your Company has lined up major expansion plans for its telecom network, which include further diversification into value added services such as MPLS-VPN, NLD Switched Voice, Data Centres and the Tower Infra business. With the focus now shifting from urban to rural connectivity, your Company's role in telecom becomes even more significant as it has presence in rural & remote areas of the country by way of its Power Transmission network which can be leveraged to provide telecom services in such areas by co-locating Wireless Antennas on Power Towers.

During the year, we have added some new customers (viz. HSBC Bank, Videocon, Sistema Shyam Teleservices Limited, Loop Telecom, Unitech Wireless Limited (Uninor), etc. from the Private Sector and National Disaster Management Authority (NDMA), India International Centre, Prasar Bharti from Govt. Sector, etc.) to our already impressive list of customers.

BUSINESS DEVELOPMENT & CONSULTANCY

Backed by its strong in-house expertise in various facets of Transmission, Sub-transmission, Distribution and Telecom sectors, POWERGRID is executing various consultancy assignments in the areas of Planning, Engineering, Load Despatch & Communication, Telecommunication, Contracting, Financial and Project Management at national & international level.

In the international arena, your Company has emerged as a strong player in transmission sector in South Asia and is providing consultancy services in United Arab Emirates (UAE), Nigeria and Bangladesh in the field of transmission, grid management and telecom which would help these countries in smooth operation of the links. Further, a high capacity cross border transmission corridor for bulk transfer of power between India and Nepal is being implemented by two separate Joint Venture companies for Indian portion & Nepal portion wherein POWERGRID, SJVNL, Nepal Electricity Authority and IL&FS are the stakeholders and the project is expected to be completed by 2012 at an estimated cost of ₹ 205 Crore. This high capacity transmission line will initially help Nepal in meeting part of its deficit by importing power from India and subsequently for export of power to India. In addition, interconnection between India and Bangladesh has been finalized, and, besides taking up activities for implementation of India portion of the line, your Company is also providing consultancy to Power Grid Company of Bangladesh (PGCB) for construction of Bangladesh portion of the interconnection as well as capacity building of PGCB's manpower.

Your Company has been keenly participating in tenders floated by ADB, The World Bank, and other foreign organizations and has also collaborated with internationally reputed companies like KEMA, Netherlands and is submitting Expressions of Interest and Prequalification documents to clients in various countries like Vietnam, China, Kenya, Ethiopia, Uzbekistan, Afghanistan & Bangladesh for participating in International Competitive Bidding.

During the year 2009-10, business development opportunities continued to receive focussed attention and thrust across the entire value chain of the power sector. Your Company has realised revenue of **about ₹ 269 Crore** during FY 2009-10 as consultancy fee from its various ongoing assignments as compared to ₹ 216 Crore realised last year. Further, during the year, 24 nos. repeat orders have been received from customers who placed orders for consultancy jobs in the previous financial year. This is the highest so far achieved and shows high level of customer satisfaction.



CONTRIBUTION IN DISTRIBUTION REFORMS

A well planned generation system, integrated transmission system & reliable distribution system penetrated through remotely located villages & habitations is the need of the hour. You can proudly claim that your Company is playing a significant role in carrying forward the distribution reforms through Govt. of India's sponsored Accelerated Power Development & Reforms Programme (APDRP) and Rajeev Gandhi Grameen Vidyutikaran Yojna (RGGVY) schemes in various parts of the Country. These schemes are aimed at bringing qualitative improvement in distribution sector and expected to achieve reduction of AT&C losses.

With its strong managerial and technical expertise, your Company is assisting Govt. of India under APDRP for improvement of distribution system in various States. Most of these schemes have been commissioned/ are nearing completion. Under RGGVY, your Company has been assigned the job for execution of rural electrification works in 68 districts in the country covering around 74,000 villages at an estimated cost of about **₹ 6,400 Crore**. For the year 2009-10, infrastructure has been created for electrification in **3402 un-electrified villages** against a target of 3100 villages, achievement of 110%. Service connections to **about 6.87 Lakh BPL households** were provided against a target of 6 Lakh, achievement of about 115%. *Cumulatively, till March, 2010, your Company has established infrastructure for electrification of 37,923 villages. Further, service connection to about 16.20 Lakh BPL households has also been released under RGGVY.*

E-GOVERNANCE:

Your Company is committed to fulfilment of the expectations of stakeholders through continual enhancement of Effectiveness, Efficiency and Transparency in its functions. In order to meet the above objective potential of Information technology as an enabler in its pursuit to achieve operational excellence is being leveraged.

Considering the present business needs and the fast pace of growth the Company has been experiencing in the last 5 years and which is only expected to grow exponentially, your Company is taking steps to integrate various parts of the systems, like financial and physical monitoring and control internally through the use of **Enterprise Resource Planning (ERP)**.

First workshop cum meeting of Crisis Management Group for "Countering Cyber attacks and Cyber terrorism" was also organised by your Company in association with Indian Computer Emergency Response Team (CERT-In), Department of Information Technology, Ministry of Communications & Information Technology in February, 2010 at Gurgaon.

Major IT endeavours during the year include the following:

- ◆ IT Infrastructure consolidation and strengthening
- ◆ Facility Management System initiatives for maintaining IT infrastructure Nationwide
- ◆ Formulated the Knowledge Management Policy & started IT enabled initiatives
- ◆ Initiated implementation of Crisis Management Plan for Countering Cyber attacks and Cyber Terrorism and the draft Crisis Management Plan prepared as per CERT-In guidelines
- ◆ Proto testing of Enterprise Project Management (EPM) application for transmission projects
- ◆ Strategic Planning for EHV infrastructure Asset Management
- ◆ Developed e-Performance Management System
- ◆ Initiated activities for E-procurement.

ENVIRONMENTAL AND SOCIAL SAFEGUARDS MANAGEMENT

Increasing threat of climate change and environmental degradation due to increasing pollution and growth is a major area of concern today. You must be proud to know that your company, with a goal of achieving sustainable development of the power sector in the country has taken proactive measures for improvements in the areas of Environment Management. POWERGRID's contribution towards environmental degradation is almost negligible. Transmission projects are non-polluting in nature and environmentally clean and don't generate solid waste.

Your Company is the first PSU to develop **Environmental and Social Policy and Procedures (ESPP)** in 1998 and upgraded it from time to time through wide consultations with social bodies, local communities, Govt. agencies, etc. in line with changes and International best practices to pre-empt all possible Environment & Social issues related to land acquisition & RoW clearances through proper & timely management. The ESPP outlines Company's approach and commitment to deal with environmental and social issues, relating to its transmission projects and lays its management procedures and protocol to mitigate the same. During last 12 years, ESPP implementation has drawn many appreciations/ awards from various stakeholders.

When we take loan from multilateral funding agencies, compliance to their environment policy, besides statutory requirement of the country, have to be ensured and their prior approval is required before commencing the work. However, considering the environment policy of your Company, which not only takes care of sustainability requirement but has been finalized keeping the international standards, The World Bank has selected POWERGRID's ESPP as the 1st candidate for Use of Country Systems (UCS) in India, in which prior approval is not required. This facilitates expeditious compliance of funding agency requirement and timely implementation of transmission projects.

Your company took keen interest towards development of first Sustainability Report in power sector, for measuring, disclosing and being accountable to internal and external stakeholders for organizational performance towards sustainable development.

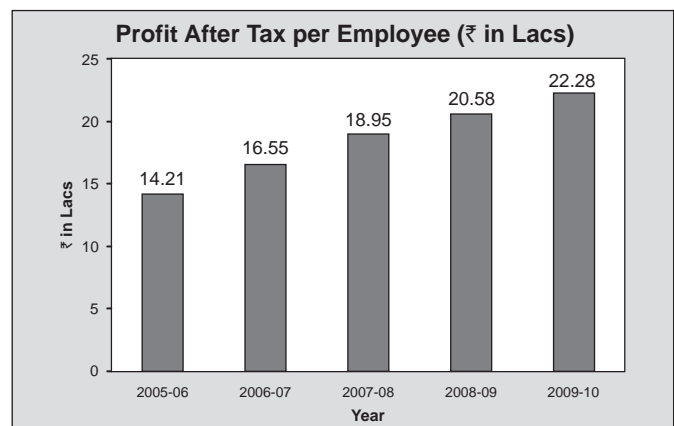
The results achieved by your company towards conservation of RoW are praiseworthy. With the development of innovative tower designs, the RoW requirement has been reduced from 85 m to 64 m for 765 kV and from 52 m to 46 m for 400 kV D/c AC line. You would be glad to know that more than a lakh sq. meters of precious RoW was saved by constructing 765 kV lines by your company till March, 2010. Apart from this, installation of Pole type structures for 400 kV in urban areas such as Dadri-Ballabhgarh transmission line has not only reduced the RoW, but were more aesthetic compared to conventional lattice type structures.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) has always been an integral part of your Company's vision and the cornerstone of Core Values of Good Corporate Citizenship. Your Company is committed towards taking responsibility for its impact, though very minimal in nature, on society and being accountable to the inhabitants of Mother Nature. As part of Corporate Social Responsibility, your Company is making key contributions to society through its core business activities, its social investment and philanthropy programmes and its engagement in public policy to ensure Socio-Economic development of weaker sections of Society and for overall conservation of Environment and improvement of Ecological balance.

Company's '**Corporate Social Responsibility Policy**' addresses the issue of Community Development (including employment, conservation and environment, etc.) in the vicinity of its offices/ sub-stations where the Resettlement and Rehabilitation (R&R) activities under ESPP have been completed and closed. The policy provides for spending 0.75% of previous year's net profit on identified CSR activities.

The CSR Budget for the year 2009-10 was ₹ 12.67 Crore in different thrust areas like Education, Health, Infrastructural Development, Environment & Ecology, Sports, Arts & Cultural heritage, etc. spread across different Regions, which is non-lapsable and the unspent amount is to be carried forward to succeeding year. During the year, an amount of ₹ 4.29 crore was spent on CSR activities and the balance amount has been earmarked for expenditure during next year. A major portion of CSR initiatives was in the development of physical infrastructure in nearby villages like constructing class room, library, computer room for schools, primary health centre, drinking & sanitation facility, check dam, drainage, roads, bus shelter, community centre, street lights, cultural interpretation centre & auditorium etc. These facilities were created with the objective of these being of long lasting value and have multiplier effect on improving the standard and quality of life of the villagers.





CSR initiatives undertaken in different villages around our establishments have contributed tremendously and earned the goodwill of the local inhabitants. The work done by the Company has been appreciated by one and all. This has also played a pivotal role in improving the quality of life of local people by enabling them to use the physical infrastructure established by the company and bringing the marginalized people into the mainstream of development.

EMPLOYEES, OUR ASSETS FOR SUCCESS

Human Resource Development

Company pursues the philosophy that human value is the most vital asset of the organization and accordingly, its policy is focused on Human Resource Development (HRD) through sustained efforts towards skill upgradation, career enhancement and job rotation. HRD strategy is evolved with a view to make employees competent for planning, monitoring and timely execution of construction projects, enable them to perform operation & maintenance effectively and upgrade/innovate technologically, provide better career growth, etc.

Training needs are identified with two pronged approach. Firstly, a structured questionnaire indicating the key result areas of various key functions is circulated among employees offline and online to seek the training needs of individuals. Secondly, a committee consisting of Heads of Departments representing various Regions examines the individual needs in terms of competencies and the gaps thereof. After a detailed discussion with key functionaries of various Departments, individual training needs are determined after verification of the same with their Annual Appraisal Reports. Comprehensive Annual HRD Action Planner is evolved based on the above process.

Your Company has been the front runner to implement the revised pay scales as well as perks, which are best in the PSUs. In order to cope up with the increased workload and challenges, this year about 1,200 employees have been recruited. Due to good reputation of your Company and also because of good pay packages, encouraging response has been received from candidates of IIMs during campus recruitments. Besides, a number of executive trainees from NITs and IITs have also been recruited through campus recruitments.

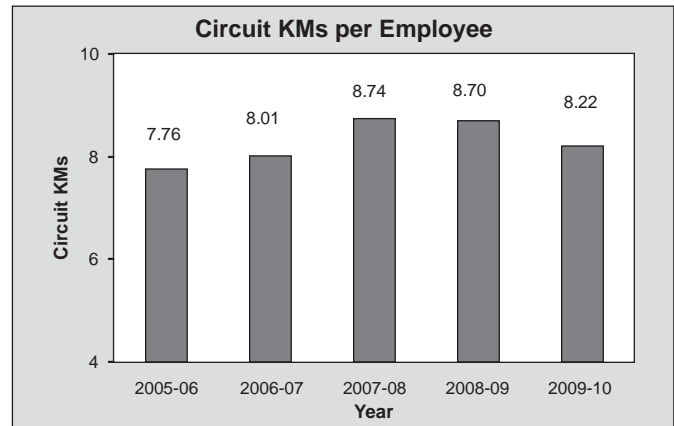
Your Company's Human Resources function took a number of initiatives during the year in response to intensifying competition for trained manpower. During the year, to nurture and develop the existing manpower, a series of long-duration training & development interventions – both functional and developmental – were carried out with focus on building leadership capabilities, strategic orientation and skills to suit new businesses.

Around 6560 employees have undergone classroom, in-house and external training programs, in all functional areas including programs on Sub-station Automation, Latest Survey Techniques, Developing Marketing Skills for Telecom Business, Advanced Features in IT, Networking Administration and Security, Power System Analysis, etc.. Your Company has also taken up training of employees of State Electricity Boards and other power utilities within the country and overseas.

Your Company has collaborations and strategic alliances with prominent management institutes such as IIM, IIT, IPE, MDI, XLRI, ECSI, NPTI etc. as a testimony of successful partnership between utility and academic institutions for achieving operational and professional excellence. At the same time, the hand-on training programmes being conducted at manufacturer's premises such as CGL, BHEL, ABB, AREVA etc. are the excellent examples of fruitful collaboration between the utility and the industry.

All newly recruited employees are made to undergo an induction program. 259 Executive Trainees have been put through a one year induction training program during the year, which included class-room training, industry visits and on the job training. Employees promoted across categories are subjected to programs to enhance their skills. As a step towards integrated development of employees, employees are encouraged to take up membership of professional bodies through reimbursement of the professional fees.

Emerging business order of power sector fuelled by reform program calls for greater optimization of human resource, building requisite human resource skills and competencies, motivating people for superior performance, inculcating



quality and customer delight oriented practices, involving line managers as partners of HR and bringing a scientific system approach to HR function, especially building the business human resource linkage at micro and macro levels. Your Company has continuously and consistently endeavored to excel on these parameters. Some of the interventions adopted to measure the effectiveness of HRM function besides those linked with business includes HR Function Effectiveness Audit, Culture Audit, System Audit, Manpower Audit & Review, etc..

Impact of all these HR function effectiveness measurement exercises along with HR interventions can be seen through different indicators, like there has been no employee unrest, strike or lock out in the Company and there has been no grievances in last many years and attrition rate is consistently low.

Employee welfare

An effective work culture has been established in the organization through empowerment, transparency, decentralization, practice of participative management etc.

Your Company is the first company in Indian Power Sector to get the entire establishments certified under Social Accountability 8000:2008. The cafeteria in the Corporate Office and Food Lounge of Multi Purpose Hall of your company is conferred with ISO 22000:2005 where quality food is being served to employees. Your Company has also been certified under OHSAS 18001:1999 for providing a healthy working environment for employees by ensuring norms for occupational health and safety in the workplace.

For taking care of welfare and improvement in quality of life of employees and their family members, various welfare measures have been provided in the guidelines to enable overall development of the individual as a contented & conscious citizen.

Cultural programmes are conducted periodically for promoting healthy community living and entertainment on various occasions like Diwali, Holi Milan, New year, Raising day, etc. Apart from the social gatherings on National festivals, to promote awareness amongst employees and their families about benefits of classical and traditional art forms like dance, drama, music, etc., various cultural events are organized round the year on regular basis wherein various renowned artists perform live.

The company has been regularly participating in the Annual Inter-PSU Sports meets and this year too Your Company participated in Inter-PSU Sports Tournament and won awards in Chess, Carrom & Table Tennis tournaments.

Citizen's charter

Your Company has formulated its Citizen's Charters providing a visible front of its objectives, mission, commitments, terms of service and its obligation to various stakeholders. Information about its schemes, policies, project plans of the Corporation and issues of general interest to stakeholders is available in the offices. This information is also available on Company's web site and is updated time-to-time. This provides information on schemes, plans and practices to users outside the organisation as well as information about accessing the services.

Implementation of official language

In order to give our Rajbhasha "Hindi" its due, your Company has renewed its commitment to ensure implementation of Rajbhasha policy of Govt. of India and is sensitive towards Country's heritage, social and cultural concerns. Several steps have been taken to promote usage of Indian languages and Rajbhasha "Hindi" in all its official work. Various activities like workshops for training, meetings, poetry session, culture activities, publication of Hindi magazines/papers and lectures from eminent personalities are regularly organized. Hindi library of your Company is one of the best libraries in Public Sector Units wherein all records of Hindi books & magazines are kept online for easy access through internet. Employees are encouraged to work in Rajbhasha to the extent possible. For outstanding and noteworthy contributions in Hindi, number of incentives and reward schemes are in force. Efforts made in promoting the implementation of Rajbhasha have been applauded in many forums.

During the year, 217 Rajbhasha workshops were organised in which training to work in Hindi was imparted to about 2670 employees. 18 offices of your Company have been notified under Gazette of Govt. of India to work in Hindi during the year, thus taking the tally of notified offices to 134 overall. This year, about 450 employees were rewarded as per the guidelines, during a campaign organised for encouraging employees to type in Hindi, which is a new initiative in this direction.



Renewed commitment to transparency

In keeping with the tradition of bringing the internationally acclaimed best practices for raising integrity levels in procurement of works and services, the Integrity Pact for packages above ₹ 100 Crore was implemented on 24th December, 2009 by signing of a Memorandum of Understanding by CMD, POWERGRID and Chairman, Transparency International, India in the presence of Central Vigilance Commissioner, important vendors and other distinguished guests. Two Independent External Monitors (IEMs), Shri Arvind Pande, IAS (Retd.), Former Chairman, SAIL and Shri R.S.S.L.N. Bhaskarudu, Former Chairman, PESB have been appointed as IEMs on the approval of the Central Vigilance Commission. Earlier Integrity Pact has been implemented in the organization without IEMs for packages less than ₹ 100 Crore.

Special emphasis has been laid on the preventive aspect of vigilance. As part of this initiative, process online inspections have been devised to inspect ongoing critical works at the time of execution by the vigilance executive for shortcomings, if any. During this period, a large number of inspections have been conducted both by Vigilance Executives as well as the CTE's Organisation which also includes process online inspections conducted during this period in the regions. On the basis of these inspections, adequate cost compensation is affected for not conforming to technical specifications. Besides this, 93 CTE paras were also settled during the year.

Training is also imparted on ethics and vigilance matters through various preventive vigilance workshops organized at the Regions in which faculty from Engineering and QA&I departments are also invited to share ground realities at the site as well as the codal provisions. 197 non-vigilance executives were imparted training in these workshops. Vigilance executives are also sent on training to various organizations like CBI and National Institute of Criminology and Forensic Science, besides participating in training programmes organized at Corporate Centre. The Vigilance executives were also part of the faculty in training programmes organized at NPTI for executive trainees.

On the punitive side, a number of complaints were received and taken up for investigation. Necessary disciplinary action was also initiated against some employees. A large number of system improvements were also undertaken to further improve the system.

The Vigilance Awareness week was organized in the organization from 3rd to 7th of November, 2009 as per the directives of the Central Vigilance Commission. The pledge was administered to all the employees of the organization across the Country. During the week, various competitions were also organized for the employees and their family members. An inter-regional competition on '**implementation of e-governance**' was organized during the week in order to encourage the Regions to make maximum efforts in implementing the directives of the CVC in leveraging technology for better governance. Apart from this, an advertisement was also brought out in the 'Times of India' and 'Hindustan' highlighting the steps taken by your Company to enhance transparency through implementation of leveraging technology as per the advice of CVC. During the Vigilance Awareness Week, debate competitions on topics related to vigilance were also organized at various schools. The week concluded with the release of the in-house journal 'Candour' by Secretary, Ministry of Labour and Employment.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition to the issues in the Directors' Report, some issues have been brought out in report on Management Discussion and Analysis placed at **Annexure-I** to this Report.

PARTICULARS OF EMPLOYEES

The particulars of employees of the Corporation who were in receipt of remuneration in excess of the limit prescribed under Section 217 (2A) of the Companies Act, 1956 is given in **Annexure-II** to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As per requirements of disclosures under Section 217(1) (e) of Companies Act, 1956 read with Rule 2 of the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 information relating to conversation of energy, technology absorption and foreign exchange earnings and outgo, is given in **Annexure-III** to this Report.

COMPTROLLER AND AUDITOR GENERAL'S COMMENTS

Comments on the accounts for the year ended 31st March, 2010 by the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 are given in **Annexure-IV** to this Report.

CORPORATE GOVERNANCE

A report on the Corporate Governance, forming part of this Report, is given in **Annexure-V**. The Certificate on Corporate Governance obtained from the joint Statutory Auditors is given in **Annexure-VI** to this Report.

BOARD OF DIRECTORS

During the year, Shri Rakesh Jain, Joint Secretary & Financial Advisor, Ministry of Power, assumed the charge as Director w.e.f. 9th June, 2009. Shri Sudhir Kumar, MoP joined the Board of the company w.e.f. 22nd May, 2009 in place of Shri I.C.P. Keshari, who ceased to be on Board of the Company w.e.f. 22nd May, 2009. Shri Sudhir Kumar, MoP ceased to be Director of the company w.e.f. 11th December, 2009 and Dr. M. Ravi Kanth joined in his place. The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri I.C.P. Keshari and Shri Sudhir Kumar, during their association with the Company. During the year, Shri R.N. Nayak assumed charge as Director (Operations) on 16th May, 2009, and Shri I.S.Jha assumed charge as Director (Projects) on 1st September, 2009.

The tenure of four non-official Part-time Directors on the Board of your Company - Dr. P. K. Shetty; Prof. A. S. Narag; Shri Anil K. Agarwal; Shri F. A. Vandrevalla appointed for a period of three years with effect from the date of appointment - 10.07.2007 completed on 09.07.2010 and they ceased to be Directors of POWERGRID. The Board wishes to place on record deep appreciation for their invaluable contribution and support during their association with the Company.

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956 read with Article 31 (iii) of the Articles of Association of the Company the Directors – Shri Ashok Khanna and Smt. Sarita Prasad shall retire by rotation at the Annual General Meeting of your Company and being eligible, offer themselves for re-appointment.

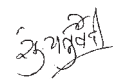
ACKNOWLEDGEMENT

The Board of Directors acknowledge with deep sense of appreciation for the guidance and cooperation received from the Govt. of India, Ministry of Power, Ministry of Finance, Ministry of Environment & Forests, Ministry of Statistics and Programme Implementation, Ministry of Home Affairs, Central Electricity Regulatory Commission, Appellate Tribunal for Electricity, Central Electricity Authority, Planning Commission, Department of Public Enterprises, Regional Power Committees, other concerned Govt. departments/ agencies at the Central and State level as well as from Securities and Exchange Board of India, National Stock Exchange of India Ltd., Delhi and Bombay Stock Exchange Ltd., Mumbai without whose active support it was hard for us to imagine the accomplishments your Company has achieved during the year.

Your Directors take this opportunity to thank our valued customers, various State power utilities as also to valued consultancy clients, for providing us with various consultancy works and reposing faith in our capability to handle them. The Board also conveys its gratitude to the shareholders, various International and Indian Banks/ Multilateral Agencies/ Financial Institutions/ Credit rating agencies for the faith they have shown in POWERGRID. Special thanks is reserved for C&AG and the Statutory Auditors for their constructive suggestions throughout the year.

The Board also wishes to place on record its appreciation for the untiring efforts and contributions made by the employees at all levels and the various employee unions to ensure that the company continues to achieve greater heights year after year.

For and on behalf of the Board of Directors



(S. K. Chaturvedi)

Chairman & Managing Director

Place: New Delhi
Date: 11.08.2010

MANAGEMENT DISCUSSION AND ANALYSIS

Economic outlook

The Growth rate of the country's Gross Domestic Product improved to 7.2 per cent in 2009-10 after dipping to 6.7 per cent during 2008-09, mitigating the apprehension that the impact of the economic slowdown which started in the developed world would persist in India for some time. To bring the economy to still higher growth path, electricity certainly is one of the key drivers. The focus on investments in Power sector has been continuing and the economic activity in the Sector has shown better growth in 2009-10 over the preceding year.

Sectoral outlook

The 11th Plan originally envisaged a capacity addition of 78,700 MW. The revised mid term appraisal target for total capacity addition is now 62,374 MW, which is about three times the capacity addition that took place in the 10th Plan. In terms of capacity addition, the revised targets of Centre and States for the Eleventh Plan are as under:

Revised Targets for Capacity addition during Eleventh Plan

(in MW)

Sector	Commissioned till 31st Dec.,2009	Likely in the remaining period	Total with high degree of certainty	With best efforts
Central	4,990	16,232	21,222	4,530
State	9,112	12,243	21,355	1,130
Private	4,990	14,808	19,797	6,930
All-India	19,092	43,282	62,374	12,590

Note: The actual capacity addition as on 31st March, 2010 was 22,301.7 MW.

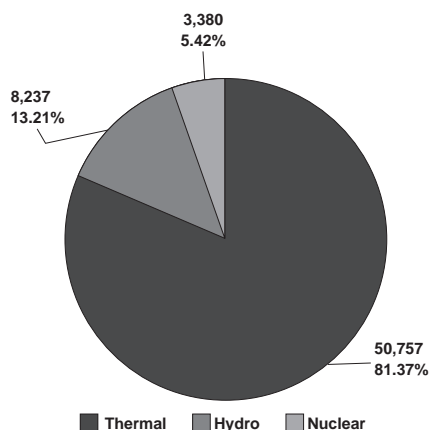
Source: Document on Mid-Term Appraisal of the eleventh Five Year Plan. Planning Commission, Gol

The revised targets of Capacity addition during Eleventh Plan, Source-wise are as under:

(in MW)

Sector	Hydro	Thermal	Nuclear	Total
Central	2,922	14,920	3,380	21,222 (34 %)
State	2,854	18,501	-	21,355 (34 %)
Private	2,461	17,336	-	19,797 (32 %)
Total	8,237	50,757	3,380	62,374 (100 %)

Source: Document on Mid-Term Appraisal of the Eleventh Five Year Plan. Planning Commission, Gol



The Installed Generation Capacity as on 30-06-2010 is as under:

All India	Thermal				Nuclear	Hydro (Renewable)	RES @ (MNRE)	Grand Total
	Coal	Gas	Diesel	Total				
MW	86003.38	17220.85	1199.75	104423.98	4560.00	36953.40	16429.42	162366.80
%age	53.0	10.6	0.7	64.3	2.8	22.8	10.1	100.00

@ Based on data as on 31.01.2010.

Source :CEA website- www.cea.nic.in

The scenario of power generation by power utilities during 2009-10 in the thermal, nuclear, and hydro has been as under:

Power Generation by Utilities (Billion KWh)

Category	2008-09	2009-10 (Actual)*	Growth (per cent)
Power Generation*	723.79	771.17	6.55
i)Hydroelectric	113.08	106.65	-5.69
ii) Thermal	590.01	640.52	8.56
iii) Nuclear	14.71	18.65	26.78
iv) Bhutan Import	5.89	5.34	(-)9.34

* Provisional based on Actual cum Assessment

Data Source: CEA website- www.cea.nic.in

Decline in hydroelectric power generation was mainly due to poor monsoons. Coal based generation of power constituted around 80 per cent of thermal generation and around 67 per cent of the total generation of power for the year. Coal-based power generation was constrained by the shortage in domestic supply of coal and the non-materialization of planned imports.

Electricity Generation Target/Achievement for the year 2010-11 is as under:

	Hydro	Thermal	Nuclear	Bhutan (Imp)	Total
Target (MU)	111352.00	690856.50	22000.00	6548.00	830756.50
Achievement up to June,10 (MU)	27730.70	166315.71	5243.32	1025.03	200314.76

Source :CEA website- www.cea.nic.in

The All India Annual per Capita consumption of Electricity figures are as under:

Year	Per Capita Consumption (kWh) (As per U.N. methodology)
2002-03	566.69
2003-04	592.00
2004-05	612.50
2005-06	631.50
2006-07	671.89
2007-08	717.13
2008-09	733.54

Source :CEA website- www.cea.nic.in



The All India Village Electrification as on 31.03.2010 is 497950 (83.9%) as against 489532 as on 31.03.2009(82.4%).

Power supply position 2010-11 (June, 10)*

Region	Energy (MU) Requirement	Deficit %	Peak Demand (MW)	Deficit %
Northern	23,825	-7.4	35,877	-9.7
Western	20,839	-15.5	36,034	-19.5
Southern	18,123	-6.7	29,438	-9.9
Eastern	7,826	-4.8	13,436	-8.4
North Eastern	778	-11.3	1,720	-15.6
All India	71,391	-9.4	116,505	-12.7

* Provisional

Source :*CEA website- www.cea.nic.in

POWERGRID - the company

POWERGRID is a “Navratna” company since 1st May, 2008 which provides us with powers to undertake new transmission projects of any amount without Government approval. POWERGRID is also entrusted with role of Central Transmission Utility (“CTU”) by GoI. In this role, the company operates as one of the chief agencies responsible for the planning and development of the country’s nationwide power transmission network, including interstate networks.

Growth in Transmission:

Keeping in view the large incremental capacity addition requirements of the current Plan and to fulfill the macro objective of Power sector i.e. 'Power to All by 2012', POWERGRID is oriented towards implementation of generation evacuation schemes, strengthening of regional grids, development of an integrated National Grid with flexibility for power transfer from one region to another. POWERGRID as on 31st March, 2010:

- Owns and operates a transmission network of about **75,290 ckt kms** of inter-State transmission Lines, **124** nos. of EHV & HVDC substations with transformation capacity of about **83,100 MVA**,
- Inter-regional power transfer capacity of about **20,800MW**,
- Maintained the transmission system availability at **99.77%** at par with the International utilities.
- Wheeled about **50%** of the total power generated in the Country through its transmission network.

The Company has undertaken development of certain transmission lines with private parties, in public-private Joint Ventures. The detail in this regard has been provided later in the discussion. The commercial and operational performance and project implementation are in the Directors’ Report.

Overcoming Construction Challenges

POWERGRID would be implementing major quantum of works towards transmission development in the next few years. In addition, many projects under consultancy assignments are being executed. This entails multi-dimensional challenges relating mainly to accessibility, construction feasibility, technical restrictions, conservation of environment and Right of Way, etc. POWERGRID, apart from using modern techniques for route alignment and optimization of line length of transmission lines, vendor development, etc. has taken following measures to meet the massive task:

- **Land availability for Sub-stations**

Land availability, particularly in suburbs of cities, is becoming an issue where large EHV/UHV Sub-stations are proposed. In order to suitably address this issue, establishment of Gas Insulated Sub-stations (GIS) have been taken up. Presently, there exist two numbers of GIS Sub-stations and about sixteen numbers of GIS Sub-stations have been approved to be taken for implementation.

- **Providing training to enhance availability of skilled manpower for construction**

To achieve target set for Transmission Sector, availability of adequate trained and skilled manpower is essential. POWERGRID, as part of Corporate Social Responsibility, has recently considered taking up the Scheme initially for training approximately 1000 workmen for tower erection and transmission line stringing activities.

● Standardisation

The standardisation of designs / drawings / type testing of various equipments / items by POWERGRID has helped in minimizing post award engineering activities for regular packages. Accordingly POWERGRID, for the first time in transmission history, has taken pioneering effort to construct 1200 kV S/C transmission line for which transmission line parameters & tower designs have been developed In-house and 3 numbers of 1200 kV S/C towers have been successfully tested by March, 2010.

● Forest Clearances

Forest Clearance under the Forest (Conservation) Act, 1980 has always been a lengthy process due to involvement of different position starting from Range Officer to Secretary Forest at State Level and from Asstt. Inspector General (AIG) of Forests to Minister of Environment & Forests at Government of India level. But concerted efforts of POWERGRID towards various requirements of forest clearance and proper follow up resulted in getting the forest clearance on time for most of the transmission lines. However, with the issue of MoEF Circular dated 30.07.09 and 03.08.09 written consent of concerned Gram Sabha has been made compulsory under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (FRA, 2006) for the entire proposal involving diversion of forest land under the Forest (Conservation) Act, 1980. This has added to the process of forest clearance resulting in enormous delay even if "in-principle" clearance has already been issued.

Transmission projects per se are having negligible impact on forest / environment and its habitant including the tribal people, as such projects apart from being a linear projects are drawn substantially high above the ground avoiding possible encounter with such sensitive areas as well as habitations without any change in land use pattern. In view of above mentioned facts and to facilitate timely completion of projects, matter of exemption of transmission project from the purview of FRA, 2006 provisions has been taken up with the Ministry of Environment and Forests through Ministry of Power.

During the F.Y. 2009-10, POWERGRID has obtained "in-principle" approval from MoEF for approx. 380 hectare of forest for lines like 400 kV Rourkela-Raigargh, Kameng-Balipara, Kankroli-Jodhpur, Durgapur-Jamshedpur etc. and final approval for 540 hectares of forest land after complying with the stipulated conditions of in-principle approval for lines like 765 kV Seoni-Bina, ± 500 kV Ballia-Bhiwadi, 400 kV Damoph-Bhopal, Jamshedpur-Baripada, Edamon-Cochin, Korba-Birsingpur etc.

Integrated Management Policy:

POWERGRID is committed to:

- establish and maintain an efficient and effective "National Grid" with due regard to time, cost, technology and value addition,
- sustainable development through conservation of natural resources and adopting environment friendly technology on principles of Avoidance, Minimization and Mitigation,
- ensure safe, occupational hazard free and healthy work environment,

to the satisfaction of stakeholders in all areas of its activities and shall endeavor to improve continually its management systems and practices in conformity to legal and regulatory provisions.

Internal Control

POWERGRID has a comprehensive Internal Control Mechanism to verify the Accounting and Financial Management System, adequacy of controls, material checks, financial propriety aspects and compliance implementation mechanism. Audit Plan in respect of Internal Audit and Physical Verification for the Financial Year 2010-11 has been finalized with in-house Audit Department and experienced firms of Chartered Accountants. POWERGRID is also updating its Internal Audit Manual in consultation with M/s Deloitte Haskins & Sells.

As on 31st March, 2010, the Company has an Audit Committee in place as per clause 49 of the Listing Agreement, which has three Independent Directors and one Non-Executive Director as members.



Risk Management Procedure

POWERGRID has undertaken development of 'Enterprise Risk Management Framework' and 'Internal Control Framework' in accordance with Clause 49 of the listing agreement with consultancy services provided by M/s KPMG. The draft 'Enterprise-wide Risk Management Policy & Procedures' has already been prepared and is under finalization. This Policy will complement other specific risk management programs, policies and tools already in use within POWERGRID.

Financial Discussion and Analysis

Comparison of Fiscal 2010 to Fiscal 2009

Your company's total income in Fiscal 2010 was ₹7503.58crore, which represented an increase of 22.23% over the total income of ₹6138.72crore in Fiscal 2009. In Fiscal 2010, transmission and transmission-related activities constituted 89.3% of our total income, with the balance coming from our consultancy, telecommunication businesses and other incomes.

Income

Revenue from Operations

(₹ in crore)

Revenue from Operations	Fiscal 2010	Fiscal 2009
Revenue from transmission charges	6576.38	5282.84
Transmission income from short term open access	124.18	41.42
Consultancy fees	269.17	215.90
Revenue from telecom	157.72	149.83
Total	7127.45	5689 .99

The revenue was higher in Fiscal 2010 as compared to Fiscal 2009 mainly on account of revenue recognition as per new norms notified for the block period 2009-14, full year impact of transmission assets worth ₹ 3733.74 crore commissioned during fiscal 2009 and the commissioning of new transmission assets worth ₹ 3609.82 crore during fiscal 2010 including the major projects Sipat-II Supplementary; NLC-II; North- West Transmission Corridor; Northern Region System Strengthening –V. The projects commissioned in Fiscal 2010 have generated revenue from the date of commercial operation during the year.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Tariff norms

Our charges for transmission customers are governed by tariff norms determined by the Central Electricity Regulatory Commission (CERC) pursuant to central government tariff policy and legislation. As per the Tariff Policy issued by Government of India (GoI) on 6th January, 2006, CERC shall be guided by the Tariff Policy while specifying the terms and conditions for the determination of tariff. The tariff policy inter-alia states that the rates of depreciation notified by CERC would be applicable for the purpose of tariff as well as accounting.

CERC has vide its notification dated 19th January, 2009 notified the tariff regulations for the tariff Block 2009-14. Under the tariff regulations applicable for the tariff Block 2009-14, we are permitted to charge our customers transmission charges for recovery of annual fixed cost ("AFC") consisting of components - return on equity, interest on outstanding debt, depreciation, operation and maintenance expenditure, interest on working capital.

Earlier, tariff norms allowed us to recover income tax and this was in addition to the return on equity. From the tariff Block 2009-2014, the Return on equity shall be computed on pre-tax basis, at the base rate of 15.5% by grossing up the base rate for the tax factor. In case of projects commissioned on or after 1st April, 2009, an additional return on Equity of 0.5% will be allowed if such projects are completed within the timeline specified under the CERC tariff regulations for the tariff Block 2009-14.

As regards interest on debt, under the CERC tariff regulations for the tariff Block 2009-14, the normative loan outstanding as on 1.4.2009 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2009 from the gross normative loan.

The repayment of loan capital for the year of the tariff period 2009-14 is deemed to be equal to the depreciation allowed for that year. The Advance against depreciation which was being allowed in the previous years to cover shortfall in our repayment of debts has been done away with, in the tariff block 2009-2014 and depreciation rates have been reworked. Despite any moratorium period availed by your company, the repayment of loan is considered for tariff from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.

For interest on working capital, the working capital amount is calculated as - (i) consisting of receivables equivalent to two months of fixed cost; (ii) maintenance spares @ 15% of operation and maintenance expenses; and (iii) operation and maintenance expenses for one month. Rate of interest on working capital for the year is on normative basis and is equal to the short-term Prime Lending Rate of State Bank of India as on 1.4.2009 or on 1st April of the year in which the transmission system, is declared under commercial operation, whichever is later.

The transmission charge (inclusive of incentive) payable for a calendar month for a transmission system or part thereof is as per the following:

$$\text{AFC} \times (\text{NDM} / \text{NDY}) \times (\text{TAFM} / \text{NATAF})$$

Where,

AFC = Annual fixed cost specified for the year, in Rupees

NATAF = Normative annual transmission availability factor, in per cent

NDM = Number of days in the month

NDY = Number of days in the year

TAFM = Transmission system availability factor for the month, in Percent.

Recovery of transmission charge and incentive is permitted to your company on the achievement of the operational norms as under.

Under the tariff norms prescribed by CERC for the tariff Block 2009-2014 we are also provided with an incentive if the availability of our transmission network is above 98% in respect of alternating current systems, above 95% in respect of HVDC back-to-back Stations systems and above 92% in respect of HVDC bi-pole links and penalized if the availability of our network is below 98%, 95% or 92%, respectively. The Availability Incentives are now linked with monthly transmission charges as against being linked to equity in the tariff block of 2004-09.

The tariff norms prescribed by CERC for the tariff Block 2009-2014 prescribe that the Transmission charges corresponding to any plant capacity for which a beneficiary has not been identified and contracted shall be paid by the concerned generating company.

The tariff regulations for the Block 2009-14 allow us to share the proceeds of carbon credit from approved CDM projects in the manner that 100% of the gross proceeds on account of CDM to be retained by the company in the first year after the date of commercial operation of the transmission system; and in the second year, the share of the beneficiaries shall be 10% which shall be progressively increased by 10% every year till it reaches 50%, whereafter the proceeds shall be shared in equal proportion, by the company, and the beneficiaries.

Foreign Exchange Rate Variation:

Your company under the tariff regulations for the tariff block 2009-14 has an option to hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system, in part or full and recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year.

If hedging of the foreign exchange exposure is not undertaken, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year is permissible provided it is not attributable to POWRGRID or its suppliers or contractors. During the financial year 2009-10, no hedging for foreign exchange exposure has been taken by your company.

Regulatory provisions enabled for development of Transmission Systems

Subsequent to the Tariff Regulations issued by CERC for the tariff block 2009-14, CERC has undertaken many Regulatory initiatives. The significant being as under



- i) The Regulations on CERC (Grant of Connectivity, Long Term Access & Medium Term Open Access in inter-State Transmission and related matters), which shall facilitate in providing transmission products of different varieties and ensuring level playing field among different categories of market players have been made effective from 01.01.2010 along with the standardized procedures.
- ii) The CERC vide its order dt. 31.05.2010 has granted regulatory approval to the proposal of POWERGRID for the following nine numbers of High Capacity Power Transmission Corridors which have a tentative cost estimates of about ₹58000 crore:
 - 1 HCPTC – I (Transmission System Associated with Phase-I Generation Projects in Orissa)
 - 2 HCPTC – II (Transmission System Associated with IPP projects in Jharkhand)
 - 3 HCPTC – III (Transmission System Associated with IPP projects in Sikkim)
 - 4 HCPTC – IV (Transmission System Associated with IPP projects in Bilaspur complex, Chattisgarh & IPPs in Madhya Pradesh)
 - 5 HCPTC – V (Transmission System Associated with IPP projects in Chattisgarh)
 - 6 HCPTC – VI (Transmission System Associated with IPP projects in Krishnapatnam Area, Andhra Pradesh)
 - 7 HCPTC – VII (Transmission System Associated with IPP projects in Tuticorin Area, Tamil Nadu)
 - 8 HCPTC – VIII (Transmission System Associated with IPP projects in Srikakulam Area, Andhra Pradesh)
 - 9 HCPTC – IX (Transmission System Associated with IPP projects in Southern Region for transfer of power to other regions).

These transmission corridors mainly comprises high technology 765kV AC and ± 800 kV 6000MW/ ± 600 kV 4000MW HVDC system. This approval has been given in the context of the provisions of Tariff Policy notified in 2006 which stipulated that prior agreement with the users would not be a pre-condition for network expansion and the transmission utilities should undertake network expansion after identifying the requirements in consonance with the National Electricity Plan and in consultation with the stakeholders, and taking up the execution after due regulatory approvals.

- iii) The Regulations on 'Grant of Regulatory Approval for execution of inter-State Transmission Scheme to Central Transmission Utility' notified on 31.05.2010, streamlines the procedure for according regulatory approval to Central Transmission Utility for network expansion in consonance with the National Electricity Plan which stipulates that prior agreement with the beneficiaries would not be a pre-condition for network expansion. The regulations are effective from 30.06.2010.
- iv) The Regulations on 'Sharing of Inter-State Transmission charges & losses' factors distance & direction sensitivity in transmission charges and losses besides quantum of power flow, in line with the Tariff policy. The regulations have been notified on 15.06.2010 and shall come into force from 01.01.2011.
- v) CERC has issued orders on Benchmarking of capital cost of the transmission lines and sub-stations during April and June, 2010 respectively, for prudence check of the capital cost of Transmission system by the Regulator at the time of tariff determination.
- vi) The Regulations on 'Procedures for calculating the expected revenue from tariffs and charges' notified on 12.04.2010 provide a framework for the Regulator to keep a track on the performance of the utilities which would be helpful in determination of norms for the next tariff period. These regulations have been made effective from 16.04.2010.

Short Term Open Access

One of the goals of the Electricity Act, 2003 is to provide electricity generators and users with open access to electric power transmission systems on a non-discriminatory basis, when capacity is available and such access will not disrupt regular fixed charge access or network operation. Our portion of revenue from the short term open access charge is accounted for as revenue from operations. During the year, as RLDC, we also charge short term open access customers a separate fee for the scheduling of their access through the relevant load dispatch centres. Your company's Transmission income from short term open access (STOA) was ₹124.18 crore in Fiscal 2010, an increase of 199.8% over Transmission income from short term open access of ₹41.42 crore in Fiscal 2009. The increase in income in STOA is on account of

increase in volume in Bilateral STOA Transactions/Collective Transactions; revision in the rate of transmission charges by CERC with effect from 15-06-2009 from 03 Paise/06 Paise/09 Paise Per Unit to 08 Paise/16 Paise/24 Paise Per Unit for Intra-Region, Adjacent Regions, through one or more region transactions in STOA Bilateral, respectively; and increase in Transmission Charge rate for Collective Transactions through Power Exchanges from 03 Paise/Unit to 10 Paise/Unit for each point of injection and each point of drawal.

Revenue from Other Services

Your company also earns revenue from consultancy (including for project management and supervision services) and from our telecommunication business. Our consultancy income mainly consists of fees from the RGGVY, the execution of transmission- and communication system-related projects on a turnkey basis and technical consulting assignments for Indian state utilities and utilities in other countries. There has been an increase in consultancy revenue from ₹ 215.90 crore in Fiscal 2009 to ₹ 269.17 crore in Fiscal 2010, an increase of 24.67%. The Telecom revenue grew by 5.27 % over Fiscal 2009.

The revenue from our telecommunication business is mainly on account of leasing bandwidth of our fibre-optic lines.

Provisions Written Back

The provisions written back were ₹0.21 crore in Fiscal 2010, as against ₹ 0.04 crore in Fiscal 2009.

Other Income

Your company's other income was ₹ 375.92 crore in Fiscal 2010, a decrease of 16.22% over the other income of ₹448.69 crore in Fiscal 2009.

(₹ in crore)

Other Income	Fiscal 2010	Fiscal 2009
Dividend on trade investments	24.37	19.54
Interest income – bonds and long term advances	116.41	132.99
Interest income – banks	64.66	138.27
Interest income – others	114.53	38.42
Profit on sale of fixed assets	1.13	0.08
Deferred income (transfers from grants in aid)	26.53	18.42
Operational charges in respect of short term open access	25.19	20.19
Transfer from insurance reserves on a/c of loss of fixed assets	0.34	0.04
Lease income from state sector ULDC upgrades	56.45	75.85
Surcharge on late payment from customers	7.95	1.00
Hire charges for equipment	0.39	0.30
FERV gain	4.69	-
Miscellaneous income	54.11	57.48
Total Other Income	496.75	502.58
Less: Transfer to incidental expenditure during construction	120.83	53.89
Total Net Other Income	375.92	448.69

The other income decreased mainly because there had been decrease in interest income from investments in Banks because in the Fiscal 2009 there was interest earning on the unutilized IPO proceeds. There is decrease in interest income on tax free bonds on account of repayment of bonds. Besides, there is decrease in Lease income from State-sector ULDC upgrades. Under the Financial lease, the principle amount will increase and the lease rentals will decrease each year.



Expenditures

Your company's total expenditures (excluding prior period expenditures) were ₹4780.99crore in Fiscal 2010, an increase of 24.51% over the total expenditures of ₹3839.79crore in Fiscal 2009. The total expenditures as a percentage of total income were 63.72% in Fiscal 2010 compared to 62.55% in Fiscal 2009.

Employees' Remuneration and Benefits

Employees' remuneration and benefits expenses include salaries and wages, incentives, allowances, benefits, contributions to provident and other funds and welfare expenses.

Your company had 9,162 employees on our payroll as of March 31, 2010, compared to 8,214 employees as of March 31, 2009. Employees' remuneration and other benefits increased by 12.86% to ₹ 726.70 crore in Fiscal 2010 from ₹643.88 crore in Fiscal 2009. The increase is due to an increase in the number of employees, increase in Dearness allowance, provision for implementation of pay revision for the supervisors and workmen pending the implementation of their pay revision. The increase is also partially the result of the capitalization of transmission assets worth ₹3609.82crore in Fiscal 2010 because employee remuneration that was earlier capitalized during the construction of the project is now treated as an operating expense subsequent to the commissioning of the project. Employees' remuneration and benefits represented about 10% of our total income in Fiscal 2010.

Transmission, Administration and Other Expenses

Transmission, administration and other expenses consist primarily of costs of the repair and maintenance of buildings, plant and machinery and power charges. Other items in this category include expenditures for travel, security, vehicle hire charges, insurance and rent, rates & taxes on our properties.

Transmission, administration and other expenses increased by 23.28% to ₹507.43 crore in Fiscal 2010 from ₹411.61 crore in Fiscal 2009. The increase is on account of the capitalization of transmission assets worth ₹3609.82 crore in Fiscal 2010 as certain expenses that were earlier being capitalized during the construction of the project are now treated as an operating expense subsequent to the commissioning of the project. The increase is also due to lesser amount transferred to Incidental Expenditure during Construction (refer Note 15 of Schedule 28: Notes on Accounts).

Depreciation

The company has been providing depreciation at the rates notified for the purpose of recovery of tariff. MOP had issued Tariff Policy on 6th January, 2006 which provides that rates of depreciation notified by CERC would be applicable for the purpose of tariffs as well as for accounting.

The CERC norms for the block year 2009-14, specify depreciation @ 5.28%(T/L & S/s) in first 12 years and there after recovery based on residual value over the residual life will be allowed, in place of average 2.91% depreciation in the block of 2004-09. In case of the existing projects, the balance depreciable value as on 1.4.2009 has been worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2009 from the gross depreciable value of the assets.

By charging depreciation at the aforesaid rates the depreciation charge for the year is lower by ₹50.69 crore (previous year ₹ 781.29 crore) as compared to the depreciation as per rates provided in the Schedule XIV of the Companies Act, 1956 [refer Notes 14(b) of Schedule 28: Notes on Accounts].

Your company's depreciation increased by about 80.96% to ₹1979.69crore in Fiscal 2010 from 1093.97crore in Fiscal 2009. The increase was mainly because of the change in depreciation rates under the tariff norms for the tariff block 2009-14, commissioning of new transmission assets worth ₹3609.82 crore and full-year impact in Fiscal 2010 of transmission assets ₹3733.74 crore which were commissioned during Fiscal 2009.

Currently, the technical life of each depreciable asset class as prescribed by CERC is as follows:

- transmission lines – 35 years
- substations – 25 years

We depreciate the assets of our consultancy and telecom businesses on the straight line method as per rates specified in Schedule XIV of the Companies Act, 1956.

ULDC assets other than assets identified to be transferred to Power System Operation Corporation are depreciated @ 6.67% per annum as determined by CERC for levellised tariff.

Interest and Finance Charges

Interest and finance charges decreased by 6.03% to ₹1543.24 crore in Fiscal 2010 from ₹1642.27 crore in Fiscal 2009. The decrease was mainly because of reduction of interest on foreign currency loans due to decrease in LIBOR from 1.74% as on 31.03.2009 to 0.44% as on 31.03.2010.

These charges include rebates to state power utilities amounting to ₹77.68 crore on account of prompt payment and guarantee fees of ₹65.88 crore (net of IEDC) payable to the GoI for giving guarantees to the lenders of our foreign currency loans.

Deferred Revenue Expenditure Written Off

Deferred revenue expenditure written off decreased by 2.7% to ₹1.78 crore in Fiscal 2010 from ₹ 1.83 crore in Fiscal 2009. This decrease was on account that it was the last year (fifth year) of amortization of expenditure for certain projects (refer Accounting Policy 11).

Profit before Tax

Your company's profit before tax in Fiscal 2010 was ₹ 2626.32 crore, an increase of 17.85% over profit before tax of ₹ 2228.57 crore in Fiscal 2009.

Provision for Tax

In Fiscal 2010, we provided for ₹421.91 crore of Minimum Alternate Tax, compared to ₹ 478.60 crore in Fiscal 2009. The decrease, in spite of increase in Book-profit, was primarily due to the reason that MAT provision in fiscal 2009 included ₹ 160.35 crore on account of MAT for the earlier years.

Provision for deferred tax is made in respect of temporary differences mainly on account of higher depreciation rates available under income tax provisions.

Profit after Tax

Your company's Profit after Tax in Fiscal 2010 was ₹ 2040.94 crore, an increase of 20.72 % over our Profit after Tax of ₹ 1690. 61 crore in Fiscal 2009.

LIQUIDITY AND CAPITAL RESOURCES

Your company depends on both internal and external sources of liquidity to provide working capital and to fund capital requirements. Historically, the capital expenditures have been funded with internally generated funds, grants and equity contributions by the Government and debt financing. As at March 31, 2010, your company had cash and cash equivalents of ₹ 3277.64 crore. As at March 31, 2010, we also had committed and undrawn Letter of Credit facilities of approximately ₹ 35.11 crore and unutilized Bank Guarantees ₹269.55 crore for capital requirements and committed and undrawn cash credit facilities of approximately ₹270 crore ("cash credit") towards our working capital facilities.

Cash Flows

(₹ in crore)

	Year ended March 31	
	2010	2009
Net cash from operating activities	6619.17	6590.64
Net cash (used in) investment activities	(9660.86)	(9156.75)
Net cash from financing activities	3890.45	3129.40
Cash and cash equivalents at the end of the year	3277.64	2428.88



पावरग्रिड

Net Cash from Operating Activities

Your company's net cash flows from operating activities are principally used to service long-term debt, for capital expenditures, for investments and for dividends.

The net cash from operating activities was ₹ 6619.17 crore in Fiscal 2010 as against ₹6590.64 crore in Fiscal 2009. Changes in current assets and liabilities that had a current period cash flow impact of increase in working capital of ₹ 609.63 crore, primarily from an increase in advance from customers and other liabilities.

Net Cash (Used in) Investment Activities

Your company's net cash used in investing activities was ₹ 9660.86 crore in Fiscal 2010 as against ₹9156.75 crore in Fiscal 2009. This reflected expenditures on fixed assets and capital work-in-progress as well as construction stores and advances paid to contractors for capital expenditure of ₹10052.66 crore, investment in joint ventures/subsidiaries of ₹ 47.06 crore and receipt of interest and dividend income of ₹140.78 crore.

Net Cash from Financing Activities

In Fiscal 2010, your company's net cash flow from financing activities was ₹ 3890.45 crore as against ₹ 3129.40 crore in Fiscal 2009. Your company raised ₹8023.73 crore of new borrowings. These borrowings included principally Rupee denominated bonds and foreign currency borrowings. In addition, short term loan of ₹ 1250 crore was also raised. The company repaid ₹2142.72 crore of borrowings and paid interest and finance charges of ₹ 1474.68 crore. In the Fiscal 2010, we paid dividends of ₹505.08 crore comprising final dividend for Fiscal 2009 and an interim dividend for Fiscal 2010. The dividend for the financial year 2009-10 including the final dividend proposed of 10% is ₹ 631.34 crore. The dividend payout works to 30.93% of PAT.

Capital Expenditures

Your company's capital expenditures are primarily for the installation of new transmission capacity and the expansion of existing capacity. Our capital expenditure in Fiscal 2010 and Fiscal 2009, were ₹ 10,617 crore and ₹ 8167 crore, respectively. Capital expenditure budget for Fiscal 2011 has been approved for ₹12,900 crore. Your company's capital expenditure budgets are subject to modification as a result of a variety of factors, changes to expansion plans and similar other factors.

Return on Equity

The Return on Equity that we were generally permitted in Fiscal 2010 on transmission assets under our tariffs has been 15.5%. Our actual Return On Equity for fiscal 2010 for our entire business is 12.83% as against 11.57% in Fiscal 2009. This is mainly due to : (i) locking of equity funds in capital work-in-progress as per CERC norms, (ii) the SEB bonds, that we hold under the One Time Settlement, earn a maximum tax-free Return of 8.5% per annum.

Selected Balance Sheet Items

Fixed Assets

Your company's total fixed assets after depreciation were ₹ 32061.26 crore and ₹ 31128.44 crore as at March 31, 2010 and March 31, 2009, respectively. Our fixed assets consist of plant and machinery such as transmission lines, substations, HVDC and ULDC equipment and other transmission equipment; buildings; land; office equipment; fixtures; etc. Fixed assets value (Net Block) increased by 3% in Fiscal 2010 as compared to Fiscal 2009. These increases are mainly due to the commissioning of new transmission assets.

Capital Work-in-Progress and Construction Stores and Advances

Your company's capital work-in-progress was ₹ 10242.37 crore and ₹ 6533.43 crore, as at March 31, 2010 and 2009, respectively. The cost of materials consumed, erection charges and other expenses incurred for the implementation of projects are shown in the balance sheet as capital work-in-progress, pending capitalization of the completed project. The change in this amount is due to capitalization of a number of transmission projects on commissioning of these projects and due to undertaking of new transmission projects. Construction stores and advances were ₹ 10,179.81 crore and ₹ 6752.57 crore as at March 31, 2010 and 2009, respectively. These amounts represent the new as well as ongoing capital expenditure on transmission assets. The increase in these amounts is mainly due to the undertaking of new transmission projects.

Investments

Your company's investments mainly consist of bonds issued by the SEBs as part of the One Time Settlement. We have also invested ₹12crore in equity shares of PTC India Limited; ₹229.32crore in Powerlinks Transmission Limited, the joint venture between us and The Tata Power Company Limited through which the Tala Transmission Project was constructed; ₹23.40 crore in Torrent Power Grid Limited; ₹45.50 crore in Jaypee Powergrid Limited; ₹3.39 crore in Parbati Koldam Transmission Company Limited; ₹0.01 crore in Teestavalley Power Transmission Limited; ₹23.10crore in North East Transmission Ltd.; 0.62 crore in Energy Efficiency Services Ltd.; 0.88crore in National High Power Test Laboratory Ltd; ₹ 5 lakhs in Power System Operation Corporation, a subsidiary of our Company and ₹4 lakhs (after diminution of one lakh) in Byrnihat Transmission company Ltd. Our total investments were ₹1453.22 crore and ₹ 1592.83 crore as at March 31, 2010 and March 31, 2009, respectively.

Loans and Advances

Your company's total loans and advances as at March 31, 2010 and March 31, 2009, respectively, were ₹3302.40crore and 2827.99crore. Loans and advances include advances under the One Time Settlement amounting to ₹107.98 crore in respect of DESU/DVB, a Delhi utility, loans to employees, lease receivables (representing certain capital expenditures made by the company in respect of the State-sector ULDCs of all five Regions, for which the constituents of those Regions are reimbursing the Company on a finance lease basis), loans and advances to contractors, advance income tax, TDS and other deposits with tax authorities. The increase in loans and advances from Fiscal 2009 to Fiscal 2010 was principally due to increase in amount recoverable from the Constituents on account of UI charges which are payable to certain other constituents.

Other Current Assets

Our other current assets as at March 31, 2010 and March 31, 2009 respectively, were ₹487.52 crore and ₹1384.92 crore. Other current assets mainly include interest accrued on investments under the One Time Settlement and interest accrued on term deposits.

Other current assets decreased by 64.80% in Fiscal 2010 as compared to Fiscal 2009 due to decrease in deferred Foreign Currency Fluctuation Asset in other current assets in view of appreciation of Rupee against US dollar.

Inventories

Inventories are valued at lower of the cost, determined on weighted average basis, and net realizable value. The costs of inventories were ₹344.90 crore, as at March 31, 2010. Our inventories consists of transmission line items such as tower parts, conductors, insulators and other items, and substation items such as transformers, circuit breakers, ICTs and other items. The cost of our inventories increased in Fiscal 2010 as compared with Fiscal 2009, on account of your company continuing to expand the transmission network and capitalization of new projects.

Sundry Debtors

Sundry debtors consist mainly of receivables relating to transmission services, and also receivables from consultancy services and telecom services. Our sundry debtors amounts as on March 31, 2010 and March 31, 2009 were ₹2214.86 crore and ₹ 1373.56 crore, respectively. Sundry debtors increased by 61.25% in Fiscal 2010 as compared to Fiscal 2009. The increase from Fiscal 2009 to Fiscal 2010 was mainly due to revenue recognition for existing projects as per new tariff norms notified CERC for the tariff Block 2009-14, whereas billing was done as per tariff notified under 2004 of norms (refer note no. 17 of schedule 28); and also due to time lags between the provision and accounting of transmission services on certain new projects on accrual basis and the formal notification by CERC of the tariffs relating to those projects in Fiscal 2010.

Substantially, all of our receivables are covered by Letters of Credit pursuant to the One Time Settlement Scheme, following which we have no significant debt collection problems.



The comparison of actuals with Financial MOU targets is given below:-

MOU Parameters	MOU 2009-10	Actual 2009-10
Gross Sales (₹ crore)	6975	7504
Gross Margin (₹ crore)	5795	6247
Net Profit/Net worth (%)	11.34%	12.83%
Gross Margin/Gross Block	11.95%	14.46%
Gross Profit/Capital Employed (%)	11.75%	14.54%
PBDIT/Total employment (₹ in lakhs)	59.13	68.19
Inventory/Gross Block (%)	1.00%	0.80%
Added value/Gross Sales (%)	34.37%	45.04%

Indebtedness

We rely on both Rupee and foreign currency denominated borrowings. A significant part of our external funding has been through long-term foreign currency loans from multilateral agencies such as The World Bank and the Asian Development Bank, with our performance under such loans guaranteed by the GoI.

The following table sets forth, by currency, our outstanding debt and the periods during which debt amounts mature or payment is otherwise due. Currency conversions are as of 31st March, 2010:

(₹ in Crore)						
RUPEES	2010-11	2011-12	2012-13	2013-14	BEYOND 2013-14	TOTAL
US\$	410.82	533.00	604.19	619.65	8,099.94	10,267.60
EUR	22.24	23.09	24.00	24.95	85.50	179.77
SEK	16.67	16.67	16.67	-	66.69	116.71
CHF	118.20	118.20	118.20	59.10	-	413.71
JPY	8.93	8.93	8.93	8.93	116.03	151.73
TOTAL	576.86	699.89	771.99	712.63	8,368.16	11,129.52

Secured Loans

Your company's secured loans as at March 31, 2010 and March 31, 2009 were ₹ 31345.78 crore and ₹ 25288.25 crore, respectively. Secured loans include amounts raised from our private placement of bonds, term loans from banks, loans from the International Bank for Reconstruction and Development, Asian Development Bank and Bank of India. Due to the increased investment in new projects during the last year, our borrowings have increased substantially.

Most of the secured loans have been secured by floating charges on the moveable and immoveable properties of the Company. The following table presents the secured debt as at 31st March, 2010:

	Amount (₹ in crore)	% of total secured debt
Bonds denominated in Rupees	21171.83	67.54
Other Loans and Advances From Banks and Financial Institutions:		
Denominated in Foreign Currency*	9333.51	29.78
Denominated in Rupees	840.44	2.68
Total	31345.78	100.00

*Loans guaranteed by the Government were ₹9021.03crore.

Unsecured Loans

Our unsecured loans as at March 31, 2010 and March 31, 2009 were ₹ 3071.01 crore and ₹ 3177.18 crore, respectively. Unsecured loans mainly include loans from foreign financial institutions such as the European Investment Bank, Kreditanstalt für Wiederaufbau in Germany and Scandinavia Enskilda Bank in Sweden and term loans from the Power Finance Corporation and short term loans from Banks.

The following table presents our unsecured debt as at March 31, 2010:

	Amount (₹ in crore)	% of total unsecured debt
Bonds denominated in Rupees	-	-
Other Loans and Advances From Banks and Financial Institutions:		
Denominated in Foreign Currency*	1796.01	58.48
Denominated in Rupees	1275.00	41.52
Total	3071.01	100.00

*Loans guaranteed by the Government were ₹ 1265.59crore.

Advance Against Depreciation (AAD)

Advance against depreciation is a component of tariff that we were permitted to charge under CERC regulations for the tariff Block 2004-09, to cover shortfall in respect of depreciation in a year on assets, for repayment of debts. This AAD was restricted considering a 10-year loan repayment schedule. AAD was accounted for as an advance until the tenure of the loan. Subsequent to repayment of the loan, AAD was transferred to income on a pro-rata basis for the remaining useful life of the asset, the useful life of the asset governed by CERC regulations. AAD has been done away with in the tariff block 2009-2014 and depreciation rate have been reworked. Due to change in these tariff norms and the depreciation rates w.e.f. 1.04.2010, the outstanding AAD has been taken to transmission income after 12 years from the date of commercial operation. (refer Schedule 28-Note No.18& Accounting Policy No.12.1.4.2.)

Current Liabilities

Your company's current liabilities as at 31st March, 2010 were ₹7634.60 crore. The current liabilities include sundry creditors, advances from customers, security deposits, retention money withheld by us and other liabilities.

Current liabilities were 24.68% higher at March 31, 2010 compared to March 31, 2009. The increase is partly due to liabilities to some of the beneficiaries on account of UI dues which have been accounted for on accrual basis. Similar amount has been accounted for as receivable from the beneficiaries and included under loans and advances. These fluctuations are also due to the commissioning of particular projects at different times of the year in different fiscal years. When projects are commissioned, the liabilities relating to them are capitalized. If commissioning occurs in the early part of a fiscal year, the related liabilities are usually paid before the end of the fiscal year. In fiscal years when current liabilities are higher, there tends to be more projects commissioned toward the end of the fiscal year, whose related liabilities have not been paid by the end of the fiscal year. Variations in the amounts of advances received under consultancy contracts also result in current liability fluctuations.

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities as at March 31, 2010 and March 31, 2009:

(₹ in crore)

Description	As at 31st March, 2010	As at 31st March, 2009
Claims against the Company not acknowledged as debt in respect of :		
Arbitration / Court Cases	1828.09	1930.27
Land / Crop/Tree Compensation cases	503.42	480.89
Service Tax	1099.62	925.05
Others	167.69	125.66
Disputed Tax Demands-Income Tax	4.36	12.22
Disputed Tax Demands-Service Tax	66.48	-
Disputed Tax Demands-Others	123.84	160.47
Continuity Bonds with Custom Authorities	969.92	809.42
Others-Service Tax	1656.93	1115.95
Others	47.34	114.61
Total	6467.69	5674.54



Contingent liabilities increased by 13.98% in Fiscal 2010 compared to Fiscal 2009. The increase was mainly due to increase in Service Tax liability to ₹ 2,820.68 crore (including interest of ₹ 537.71 Crore) for the period from 1st May, 2006 to February, 2010 for the company as a whole.

CBEC vide Notification No. 11/2010 dated 27.02.2010 has exempted Transmission of Power from the Service Tax. The Dept. of Revenue, Ministry of Finance vide Notification No. 45/2010-Service Tax dated 20.07.2010 has directed that the Service Tax payable on transmission of power shall not required to be paid during the period up to 26th day of February, 2010. With this exemption, the estimated amount of Contingent liability on account of Service tax liability of ₹ 2,820.68 crore (including interest of ₹ 537.71 crore) would no more exist.

BUSINESS AND FINANCIAL REVIEW OF JOINT VENTURE COMPANIES AND SUBSIDIARIES:

A) Powerlinks Transmission Limited (POWERLINKS):

● Main Objective and Capital Structure

The Company was incorporated to undertake the implementation of Transmission Lines associated with Tala HEP, East-North interconnector and Northern Region Transmission System. This was POWERGRID's first public - private partnership in Power Transmission. POWERGRID and TATA POWER are the Joint Venture Partners in this Joint Venture Company and hold 49% and 51% equity, respectively. As on 31.03.2010, POWERLINKS has Authorized share capital of ₹4,83,60,00,000/- and paid-up capital of ₹4,68,00,00,000/- out of which POWERGRID holds Shares of ₹229.32crore and TATA POWER hold shares of ₹238.68 crore. POWERLINKS successfully commissioned the project in August, 2006. POWERLINKS has given a dividend of 18 % for Fiscal 2010.

● Financial Highlights of the Company:

Particulars	(₹ in crore)	
	Fiscal 2010	Fiscal 2009
POWERGRID's investment in Equity	229.32	229.32
Gross Income	313.97	268.89
Profit after Tax	108.09	65.34
Earning per Share*	2.31	1.40

*Face value per Share is ₹10/- each.

B) JAYPEE POWERGRID Limited (JPL):

● Main Objective and Capital Structure

The main objective of the Company is to implement a transmission system to evacuate power to be generated by 1000 MW Karcham Wangtoo Hydro Electric Power Project in Kinnaur District in Himachal Pradesh. The power under the system is to be evacuated from Wangtoo to Abdullapur. During the year, Jaiprakash Hydro Power Limited, the main JV partner got merged with Jaiprakash Power Ventures Limited. As on 31.03.2010, JPL has Authorized share capital of ₹ 300 crore and paid-up capital of ₹175 crore divided into 17,50,00,000 equity shares of ₹10 each. Jaiprakash Power Ventures Limited and POWERGRID individually holds 74% and 26%, respectively as on 31.03.2010. The Company has got the Transmission Licence in Oct. 2007. Since the project is under implementation, there is no operating profit.

C) Torrent Powergrid Limited (TPL):

● Main Objective and Capital Structure

The main objective of the Company is to establish transmission system associated with 1100MW Gas Based project being implemented by Torrent Power Generation Ltd. (TPGL) at Akhakhol in Surat District of Gujarat. POWERGRID and Torrent Power Transmission Private Ltd. are the Joint Venture Partners in this Company and hold 26% and 74% equity, respectively. As on 31.03.2010, TPL has Authorized share capital of ₹125 crore and paid-up capital of ₹90 crores. The Company has got the Transmission License in May, 2007. Since the project is under implementation, there is no operating profit.

D) Parbati Koldam Transmission Company Limited

POWERGRID entered into a Joint Venture Agreement on 23rd November, 2007 with Reliance Energy Limited (REL) now Reliance Infra, for implementation of transmission lines associated with Parbati-II (800 MW) HEP and Koldam (800 MW) HEP. The Company named 'Parbati Koldam Transmission Company Limited' existing with POWERGRID to take up implementation of Parbati and Koldam Transmission systems through Joint venture route was converted to JVC. As on 31.03.2010, PKTL has Authorized share capital of ₹198 crore and paid-up capital of ₹13.05 crores. The Company has got the Transmission License in September, 2008 and Financial closure process for the project is underway. Accordingly, there is no operating profit.

E) Teestavalley Power Transmission Limited

POWERGRID entered into a Joint Venture Agreement with Teesta Urja Limited on 23rd November, 2007 on 26% equity -POWERGRID and 74% equity Teesta Urja Limited (TUL) for implementation of transmission lines (i) Teesta-III to Mangan pooling station 400kV D/C line; and (ii) Mangan pooling station to New pooling station at Kishanganj 400kV D/C line associated with 1200 MW Teesta-III Hydro Electric Power Project. The Company has got the Transmission Licence in Fiscal 2009.

F) North East Transmission Company Ltd.(NETC):

POWERGRID entered into a Joint Venture Agreement in February, 2009 with ONGC Tripura Power Project Company Ltd. (OTPC) and Government of Tripura for establishment of Transmission Line of 400kV D/C Palatana Bongaigoan Transmission Project associated with 726 MW Palatana Gas base Power Project in the state of Tripura. The Joint Venture Company is named 'North East Transmission Company Limited'. OTPC, the generating Company is a joint venture of ONGC Ltd., Government of Tripura and Infrastructure Leasing & Finance Services Ltd., (IL&FS Ltd.). The Company has got the Transmission Licence in Fiscal 2009. As on 31.03.2010, NETC has Authorized capital of ₹600 crore and paid-up share capital of ₹74.72 crore.

G) National High Power Test Laboratory Private Limited:

POWERGRID entered into a Joint Venture Agreement in April, 2009 with equal participation with NTPC Ltd., NHPC Ltd. and Damodar Valley Corporation for setting up an On-line High Power Test Laboratory for short circuit test facility in the country. The Joint Venture Company is named 'National High Power Test Laboratory Private Limited'. As on 31.03.2010, the company has Authorized share capital of ₹10 crore and paid-up capital of ₹ 3.5 crore. Since the project is under implementation, the income statement is not prepared.

H) Energy Efficiency Services Limited:

POWERGRID entered into a Joint Venture Agreement in November, 2009 with equal participation with NTPC Ltd., Power Finance Corporation Ltd. and Rural Electrification Corporation Ltd. The JV Company will promote measures of Energy efficiency, Energy Conservation and Climate Change. The Joint Venture Company is named 'Energy Efficiency Services Limited'. As on 31.03.2010, the company has Authorized share capital of ₹ 190 crore and capital of ₹ 2.5 crore and share application money of ₹ 24.375 crore.

I) Power System Operation Corporation Limited

Power System Operation Corporation Ltd (POSOCO) was incorporated as a wholly owned subsidiary of POWERGRID on 20.03.2009. POSOCO, will be responsible for Independent System Operation. The certificate of commencement of business of the company has been obtained on 23rd March, 2010. POWERGRID has obtained the consent of Shareholders under Section 293 (1) (a) of the Companies Act, 1956, for transfer of the ownership, physical possession and control of movable assets relating to Regional Load Despatch Centers & National Load Despatch Center to POSOCO. The book value of the movable assets is approx. ₹184.78 crore as on 31.03.2009 and the said transfer will be made on updated book value of the assets to be transferred as on the date of transfer. Presently, the finalization of agreements for transfer are in process. The transfer agreements would be executed on receipt of notification u/s 27(2) of the Electricity Act, 2003. As on 31.03.2009, POSOCO has Authorized share capital of ₹2,00crore and paid-up capital of ₹5,00,000/-.

Pending transfer of Assets / Liabilities to POSOCO, the revenue, expenses, assets and liabilities have been depicted as a separate segment. The CERC has through notification dated 18.09.2009 issued separate regulations for Fees and charges of RLDC and related matters and revenue of Power System Operation assets has been recognized based on these norms.



पावरग्रिड

J) Powergrid IL&FS Transmission Pvt. Ltd.

POWERGRID entered into a Joint Venture Agreement in January, 2008 with IL&FS for development of Intra-state Transmission/ Sub-transmission projects in different States of the Country and outside India. The Joint Venture Company named 'POWERGRID IL&FS Transmission Private Limited' was set up with shareholding pattern on 50:50 basis. Since, POWERGRID IL&FS Transmission Pvt. Ltd. was not having any developmental projects, it has approved by the JVC and POWERGRID Board to be wound up. The process of dissolution of the same has been taken up by IL&FS, the Joint Venture Partner.

K) Byrnihat Transmission Company Limited

The subsidiary viz. Byrnihat Transmission Company Limited ("BTCL") was incorporated on 23.03.2006 to take up implementation of Misa Byrnihat Transmission line on JV route. The said Transmission line was taken up for execution by POWERGRID as a consultancy work. Byrnihat Transmission Company Limited was not doing any business and has been approved by the POWERGRID Board to be wound up. The process of dissolution of the same has been taken up.

Cautionary Statement

Statement in the Management Discussion and Analysis and Directors' Report describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

For and on behalf of the Board of Directors

(S. K. Chaturvedi)

Chairman & Managing Director

Place: New Delhi

Date: 11.08.2010

**Particulars of Employees Pursuant to Section 217(2A) of the
Companies Act, 1956 for the year 2009-2010**

S. No.	Name(S/Sh)	Designation	Nature of Duties	Qualification	Remuneration (Rs.)	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment held
Employed for the full year									
1	J. Sridharan	DIR (Fin)	F&A	B.Com., C.A., ICWA	2555152	35	10-Jan-00	59	PENTAFOUR SOFTWARE
2	V.M. Kaul	DIR (Pers)	HR	B.Tech. (Mech), MBA	2837816	37	11-Mar-02	58	NTPC
3	R.N. Nayak	DIR (Opns)	Operations	B.Sc. Engg. (Electrical), M.Tech	2865083	32	21-Jan-91	55	NTPC
4	I.S. Jha	DIR (Proj)	Projects	B.Sc. Engg. (Electrical), Diploma in Mgmt.	2879348	30	16-Aug-91	51	NTPC
5	R.G. Yadav	ED	OS	B.E. (Mechanical), MBA	2697764	37	16-Aug-91	60	NTPC*
6	B.S.Pandey	ED	Engg-HVDC, QA&I	B.E. (Electrical)	2527499	32	16-Aug-91	57	NTPC
7	D.K.Valecha	ED	I/C Region	B.Sc. Engg. (Electrical)	3182470	30	16-Aug-91	52	NTPC
8	Ravi P.Singh	ED	I/C Region	B.E. (Mech), PGDM (HRD)	2629851	29	16-Aug-91	51	NTPC
9	R.T. Agarwal	ED	F&A	B.Com, CA	2884674	31	29-Oct-91	54	NTPC
10	Ganesh Singh	ED	DMS	B.E. (Elect), M.E. (Pwr. Sys)	2750734	32	16-Aug-91	59	NTPC
11	Bharat Bhushan	ED	I/C Region	B.E. (Elect), PGDIM	2600856	32	16-Aug-91	53	NTPC
12	S. Singh	ED	CS&MM	B.E. (Electrical)	2495424	31	16-Aug-91	58	NTPC
13	S.K. Datta	ED	I/C Region	B.E. (Civil)	2725562	36	16-Aug-91	59	NTPC**
14	S.K. Soonee	ED	SO & NLDC	B.Tech . (Electrical)	3506502	33	1-Jan-95	54	CEA
15	Dr.S.K.Agarwal	ED	Tech.Dev.	B.E. (Elect), M.Tech (MS), Ph.D.	2920997	35	21-Jun-91	56	NTPC
16	V.C.Jagannathan	ED	F&A	B.Sc., CA	3046944	29	10-Oct-91	58	NTPC
17	T.K. Wali	ED	CP	B.E. (Electrical)	2956593	33	19-Dec-91	58	NHPC
18	I.R. Kidwai	ED	HR	B.Com, Diploma in Mgmt.	3077093	35	31-Jan-92	56	NTPC
19	H.L.Tayal	ED	BDD&PI	D.E. (Mech), AMIE(Mech)	2853698	39	26-Feb-02	59	NTPC
20	P.C. Pankaj	ED	I/C Region	B.Sc. Engg. (Electrical), MBA (Business Mgmt.)	2413481	29	19-Nov-91	54	NHPC
21	M.G. Raoot	ED	I/C Office	BE (Electrical), DMS (GM), MIE, FIE	2488529	31	1-Jan-96	59	CEA
22	G.S. Sarkar	GM	OS	B.E. (Electrical)	2674066	36	16-Aug-91	60	NTPC*
23	B. Sharma	GM	O&M	B.Sc., B.E. (Electrical)	2696899	34	16-Aug-91	57	NTPC
24	S.K. Gupta	GM	Projects	B.E. (Electrical)	2733643	30	16-Aug-91	51	NTPC
25	Sanjeev Singh	GM	OS	B.E. (Electrical)	3328582	28	16-Aug-91	50	NTPC
26	P.N. Dixit	GM	OS	B.E. (Electrical)	2692760	30	16-Aug-91	52	NTPC
27	K.R.Suri	GM	DMS	B.E. (Electrical)	2454425	32	16-Aug-91	56	NTPC
28	H.B. Singh	GM	O&M	B.E. (Electrical)	2862813	32	16-Aug-91	54	NTPC
29	N.S.Sodha	GM(I/c)	LD&C	B.E. (Electrical), DPM	2718517	34	16-Aug-91	56	NTPC
30	D.S. Singh	GM	Projects	B.E. (Electrical)	2517507	32	16-Aug-91	56	NTPC
31	Anil Jain	GM	CMG	B.E. (Elect), M.E.	3206074	28	16-Aug-91	50	NTPC
32	M.M. Baidya	GM	Telecom	B.Tech . (Electrical)	2830791	28	16-Aug-91	54	NTPC
33	Devinder Kumar	GM	Constn	B.E. (Electrical)	2463747	32	16-Aug-91	53	NTPC
34	S Sen	GM	O&M	B.E. (E&T)	3105975	30	1-Sep-93	53	NTPC
35	Oommen Chandy	GM	ENGG	B.Tech . (Electrical)	2475860	30	1-Sep-93	53	NTPC
36	Bhoj Paul	GM	I/C Office	B.E. (Electrical)	2538666	28	16-Oct-93	53	NTPC
37	R.K.Chauhan	GM	ENGG	B.Sc., B.E. (Electrical)	2934674	26	16-Oct-93	50	NTPC
38	R.K.Singh	GM	Projects	B.Tech . (Electrical)	2845922	29	19-Nov-91	51	NHPC
39	Rakesh Saxena	GM	ESMD	B.Sc. Engg. (Civil), DIM	2680840	37	19-Nov-91	59	NHPC
40	Jagmohan Sharma	GM	O&M	B.E. (Electrical)	2520158	31	19-Dec-91	55	NHPC
41	V K Agarwal	GM	I/C RLDC	B.Sc. Engg. (Electrical), M.Tech. (PS)	3079324	33	1-Jan-96	55	CEA
42	Kanik Ram	GM	DMS/RE	B.E. (Electrical)	2587939	28	16-Aug-91	53	NTPC



S. No.	Name(S/Sh)	Designation	Nature of Duties	Qualification	Remuneration (Rs.)	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment held
43	V.K. Khare	GM	O&M	BE,MBA, Adv.Course in Comp.Appl.	2591446	27	16-Aug-91	51	NTPC
44	V. Sekhar	GM	Projects	B.E. (Civil)	2586306	29	16-Aug-91	51	NTPC
45	Sunil Agrawal	GM	CP	B.E. (Electrical)	2746741	26	30-Jan-92	47	NTPC
46	P Pentayya	GM	I/C RLDC	B.E. (Electrical), ME (Elect)	2475570	31	1-Jan-96	57	CEA
47	Babu Varghese	GM	Telecom	B.Sc. (Electrical), MCA	3203764	29	16-Aug-91	54	NTPC
48	P.R. Raghuram	GM	I/C RLDC	B.E. (E&C), DPM, Diploma in Fin Mgt	2579778	30	16-Aug-91	54	NTPC
49	V.S. Tata	GM	DMS/RE	B.Sc. Engg. (Electrical)	3038241	31	16-Aug-91	53	NTPC
50	P. Sreeramulu	GM	IA	B.Com, CA	2431960	36	16-Aug-91	59	NTPC
51	N. Ravikumar	GM	Commercial	B.E. (Electrical)	2680227	32	16-Aug-91	56	NTPC
52	H.R. Nagendran	GM	Projects	B.Tech . (Electrical)	2990306	33	1-Dec-92	55	NLC
53	S.K. Dutta	GM	DMS/RE/ST	B.E. (Electrical)	2416756	32	16-Aug-91	57	NTPC
54	R K Mishra	GM	CMG	B.E. (Electrical), DIM, PGD(PS), Ph.D.	2493645	25	16-Aug-91	47	NTPC
55	D.C. Joshi	GM	CS	B.Tech. (Electrical), Adv. Dip.in Mgmt	2910982	27	16-Aug-91	50	NTPC
56	Sudip Kar	GM	Vigilance	B.A. (Eng)	3015605	33	16-Aug-91	54	NTPC
57	A.K. Sinha	GM	Projects	B.Sc. Engg. (Civil)	2544518	29	16-Aug-91	53	NTPC
58	B.P. Gantayet	GM	Projects	B.Sc. (H), B.Sc. Engg. (Electrical)	3114908	29	16-Aug-91	54	NTPC
59	S.C. Singh	GM(I/c)	I/C Region	B.E. (Electrical)	2824443	31	16-Aug-91	56	NHPC
60	Atul Trivedi	GM	DMS	B.Tech . (Electrical)	3121236	28	19-Nov-91	49	NHPC
61	Manin Hazarika	GM	Projects	B.E. (Mechanical)	2613385	31	14-Nov-91	55	NEEPCO
62	Rajendra Singh	GM	DMS	BA, PGD (PM&IR), LLB	2685494	30	1-Jan-92	57	NEEPCO
63	Akhil Kumar	GM	MATL & TCC	B.E. (Electrical), ME, MBA	2534395	30	16-Aug-91	53	NTPC
64	M.C.Bhatnagar	GM	Tech.Dev.	B.E. (Elect), DIM, ADM	2980131	39	16-Aug-91	59	NTPC
65	Sudhir Mittal	GM	BDD	B.Tech. (Civil), M.Tech (Civil), DPM	2642751	32	16-Aug-91	54	NTPC
66	A. Dasgupta	GM	Telecom	B.E. (Electrical)	2770064	38	16-Aug-91	59	NTPC
67	V.K. Gupta	GM	Telecom	B.E. (Elect), M.Tech (C&I)	3286508	33	16-Aug-91	55	NTPC
68	Pankaj Kumar	GM	ENGG	B.Tech . (Electrical)	3342824	30	16-Aug-91	52	NTPC
69	M.M.Goswami	GM	ENGG	B.E. (Electrical)	2443969	31	16-Aug-91	53	NTPC
70	K.V.S.Baba	GM	DMS	B.Tech . (Electrical)	2499732	27	16-Aug-91	49	NTPC
71	M.Krishna Kumar	GM	Projects	B.Sc. Engg. (Electrical)	2406197	30	16-Aug-91	54	NTPC
72	Rajesh Kumar	GM	ENGG	B.Sc. Engg. (Electrical)	2804025	28	16-Aug-91	52	NTPC
73	B. Mishra	GM	IA	B.Sc. Engg. (Electrical), DBM	2547648	30	16-Aug-91	54	NTPC
74	J.P. Singh	GM	Projects	B.E. (Mechanical)	2483100	28	16-Aug-91	51	NTPC
75	Gopal Gupta	GM	QA&I	B.Sc. Engg. (Electrical)	2989837	31	19-Nov-91	55	NHPC
76	U.K. Tyagi	GM	Commercial	B.Sc. Engg. (Electrical)	2573949	32	19-Nov-91	56	NHPC
77	Pankaj Kumar	GM	CS	B.Sc. Engg. (Electrical),PGDBM (Fin), Adv DPM	2633396	28	19-Nov-91	52	NHPC
78	Anjana Dhar	GM	Intl Business	B.Tech. (Electrical), MBA	2537363	36	6-May-04	58	NTPC
79	D.K. Dave	GM	O&M	B.E. (Electrical)	2508252	37	16-Aug-91	60	NTPC*
80	V.K. Sharma	AGM	DMS	B.Sc. Engg. (Electrical)	2513585	34	16-Aug-91	58	NTPC
81	A.K. Vaish	AGM	PESM	B.E. (Elect), DBA	2816700	30	16-Aug-91	55	NTPC
82	D.S. Yadav	AGM	Constn	B.E. (Electrical)	2702990	27	16-Aug-91	51	NTPC
83	Anoop Kumar	AGM	DMS/RE/ST	B.E. (Electrical)	2651220	28	16-Aug-91	48	NTPC
84	R.K.Varma	AGM	I/C Office	B.E. (Electrical), PGD(Fin.Mgmt)	2678473	27	16-Aug-91	50	NTPC
85	P.K. Gupta	AGM	SO & NLDC	B.Sc. Engg. (Electrical)	3097153	29	16-Aug-91	52	NTPC
86	J.K.Parihar	AGM	CMG	B.E. (Hons-Electrical)	2793086	28	16-Aug-91	50	NTPC
87	Amarjeet	AGM	I/C Office	B.Sc. Engg. (Electrical)	2459131	27	16-Aug-91	49	NTPC
88	K.Sarkar	AGM	OS	B.E. (Electrical)	2511256	32	16-Aug-91	55	NTPC
89	Rajeev Kumar	AGM	Consultancy	B.E. (Electrical)	2505027	25	16-Aug-91	48	NTPC

S. No.	Name(S/Sh)	Designation	Nature of Duties	Qualification	Remuneration (Rs.)	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment held
90	M.K. Gupta	AGM	F&A	M.Com, CA	2674655	32	16-Aug-91	53	NTPC
91	A.K. Srivastava	AGM	ENGG	B.E (Electrical), ME	2553090	25	16-Aug-91	49	NTPC
92	Dinesh Chandra	AGM	O&M	B.Sc. Engg. (Mech), M.Tech (PE)	2483614	35	1-Aug-93	58	THDC
93	Gopal Ji	AGM	ENGG	B.E. (Civil), ME	2432678	32	1-Aug-93	54	THDC
94	H.K. Mallick	AGM	Constn	B.E. (Civil), DPM	2646004	28	1-Aug-93	51	THDC
95	S.K. Dhambare	AGM	I/C Office	B.E. (Electronics)	2588686	26	1-Sep-93	49	NTPC
96	D.B. Tripathi	AGM	I/C Office	B.E. (E&E)	2598925	27	16-Oct-93	49	NTPC
97	S. Gupta	AGM	I/C Office	B.E. (Electrical)	2481420	28	19-Dec-91	49	NHPC
98	L.R. Bansal	AGM	Projects	B.E. (Civil), PGD(Energy Mgmt)	2691249	30	19-Nov-91	53	NHPC
99	Rajiv Mohan	AGM	I/C Office	B.E. (Electrical)	2476776	26	19-Nov-91	48	NHPC
100	Ashok K. Mittal	AGM	Projects	B.E. (Hons-Electrical), M.Tech	2403906	34	19-Dec-91	58	NHPC
101	K.R. Dasgupta	AGM	HR	MSW, PGD(PM&IR), PGD(T&D)	2904975	30	19-Nov-91	58	NHPC
102	U.K. Verma	AGM	SO	B.Sc. Engg. (Electrical)	2446894	29	19-Dec-91	53	NHPC
103	D.P. Tamoli	AGM	I/C Office	B.E. (Electronics)	2591860	30	16-Aug-91	54	NTPC
104	S.D. Joshi	AGM	I/C Office	B.Tech . (Electrical)	2403416	26	16-Aug-91	50	NTPC
105	Upendra Pande	AGM	CS	B.E. (Electrical)	2523086	24	16-Aug-91	46	NTPC
106	N. Shankar	AGM	HR	BA, LLB, MIRPM	3063999	28	16-Aug-91	50	NTPC
107	Prashant Sharma	AGM	Commercial	B.E. (Mechanical)	2557539	32	16-Aug-91	55	NTPC
108	A G Rao	AGM	F&A	B.Com, FCA, ICWA	2418949	33	16-Aug-91	55	NTPC
109	C.M. Verghese	AGM	Commercial	B.Tech. (Civil)	2867740	33	16-Aug-91	56	NTPC
110	P.V. Nath	AGM	Projects	B.E. (Civil), M.Tech (Struc. Engg)	3011193	25	19-Dec-91	48	NHPC
111	P.N.Prasad	AGM	ENGG	B.Tech. (Civil)	2545491	29	19-Dec-91	52	NHPC
112	D K Srivastava	AGM	SO	B.E. (E&T)	2440870	32	1-Jan-96	55	CEA
113	D S Bhajekar	AGM	I/C Office	B.E. (Electrical)	2403343	26	1-Jan-96	49	CEA
114	H H Sharan	AGM	LD&C	B.E. (Electrical)	2539741	27	16-Aug-91	49	NTPC
115	B.N.De.Bhowmick	AGM	Tech.Dev.	B.Tech . (Electrical)	2846367	27	16-Aug-91	49	NTPC
116	V.K. Srivastava	AGM	Telecom	B.Sc. Engg. (Electrical)	2767768	28	16-Aug-91	50	NTPC
117	M.R.V. Holla	AGM	Projects	B.E. (E&E)	2710800	33	16-Aug-91	59	NTPC
118	B. Anantha Sarma	AGM	O&M	B.Tech. (E&C), Diploma (HR)	2758291	24	16-Aug-91	46	NTPC
119	S. Ravi	AGM	O&M	B.E. (E&E)	2428123	26	16-Aug-91	48	NTPC
120	V.S.D. Vardhan	AGM	C&M	B.Sc. Engg. (Mechanical)	2421763	35	16-Aug-91	59	NTPC
121	N.P. Rangan	AGM	F&A	B.Com(H), CA	2431685	33	16-Aug-91	55	NTPC
122	R. Subbalakshmy	AGM	HR	B.Sc, PG Diploma (PM&IR), M.Sc.	2995912	28	16-Aug-91	49	NTPC
123	S.V.P.Selvakumar	AGM	OS	B.E. (E&E)	2426022	28	14-Dec-92	51	NLC
124	Anil Saberwal	AGM	Corp Commun.	M.Sc., LLB, PGD(PM&IR)	3937160	26	16-Aug-91	49	NTPC
125	S.Roy	AGM	CWG & GGN Proj	B.Sc. Engg. (Electrical)	2752095	26	16-Aug-91	57	NTPC
126	I.N. Jha	AGM	ENGG	B.Sc. Engg. (Electrical), MBA	2555852	27	16-Aug-91	51	NTPC
127	G.C.Dhal	AGM	Constn	B.Sc. Engg. (Electrical)	2617276	31	19-Nov-91	54	NHPC
128	Mithilesh Kumar	AGM	O&M	B.E. (Electrical)	2540592	31	19-Nov-91	56	NHPC
129	N.K. Ohdar	AGM	O&M	B.Sc. Engg. (Electrical)	2554835	26	19-Nov-91	50	NHPC
130	A.K. Singh	AGM	DMS/RE	B.E. (Electrical), Masters degree in Finance	2404033	29	19-Nov-91	52	NHPC
131	S.K. Choudhury	AGM	DMS/RE/ST	B.Sc. Engg. (Mech), M.Tech (M)	2596573	33	31-Dec-94	57	CEA
132	Awadhesh Mani	AGM	SO & NLDC	B.E. (Electrical), M.Tech	2522237	31	1-Jan-95	56	CEA
133	M.C. Sahu	AGM	I/C Office	B.Sc. Engg. (Mechanical)	2472852	31	1-Jan-95	55	CEA
134	S. Prasad	AGM	Commercial	B.Sc. Engg. (Civil)	2467543	35	14-Nov-91	60	NEEPCO*
135	C.P. Singh	AGM	Constn	B.E. (Civil)	2591152	30	14-Nov-91	54	NEEPCO
136	T.S. Singh	AGM	I/C RLDC	B.Sc. Engg. (Electrical), MIE	2531424	28	14-Nov-91	52	NEEPCO
137	Ajoy Patir	AGM	ENGG	B.Tech . (Electrical)	2525089	30	14-Nov-91	52	NEEPCO
138	Abraham Oommen	AGM	F&A	M.Com, ICWA, CS INTER	2684501	26	6-Mar-91	53	NTPC



S. No.	Name(S/Sh)	Designation	Nature of Duties	Qualification	Remuneration (Rs.)	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment held
139	N.K.Jain	AGM	DMS	B.Tech . (Electrical)	2729191	31	16-Aug-91	52	NTPC
140	Kailash Rathore	AGM	ENGG	B.Sc., B.E. (Electrical), DPM	2671389	26	16-Aug-91	48	NTPC
141	Avinash M. Pavgi	AGM	ENGG	B.Tech . (Electrical)	2618392	26	16-Aug-91	49	NTPC
142	Vinay Tandon	AGM	CS	B.E. (Electrical)	2527117	30	16-Aug-91	54	NTPC
143	Neelam Kant Jain	AGM	ENGG	B.E. (Electrical)	3412709	29	16-Aug-91	52	NTPC
144	R. Amuthan	AGM	Constn	B.E. (Electrical)	2618135	28	16-Aug-91	50	NTPC
145	D.K. Sarkar	AGM	ENGG	B.Tech. (Civil), ME, AICWA	2956021	31	5-Sep-91	53	DEV CONSULTANCY
146	Munishwar Lal	AGM	DMS	B.E. (Elect), PG Diploma(Des&Prod. Eqp.)	2544422	32	1-Nov-91	57	NTPC
147	S.S.Prasad	AGM	HR	B.Tech.(Prod), M.Tech(IE), PGDPM	3435341	30	13-Nov-91	55	NTPC
148	S.K. Gupta	AGM	On Dep-REC	B.Tech . (Electrical)	2527622	28	19-Nov-91	49	NHPC
149	B.P.Verma	AGM	Constn	B.E. (Electrical)	2815306	29	19-Nov-91	53	NHPC
150	Anil Kumar Kakkar	AGM	ENGG	B.Sc. Engg. (Electrical), Diploma in Mgmt.	2914133	26	19-Nov-91	51	NHPC
151	Meenakshi Davar	AGM	HR	M.Sc., MBA	2479260	28	3-Dec-91	50	NTPC
152	Bidyut Kumar	AGM	Telecom	B.Sc.Engg.(Mech), PGDPM, M.Tech, PGD (PR), Masters in Mass Comm.	2704264	25	19-Dec-91	49	NHPC
153	Sanjay Garg	AGM	Liasion	B.E. (Electronics), ME, ADM, DPM(HRM), MBA	2719123	26	24-Dec-91	49	NTPC
154	P. Pratap Kumar	AGM	CS	B.Tech. (Civil)	2721882	28	19-Dec-91	49	NHPC
155	Anil Mehra	AGM	Intl Business	B.Sc. Engg. (Mechanical)	2750791	26	19-Dec-91	50	NHPC
156	R.S. Gupta	AGM	I/C Office	B.Sc. Engg. (Electrical)	2470329	31	1-Sep-93	54	NTPC
157	S.N.Taneja	DGM	I/C Office	B.Sc. Engg. (Electrical)	2454242	35	16-Aug-91	59	NTPC
158	D.K. Dutta	DGM	CMG	B.Sc. Engg. (Electrical)	2820376	33	16-Aug-91	57	NTPC
159	T.C. Gupta	DGM	DMS	B.E. (Electrical)	2625811	28	16-Aug-91	53	NTPC
160	S. Chakraborty	DGM	F&A	B.Com, LLB, CA, M.A	2488189	27	16-Aug-91	59	NTPC
161	G.C. Sharma	DGM	Intl Business	B.E. (Electrical)	2589557	32	16-Aug-91	52	NTPC
162	S. Chandra	DGM	Constn	B.E. (Electrical)	2517434	26	16-Aug-91	51	NTPC
163	R.L. Sharma	DGM	O&M	B.Tech. (Electrical), PGDBM	2558655	31	16-Aug-91	54	NTPC
164	S.K.Mishra	DGM	OS	B.E. (Electrical)	2527344	25	16-Aug-91	46	NTPC
165	Rajesh Kumar	DGM	I/C Office	B.Sc. Engg. (Electrical), Diploma in Mgmt.	2469893	25	16-Aug-91	45	NTPC
166	Anoop Singh	DGM	PESM	B.Sc. Engg. (Electrical)	2431639	24	16-Aug-91	45	NTPC
167	Alok	DGM	I/C Office	B.E. (Electrical)	2489420	24	16-Aug-91	46	NTPC
168	D.K. Jain	DGM	SO	B.E. (Hons-Electrical)	2484711	26	16-Aug-91	49	NTPC
169	S.S. Chauhan	DGM	C&M	B.E. (Electrical)	2688233	32	16-Aug-91	56	NTPC
170	R. Nagpal	DGM	CMG	B.E. (Elect), Adv. DPM, Dip.in Fin. Mgmt, MBA, PGDIP(Comp. Application)	2493011	25	16-Aug-91	47	NTPC
171	Anil Chadha	DGM	F&A	B.Com(H), CA	2432402	29	16-Aug-91	53	NTPC
172	A.K. Jain	DGM	O&M	B.Tech . (Electrical)	2619694	24	16-Aug-91	45	NTPC
173	Sanjeev Bhatnagar	DGM	F&A	M.Com, ICWA	2409901	23	16-Aug-91	50	NTPC
174	R.D. Namjoshi	DGM	Constn	B.E. (Electrical)	2567061	34	1-Aug-93	56	THDC
175	A. Barat	DGM	O&M	B.E. (Electrical)	3154007	24	1-Sep-93	46	NTPC
176	U.P. Sinha	DGM	Constn	B.Sc. Engg. (Civil)	2759838	30	16-Oct-93	53	NTPC
177	A.K. Arora	DGM	O&M	B.Tech . (Electrical)	2870164	24	16-Oct-93	49	NTPC
178	K.P. Singh	DGM	I/C Office	B.Tech . (Electrical)	2507029	29	16-Oct-93	54	NTPC
179	Sudhir Agarwal	DGM	ENGG	B.E. (Electrical)	2675989	24	16-Oct-93	48	NTPC
180	P.K. Aggarwal	DGM	SO	B.E. (Electrical)	2726115	29	16-Aug-93	50	NTPC
181	S.S. Chaudhuri	DGM	Telecom	B.E. (Electrical), MBA	2816350	24	15-Dec-93	48	NTPC

S. No.	Name(S/Sh)	Designation	Nature of Duties	Qualification	Remuneration (Rs.)	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment held
182	A.K.Garg	DGM	HR	B.A., L.L.B.	2625581	29	19-Nov-91	54	NHPC
183	S.M.N. Shettiwar	DGM	Telecom	B.E. (Mechanical)	3119235	28	19-Nov-91	49	NHPC
184	Pramod Kumar	DGM	F&A	M.Com., CA	2778438	24	19-Nov-91	47	NHPC
185	A K Bahl	DGM	ENGG	B.E. (Electrical)	2974862	28	19-Nov-91	49	NHPC
186	A.K. Handa	DGM	ENGG	B.Sc. Engg. (Civil),PGDIM (Const. Mgmt),PGDM (Oprn. Mgmt.)	2405797	32	19-Nov-91	52	NHPC
187	K.N. Singh	DGM	Constn	B.Sc. Engg. (Electrical)	2720667	25	19-Nov-91	50	NHPC
188	A. Sethi	DGM	F&A	B.Com., C.A.	2547693	27	19-Nov-91	48	NHPC
189	M.K.Singh	DGM	CS	B.E. (Electrical)	2862677	23	19-Dec-91	48	NHPC
190	Sanjeev Ranjan	DGM	Constn	B.Sc. Engg. (Electrical)	2471119	23	19-Dec-91	47	NHPC
191	Varinder Tyagi	DGM	MATL & TCC	B.Sc. Engg. (Electrical)	2499494	35	19-Dec-91	58	NHPC
192	M.M. Patnaik	DGM	Law	B.Sc. (H), LLB, PGDM(PM), PGD(Cyber Law)	2495657	17	13-Jul-93	57	POWERGRID
193	P K Srivastava	DGM	OS	B.E. (Electrical)	2849214	25	1-Jan-96	49	CEA
194	D Kumar	DGM	SO	B.E. (Electrical)	2767066	25	1-Jan-96	48	CEA
195	R K Bansal	DGM	SO & NLDC	B.Sc. Engg. (Electronics)	2720183	34	1-Jan-96	56	CEA
196	S R Narasimhan	DGM	SO	B.E. (Electrical), MBA (Fin)	2447423	24	1-Jan-96	45	CEA
197	P.C. Bose	DGM	Constn	Dip.Engg. (Electrical), AMIE, ADPM	2431063	36	16-Aug-91	58	NTPC
198	Raghavendra Rai	DGM	I/C Office	B.Sc. Engg. (Electrical)	2778987	28	16-Aug-91	49	NTPC
199	Atul Srivastava	DGM	Constn	B.E. (Elect), MBA (Marketing)	2466980	27	16-Aug-91	48	NTPC
200	T.C. Sharma	DGM	PESM	B.E. (Electrical)	3051134	26	16-Aug-91	49	NTPC
201	P. Ranga Rao	DGM	OS	B.Tech. (Electrical), M.Tech (PS)	2551439	29	16-Aug-91	54	NTPC
202	A.K. Verma	DGM	Commercial	B.Sc. Engg. (Electrical)	2662874	22	16-Aug-91	48	NTPC
203	R. Piplonia	DGM	SO & NLDC	B.E. (Electrical)	2511359	29	16-Aug-91	52	NTPC
204	R.K. Agarwal	DGM	ENGG	B.E. (Elect), DIM	2692881	26	16-Aug-91	49	NTPC
205	S. Sen	DGM	QA&I	B.E. (Electrical)	2440654	23	16-Aug-91	47	NTPC
206	S.R. Apte	DGM	PESM	B.E. (Electrical)	2528717	31	16-Aug-91	55	NTPC
207	Vibhay Kumar	DGM	ENGG	B.E. (Elect), PGDIM	2812192	22	16-Aug-91	44	NTPC
208	S. Bhattacharya	DGM	Constn	B.Sc (Phy), BE(Electrical)	2484552	23	16-Aug-91	47	NTPC
209	P. Dantre	DGM	PESM	B.E. (Electrical), M.Tech (Heavy Elect & Equip)	2562505	26	16-Aug-91	47	NTPC
210	A.K. Mishra	DGM	LD&C	B.Sc. Engg. (Electrical)	2432229	25	16-Aug-91	47	NTPC
211	N. Srivastava	DGM	Constn	B.E. (Electrical)	2519428	21	16-Aug-91	44	NTPC
212	Shaikh Mohd.Salim Anwar	DGM	Vigilance	M.A. (Eng)	2625004	28	16-Aug-91	53	NTPC
213	A Chandra Mohan	DGM	F&A	B.Com., C.A.	2772243	28	10-Dec-91	52	NTPC
214	Anil Gaikwad	DGM	HR	BA (Econ. Hons), PG Degree (M.L.S)	2410098	23	19-Dec-91	52	NHPC
215	M. Varghese	DGM	ENGG	B.E. (E&E)	2551104	27	16-Aug-91	50	NTPC
216	Nagaraj Gupta	DGM	I/C Office	B.E. (Electrical)	2465334	26	16-Aug-91	50	NTPC
217	V Dattathreya	DGM	I/C Office	B.E. (Electrical)	2423989	26	16-Aug-91	59	NTPC
218	P. Jayachandran	DGM	Constn	B.Tech. (Electrical), MBA	2511561	25	16-Aug-91	47	NTPC
219	A.P. Gangadharan	DGM	ENGG	B.Tech. (Electrical), ADIM	2716699	25	16-Aug-91	47	NTPC
220	P.Lakshminarayana	DGM	ENGG	B.Tech. (Electrical), M.Tech	2824051	28	16-Aug-91	54	NTPC
221	N.R. Indrani	DGM	HR	BA, MA (IR&Labour Welfare)	2725032	32	16-Aug-91	55	NTPC
222	D. Kumaraswamy	DGM	F&A	B.Com, ICWA	2415170	27	16-Aug-91	52	NTPC
223	V. Susheela Devi	DGM	IA	M.Sc., MBA (Finance)	2410040	24	16-Aug-91	48	NTPC
224	O.S. Randhawa	DGM	Vigilance	BA, MBA	2615960	29	16-Aug-91	53	NTPC
225	A. Nagaraju	DGM	C&M	B.E. (Electrical)	2685852	24	16-Aug-91	45	NTPC
226	P. Subba Rao	DGM	I/C Office	B.Tech (E&E)	2599565	23	1-Dec-92	49	NLC
227	K.P. Balanarayanan	DGM	OS	B.Tech . (Electrical)	2482952	23	1-Dec-92	46	NLC



S. No.	Name(S/Sh)	Designation	Nature of Duties	Qualification	Remuneration (Rs.)	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment held
228	D. Ganesan	DGM	Liasion	B.E. (Elect), MBA	2655823	22	1-Dec-92	44	NLC
229	M. Krishnamurthy	DGM	Telecom	B.Tech (E&C)	2487865	27	1-Dec-92	51	NLC
230	D. Venkataramana	DGM	PESM	B.Tech. (E&C), DBM	2670360	28	1-Dec-92	51	NLC
231	Prolaya Kumar De	DGM	Telecom	BA (Eng. Hons)	2599144	28	1-Dec-92	58	NLC
232	M.A. Ravinder	DGM	Telecom	B.Tech (E&C)	2402736	25	19-Nov-91	51	NHPC
233	T. Biswas	DGM	DMS/RE/ST	B.E. (Electrical)	2558507	26	16-Aug-91	54	NTPC
234	N.R. Paul	DGM	SO	B.E. (Electrical)	2611402	28	16-Aug-91	52	NTPC
235	S. Das	DGM	QA&I	B.E. (E&T)	2585629	29	16-Aug-91	50	NTPC
236	S.C.Agrawal	DGM	Intl Business	B.E. (Elect), M.Tech (Energy Study)	2815638	25	16-Aug-91	48	NTPC
237	A.K. Mishra	DGM	I/C Office	B.Sc. Engg. (Electrical)	2592070	23	16-Aug-91	46	NTPC
238	S. Chattopadhyay	DGM	I/C Office	B.E. (Electrical)	2609788	24	16-Aug-91	47	NTPC
239	S.Choudhary	DGM	IT	B.E. (Elect), PGDCA	2730008	35	16-Aug-91	58	NTPC
240	Rakesh Prasad	DGM	Commercial	B.Sc. Engg. (Civil)	2671961	29	16-Aug-91	52	NTPC
241	P.K. Mukhopadhyaya	DGM	QA&I	B.Sc, Dip.Engg(Electrical), AMIE(Mech)	2502445	33	16-Aug-91	58	NTPC
242	Ranjit Ganguli	DGM	Constn	B.E. (Electrical)	2771383	29	16-Aug-91	50	NTPC
243	R.N. Singh	DGM	OS	B.E. (Electrical)	2488707	23	16-Aug-91	47	NTPC
244	Satish Chandra	DGM	HR	B.Sc. Engg. (Electrical)	2437228	24	16-Aug-91	47	NTPC
245	M.K. Gupta	DGM	Intl Business	B.Sc. Engg. (Electrical) , PGDBM(Fin&Mktg)	2636587	24	16-Aug-91	47	NTPC
246	G. Mitra	DGM	SO	B.E. (Electrical)	2452036	24	16-Aug-91	48	NTPC
247	P.K. Gupta	DGM	DMS/RE/ST	B.Sc. Engg. (Electrical)	2468158	27	16-Aug-91	51	NTPC
248	S.K. Ghosh	DGM	Constn	B.E. (Electrical)	2465153	27	16-Aug-91	52	NTPC
249	P.K. Thakur	DGM	DMS/RE/ST	B.E. (Civil)	2491305	32	16-Aug-91	54	NTPC
250	S.K. Roy	DGM	I/C Office	B.Sc. Engg. (Electrical)	2685583	28	19-Nov-91	52	NHPC
251	Arvind Prasad	DGM	DMS/RE/ST	B.Sc. Engg. (Electrical)	2823443	25	19-Nov-91	51	NHPC
252	A. Sudhakar	DGM	Constn	B.Sc (Maths), B.Tech(E&E)	2540851	25	19-Nov-91	49	NHPC
253	B.S. Jha	DGM	DMS/RE/ST	B.Sc. Engg. (Electrical)	2416283	25	19-Nov-91	48	NHPC
254	S.K. Singh	DGM	DMS/RE/ST	B.Sc. Engg. (Electrical)	2407510	26	19-Nov-91	51	NHPC
255	P.R. Pati	DGM	CMG	B.Sc. Engg. (Electrical)	2405824	23	19-Nov-91	47	NHPC
256	J.G. Lal	DGM	HR	B.Sc., LLB, MBA(PM)	2536799	30	19-Nov-91	57	NHPC
257	N.V. Raju	DGM	Constn	B.Tech. (Civil)	3081059	25	19-Dec-91	47	NHPC
258	Malay Mitra	DGM	SO	B.Sc. Engg. (Mech)	2504669	32	1-Jan-95	56	CEA
259	P Mukhopadhyay	DGM	SO	B.E. (Elect), M.Tech. (Elect)	2612321	13	1-Jan-95	52	CEA
260	S.S. Barpanda	DGM	SO & NLDC	B.Sc. Engg. (Electrical)	2859212	16	1-Jan-95	46	CEA
261	Kamal Bhuyan	DGM	I/C Office	B.E. (Electrical)	2712038	32	14-Nov-91	54	NEEPCO
262	Rajendra Jha	DGM	I/C Office	B.E. (Mechanical)	2525265	29	14-Nov-91	56	NEEPCO
263	H.R. Choudhary	DGM	I/C Office	B.E. (Mechanical)	2436385	33	14-Nov-91	55	NEEPCO
264	R.S. Singh	DGM	SAFETY	B.Sc. Engg. (Electrical)	2561747	23	14-Nov-91	47	NEEPCO
265	B.Palchowdhury	DGM	I/C Office	B.E. (Electrical)	2670341	22	14-Nov-91	49	NEEPCO
266	Anupam Pal	DGM	ENGG	B.E. (Electrical)	2694590	24	21-Jan-93	48	NEEPCO
267	S. Bandopadhyay	DGM	Corp Commun.	B.A.(H), Cert.Program (Mktg)	2407326	34	31-Jan-91	57	NTPC
268	Mukesh Khanna	DGM	ENGG	Dip.Engg. (Electrical), AMIE	2792217	24	16-Aug-91	46	NTPC
269	A.J. Xavier	DGM	ENGG	B.Sc. Engg. (Mechanical)	2721312	29	16-Aug-91	52	NTPC
270	D.Chakraborty	DGM	ENGG	B.E. (Elect), MBA	2670789	27	16-Aug-91	49	NTPC
271	Rajendra Kishore	DGM	ENGG	B.Sc. Engg. (Civil)	2571077	29	16-Aug-91	52	NTPC
272	Poonam Varshney	DGM	CMG	B.Sc. Engg. (Civil), DIM	2481721	29	16-Aug-91	50	NTPC
273	U.V.S. Rao	DGM	ENGG	B.E. (Electrical), ME (PS)	2871734	29	16-Aug-91	55	NTPC
274	Rakesh Kumar	DGM	ENGG	B.Tech . (Electrical)	2669419	26	16-Aug-91	49	NTPC
275	A.K. Singhal	DGM	CP	B.E. (Electrical)	3049840	25	16-Aug-91	47	NTPC

S. No.	Name(S/Sh)	Designation	Nature of Duties	Qualification	Remuneration (Rs.)	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment held
276	A. Anand	DGM	ENGG	B.Sc. Engg. (Mech), Certificate course in French & German	2566576	25	16-Aug-91	46	NTPC
277	Subir Sen	DGM	ENGG	B.E. (Electrical), ME (Elect), Ph.D(Thermal Generation), ADIM (MGMT)	2628840	20	1-Aug-91	45	NTPC
278	Ashok Pal	DGM	ENGG	B.E. (Elect), M.Tect.(Elect), ADPM	2623006	21	16-Aug-91	45	NTPC
279	D.N. Rozekar	DGM	ENGG	B.Sc. Engg. (Electrical)	2875311	22	16-Aug-91	44	NTPC
280	A.K. Vyas	DGM	ENGG	B.E. (Mechanical)	2538481	26	16-Aug-91	50	NTPC
281	Manju Gupta	DGM	ENGG	B.E. (Electrical)	2487498	22	16-Aug-91	44	NTPC
282	P. Kishore	DGM	Projects	B.E. (Elect), Dip.in OR	2788033	29	16-Aug-91	50	NTPC
283	Ranjit Krishnan	DGM	CS	B.Sc. Engg. (Mechanical)	2550863	28	16-Aug-91	52	NTPC
284	S.S.Vindal	DGM	Intl Business	B.Sc. Engg. (Mechanical)	2503288	27	16-Aug-91	49	NTPC
285	Prem Narayan	DGM	C&M	B.Sc., B.Tech. (Electrical)	2837115	32	16-Aug-91	56	NTPC
286	U M Maiya	DGM	Consultancy	B.E. (Electrical)	2673610	26	16-Aug-91	52	NTPC
287	Sujan Gupta	DGM	CS	B.E. (Electrical)	3115412	27	16-Aug-91	51	NTPC
288	B.Suri Babu	DGM	CS	B.E. (Mechanical)	2409157	23	16-Aug-91	54	NTPC
289	J.S.Gulati	DGM	F&A	B.Com, CA	2435416	31	9-Oct-91	55	NTPC
290	Sunil K. Thomas	DGM	I/C Office	B.Sc. Engg. (Electrical)	2441677	26	19-Nov-91	48	NHPC
291	N.C.Reddy	DGM	F&A	B.Com, M.Com, CA	2618970	27	2-Dec-91	56	NTPC
292	Suresh Kumar	DGM	QA&I	B.Tech. (Electrical), DPM	2660751	31	19-Dec-91	52	NHPC
293	M.P. Sankaradasan	DGM	ENGG	B.Tech. (Civil), M.Tech (Rock Mechanism)	2720063	25	19-Dec-91	48	NHPC
294	P.K.Chatterjee	DGM	DMS	B.E. (Civil), M.Tech	3058319	25	19-Dec-91	49	NHPC
295	R.N.Sen	DGM	ENGG	B.E. (Civil)	2623499	33	19-Dec-91	55	NHPC
296	S.R. Kumar	DGM	ENGG	B.E. (Civil), M.Tech	2533914	25	19-Nov-91	48	NHPC
297	S. Khastagir	DGM	DMS	B.E. (Mech.), DIM, M.Tech	2521458	31	19-Dec-91	54	NHPC
298	A.K.Rohtagi	DGM	FQA	B.E. (Electrical), ADPM	2444413	31	19-Nov-91	52	NHPC
299	Vijay Kumar	DGM	Pvt Invest.	B.Sc. Engg. (Electrical)	2571263	34	19-Dec-91	59	NHPC
300	N.K. Sharma	DGM	DMS/RE/ST	B.Sc. Engg. (Mechanical)	2499768	23	19-Dec-91	48	NHPC
301	Prahlad Saraswat	DGM	Telecom	B.E. (Mechanical)	2681554	27	19-Dec-91	51	NHPC
302	L. Ganesh	DGM	CS	B.E. (Mech), MBA (Fin)	2625733	24	15-Apr-93	47	ONGC
303	V A Murthy	DGM	Grid Mgmt	B.Tech (Electrical), M.Tech (Electrical)	2793660	31	1-Jan-96	57	Jyoti Ltd
304	G Anbunesan	DGM	OS	BE (Electrical & Electronics)	2597602	27	1-Jan-94	52	CEA
305	C.R.Iyer	DGM	PESM	B.E.(CIVIL),MBA(FIN)	2405772	29	24-Aug-92	52	NHPC
306	S.Chakraborty	DGM	ENGG	BE(Electrical)	2413756	23	19-Nov-91	47	NHPC
307	M.S. Nakhre	CH MGR	Constn	B.E. (Electrical)	2518684	33	16-Aug-91	53	NTPC
308	P. Rastogi	CH MGR	Constn	B.E. (Electrical)	2932400	24	16-Aug-91	53	NTPC
309	R.K. Sharma	CH MGR	SO	B.E. (Electrical)	2664233	29	16-Aug-91	52	NTPC
310	B. Das	CH MGR	F&A	M.Com, ICWA	2960119	25	16-Aug-91	49	NTPC
311	A.K. Rai	CH MGR	DMS/RE	Dip.Engg. (Electrical)	2597145	30	16-Aug-91	58	NTPC
312	Y.K. Sharma	CH MGR	F&A	B.Com, ICWA	2415348	26	16-Aug-91	51	NTPC
313	Rajil Srivastava	CH MGR	ENGG	B.Tech . (Electrical)	2863986	21	16-Aug-91	41	NTPC
314	Y.P. Gupta	CH MGR	F&A	B.Com., C.A.	2805797	24	16-Aug-91	52	NTPC
315	Kumud Wadhwa	CH MGR	IT	B.Tech. (Electrical), PGDBM	2847368	21	16-Aug-91	42	NTPC
316	N.L. Jain	CH MGR	SO	B.E. (Electrical)	2448061	22	16-Aug-91	49	NTPC
317	K.M. Thakur	CH MGR	DMS/RE/ST	B.Tech . (Electrical)	2458002	23	19-Nov-91	48	NHPC
318	M.K. Rai	CH MGR	HR	M.A.	2536151	17	1-Aug-93	55	THDC
319	S P Singh	CDE	ENGG	B.Sc. Engg. (Civil), M.E.(Env. Eng..)	2513335	26	1-Aug-93	53	THDC
320	A.V. Singhal	CH MGR	C&M	B.Tech (Prod. Engg.)	2478659	21	1-Aug-93	45	THDC



S. No.	Name(S/Sh)	Designation	Nature of Duties	Qualification	Remuneration (Rs.)	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment held
321	S K Tiwari	CH MGR	C&M	B.E. (Civil), MBA	2407393	24	1-Aug-93	46	THDC
322	S.P. Das	CH MGR	DMS/RE	B.Sc. Engg. (Electrical)	2923383	23	1-Sep-93	46	NTPC
323	Y.C. Shukla	CH MGR	O&M	B.Tech . (Electrical)	2622449	22	1-Sep-93	43	NTPC
324	P.R. Wankhede	CH MGR	O&M	B.E. (Electrical)	2964962	28	16-Oct-93	49	NTPC
325	Asgar Ali	CH MGR	Constn	B.Sc. Engg. (Electrical), PGDPM	2424772	24	16-Oct-93	49	NTPC
326	S.C. Taneja	CH MGR	ENGG	B.Sc. Engg. (Electrical)	2491057	25	16-Oct-93	47	NTPC
327	Vikas Bagadia	CH MGR	QA&I	B.E. (Elect), PGDM	2523193	21	16-Oct-93	42	NTPC
328	D. Singh	CH MGR	DMS/RE	Dip.Engg. (Electrical)	2629691	28	19-Nov-91	59	NHPC
329	H.C. Choudhary	CH MGR	DMS/RE/ST	B.E. (Electrical)	2944634	29	19-Nov-91	52	NHPC
330	V.K. Suri	CH MGR	C&M	Dip.Engg. (Electrical)	2454343	34	19-Nov-91	59	NHPC
331	C.I. Prasad	CH MGR	HR	B.Sc (Chem), MBA (PM & IR)	2632858	23	19-Nov-91	49	NHPC
332	Tarun Bajaj	CH MGR	Consultancy	B.E. (Electrical)	2602700	21	19-Nov-91	43	NHPC
333	J.K. Bal	CH MGR	HR	LLB, PGDPM	2534108	25	19-Nov-91	52	NHPC
334	Nishdeep Singh	CH MGR	HR	B.Sc. Engg. (Mech),M.Tech (IE)	2416743	17	27-Apr-93	48	POWERGRID
335	S.K. Bhagwat	CH MGR	QA&I	B.E. (Electrical)	2416864	30	16-Aug-91	55	NTPC
336	N. Dubey	CH MGR	Constn	B.E. (Electrical)	2484988	28	16-Aug-91	50	NTPC
337	M.S. Rangacharyulu	CH MGR	F&A	B.Com, CA	2537066	26	16-Aug-91	52	NTPC
338	S.M. Parate	CH MGR	Telecom	B.E. (Elect), PGDM	3460943	23	20-May-92	44	HPCL
339	Rajendra Dubey	CH MGR	Telecom	B.E. (Electronics), PGDBM (Fin)	2481649	24	1-Jan-96	47	CEA
340	K.R. Anil Kumar	CH MGR	PESM	B.E. (Electrical)	2458379	30	16-Aug-91	55	NTPC
341	I.P. Rao	CH MGR	QA&I	B.Tech . (Electrical)	2402495	25	16-Aug-91	50	NTPC
342	A K Agrawal	CH MGR	DMS	B.Sc. Engg. (Electrical), Dip. in Adv Comp. Orgn	2746317	24	16-Aug-91	46	NTPC
343	V.J. Joseph	CH MGR	ENGG	B.Tech. (Electrical), MCA	2853425	25	16-Aug-91	47	NTPC
344	J. Mrinalini	CH MGR	C&M	B.E. (Elect), PGDPM, MBA(HR&IT)	2572203	25	16-Aug-91	48	NTPC
345	P. Pramod	CH MGR	F&A	B.Com, CA	2518455	26	16-Aug-91	52	NTPC
346	I. Nallathamby	CH MGR	SAFETY	B.E. (Mechanical)	2876638	23	16-Aug-91	52	NTPC
347	B. Chinna Reddy	CH MGR	SAFETY	B.E. (Electrical)	2562621	27	16-Aug-91	51	NTPC
348	P.E. Namboothri	CH MGR	Constn	B.Tech . (Electrical)	2543025	23	16-Aug-91	47	NTPC
349	K.S. Bharathan	CH MGR	Consultancy	B.Sc. Engg. (Electrical), MBA	2631138	26	1-Dec-92	49	NLC
350	P. Seethapathy	CH MGR	F&A	B.Com, CA	2438026	31	1-Dec-92	56	NLC
351	S. Rajasekhar	CH MGR	ENGG	B.Tech. (Civil), MBA	2675924	24	1-Dec-92	47	NLC
352	S.K. Venkatesan	CH MGR	F&A	B.Sc. (Chem), ASC (INTER),CA	2473221	18	1-Dec-92	50	NLC
353	A. Chandranath	CH MGR	PESM	B.E. (Electrical)	2464492	29	1-Dec-92	51	NLC
354	K. Ravindran	CH MGR	I/C Office	B.Sc. Engg. (Electrical)	2648713	28	1-Dec-92	50	NLC
355	T. Sunil	CH MGR	Constn	B.Tech . (Electrical), DIM	2811319	25	1-Dec-92	50	NLC
356	K.K. Dhanji	CH MGR	Constn	B.E. (Electrical)	2528491	23	1-Dec-92	52	NLC
357	C Selva Kumar	CH MGR	SO	B.E. (E&E)	2445178	26	1-Dec-92	52	NLC
358	M. Shanmugasundaram	CH MGR	I/C Office	B.E. (Electrical)	2463475	25	1-Dec-92	50	NLC
359	Joseph Kurian	CH MGR	ENGG	B.Tech. (Electrical), MBA, PGDPM(Quality Engg. & Mgmt.), Fellowship in Engg.	2437110	23	1-Dec-92	47	NLC
360	A.R. Reddy	CH MGR	I/C Office	B.E. (Electrical)	2439996	21	1-Dec-92	47	NLC
361	Chandan Nandi	CH MGR	I/C Office	B.E. (Electrical)	2584783	23	1-Dec-92	48	NLC
362	K. Manickam	CH MGR	Constn	B.E. (Electrical)	2615259	23	1-Dec-92	48	NLC
363	Pratyaksha	CH MGR	F&A	BA (Hons), MA, MBA (Fin)	2826796	23	16-Aug-91	47	NTPC
364	D.K. Bera	CH MGR	DMS	B.E. (Electrical), ME	2651526	24	16-Aug-91	51	NTPC
365	S.K. Hazra	CH MGR	SO	B.E. (Electrical)	2549243	27	16-Aug-91	50	NTPC
366	B.R. Ghoshal	CH MGR	DMS/RE	B.E. (Electrical)	2438321	28	16-Aug-91	51	NTPC
367	Afzal Ahmed	CH MGR	HR	B.Sc. Engg. (Civil)	2425088	26	16-Aug-91	48	NTPC

S. No.	Name(S/Sh)	Designation	Nature of Duties	Qualification	Remuneration (Rs.)	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment held
368	G. Chakraborty	CH MGR	SO	B.Sc. Engg. (Electrical)	2590924	23	16-Aug-91	48	NTPC
369	P.N. Mukherjee	CH MGR	F&A	ICWA	2532487	27	6-Dec-91	56	NTPC
370	Dilip Kumar	CH MGR	Constn	B.Sc. Engg. (Electrical)	2434657	25	19-Nov-91	50	NHPC
371	V.K. Bhaskar	CH MGR	OS	B.E. (Electrical)	2854579	21	19-Nov-91	44	NHPC
372	Rajesh Birla	CH MGR	CMG	B.E. (Electrical)	2415203	27	19-Nov-91	50	NHPC
373	M. Mohan Dhas	CH MGR	I/C Office	B.Sc. Engg. (Electrical)	2475883	30	19-Nov-91	55	NHPC
374	S.K. Pal	CH MGR	MATL & TCC	B.E. (Electrical)	2533630	21	19-Nov-91	44	NHPC
375	Gautam Sarkar	CH MGR	ENGG	B.E. (Civil)	2836438	23	19-Nov-91	45	NHPC
376	Sudipta Dutta	CH MGR	HR	B.Com., LLB, PGD(PM&IR)	2416050	21	11-Apr-92	47	NHPC
377	A.K. Mazumdar	CH MGR	F&A	M.A, ICWA, LLB	2644469	18	19-Dec-91	56	NHPC
378	Yatindra Dwivedi	CH MGR	HR	B.E. (Mech), PG Diploma, PGDIM, NMP	2456572	20	15-Feb-93	43	HINDALCO INDUSTRIES
379	S.K. Pal	CH MGR	SO	B.E. (Electrical)	2443776	31	1-Jan-95	55	CEA
380	Sukumar Sardar	CH MGR	SO	B.E. (Mechanical)	3218433	22	1-Jan-95	46	CEA
381	L.B. Pandit	CH MGR	DMS/RE/ST	B.E. (Mechanical)	2418397	26	14-Nov-91	56	NEEPCO
382	A.K. Goswami	CH MGR	Constn	Dip.Engg. (Civil)	2565322	34	14-Nov-91	57	NEEPCO
383	P.K. Das	CH MGR	ENGG	B.E. (Electrical)	2472485	21	14-Nov-91	46	NEEPCO
384	Lakeswar Kalita	CH MGR	Constn	B.E. (Electrical)	2486772	23	14-Nov-91	49	NEEPCO
385	D.C. Bharali	CH MGR	Constn	B.E. (Electrical)	2645682	19	14-Nov-91	46	NEEPCO
386	N.C. Adak	CDE	ENGG	B.E. (Civil), M.E. (Struc.)	2488562	27	16-Aug-91	51	NTPC
387	A.V.L.N. Rao	CH MGR	FQA	B.E. (E&E), DPM	2631204	24	16-Aug-91	47	NTPC
388	V.K. Gupta	CH MGR	SO & NLDC	B.Tech. (Electrical), M.Tech (PS)	2916037	26	16-Aug-91	50	NTPC
389	Y N M Rao	CH MGR	C&M	B.Tech (Mech)	2448608	26	16-Aug-91	49	NTPC
390	Rajesh Gupta	CDE	ENGG	B.E. (Electrical)	2796035	23	16-Aug-91	44	NTPC
391	Gopal Krishna Sharma	CDE	ENGG	B.E. (Civil), ME (Civil)	2870680	23	16-Aug-91	47	NTPC
392	Sunil Bhanot	CDE	ENGG	B.E. (Pwr. Elect.)	2764767	22	16-Aug-91	44	NTPC
393	Debashis Sen	CH MGR	O&M	B.E. (Mechanical)	2788596	27	16-Aug-91	49	NTPC
394	M.K.Sethi	CH MGR	BDD	D.E. (Elect), AMIE (Mech.), M.E (Prod)	2429498	42	15-Oct-91	59	NTPC
395	Deepak Pande	CDE	ENGG	B.Sc. Engg. (Electrical)	2726017	28	19-Nov-91	51	NHPC
396	Ravi Bhushan	CH MGR	OS	D.E. (Mech)	2613752	36	19-Nov-91	57	NHPC
397	B.B. Gupta	CH MGR	Consultancy	Dip.Engg. (Electrical)	2585873	19	19-Dec-91	59	NHPC
398	A.K. Bhatia	CH MGR	F&A	B.Sc., D.B.A, Dip. In Stats., M.Com, CA	2469746	33	19-Dec-91	59	NHPC
399	V.K. Singh	CH MGR	HR	B.Com.(H), PGD(PM&IR)	2511106	23	19-Dec-91	47	NHPC
400	N.K.Rai	CH MGR	C&M	B.Sc. Engg. (Mechanical)	2508631	33	19-Dec-91	58	NHPC
401	B.C. Pant	CH MGR	Commercial	B.Sc. Engg. (Electrical)	2954945	28	19-Dec-91	54	NHPC
402	H.S. Kaushal	CH MGR	LD&C	B.E. (E&C)	2434189	23	18-Dec-92	45	BEL
403	S.S. Prasad	CH MGR	DMS	B.E. (E&T)	2554877	17	9-Jan-94	41	POWERGRID
404	S. Sharma	CH MGR	CP	B.Tech . (Electrical)	3446268	18	9-Jan-94	40	POWERGRID
405	Mahendra Saxena	CH MGR	QA&I	B.E. (H)-E&E	2702381	17	5-Nov-93	48	NTPC
406	A.K. Gautam	CH MGR	Telecom	B.Com, ICWA, CS (INTER)	2749501	24	12-Jan-94	49	NHPC
407	Sangeeta Edwards	CH MGR	Commercial	B.E. (Electrical), PGDPM	2513657	21	29-Apr-94	42	MARUTI
408	Ramachandra	CH MGR	ENGG	B.Sc. Engg. (Electrical)	2427471	15	1-Aug-95	40	POWERGRID
409	Udai Vir	CH MGR	CS	B.Tech . (Electrical)	2835700	15	1-Aug-95	39	POWERGRID
410	C.S. Gupta	CH MGR	CS	B.Sc. Engg. (Electrical)	2960275	25	16-Aug-91	48	NTPC
411	A. Sensharma	CH MGR	SO & NLDC	B.E. (Electrical)	2670338	21	19-Nov-91	45	NHPC
412	K Y Deone	CM	Grid Mgmt	BE (Electrical)	2538144	28	1-Jan-96	55	CEA
413	C A Bhat	CM	System Support/IT	M.Tech (Electrical)	2523466	21	1-Jan-96	46	NTPC
414	F.B.Begum	MGR	HR	B.Sc., LLB, PGD(IR&PM),PGDPM	2826800	25	16-Jun-94	54	NTPC



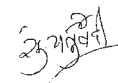
S. No.	Name(S/Sh)	Designation	Nature of Duties	Qualification	Remuneration (Rs.)	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment held
415	I. Basu	MGR	SO	B.E. (Civil), M.Tech (B.C.)	2441604	25	19-Dec-91	50	NHPC
416	Ravindra Kumar Singh	MGR	O&M	B.E. (Electrical)	2458652	14	26-Nov-97	39	POWERGRID
417	Rakesh Kumar	Engineer	DMS/RE	B.Tech . (Electrical)	4815225	15	21-Dec-96	45	POWERGRID
* Retired after 31.03.2010.									
** Premature Retirement after 31.03.2010.									
Employed for part of the year									
1	S. Majumdar	DIR (Proj)	Projects	B.E. (Mech)	4360297	31	14-Jan-91	60	NTPC
2	S.Nandkeolyar	CVO	Vigilance	M.A. (History)	1792400	34	19-Jul-05	54	CAG
3	R.K. Vohra	ED	JV	B.E. (Electrical)	1036667	39	16-Aug-91	60	NTPC
4	V.K. Prasher	ED	ENGG	B.Sc.Engg. (Electrical)	3184987	33	16-Oct-93	60	NTPC
5	D.G. Sohony	ED	I/c Region	B.E. (Electrical)	3349004	37	16-Aug-91	60	NTPC
6	I.C. Jaiswal	ED	IB & ESMD	B.E. (Mech)	4279156	31	16-Aug-91	60	NTPC
7	U. Chandra	ED	Commercial	B.E. (Electrical)	3604989	37	16-Aug-91	60	NTPC
8	D. Chowdhury	ED	CMG	B.E. (Civil)	3992428	38	16-Aug-91	60	NTPC
9	Anand Mohan	ED	HR	B.Sc. Engg. (Civil), M.Tech	2271675	39	28-Oct-97	60	NTPC
10	A.K. Dutta	ED	I/C Region	B.E. (Electrical)	4621352	30	16-Aug-91	60	NTPC
11	B.K.Gupta	GM	CS	B.Sc.Engg. (Mech)	3703054	34	16-Aug-91	60	NTPC
12	Dr L Hari	GM	Dep-APERC	B.E. (Hons.-Electrical), M.Tech., Ph.D.	944699	34	1-Jan-96	58	CEA
13	Rajiv Mohan	GM	BDD	B.E. (Electrical)	1519451	40	16-Aug-91	60	NTPC
14	Y.S.Prasad	GM	Dep-NETC Ltd	B.Com, CA	1851107	35	23-Sep-91	60	NTPC
15	P.K. Kaushal	GM	CMG	B.Sc. Engg. (Electrical)	2377332	27	19-Nov-91	60	NHPC
16	L K Kanungo	GM	I/c Office	B.E. (Mech)	4034354	37	1-Jan-96	60	CEA
17	H.C. Kukreja	AGM	DMS	B.Sc. Engg., AMD in EKS	1813071	27	16-Aug-91	60	NTPC
18	R.C. Singh	AGM	Dep-Torrent PTL	B. Tech (Electrical)	373381	37	16-Aug-91	58	NTPC
19	D. Ulaganathan	AGM	CONST	B. Tech (Electrical)	2666024	37	19-Nov-91	60	NHPC
20	Hardev Singh	AGM	I/c Office	B.Sc. Engg. (Electrical)	3002780	33	19-Nov-91	60	NHPC
21	C.M. Sharma	AGM	ENGG	B.Sc.Engg. (Electrical)	1537948	29	16-Aug-91	60	NTPC
22	D.N. Verulkar	AGM	F&A	B.Com, CA	1217280	40	16-Aug-91	60	NTPC
23	S. Bandopadhyay	AGM	FQA	B.E. (Electrical)	3855803	34	19-Nov-91	60	NHPC
24	A.K. Nagpal	DGM	Commercial	MA, PGDBM, SAS	2683362	31	16-Aug-91	60	NTPC
25	M.L. Sood	DGM	DMS/RE	B.Sc. Engg. (Mech)	2311877	37	16-Aug-91	60	NTPC
26	Rajesh Suri	DGM	CONST	B.E. (Electrical)	428363	36	16-Oct-93	47	NTPC
27	P.K. Jain	DGM	MATL & TCC	B.Sc. Engg. (Electrical), PGDPM	3002002	35	19-Nov-91	60	NHPC
28	S.K.Jalali	DGM	HRD	B.E. (Electrical)	2313895	25	19-Nov-91	60	NHPC
29	C.S. Javeri	DGM	O&M	B.E. (Electrical)	1936896	29	17-Dec-91	60	NHPC
30	T. Job Anbalagan	DGM	Vigilance	B.Com, PGDPM, BGL, MLS	1856626	36	1-Dec-92	60	NLC
31	A.K. Bandopadhyay	DGM	O&M	B.Sc. Engg. (Electrical)	1215765	33	16-Aug-91	60	NTPC
32	V.B. Pandey	DGM	DMS	B.E. (Mech)	2469706	29	19-Nov-91	60	NHPC
33	A.K. Agarwal	DGM	HR	BA(H), PGDPM&LW, MBA, BL	1340200	29	1-Apr-91	60	NHPC
34	O.N.Mondal	DGM	C&S	B.Sc. Engg. (Electrical), ME	2707049	39	16-Aug-91	60	NTPC
35	C.L.Bhat	DGM	Telecom	B.E. (Electrical)	2928377	39	19-Nov-91	60	NHPC
36	S.Chakraborty	DGM	I/C Office	B.Sc. Engg. (Electrical)	1883292	35	19-Dec-91	60	NHPC
37	Ranjna Gudoo	DGM	Law	BA, LLB	2514455	37	7-Feb-92	60	NTPC
38	K.C. Gogoi	DGM	DMS	B.E. (Mech)	3987191	31	14-Nov-91	60	NEEPCO
39	R.S. Kanwar	DGM	Liasion	B.E. (Electrical)	3249845	32	19-Nov-91	60	NHPC
40	N.K. Sood	DGM	ESMD	B.Sc., M.Tech.(Applied Geology)	2435768	37	19-Dec-91	60	NHPC
41	A.K. Banerjee	CH MGR	HR	M.A, LLB, PGDPM(PM&IR)	3185269	33	19-Nov-91	60	NHPC
42	R.S. Cheema	CH MGR	O&M	Dip.Engg. (Electrical)	3380803	39	19-Nov-91	60	NHPC
43	M.R. Sharma	CH MGR	F&A	SAS	2379780	42	19-Nov-91	60	NHPC

S. No.	Name(S/Sh)	Designation	Nature of Duties	Qualification	Remuneration (Rs.)	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment held
44	P.P. Sharma	CH MGR	F&A	B.A, SAS, M.A.	3219642	39	19-Nov-91	60	NHPC
45	S. Venu	CH MGR	PESM	Dip.Engg. (Electrical), B.E. (E&E)	2793981	33	16-Aug-91	60	NTPC
46	K.V. Rao	CH MGR	CONST	B.Tech (Electrical), M.Tech (Electrical)	262315	38	16-Aug-91	55	NTPC
47	R.P. Singh	CH MGR	DMS/RE/ST	Dip.Engg. (Electrical), AMIE	3124875	38	16-Aug-91	60	NTPC
48	V.N. Deshpande	CH MGR	C&M	Dip.Engg. (Electrical), Dip.Engg. (Mech)	402509	38	19-Nov-91	60	NHPC
49	Md. Alam	CH MGR	O&M	Dip.Engg. (Electrical), B.Tech. (Electrical)	995528	33	19-Nov-91	60	NHPC
50	M.P. Bhide	CH MGR	C&M	B.E. (Electrical), M.Tech	999277	36	16-Aug-91	60	NTPC
51	S.K.Nigam	CH MGR	Telecom	B.Sc.Engg. (Electrical)	3172586	40	16-Aug-91	60	NTPC
52	A. Bhattacharya	CH MGR	DMS/RE/ST	B.E. (Electrical)	2543682	38	19-Nov-91	58	NHPC
53	Indu Pande	CH MGR	Library	B.Sc, B.L.Sc	3121646	38	19-Dec-91	59	NHPC
54	P.N. Parihar	CH MGR	Pub.Relation	PGD(JOURNALISM)	1789687	29	19-Dec-91	60	NHPC
55	S.P.S. Goraya	CH MGR	I/C Office	B.Sc. Engg. (Electrical)	3525141	25	16-Aug-91	60	NTPC
56	J. Singh	CH MGR	O&M	Dip.Engg. (Civil)	3265587	30	16-Aug-91	60	NTPC
57	B.K. Mitra	CH MGR	SO	B.E. (Electrical), L.E. (Electrical)	3905633	30	16-Aug-91	60	NTPC
58	S Biswas	CH MGR	SO	B.Sc. Engg. (Electrical)	3508887	33	1-Jan-95	60	CEA
59	S.K. Bansal	MGR	O&M	Dip.Engg. (Electrical)	1565961	28	16-Aug-91	60	NTPC
60	V. Shankaraiah	MGR	PESM	Dip.Engg. (Electrical)	2606152	33	16-Aug-91	60	NTPC
61	B Ramulu	MGR	F&A	B.Com, INTER ICWA	2238735	37	19-Nov-91	60	NHPC
62	E.V. Somayaji	DY MGR	CONST	Dip.Engg.(Civil)	1805555	30	16-Aug-91	54	NTPC
63	M. Challapalli	DY MGR	O&M	Dip.Engg. (Electrical)	2281881	34	19-Sep-91	60	NHPC
64	Malathi Seetharaman	Exe Secy	EDs Office	SSLC, Diploma	1367629	32	16-Aug-91	60	NTPC
65	Ramesh Padya	Sr. Engineer	O&M	B.E. (Electrical)	291222	38	20-Apr-05	28	POWERGRID
66	J.K.Duppar	JE Gr-I (SG)	O&M	B.A., ITI	630769	38	19-Dec-91	60	NHPC
67	Goverdhan Singh	Mst. Tech. Gr-I	O&M	9th STD.,Tech.Trng., PRATHMA	241110	33	19-Nov-91	60	NHPC
68	Bhagat Singh	Mst. Tech. Gr-I	O&M	Matric, Tech. Trg.	662475	37	19-Nov-91	57	NHPC
69	Gopal Singh	Sr. Driver Gr-II	I/c Office	9th STD.	638804	32	19-Nov-91	60	NHPC
70	Surjit Singh	Sr. Tech. (F)	O&M	5th Std.	705787	38	19-Nov-91	56	NHPC
71	Gian Chand	Sr. Attendant	O&M	Basic Education	466932	36	19-Nov-91	60	NHPC

Notes:

- 1) Remuneration includes Salary, Allowances, Leave encashment, Leave travel concession, Payment for Subsidised leased accommodations, reimbursement of medical expenses to employees and employer's contribution to Provident fund and other funds. In addition, employees are entitled to Gratuity/Group Insurance in accordance with Company's rules.
- 2) None of the Employees listed above is related to any of the Directors of the Company.
- 3) Remuneration mentioned above is inclusive of retirement/ separation benefits paid during the year and is not indicative of any regular remuneration structure of employees of the Company.

For and on behalf of the Board of Directors



(S. K. Chaturvedi)

Chairman & Managing Director

Place: New Delhi
Date: 11.08.2010

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1999 read with Section 217(1)(e) of the Companies Act, 1956.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken and on hand:

It has been the endeavour of POWERGRID to make all out efforts for conservation of energy in all its projects - right from the planning stage, to the execution stage and throughout the O&M period. Before finalizing the transmission schemes, various alternatives/ technologies for power transfer are examined and one of the major criteria for selection of transmission system/ technology is lower losses. In fact, POWERGRID has adopted new technologies like 765kV AC, ± 500 kV HVDC, ± 800 kV HVDC and 1200kV AC in its transmission systems for bulk power transfer across various regions which result in lower losses in the system.

At design stage of the transmission system, optimization of various parameters is done so that losses in the transmission system are optimized. The conductors are selected after detailed optimization studies which consider reduction of line losses as one of the primary criteria. The bus bar materials and the clamps and connectors are chosen meeting stringent international requirements so that losses are optimized. During evaluation of transformer & shunt reactor packages, equipment with minimum losses is given weightage. In case of HVDC system also, the selection of filter components, Thyristor Valves, Converter Transformer etc, parameters are done in such a way that overall losses are minimized even under worst operation of system operating parameters. Further, in case of transmission hardware, the material with lower losses is specified. Parameters and types of various other equipments are also chosen in a manner that the losses are optimized. Thus, energy conservation measures are taken by POWERGRID at every step so as to develop an efficient and low-loss transmission network.

(b) Additional investment and proposals, if any, being implemented for reduction of consumption of Energy:

As stated above, POWERGRID undertakes energy conservation measures by means of reduction of losses in its transmission schemes right from planning to execution stage.

B. RESEARCH AND DEVELOPMENT

1 & 2 It has been POWERGRID's endeavour to pursue the research and development efforts in the field of new technologies in transmission system to remain at par with international standards. Also, realizing the need for conservation of Right-of-Way and future requirement of development of high capacity transmission system to meet the future power requirement, POWERGRID is actively pursuing seamless integration of new and efficient technologies in Indian power Grid to create environment-friendly transmission system. POWERGRID has been according special emphasis on adoption of new technologies available around the globe for improving the quality of power supply, reduction of losses, optimum utilization of the available transmission assets, conservation of environment and optimizing upon the cost of delivered power. The company is working in collaboration with International/National research institutions, academic institutions and manufacturers, and is thus enhancing its in-house capabilities for design and engineering of state-of-the-art transmission systems.

Specific Areas in which R&D has been carried out by the company and benefits derived thereby are given below:

Completed Projects:

1. Completed in-house design of 24 no towers for transmission lines which included river crossing towers for 400kV and 765Kv, 400kv upgradeable to 1200kV AC tower (5 No.). 1200kV S/c and D/c AC Tower for test line (3 No.) and tested successfully 4 nos of towers.
2. Completed in-house design of approx. 500 nos. tower foundations for transmission lines upto 765kV including special foundations.
3. Indigenous development and type testing of extra high strength 320KN & 420 KN insulators for 400kV/765 KV AC transmission lines.

4. Performance evaluation of Polymer composite insulators which were in service for more than 6 years in POWERGRID lines.
5. Indigenous development and type testing of extra high strength 420kN HVDC insulators for ± 800 kV HVDC transmission lines.
6. Indigenous development and type testing of Polymer long Rod 120kN & 160kN AC insulators for 400kV AC transmission lines in heavily polluted areas (Three manufacturers).
7. Corona cage studies, Air Gap Insulation studies and voltage distribution studies for 1200 kV transmission system.
8. Interference measurements (Electric field , Magnetic field, Audible Noise & RIV) for 765kV AC Seepat-Seoni transmission line
9. Study of EMI effect on Co-axial and Control Cables in association with CPRI & LRDE, Bangalore
10. Online condition monitoring systems for transformers at Mandola substation and Rihand HVDC station were installed to facilitate real time data to detect faults at incipient stage and provide alarms in advance in case of fault in the transformers. The system will also provide the dynamic over load capacity of the transformers.
11. Upgrading of short circuit current capacity of existing equipments e.g. circuit breakers,CTs etc. from 40 kA to 50 kA.
12. Revision of surge arrestor specification to optimize the stresses on circuit breakers during reactor switching
13. Provision of on line drying equipment and hydrogen and moisture monitoring equipment in all large 400kV and 765kV transformer and reactors
14. Optical fiber sensors are provided in critical equipment such on 765kV transformers and reactors to monitor hot spot

Ongoing projects

1. For development of 1200kV UHVAC Super grid, 1200 KV UHVAC test station is being established at POWERGRID substation at Bina, MP with joint efforts of POWERGRID, Indian Equipment Manufacturers and CPRI. This will facilitate the Indian Equipment Manufacturers to test their 1200 kV class equipment being developed by them. Successful testing will lead to indigenization of 1200 kV class equipment resulting in reduction in project costs.
2. High Capacity, ± 800 kV, 6000 MW HVDC multi terminal system for long distance power transfer over 2000 km. from NER/ER to NR.
3. 2500 MW, ± 500 kV Balia – Bhiwadi HVDC Bipole with Lapwing conductor under implementation
4. Re-conductoring of existing 400kV D/c Purnea-Siliguri line with high temperature endurance conductor to enhance the capacity of the transmission corridor by about two times.
5. Development of in-house foundation and tower designs for use in on-going transmission line projects.
6. Implementation of High Surge Impedance Loading (HSIL) line
7. Tower design and optimization studies for Hooghly river crossing (2KMs Span) for CESC.
8. Line design and optimization studies for 765kV D/c lines
9. For efficient Grid management, continuous upgradation of the load dispatch centres through technologies like Intelligent Grid comprising Wide area monitoring, adoptive islanding, Voltage Security Assessment, Dynamic Security Assessment.
10. Several existing Substations in different Regions are being augmented for remote operation from nearby Substations so as to reduce the operation cost.
11. Development of GIS in association with Indian manufacturers
12. Measurement of synchro phasors for wide area monitoring and protection of National Grid

13. Indigenous Development of SF6 gas filled Current Transformer with BHEL.
14. Implementation of Controlled Switching schemes of circuit breakers for 400kV transmission lines.
15. Development of Optical Instrument Transformers with CPRI/ERDA.
16. Engineering Data Integration on GIS Platform.
17. Collection of lightning data for assessment of lightning activity using lightning detection system. Lightning sensors shall be installed in the in North Eastern Region. Lightning detection system shall detect lightning activities as well as intensity of lightning in the transmission lines or in the vicinity of lines. The data will be used in failure analysis and selection of transmission line parameters & planning
18. Indigenous vendor development for ACSR Moose conductor for 400kV.

Technology Absorption :

1. For route selection, length optimisation and estimation of BOQ for transmission lines, POWERGRID is employing modern Survey techniques.
2. Substation Automation with IEC 61850 protocol is being adopted for all new Substations of POWERGRID. This would result in savings in operational cost and increased operational and maintenance efficiency.
3. As a step towards National grid, 765kV AC and ± 500 kV HVDC technology has been implemented in our country. Now, ± 800 kV HVDC and 1200kV UHVAC technologies are being planned for bulk power transfer across the country.
4. For maximum utilization of existing infrastructure, application of Series compensation including TCSC has been adopted on EHV lines.
5. In special areas, compact towers like pole towers, delta configuration towers and narrow based towers which reduce the space occupied by the tower base, are being used. Also tall towers and multi-circuit towers are being used for conservation of scarce right-of-way.
6. Shallow and deep resistivity measurements using magneto telluric techniques for locating ground electrode stations for HVDC system has been adopted.
7. Special insulators like polymer composite insulators have been adopted in transmission lines in polluted areas.
8. High temperature conductors like INVAR have been adopted for increasing the transfer capacity of transmission corridors.
9. GIS technology has been adopted in substations where severe space constraints exist.
10. On line transformer monitoring techniques for monitoring of critical parameters of power transformers.
11. Under execution, world's first ± 800 kV HVDC Multi terminal project.

C. CONSERVATION OF LAND AND ENVIRONMENTAL CONCERNS

For the ground return mode of operation of HVDC Bipolar Transmission system, electrode stations are being used up to now, which require approx. 150 acre of land (75 acre for each terminal of Bipolar system) at electrode site. The land for these electrode stations have to be selected keeping in view that there are no metallic buried objects i.e. metallic oil and gas pipe line, metallic pipes, railway line, telephone lines using metallic wires, electrical operated water pump sets etc within a radius of about 8 to 10 km from the centre of the proposed site of the earth electrode station. Since the inverter Terminal is generally located near the load centres, the cost of land acquisition is very high.

Further, the electrode line of the HVDC Terminal also requires its right of way which creates the constraint in land usage. Even after taking full care in land selection for locating earth electrode station, there is still a big element of uncertainty about the proper functionality of the earth electrode station and may result into undesirable surface currents leading to unacceptably high step and touch potential around the electrode site and it has been reported in the ground return operation of a number of HVDC system all over the world.

Major future HVDC link are proposed to evacuate bulk power from Chhattisgarh area. Because of geographical location and the deep soil resistivity profile of the area, the performance of HVDC monopolar ground current operation might be a cause of concern. Selecting suitable land for electrode station in this area fulfilling the technical requirements of high Ground Return Currents in monopolar operation of HVDC can be difficult.

For future ± 800 KV / ± 600 KV projects, the usage of third return conductor on the same tower carrying the line conductor, instead of having a ground electrode as return path is being analysed. Apart from eliminating the element of uncertainty about the proper functionality of the earth electrode station, the usage of third conductor as a return path will result in conservation of land required for conventional electrode station. It will avoid a separate electrode line and corresponding right of way related to the electrode line resulting in further land conservation.

FOREIGN EXCHANGE EARNINGS AND OUTGO

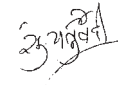
Foreign Exchange Earnings

	(₹ in crore)
i. Interest	NIL
ii. Consultancy Fee	2.37
	<u>2.37</u>

Foreign Exchange Outgo

(i) Capital Goods and Spare Parts	472.26
(ii) Professional and Consultancy Fee	2.05
(iii) Interest	207.66
(iv) Others	26.38
	<u>708.35</u>

For and on behalf of the Board of Directors



(S. K. Chaturvedi)

Chairman & Managing Director

Place: New Delhi

Date: 11.08.2010

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF POWER GRID CORPORATION OF INDIA LIMITED, NEW DELHI, FOR THE YEAR ENDED 31 MARCH 2010

The preparation of financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 25 May 2010.

I on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of the Power Grid Corporation of India Limited for the year ended 31 March 2010. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-
(M. K. Biswas)
Principal Director of Commercial Audit &
Ex-officio Member Audit Board-III,
New Delhi

Place: New Delhi
Date: 16th June, 2010

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance.

1. THE COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance is about promoting corporate fairness, transparency and accountability in the best interest of various stakeholders in the Company. It is a system by which business corporations are directed and controlled. POWERGRID believes that good governance should entail trusteeship, empowerment and accountability of the management while remaining proactive to the Government policies. POWERGRID's Governance process is focused towards its mission of *"establishment and operation of Regional and National Power Grids to facilitate transfer of power within and across the regions with Reliability, Security and Economy on sound commercial principles"* based on the well established practices in engineering & design, contracts, project management, finance etc. which are being followed in letter and spirit and are being continually improved upon.

The Corporate Governance of POWERGRID is geared by the following:

- (i) To meet the short term, medium term & long term objectives and specific targets every year set by the GOI and the persons at the helm of affairs, i.e. the Board, by empowering people at the most appropriate levels keeping the job profile/functions in view.
- (ii) To respond to the challenges and the emerging opportunities and to play a pivotal role in the economic development of the country.

The corporate governance structure specifies the distribution of rights, responsibilities and powers among different participants in the corporation. All strategic decisions regarding investment, diversification, major decisions regarding procurement, commercial and finance are proceeded ahead after approval of the Board.

POWERGRID is a "NAVRATNA PSE" since May, 2008. The NAVRATNA status has provided the Company more flexibility and autonomy in terms of making investments and operational decisions. Now, the Board of Directors of POWERGRID are the approving Authority to incur capital expenditure on purchase of new items or for replacement without any monetary ceiling. The ceiling on equity investment to establish joint ventures and wholly owned subsidiaries in India or abroad is 15% of the networth of the Company in one project limited to ₹1000 crore. The overall ceiling on such investment in all projects put together shall be 30% of the networth of the Company.

Presently, the Board of Directors comprises of Chairman and Managing Director, Functional Directors, Govt. Nominee Directors and Non Official Part Time Directors. The rights and obligations of the employees are delineated in the policy Manuals published and the amendments are notified from time to time. The powers of the internal participants i.e. top executives and below are laid down in the well established and practiced "Delegation of Powers". POWERGRID has also prepared and implemented "Works and Procurement Policy and Procedure for Pre-award and Post-award Stages" with a view to making the policies and procedures more systematic, transparent and easy to administer with major thrust on expeditious and decentralized decision making coupled with accountability and responsibility. The Board has also constituted several Committees viz. Committee for Award of Contracts relating to RE, APDRP and other Deposit Works, Committee on Feasibility Reports and Revised Cost Estimates, Committee for Bonds, Shareholders'/Investors' Grievance Committee, Committee on Award of Contracts etc. to have better and more focused attention. Advisory Boards of eminent persons are in place for Environment and Social Policy and Procedures, R&D and for Telecom to advise POWERGRID on critical issues/consensus building in these areas.

Management Discussion and Analysis is Annexed to Directors' Report.

The compliance of the company with the conditions of the Corporate Governance and the disclosure requirements in that regard are given below:

2. Board of Directors:

2.1 Size of the Board

POWERGRID is a Government Company within the meaning of Section 617 of the Companies Act, 1956 and the President of India presently holds 86.36% of the total paid-up share capital. As per Articles of Association, the power to appoint Directors rests with the President of India.



पावरग्रिड

In terms of Articles of Association of the Company, the strength of our Board shall not be less than four Directors or more than eighteen Directors. These Directors may be either whole-time Directors or part-time Directors.

2.2 Composition of the Board

As on 31st March, 2010, the Board comprised fourteen Directors out of which five were whole-time Directors including the Chairman & Managing Director, two Government Nominees and seven Independent Directors.

The equity shares of the Company were listed on 5th October, 2007 with NSE and BSE. Clause 49 I (A) of the Listing Agreements with Stock Exchanges stipulates half of the Board members to be Independent Directors. For the period 1st April, 2009 to 31st March, 2010 the requirement of independent Directors as per this clause was fully met.

2.3 Age Limit and Tenure of Directors

The age limit of the Chairman & Managing Director and other whole-time Directors is 60 years.

The Chairman & Managing Director and other whole-time Directors are appointed for a period of five years from the date of taking over of charge or till the date of superannuation of the incumbent or till further orders from the Government of India, whichever event occurs earlier.

Government Nominee Directors representing Ministry of Power, Government of India retire from the Board on ceasing to be officials of the Ministry of Power.

Independent Directors have been appointed by the Government of India usually for tenure of three years.

The tenure of Directors as on 31st March, 2010 was as follows:

Details of Directors		Name	Date of Joining on the Board	Date of superannuation/ completion of Tenure
Category (Functional/ Official/ Non-official)	Designation			
1. Whole Time Directors	Chairman & Managing Director	Shri S. K. Chaturvedi	01.08.2008	31.08.2011 - date of superannuation.
	Director (Finance)	Shri J. Sridharan	21.12.2005	30.04.2011 - date of superannuation. Completion of tenure of five years on 20.12.2010.
	Director (Personnel)	Shri V.M. Kaul	16.03.2009	31.03.2012 - date of superannuation.
	Director (Operations)	Shri R.N.Nayak	16.05.2009	30.09.2015 - date of superannuation. Completion of tenure of five years on 15.05.2014.
	Director (Projects)	Shri I.S.Jha	01.09.2009	30.06.2019 - date of superannuation. Completion of tenure of five years on 31.08.2014.
2. Govt. Nominees Part – time Directors	JS (Trans.) Ministry of Power	Dr. M. Ravi Kanth	11.12.2009	Till the President desires
	JS &FA, Ministry of Power	Shri Rakesh Jain	09.06.2009	Till the President desires
3. Non-official Part-time Directors	Non-official Part-time Director (Independent)	Shri F.A. Vandrevala*	10.07.2007	For a period of three years with effect from the date of appointment or until further orders, which ever event occurs earlier.
		Shri Anil K. Agarwal*	10.07.2007	
		Dr. A.S. Narag*	10.07.2007	
		Dr. P.K. Shetty*	10.07.2007	
		Shri S.C. Tripathi	25.04.2008	
		Shri Ashok Khanna	25.04.2008	
Smt. Sarita Prasad	04.08.2008			

* The tenure of these Non-official Part-time Directors came to an end on 09.07.2010.

2.4 Board Meetings and Attendance:

The meetings of the Board of Directors are normally held at the Registered Office of the Company. Meetings are generally scheduled well in advance and the Notice, detailed Board agenda, management reports and other explanatory Board notes are circulated to the Directors. The members of the Board have complete access to all information of the Corporation. Senior management is also invited to the Board meetings to provide additional input to the items being discussed by the Board.

During the financial year ended 31st March, 2010, fourteen Board meetings were held on 20th April, 16th June, 8th July, 29th July, 24th August, 9th September, 14th October, 28th October, 3rd December and 21st December, of the year 2009, and 6th January, 25th January, 25th February and 16th March, of the year 2010. The maximum interval between any two meetings during this period was 56 days. Details of number of Board meetings attended by Directors, attendance at last AGM, number of other directorship / committee membership (viz. Audit Committee and Shareholders' / Investors' Grievance Committee as per Clause 49 I (C) – Explanation – 2) held by them during the year 2009-10 are tabulated below:

Name of the Director	Meeting held during respective tenure of Directors	No. of Board Meetings attended	Attendance at the last AGM (held on 09.09.09)	No. of Other Directorship held on 31.03.10	No. of Other Committee Membership held on 31.03.10	
					Chairman	Member
Whole Time Directors						
Shri S. K. Chaturvedi Chairman & Managing Director	14	14	Yes	8	NIL	NIL
Shri S. Majumdar,* Director (Projects)	5	5	N.A.	4	NIL	NIL
Shri J. Sridharan, Director (Finance)	14	14	Yes	4	NIL	NIL
Shri V. M. Kaul, Director (Personnel)	14	13	Yes	1	NIL	NIL
Shri R.N.Nayak,** Director (Operations)	13	13	Yes	2	NIL	NIL
Shri I.S.Jha,*** Director (Finance)	9	9	Yes	2	NIL	NIL
Non-executive Directors (Government Nominees)						
Dr. M. Ravi Kanth ^ Jt.. Secy., Ministry of Power	4 ⁵	3	N.A.	NIL	NIL	NIL
Shri Rakesh Jain^^ Jt.. Secy., Ministry of Power	13	11	Yes	4	1	3
Shri Sudhir Kumar,^^ Jt.. Secy., Ministry of Power	8	7	Yes	N.A.	N.A.	N.A.
Shri I. C. P. Keshari, ^^ Jt. Secy., Ministry of Power	1	1	N.A.	N.A.	N.A.	N.A.

Name of the Director	Meeting held during respective tenure of Directors	No. of Board Meetings attended	Attendance at the last AGM (held on 09.09.09)	No. of Other Directorship held on 31.03.10	No. of Other Committee Membership held on 31.03.10	
					Chairman	Member
Independent Directors						
Dr. P. K. Shetty	14	12	Yes	NIL	NIL	NIL
Dr. A. S. Narag	14	14	Yes	NIL	NIL	2
Shri Anil K. Agarwal	14	9	No	3	1	2
Shri F. A. Vandrevale	14	12	Yes	1	1	NIL
Shri S. C. Tripathi	14	8	No	7	NIL	NIL
Shri Ashok Khanna	14	13	Yes	5	NIL	1
Smt. Sarita Prasad	14	14	Yes	NIL	NIL	NIL

*Shri S. Majumdar superannuated on 31.08.2009.

**Shri R. N. Nayak has been appointed as Director (Operations) w.e.f. 16.05.2009.

***Shri I.S.Jha was appointed as Director (Projects) w.e.f. 01.09.2009.

^Dr. M. Ravi Kanth, Jt. Secy., Ministry of Power has been appointed as Director w.e.f. 11.12.09 vice Shri Sudhir Kumar, Jt. Secy., MOP.

^^Shri Sudhir Kumar, Jt. Secy., MOP joined POWERGRID's Board as Govt. Nominee Director w.e.f. 22.05.09 and ceased to be a Director w.e.f. 11.12.09.

^^^Shri Rakesh Jain, JS&FA, MOP joined POWERGRID's Board as Govt. Nominee Director w.e.f. 09.06.09.

^^^^ Shri I. C. P. Keshari, Jt. Secy., Ministry of Power was a Director on POWERGRID Board from 06.03.2009 to 22.05.09.

§ Board meeting held on 21.12.09 has not been accounted for the tenure of Dr. M. Ravi Kanth, JS, MoP who was appointed as Director vide MOP Order dt. 24.12.09 with retrospective effect from 11.12.09.

None of the Directors of the company are in any way related with each other.

2.5 Information to be placed before the Board of Directors, inter-alia, include:

The Board has complete access to any information with the Company. The information regularly supplied to the Board includes:

1. Annual operating plans and budgets and any updates.
2. Annual Accounts, Directors' Report, etc.
3. Quarterly results of the company.
4. Minutes of meetings of audit committee and other committees of the Board.
5. Major Investments, formation of Subsidiaries and Joint Ventures, Strategic Alliances, etc.
6. Award of large Contracts.
7. Disclosure of Interest by Directors about directorship and committee positions occupied by them in other Companies.
8. Monthly Report on Commercial Status of the Company.
9. Report on the status of various ongoing projects/Schemes and Budget Utilization.

10. Report on the O&M Review.
11. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, etc.
12. Non-compliance of any regulatory, statutory or listing requirements and shareholders' service such as non-payment of dividend, delay in share transfer, etc.
13. Short-term investment of surplus funds.
14. Other materially important information.

3. Committees of the Board of Directors

The Board has constituted the following Committees:

- i) Audit Committee
- ii) Shareholders'/Investors' Grievance Committee
- iii) Committee for Transfer/Split/Rematerialisation/Dematerialization, etc. of Shares
- iv) Committee for Award of Contracts relating to RE, APDRP and other Deposit Works
- v) Committee on Feasibility Reports and Revised Cost Estimates
- vi) Committee for Bonds
- vii) Committee on Award of Contracts

3.1 Audit Committee:

POWERGRID had initially constituted an Audit Committee on January 27, 1999 and the same was reconstituted from time to time. During the year ending 31st March, 2010, the Audit Committee comprised the following Directors:

- (i) Shri F.A. Vandrevala, Non-official Part-time Director – Member & Chairman
- (ii) Shri Anil K. Agarwal, Non-official Part-time Director – Member
- (iii) Dr. A.S. Narag, Non-official Part-time Director – Member
- (iv) Shri Rakesh Jain, JS&FA, MOP – Member

The Company Secretary is the Secretary of the Committee.

The constitution, quorum, scope, etc. of the Audit Committee is in line with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2007; the Companies Act, 1956 and provisions of the Listing Agreement.

Meetings of Audit Committee

The Audit Committee meets at least four times in a year and not more than four months have elapsed between two meetings in that year. The quorum is either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

Powers of Audit Committee

The Audit Committee have powers, which include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To consider other matters as referred by the Board.



Role of Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Fixation of audit fees to be paid to statutory auditors appointed by Comptroller & Auditor General under the Companies Act, 1956 and approval for payment with respect to any other services rendered by the statutory auditors.
3. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
4. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
5. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
6. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
7. Discussion with internal auditors any significant findings and follow up there on.
8. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
11. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee generally reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor.

Composition of Audit Committee during the F.Y. 2009-10:

The composition of Audit Committee during the financial year 2009-10 was as under:

Shri F.A. Vandrevala, Director	Member & Chairman	Non-official Part-time Director
Shri Anil K. Agarwal, Director	Member	Non-official Part-time Director
Shri Rakesh Jain, JS&FA, MOP*	Member	Non-Executive Director
Dr. A.S. Narag, Director	Member	Non-official Part-time Director

* joined POWERGRID Board as Govt. Nominee Director w.e.f. 09.06.09

Note: With the tenure of Shri F.A. Vandrevala, Shri Anil K. Agarwal and Dr. A.S. Narag coming to an end on 09.07.2010, the Audit Committee has been reconstituted in July, 2010.

Attendance:

During the financial year ended 31st March, 2010, six meetings of the Audit committee were held on 15th June, 29th July, 24th August, 8th September and 28th October of the year 2009, and 25th January of the year 2010.

Attendance at Audit Committee Meetings during the Financial Year 2009-10:

Name	Audit Committee Meeting held during the tenure	
	Held	Attended
Shri F. A.Vandrevala, Director	6	6
Shri Anil K. Agarwal, Director	6	3
Shri Rakesh Jain, JS&FA, MOP	6	4
Dr. A.S. Narag, Director	6	6

3.2 Shareholders'/ Investors' Grievance Committee.

The Company has constituted Shareholders'/Investors' Grievance Committee in line with the provisions of the Listing Agreement.

Scope of the Committee

The scope of the Committee shall be to specifically look into the redressal of shareholders' and investors' grievances/ complaints like transfer of shares, non Receipt of Balance Sheet, non-receipt of declared dividends, etc.

Composition

As on 31st March, 2010 the Committee comprised the following Directors:

- i) Shri Anil K. Agarwal, Non-official Part-time Director – Chairman
- ii) Dr. A. S. Narag, Non-official Part-time Director – Member
- iii) Smt. Sarita Prasad, Non-official Part-time Director- Member.
- iv) Dr. M. Ravi Kanth, Jt. Secy., MOP – Member
- v) Shri J. Sridharan, Director (Finance) – Member

The Company Secretary is the Secretary of the Committee.

Two meetings of the Shareholders'/Investors' Grievance Committee were held during the financial year 2009-10 on 23rd July, 2009 and 21st January, 2010.

Name and designation of Compliance Officer

Ms. Divya Tandon, Company Secretary is the compliance officer in terms of Clause 47 of the Listing Agreement.

**Investor Grievances**

During the financial year ending 31st March, 2010, the Company has attended its investor grievances expeditiously except for the cases constrained by disputes or legal impediment. The details of the complaints received during the year are as under:

Sl. No.	Subject	Opening Balance	Received	Attended	Pending
1	Non-Receipt of Refund orders	0	19	19	0
2	Non-Receipt of Dividend Warrants	1	451	452	0
3	Received through SEBI	0	27	27	0
4	Received through Stock Exchanges	0	15	15	0
5	Advocate Notices	0	8	8	0
6	Consumer Forum/Court Cases	0	10	10	0
	Total	1	530	531	0

Shares lying in Share Escrow Account

In pursuance of Clause 5A(g) of the Listing Agreement, it is disclosed that :

- (i) Aggregate number of shareholders whose shares were in the Demat Suspend (Pool) Account as on 01.04.2009 were 330 and the outstanding shares against the above were 63685 shares;
- (ii) 70 shareholders had approached the Company for transfer of shares from Demat Suspend (Pool) Account during the year 2009-10 and these shares were transferred during the year.
- (iii) Aggregate number of shareholders whose shares were in the Demat Suspend (Pool) Account as on 31.03.2010 were 260 and the outstanding shares against the above were 50635 shares. The voting rights on the shares in Demat suspend account shall remain frozen till the rightful owner of such shares claims the shares. These shares are lying in the demat form in a Pool Account with the Registrars i.e. M/s Karvy Computershare Pvt. Ltd. and the benefits accrued on them are being properly accounted for.

3.3 Committee for Transfer/Split/Rematerialization/Dematerialization of Shares

The Company has constituted a Committee of Directors for Transfer/ Split/ Rematerialisation/ Dematerialization etc. and other related issues. As on 31.03.2010, the Committee comprised the following Directors as members:

- i) Director (Finance),
- ii) Director (Projects), and
- iii) Director (Personnel)

As on March 31, 2010 shares transfer request of five number of equity shares was pending. Share transfers have been effected during the year well within the time prescribed by the Stock Exchanges.

3.4 Committee for Award of Contracts relating to RE, APDRP and other Deposit Works

This Committee of Directors was constituted to conduct RGGVY Programme of Govt. of India. The power of this committee is to award the contracts relating to RE, APDRP and other Deposit Works for more than ₹ 20 Cr. and up to ₹ 75 Cr. As on March 31, 2010 the Committee comprised the following members:

- i) CMD – Chairman
- ii) Director (Finance) – Member
- iii) Director (Projects) – Member
- iv) Director (Personnel) – Member and
- v) Director (Operations) – Member

3.5 Committee on Feasibility Reports and Revised Cost Estimates

The Board had constituted this Committee of Directors to consider and examine the Feasibility Report and various Revised Cost Estimate proposals as may be required for seeking investment sanction from the Board. As on March 31, 2010, the Committee comprised the following members:

- i) Director (Operations) – Chairman
- ii) Director (Finance) – Member
- iii) Director (Projects) – Member

3.6 Committee for Bonds

The Board of Directors of the Company has constituted a Committee of Directors to consider and approve allotment, transfer, transmission, splitting and consolidation of POWERGRID Bonds/Allotment Letters and other matters relating to the Bonds including appointment of Merchant Bankers, Registrar to the Issue etc. As on March 31, 2010, the Committee for Bonds comprised the following members:

- i) CMD – Chairman
- ii) Director (Finance) – Member
- iii) Director (Operations) – Member
- iv) Director (Projects) – Member

3.7 Committee on Award of Contracts

This Committee of Directors had been constituted for approval of award of contracts (Other than RE, APDRP and other Deposit Works) of value more than ₹ 20 Crore but not exceeding ₹ 75 Crore. As on March 31, 2010, the following Directors were members of the Committee:

- i) Shri S.K.Chaturvedi, CMD – Chairman
- ii) Shri Ashok Khanna, Non-official Part-time Director - Member.
- iii) Dr. M. Ravi Kanth, Joint Secretary, MOP – Member
- iv) Shri J. Sridharan, Director (Finance) – Member
- v) Shri R.N. Nayak, Director (Operations) – Member
- vi) Shri I.S.Jha, Director (Projects) – Member

Remuneration of Directors

Our Company, being a Government Company, the appointment, tenure and remuneration of Directors is decided by the President of India. Remuneration paid to Chairman & Managing Director and Functional Directors during the Year 2009-10 was as per terms and conditions of their appointment. Independent Directors are paid only sitting fees at a rate fixed by the Board within the ceiling fixed under the Companies Act, 1956 and in accordance with the Government Guidelines for attending the Board Meeting as well as Committee Meetings.

The remuneration paid to the Whole time Directors during the year 2009-10 is as under:

S No.	Directors	Designation	Remuneration (` in Lacs)
1.	Shri S.K. Chaturvedi	Chairman & Managing Director	23.32
2.	Shri J. Sridharan	Director (Finance)	25.49
3.	Shri V.M. Kaul	Director (Personnel)	29.96
4.	Shri R.N.Nayak*	Director (Operations)	24.09
5.	Shri I.S.Jha**	Director (Projects)	23.13
6.	Shri S. Majumdar***	Director (Projects)	31.60

* appointed as Director w.e.f. 16.05.2009.

** appointed as Director w.e.f. 01.09.2009.

*** superannuated on 31.08.2009.



The Government nominee Directors on the POWERGRID's Board do not draw any remuneration/ sitting fee for Board/ Committee meetings from the Company. The Independent Directors were being paid sitting fee of ₹15,000/- for attending Board/Committee Meetings. The sitting fee for attending Board/Committee Meetings has been increased to ₹ 20,000 w.e.f.14.10.2009.

Details of payment made towards sitting fee to Independent Directors during the year 2009-10 are given below:

(₹ in lacs.)

Name of Non-official Part-time Directors	Sitting Fees		Total (₹) ⁵
	Board Meeting (₹)	Committee of Board of Directors Meeting (₹)	
Dr. P. K. Shetty*	2.15	0.60	2.75
Dr. A. S. Narag	2.50	2.90	5.40
Shri Anil Kumar Agarwal	1.65	1.05	2.70
Shri F. A. Vandrevale**	2.15	1.75	3.90
Shri S.C. Tripathi*	1.50	-	1.50
Shri Ashok Khanna	2.35	3.25	5.60
Smt. Sarita Prasad**	2.5	0.35	2.85

⁵Gross Amount before TDS

*In addition, honorarium of ₹ 0.50 Lac each was paid towards R&D Advisory Board and ESPP Review Committee Meeting.

** In addition, honorarium of ₹ 0.35 Lac each was paid towards R&D Advisory Board Committee Meeting.

As on 31.03.2010 the Directors' Shareholding was as under:

S.No.	Name of Directors	No. of Equity Shares Held	
		As a Nominee of the President of India	Individual Capacity
1	Shri S. K. Chaturvedi	100	-
2	Shri J. Sridharan	100	5000
3	Shri V. M. Kaul	100*	7213
4	Shri Rabindra Nath Nayak	-	11721
5	Shri I. S. Jha	100	2998
6	Shri Rakesh Jain	100	-
7	Dr. M. Ravi Kanth	100	-
8	Dr. P. K. Shetty	-	-
9	Dr. A. S. Narag	-	-
10	Shri Anil K. Agarwal	-	-
11	Shri F. A. Vandrevale	-	-
12	Shri S. C. Tripathi	-	-
13	Shri Ashok Khanna	-	-
14	Ms. Sarita Prasad	-	-

*Transferred in the name of Shri V. M. Kaul on 31.05.2010. from Shri Lokesh Chandra, former Director (Trans.), MoP.

4. General Body Meetings:

Date, time and location where the last three Annual General Meetings were held are as under:

Year	Date	Time	Venue	Special Resolution
2006-07	14th August, 2007	1.00p.m.	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016.	NIL
2007-08	18th September, 2008	10.00p.m.	Air Force Auditorium, Subroto Park, New Delhi-110010.	NIL
2008-09	9th September, 2009	10.00p.m.	Air Force Auditorium, Subroto Park, New Delhi-110010.	NIL

Resolutions passed through Postal Ballot

1. Special Resolution to bring about various amendments in the Memorandum and Articles of Association of POWERGRID pursuant to the grant of Navratna Status and an Ordinary Resolution for transfer of ownership, physical possession and control of 400 kV single circuit tie line (1 no.) between Neyveli TS –II Expansion and Neyveli TS –II switchyards from POWERGRID to Neyveli Lignite Corporation Ltd. (NLC). Notice dated 30th June, 2009, was served to all shareholders for voting through postal ballot as per the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 and the resolutions were approved by the shareholders on 18th August, 2009. Ms. Savita Jyoti, Practicing Company Secretary, was appointed as scrutinizer for conduct of Postal Ballot.

The details of the voting are as under:

Sl. No.	Description	No. of Shareholders	No. of Shares	No. of Votes	Result
Resolution No.1. (I) - Amendment of sub - Clause 8 of Clause III B of the Memorandum of Association under the head "Objects incidental or ancillary to the attainment of the main objects" by way of Special Resolution.					
1.	Votes in favour	10571	3696749364	3696749364	Approved by requisite majority.
2.	Votes against	329	99180	99180	
3.	Invalid Votes	614	127848	127848	
Resolution No. 1. (II) - Amendment in Articles of Association by way of Special Resolution.					
1.	Votes in favour	10268	3696686662	3696686662	Approved by requisite majority.
2.	Votes against	360	68649	68649	
3.	Invalid Votes	886	220785	220785	
Resolution No.2 - Transfer of ownership, physical possession & control of 400 kV single circuit tie line (1no.) between Neyveli TS-II Expansion and Neyveli TS-II switchyards from POWERGRID to Neyveli Lignite Corporation Ltd (NLC) by way of Ordinary Resolution.					
1.	Votes in favour	10033	3696585917	3696585917	Approved by requisite majority.
2.	Votes against	659	198049	198049	
3.	Invalid Votes	822	193500	193500	

2. Ordinary Resolution to increase the borrowing power/limit of the company from ₹ 50,000 crore to ₹ 80,000 crore was proposed. Notice dated 25th March, 2010, was served to all shareholders for voting through postal ballot as per the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 and the said resolution was approved by the shareholders on 17th May, 2010. Ms. Savita Jyoti, Practicing Company Secretary, was appointed as scrutinizer for conduct of Postal Ballot.



The details of the voting are as under:

Sl. No.	Description	No. of Shareholders	No. of Shares	No. of Votes	Result
Resolution: Enhancement of Borrowing Limits from ₹ 50,000 Crore to ₹ 80,000 Crore.					
1.	Votes in favour	18286	3675482103	3675482103	Approved by requisite majority.
2.	Votes against	884	7587744	7587744	
3.	Invalid Votes	152	214045	214045	

3. Ordinary Resolution for transfer of movable assets of RLDCs and NLDC to Power System Operation Corporation Ltd. was proposed. Notice dated 19th April, 2010, was served to all shareholders for voting through postal ballot as per the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 and the said resolution was approved by the shareholders on 16th June, 2010. Ms. Savita Jyoti, Practicing Company Secretary, was appointed as scrutinizer for conduct of Postal Ballot. The details of the voting are as under:

Sl. No.	Description	No. of Shareholders	No. of Shares	No. of Votes	Result
Resolution: Transfer of movable assets of Regional Load Despatch Centers (RLDCs) and National Load Despatch Center (NLDC) to Power System Operation Corporation Limited (Book value of ₹ 184.78 Crore as on 31.03.2009)					
1.	Votes in favour	15359	3678876791	3678876791	Approved by requisite majority.
2.	Votes against	723	210485	210485	
3.	Invalid Votes	138	39694	39694	

5. Disclosures

- (I) The transactions with related parties contain (i) payment to Companies under Joint Venture Agreement and on account of contracts for works/services, (ii) remuneration to key management personnel and (iii) equity contribution to subsidiaries, which are not in the nature of potential conflict of interest of the Company at large. Details of related party transactions are included in the Notes to the Accounts as per Accounting Standard – 18 issued by the Institute of Chartered Accountants of India and notified by the Central Government in consultation with National Advisory Committee on Accounting Standards.
- (II) The CEO & CFO of the Company have certified to the Board, the specified matters, as required under Clause 49 V of the Listing Agreement.
- (III) POWERGRID do not have any material non-listed Indian Subsidiary Company.
- (IV) POWERGRID is in the process of establishing Enterprise Risk Management Framework and Internal Control Framework for CEO/CFO Certification and the Framework is under finalization in coordination with KPMG, the Consulting Firm to provide consultancy for the said framework.
- (V) There are no material individual transactions with related parties which are not in the normal course of business.
- (VI) There are no material individual transactions with related parties or others, which are on an arm's length basis.
- (VII) The Company has complied with the requirements of the Listing Agreement with Stock Exchanges as well as Regulations and Guidelines prescribed by SEBI. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the year.
- (VIII) The Balance Sheet, Profit and Loss Account and Cash Flow Statement for the financial year 2009-10 have been prepared as per the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- (IX) The Company has adopted all suggested items to be included in the Report of Corporate Governance. Information on adoption (and compliance) / Non-adoption of the non-mandatory requirements is at Annex-I.

6. Means of Communication

The Company communicates with its shareholders through its Annual Report, General Meeting, Newspapers and disclosure through web site.

Information and latest updates and announcements made by the Company can be accessed at Company's website: www.powergridindia.com including the following:

- Quarterly /Half-Yearly /Annual Financial Results
- Shareholding Pattern
- Corporate disclosures made from time to time to Stock Exchanges

Quarterly Results

Newspapers	Date of Publication of Financial Results for the quarter ended			
	30.06.2009	30.09.2009	31.12.2009	31.03.2010
Business Standard / Hindustan Times / Times of India (English)	30.07.2009	29.10.2009	26.01.2010	27.05.2010
Rashtriya Sahara/ Hindustan (Hindi)	30.07.2009	29.10.2009	26.01.2010	27.05.2010

These Results are also displayed at Company's website www.powergridindia.com

7. Code of Conduct

The Board of Directors have laid down two separate Code of Conduct – one for Board Members and another for Senior Management Personnel in alignment with Company's Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code of Conduct is available at the website of the Company.

Declaration required under Clause 49 of the Listing Agreement

All the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31st, 2010.

New Delhi
Dt. 04.05.2010

Sd/-
(S.K.Chaturvedi)
Chairman & Managing Director

8. Code of Insider Trading

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, POWERGRID Board has laid down "Code of Conduct for Prevention of Insider Trading" with the objective of preventing purchase and/or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this code, Insiders (i.e. Designated Employees) are prevented to deal in the Company's shares during the closure of Trading Window. To deal in Securities beyond limits specified, permission of Compliance Officer is required. All Designated Employees are also required to disclose related information periodically as defined in the Code. Company Secretary has been designated as Compliance Officer for this Code.

9. Shareholders' Information

i) Annual General Meeting

Date : 24th September, 2010
Time : 10.00 a.m.
Venue : Air Force Auditorium, Subroto Park, New Delhi – 110 010.

ii) Financial Year

The Company's Financial Year is from 1st April to 31st March.

**iii) Book Closure**

The Register of Member and Share Transfer Books of the Company will remain closed from 09th September, 2010 to 24th September, 2010 (both days inclusive).

iv) Payment of dividend

The Board of Directors of the Company has recommended payment of a final Dividend of 10% (₹ 1.0 per share) for the financial year ended 31st March, 2010. In addition, an Interim Dividend of 5% (₹ 0.50 per share) was paid on 25th January, 2010. (Dividend paid in the Previous Year was ₹ 505.08 Crore)

v) Dividend History

Year	Total Paid-up Capital as on 31st March of the Year (₹ in Crore)	Total Amount of Dividend Paid for the Financial Year (₹ in Crore)	Date of AGM in which dividend was declared	Date of Payment of Final Dividend
2002-03	3035.25	100.00	29.09.2003	27.10.2003
2003-04	3035.25	125.00	28.09.2004	18.10.2004
2004-05	3165.25	184.00	16.09.2005	13.10.2005
2005-06	3584.63	302.68	03.08.2006	23.08.2006
2006-07	3787.41	368.82	14.08.2007	24.08.2007
2007-08	4208.84	505.08	18.09.2008	03.10.2008
2008-09	4208.84	505.08	09.09.2009	29.09.2009
2009-10	4208.84	210.46*	06.01.2010**	25.01.2010#

* Amount of Interim Dividend

** Date of Board Meeting

Date of Payment of Interim Dividend

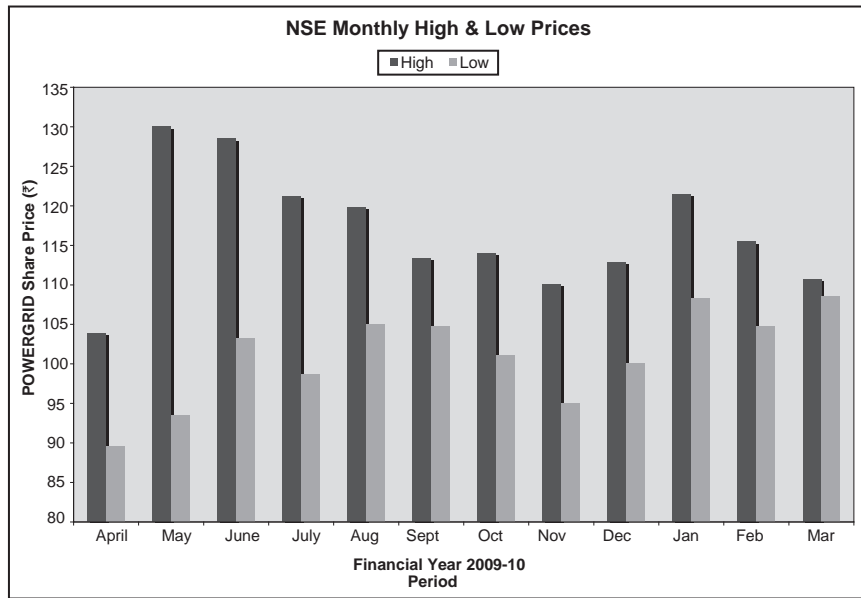
vi) Listing on Stock Exchange

POWERGRID equity shares are listed on the following Stock Exchanges:

National Stock Exchange of India Limited. Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Scrip Code : POWERGRID EQ	Scrip Code: 532898
Stock Code: ISIN – INE752E01010	

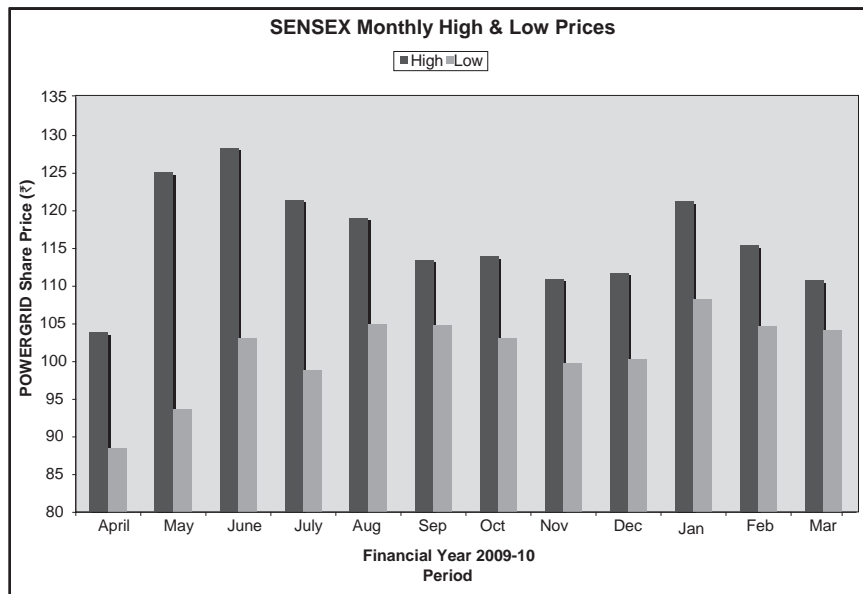
vii) Market Price Data - NSE

	High (₹)	Low (₹)	Closing (₹)
April'09	103.9	89.5	92.6
May'09	130	93.5	114.95
June'09	128.5	103.25	109.4
July'09	121.25	98.7	117.4
August'09	119.85	105	107.6
September'09	113.35	104.75	109.95
October'09	114	101	104.35
November'09	110.1	95.05	99.8
December'09	112.9	100	110.15
January'10	121.45	108.3	112.7
February'10	115.5	104.8	107.55
March'10	110.7	108.5	107.15



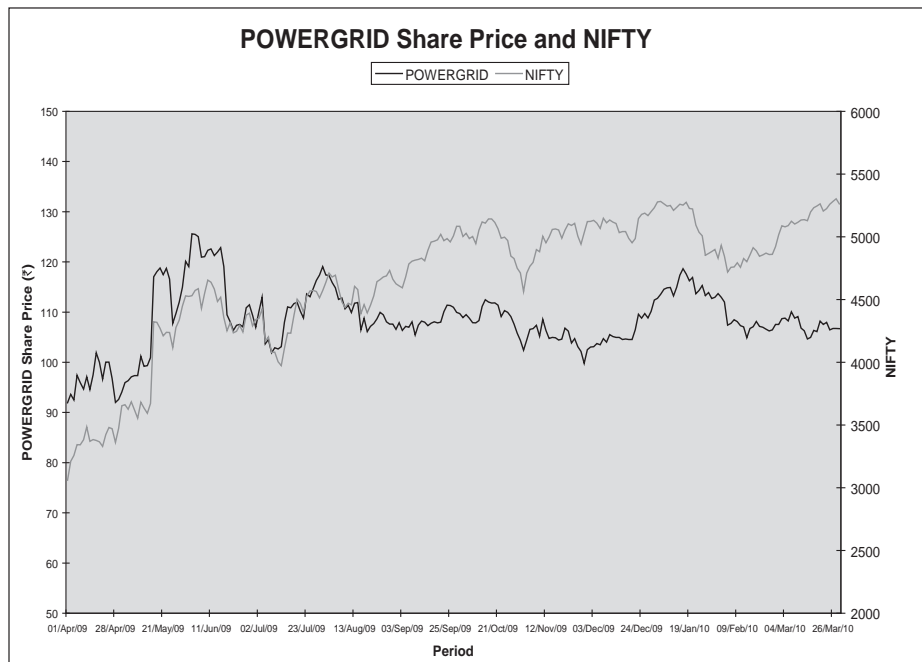
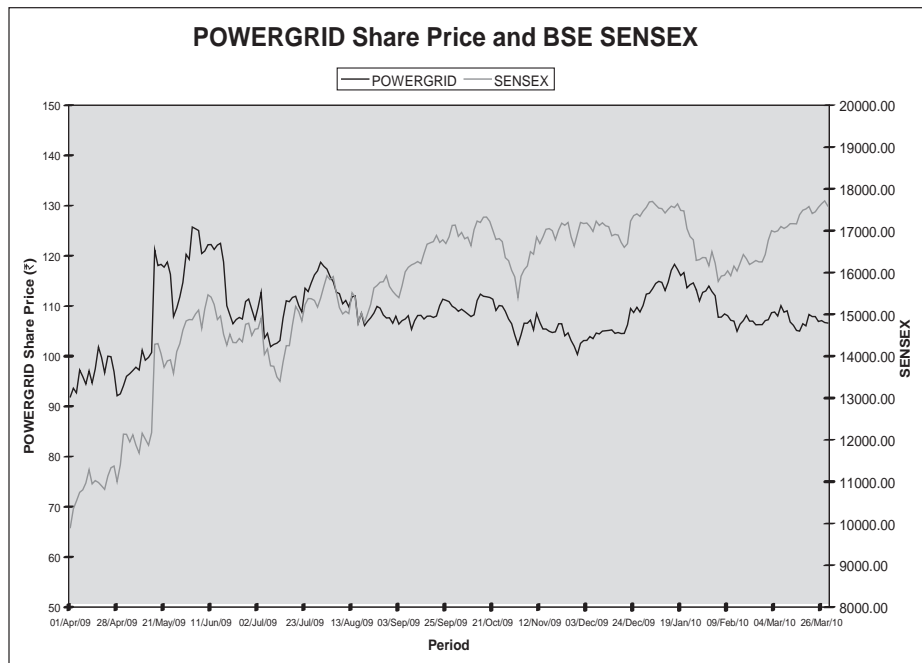
viii) Market Price Data - BSE

	High (₹)	Low (₹)	Closing (₹)
April'09	103.85	88.5	92.5
May'09	125.1	93.7	114.7
June'09	128.35	103.1	109.35
July'09	121.45	98.8	117.9
August'09	119.1	105	107.65
September'09	113.5	104.8	109.95
October'09	114	103.1	104.25
November'09	111	99.75	100.35
December'09	111.8	100.35	110.1
January'10	121.25	108.25	112.7
February'10	115.4	104.65	107.1
March'10	110.8	104.2	107.15





ix) Performance in comparison to indices BSE SENSEX, NSE NIFTY and POWERGRID Performance



x) Registrar and Transfer Agents.

EQUITY SHARES

Karvy Computershare Pvt. Ltd.
 Plot No.: 17 to 24, Vittalrao Nagar,
 Madhapur, Hyderabad - 500 081
 Ph: 040-2340815 to 824
 Fax:- 040-23420814
 E-mail: einward.ris@karvy.com

BONDS

MCS Limited,
 F-65, Okhla Industrial Area,
 Phase-I, New Delhi- 110 020.
 Ph: 011-41406148/49/51
 Telefax.: 011-41406148
 E-mail : admin@mcsdel.com

xi) Share Transfer System

Entire share transfer activities under physical segment are being carried out by Karvy Computershare Private Limited. The share transfer system consists of activities like receipt of shares along with transfer deed from transferees, its verification, preparation of Memorandum of Transfer, etc. Share transfers are approved by Committee of the Board for physical transfer, rematerialisation and split etc.

Pursuant to clause 47(c) of the Listing Agreement with Stock Exchange, certificate on half-yearly basis confirming due compliance of shares transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchanges within stipulated time.

xii) Distribution of Shareholding

Shares held by different categories of shareholders and according to the size of the holdings as on 31st March, 2010 are given below:

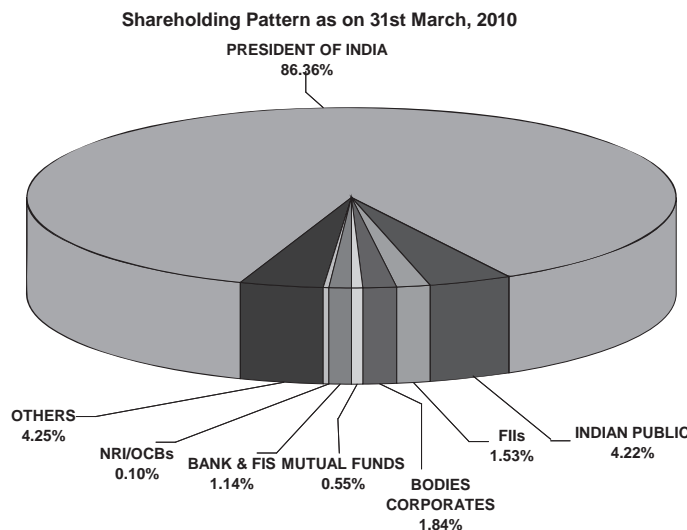
According to Size

a. Distribution of shareholding according to size, % of holding as on 31st March, 2010:

Number of Shares	No. of shareholders	% of share holders	Total No. of Shares	% of shares
1 - 5000	798440	94.14	122079197	2.90
5001 - 10000	31292	3.69	23889639	0.57
10001 - 20000	10850	1.28	15949474	0.38
20001 - 30000	2845	0.34	7209280	0.17
30001 - 40000	1228	0.14	4376093	0.10
40001 - 50000	981	0.12	4621476	0.11
50001 - 100000	1475	0.17	10490470	0.25
100001 & Above	1004	0.12	4020225601	95.52
Total	848115	100.00	4208841230	100.00

b. Shareholding pattern as on 31st March, 2010

S.No	Category	Total Shares	% To Equity
1	PRESIDENT OF INDIA	3634907735	86.36
9	PROMOTERS	600	0.00
2	INDIAN PUBLIC	177796904	4.22
3	FII's	64455175	1.53
4	BODIES CORPORATE	77345395	1.84
5	MUTUAL FUNDS	23200905	0.55
6	BANKS & FI	48000966	1.14
7	NRI/OCBs	4095341	0.10
8	Others	179038209	4.25
	Total	4208841230	100.00



c. Major Shareholders

Details of Shareholders holding more than 1% of the paid-up capital of the Company as on 31st March, 2010 are given below:

S.No	Name of shareholders	No of Shares	% to paid up capital	Category
1	PRESIDENT OF INDIA (POI)	3533637935	83.96	POI
2	PRESIDENT OF INDIA (POI)	101269800	2.41	POI
3	LIFE INSURANCE CORPORATION OF INDIA	65814234	1.56	INS
4	LIC OF INDIA MARKET PLUS	48942430	1.16	INS

xiii) Dematerialization of Shares

The shares of the Company are in compulsory dematerialized segment and are available for trading system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Secretarial Audit Report for reconciliation of the share capital of the Company obtained from Practicing Company Secretary have been submitted to Stock Exchange within stipulated time.

No. of shares held in dematerialized and physical mode:

S.No		Number of Holders	Number of Shares	% of total capital issued
1	PHYSICAL	6988	37768	0.00
2	Held in dematerialized form in NSDL	598007	4155194422	98.73
3	Held in dematerialized form in CDSL	243120	53609040	1.27
	Total	848115	4208841230	100.00

The name and addresses of the Depositories are as under:

1. National Securities Depository Limited
Trade World, 4th Floor,
Kamala Mills Compound, Senapathi Bapat Marg,
Lower Parel, Mumbai – 400 013.
2. Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers,
28th Floor, Dalal Street, Mumbai – 400 023.

xiv) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

No GDRs/ADRs/Warrants or any Convertible instruments have been issued by the Company.

xv) Location of POWERGRID Plants

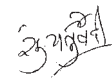
POWERGRID has no plants as it is in the business of Transmission of Power.

xvi) Address for correspondence:

Power Grid Corporation of India Limited,
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi – 110 016.

	Telephone No.	Fax No.
Registered Office	011-26560112, 26560121, 26564812, 26564892	011-26601081
Investor Services Department	0124-2571897	0124-2571897
E-mail ID	investors@powergridindia.com	
Public Spokesperson Shri V.M. Kaul, Director (Personnel)	0124-2571901-02	0124-2571903
E-mail ID	vmkaul@powergridindia.com	
Company Secretary Ms. Divya Tandon	0124-2571968	0124-2571969
E-mail ID	dtandon@powergridindia.com	

For and on behalf of the Board of Directors



(S. K. Chaturvedi)
Chairman & Managing Director

Place: New Delhi
Date: 11.08.2010

Non-Mandatory Requirements

1. **The Board:** The Company is headed by an executive Chairman. No person has been appointed as independent director who has been a Director, in the aggregate, exceeding a period of nine years on the Board of POWERGRID.
2. **Remuneration Committee:** POWERGRID constituted Remuneration Committee for deciding the performance related pay in terms of the DPE directive. The performance related pay of POWERGRID employees and full time Directors has been decided by the Remuneration Committee during the Financial year 2009-10.
3. **Shareholder Rights:** The financial results for the half year ended 30th September, 2009 were published in Hindustan Times and Hindustan dated 29th October, 2009 and also put up on website. Separate half year report has, however, not been sent to each household of shareholders. Significant events have been disclosed on the Company's website: www.powergridindia.com.
4. **Audit qualifications:** The financial statement for the year 2009-10 has no audit qualifications.
5. **Training of Board Members:** A presentation on the following matters was given to the Directors:
 - ✓ A presentation on 'Sustainability Reporting in POWERGRID' was made to the Directors by CII – ITC Centre of Excellence for Sustainable Development.
 - ✓ A presentation was made on the issues and concerns pertaining to Long Term Open Access;
 - ✓ A presentation was made on the Telecom Business of POWERGRID.
 - ✓ A presentation was made on Benchmarking of Capital Cost, contemplated under the Tariff Policy 2006, notified by Gol and the provisions envisaged by the Regulator in the CERC Tariff Regulations 2009-14 were explained.
 - ✓ Presentations of general nature were given to the Directors time to time.
6. **Whistle Blower Policy:** The Company has separate Vigilance Department which deals with fraud or suspected fraud involving employees of the Company as well as representatives of suppliers, contractors, consultants, service provider or any other party doing any type of business with POWERGRID. All reports of fraud or suspected fraud are investigated with speed.

Certificate on Corporate Governance

To

The Members,

Power Grid Corporation of India Limited

We have examined the compliance of conditions of corporate governance by Power Grid Corporation of India Limited, for the year ended on 31st March, 2010 as stipulated in the Clause 49 of the Listing Agreement in respect of Equity Shares of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A.R. & Co.
Chartered Accountants
Firm Regn. No. 002744C

Sd/-
(Pawan K. Goel)
Partner
M.No. 072209

For S R I Associates
Chartered Accountants
Firm Regn. No. 305109E

Sd/-
(I. Pasha)
Partner
M.No. 013280

For Umamaheswara Rao & Co.
Chartered Accountants
Firm Regn. No. 004453S

Sd/-
(G. Sivaramakrishna Prasad)
Partner
M.No. 024860

Place : New Delhi
Date : 6th August, 2010

**REVENUE EXPENDITURE ON SOCIAL OVERHEADS
FOR THE YEAR ENDED 31st MARCH,2010**

(₹in crore)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Township		
a) Depreciation	14.00	8.65
b) Repair & Maintenance	8.88	8.61
c) Others	<u>7.13</u>	<u>6.15</u>
	30.01	23.41
Educational & School Facilities	19.15	9.07
Medical Facilities	41.22	39.76
Subsidised Transport	1.88	1.93
Social & Cultural Activities	10.72	10.71
Corporate Social Responsibility (CSR) activities	4.29 *	-
Subsidised Canteen	4.24	7.48
Total	<u>111.51</u>	<u>92.36</u>
Less: Recoveries	3.39	2.31
Net	<u>108.12</u>	<u>90.05</u>

* CSR Policy Started w.e.f 01.04.2009

ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting principles and applicable Accounting Standards in India.

2. RESERVES AND SURPLUS

- 2.1 Self insurance reserve is created @ 0.1% p.a. on Gross Block of Fixed Assets (except valve halls of HVDC Bi-pole, HVDC equipments, SVC substations and series compensators) as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks. The same is shown as "Self insurance reserve" under 'Reserves & Surplus'.
- 2.2 LDC Development fund shall be created in respect of charges collected on account of return on equity, interest on loan, depreciation and other income of the Regional Load Despatch Centre and National Load Despatch Centre such as registration fee, application fee, short-term open access charges etc. The funds shall be utilized for loan repayment, servicing the capital raised in the form of interest and dividend payment, meeting stipulated equity portion in asset creation and margin money for raising loan from the financial institutions and funding R&D projects.
- 2.3 In accordance with the scheme of earmarking 0.75% of net profits of the preceding financial year towards Corporate Social Responsibility (CSR), unutilized money during an year shall be credited to CSR reserves. Any expenditure above 0.75% of the preceding year shall be adjusted against such reserve.

3. GRANTS-IN-AID

- 3.1 Grants-in-aid received from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets are shown as "grants-in-aid" till the utilization of grant.
- 3.2 On capitalisation of related assets, grants received for specific depreciable assets are treated as deferred income and recognised in the profit and loss account over the useful period of life and in proportion to which depreciation on these assets is provided.

4. FIXED ASSETS

- 4.1 Fixed assets are shown at historical cost comprising of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- 4.2 In the case of commissioned assets, deposit works/cost- plus contracts where final settlement of bills with contractors is yet to be affected, capitalisation is done on provisional basis subject to necessary adjustments in the year of final settlement.
- 4.3 Assets and systems common to more than one transmission system are capitalised on the basis of technical estimates/ assessments.
- 4.4 Transmission system assets are considered 'Ready for intended use', for the purpose of capitalisation, after test charging/successful commissioning of the systems/assets and on completion of stabilization period wherever technically required.
- 4.5 The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.
- 4.6 Expenditure on levelling, clearing and grading of land is capitalised as part of cost of the related buildings.
- 4.7 Capital expenditure on assets not owned by the company is reflected as a distinct item in capital work-in-progress till completion and thereafter in Fixed Assets.
- 4.8 Insurance spares, other than mentioned in 4.10 below, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the residual useful life of the related plant & machinery.



4.9 Mandatory spares, other than mentioned in 4.10 below, in the nature of sub-station equipments /capital spares i.e. stand-by/service/rotational equipment and unit assemblies either procured along with the equipments or subsequently, are capitalised and depreciation is charged in accordance with the relevant accounting standard.

4.10 Items of Insurance / Mandatory spares, covered under 4.8 & 4.9 above, are charged to revenue, if the year of purchase and consumption is same.

5. CAPITAL WORK IN PROGRESS (CWIP)

5.1 Cost of material consumed, erection charges thereon along with other related expenses incurred for the projects are shown as CWIP till capitalisation.

5.2 Expenditure of Corporate office, Regional Offices and Projects, attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related assets.

5.3 Interest during construction and expenditure (net) allocated to construction as per policy No. 5.2 above (allocated to the projects on prorata basis to their capital expenditure), are apportioned to capital work in progress (CWIP) on the closing balance of Specific asset or part of asset being capitalised. Balance, if any, left after such capitalisation is kept as a separate item under the CWIP Schedule .

5.4 Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

5.5 Claims for price variation/ exchange rate variation in case of contracts are accounted for on acceptance/ receipt of claims.

6. CONSTRUCTION STORES

6.1 Construction stores are valued at cost.

7. BORROWING COST

7.1 All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.

7.2 The borrowing costs so allocated are capitalised or charged to revenue, based on whether the project is under construction or in operation.

7.3 Foreign exchange rate variation (FERV) (Unfavorable) on foreign currency borrowings, to the extent it does not exceed the difference between the local currency borrowing cost and foreign currency borrowing cost, is treated as borrowing cost.

8. TRANSACTION IN FOREIGN CURRENCY

8.1 Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction. Foreign currency loans, deposits and liabilities are translated or converted with reference to the rates of exchange ruling on the date of the Balance Sheet.

8.2 FERV (except the amount considered as 'borrowing cost' under para 7.3 above) arising on transactions contracted prior to April 1, 2004 is adjusted to carrying cost of capital work-in-progress/fixed assets in case of capital assets. For the transactions contracted on or after April 1, 2004, the same is charged to profit & loss account irrespective of whether the project is under construction or operation.

8.3 FERV (excluding FERV during construction period for the transaction contracted on or after 1st April, 2004), accounted for as per policy no 7.3 & 8.2 is recoverable/payable from the beneficiaries on actual payment basis as per Central electricity regulatory commission (CERC) norms w.e.f 1st April, 2004 or Date of Commercial Operation (DOCO) which ever is later.

The above FERV to the extent recoverable or payable as per CERC norms is accounted for as follows:

- a) FERV recoverable or payable is apportioned into (i) amount adjusted to carrying cost of fixed assets and (ii) amount recognised as income/expense in profit and loss account in the same proportion in which FERV is apportioned between carrying cost of fixed assets and profit and loss account.

- b) FERV recoverable/payable adjusted to carrying cost of fixed assets, as referred in (a) above is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Deferred income/expenditure from foreign currency fluctuation a/c'.
 - c) FERV recoverable/payable adjusted in profit and loss referred in (a) above is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Profit & loss account'.
 - d) 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
 - e) The amount recoverable/payable as per CERC norms on year to year basis is adjusted to the 'Deferred foreign currency fluctuation asset/liability a/c' with corresponding credit/debit to the debtors.
- 8.4 FERV upto the date of commercial operation in respect of transactions contracted on or after 1st April, 2004, is included in the capital cost for the purpose of tariff. Such FERV and transmission charges received thereon are accounted for as under:
- a) Such FERV is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Profit & loss account'.
 - b) Depreciation component of transmission charges (being 90% of such FERV) is adjusted against Deferred foreign currency fluctuation asset/liability a/c'.
 - c) Balance 10% is adjusted against the transmission charges over the tenure of respective loan.
- 8.5 FERV in respect of current assets is taken to Profit & Loss a/c.

9. INVESTMENTS

- 9.1 Long term investments are carried at cost less provisions, if any, for permanent diminution in the value of such investments.

10. INVENTORIES

- 10.1. Inventories are valued at lower of the cost, determined on weighted average basis, and net realizable value.
- 10.2. Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.
- 10.3. Mandatory spares of consumable nature and transmission line items are treated as inventory after commissioning of the system.
- 10.4. Surplus materials as determined by the management are held for intended use and are included in the inventory.

11. DEFERRED REVENUE EXPENDITURE

Deferred revenue expenditure created up to March 31, 2003 (prior to the date AS-26 became mandatory) are amortized over a period of 5 years from the year of commercial operation/earning of revenue.

12. REVENUE RECOGNITION

- 12.1.1 Transmission Income is accounted for based on tariff orders notified by CERC. In case of transmission projects where tariff orders are yet to be notified, transmission income is accounted for as per tariff norms and other amendments notified by CERC in similar cases. In such cases, the shortage/excess, if any, is adjusted based on issuance of final notification of tariff orders by CERC. Transmission income on account of additional capitalisation, if any, is accounted for on the basis of specific order by the CERC.
- 12.1.2. Income from short term open access is accounted for on the basis of regulations notified by CERC.
- 12.1.3. The Transmission system Incentive / disincentive is accounted for based on certification of availability by the respective Regional power committees and in accordance with the norms notified / approved by CERC.
- 12.1.4. **ADVANCE AGAINST DEPRECIATION**
- 12.1.4.1 Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, is reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years.



- 12.1.4.2 The Outstanding deferred income in respect of AAD is recognised as transmission income, after 12 years from the end of the financial year in which the asset was commissioned, to the extent of difference between charge of depreciation and recovery of depreciation as tariff component.
- 12.1.5 Surcharge recoverable from debtors is not treated as accrued due to uncertainty of its realization and is, therefore, accounted for on receipt/certainty of receipt.
- 12.1.6 Liquidated damages / warranty claims and Interest on advances to suppliers are accounted for on certainty.
- 12.1.7 Telecom income is accounted for on the basis of terms of agreements/ purchase orders from the customers.
- 12.1.8 Income from sole consultancy contracts are accounted for on technical assessment of progress of services rendered.
- 12.1.9 In respect of 'Cost-plus-consultancy contracts', involving execution on behalf of the client, income is accounted for (wherever initial advances received) in phased manner as under:
- a. 10% on issue of Notice Inviting Tender for execution
 - b. 5% on Award of Contracts for execution
 - c. Balance 85% on the basis of actual progress of work including supplies
- 12.2.1 Scrap other than steel scrap & conductor scrap are accounted for as and when sold.
- 12.2.2 Dividend income including interim dividend is recognised in the year of declaration.

13. LEASED ASSETS – UNIFIED LOAD DESPATCH CENTRE (ULDC)

- 13.1 State sector unified load dispatch centre (ULDC) assets leased to the SEBs are considered as Finance Lease. Net investment in such leased assets along with accretion in subsequent years is accounted for as Lease Receivables under Loans & Advances. Wherever grant in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.
- 13.2 Finance income on leased assets are recognised based on a pattern reflecting a constant periodic rate of return on the net investment as per the levellised tariff notified/to be notified by CERC.
- 13.3 FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortised over the remaining tenor of lease. FERV recovery (as per CERC norms) from the constituents is recognised net of such amortised amount.

14. DEPRECIATION

- 14.1.1 Depreciation is provided on straight line method at the rates specified in the norms notified by CERC for the purpose of recovery of tariff except for the following assets in respect of which depreciation is charged at the rates mentioned below:
- a) Computers & Peripherals 30%
 - b) Mobile Phones 33.33%
 - c) Software 33.33%
- 14.1.2 ULDC assets other than assets identified to be transferred to Power System Operation Corporation Limited are depreciated @ 6.67% per annum as determined by CERC for levellized tariff.
- 14.1.3 Depreciation on assets identified to be transferred to Power System Operation Corporation Limited is provided on straight line method at the rates specified in the norms notified by CERC for the purpose of recovery of RLDC Fee and Charges.
- 14.1.4 Depreciation on assets of telecom and consultancy business, is provided for on straight line method as per rates specified in Schedule XIV of the Companies Act, 1956.
- 14.1.5 Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposal.

- 14.1.6 Where the cost of depreciable asset has undergone a change due to increase/decrease in long term liabilities on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively over the residual life determined on the basis of the rate of depreciation as specified by the CERC.
- 14.1.7 Capital expenditure on assets not owned by the company is amortized over a period of four years from the year in which the first line/sub-station of the project comes into commercial operation and, thereafter, from the year in which the relevant assets are completed and become available for use.
- 14.1.8 Plant and machinery, loose tools and items of scientific appliances, included under different heads of assets, costing ₹ 5000/- or less, or where the written down value is ₹ 5000/- or less as at the beginning of the year, are charged off to revenue.
- 14.1.9 Assets costing upto ₹ 5,000/- are fully depreciated in the year of acquisition.
- 14.2.1 Leasehold land is depreciated over the tenure of the lease.
- 14.2.2 In the case of assets of National thermal power corporation limited (NTPC), National hydro-electric power corporation limited (NHPC), North-eastern electric power corporation limited (NEEPCO), Neyveli lignite corporation limited (NLC) transferred w.e.f. April 1, 1992, Jammu and Kashmir Lines w.e.f. April 1, 1993, and Tehri hydro development corporation limited (THDC) w.e.f. August 1, 1993, depreciation is charged based on gross block as indicated in transferor's books with necessary adjustments so that the life of the assets as laid down in the CERC notification for tariff is maintained.
- 14.2.3 Expenditure, except the cost of equipment capitalised, incurred for activating the last mile connectivity of telecom links are amortized over the period of agreement with the customer.

15. EXPENDITURE

- 15.1 Pre-paid/prior-period items up to ₹ 100000/- are accounted for to natural heads of account.
- 15.2 Expenditure of research and development, other than Capital Expenditure, are charged to revenue in the year of incurrence.

16. IMPAIRMENT OF ASSETS

Cash generating units as defined in AS-28 on 'Impairment of Assets' are identified at the balance sheet date with respect to carrying amount vis-à-vis. recoverable amount thereof and impairment loss, if any, is recognised in the profit & loss account. Impairment loss, if need to be reversed subsequently, is accounted for in the year of reversal.

17. EMPLOYEE BENEFITS

- 17.1 The liability for retirement benefits of employees in respect of Gratuity, which is ascertained annually on actuarial valuation at the year end, is provided and funded separately.
- 17.2 The liabilities for compensated absence (both for Earned & Half Pay Leave), leave encashment, post retirement medical benefits & Settlement Allowance to employees are ascertained annually on actuarial valuation at the year end and provided for.

18. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. No provision is recognised for liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognised but are disclosed in the schedule of contingent liability on the basis of judgment of the management /independent expert. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.



पावरविड

Balance Sheet As At 31st March, 2010

(₹ in crore)

	Schedule No.		As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS				
Shareholders' Fund				
Share Capital	01		4208.84	4208.84
Reserves and Surplus	02		<u>11733.06</u>	<u>10414.75</u>
			15941.90	14623.59
Deferred Revenue				
Advance Against Depreciation (AAD)	03		2213.63	2159.59
Grants in Aid	04		<u>198.82</u>	<u>225.35</u>
			2412.45	2384.94
Loan Funds				
Secured Loans	05A		31345.78	25288.25
Unsecured Loans	05B		<u>3071.01</u>	<u>3177.18</u>
			34416.79	28465.43
Deferred Tax liability(Net)			4686.53	4461.51
Less: Recoverable			<u>3983.02</u>	<u>3922.97</u>
			703.51	538.54
TOTAL			<u>53474.65</u>	<u>46012.50</u>
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	06		43202.28	40319.33
Less: Depreciation			<u>11141.02</u>	<u>9190.89</u>
Net Block			32061.26	31128.44
Capital Work-in-Progress	07		10242.37	6533.43
Construction Stores and Advances	08		<u>10179.81</u>	<u>6752.57</u>
			52483.44	44414.44
Investments				
	09		1453.22	1592.83
Current Assets, Loans & Advances				
Inventories	10	344.90		297.57
Sundry Debtors	11	2214.86		1373.56
Cash and Bank Balances	12	3277.64		2428.88
Other Current Assets	13	487.52		1384.92
Loans and Advances	14	<u>3302.40</u>		<u>2827.99</u>
			9627.32	8312.92
Less: Current Liabilities & Provisions				
Current Liabilities	15	7634.60		6123.37
Provisions	16	<u>2458.29</u>		<u>2189.82</u>
			<u>10092.89</u>	<u>8313.19</u>
Net Current Assets			(465.57)	(0.27)
Miscellaneous Expenditure	17		3.56	5.50
(to the extent not written off or adjusted)				
TOTAL			<u>53474.65</u>	<u>46012.50</u>
Contingent Liabilities	18		6467.69	5674.54
Notes on accounts	28			

Schedules 1 to 28 and Accounting Policies form an integral part of Accounts

For and on behalf of the Board

(Mrinal Shrivastava)
Company Secretary(J.Sridharan)
Director(Finance)(S.K.Chaturvedi)
(Chairman & Managing Director)

As per our report of even date

For A. R.& Co.
Chartered Accountants
Firm Regn. No.002744CFor S R I Associates
Chartered Accountants
Firm Regn. No.305109EFor Umamaheswara Rao & Co
Chartered Accountants
Firm Regn. No.044535(Anil Gaur)
Partner
M.No.017546(I. Pasha)
Partner
M.No. 013280(G. Siva Rama Krishna Prasad)
Partner
M.No. 024860Place: New Delhi
Date: 25th May, 2010

Profit and Loss Account for the year ended 31st March, 2010

	Schedule No.		(₹ in crore)	
			For the year ended 31st March, 2010	For the year ended 31st March, 2009
INCOME				
Revenue from Operations	19		7127.45	5689.99
Provisions written back	20		0.21	0.04
Other Income	21		375.92	448.69
TOTAL			7503.58	6138.72
EXPENDITURE				
Employees' Remuneration & Benefits	22	726.70		643.88
Transmission, Administration and Other Expenses	23	507.43		411.61
Depreciation	06	1979.69		1093.97
Provisions	24	22.15		46.23
Interest and Finance Charges	25	1543.24		1642.27
Deferred Revenue Expenditure written Off		1.78		1.83
TOTAL			4780.99	3839.79
Profit for the year before tax and Prior period Adjustments			2722.59	2298.93
Less: Prior Period Expenditure/(Income) (Net)	26		96.27	70.36
Profit Before Tax			2626.32	2228.57
Less: Provision for Taxation - Current Year		430.34		318.25
- Earlier Years		(8.43)		160.35
			421.91	478.60
Fringe Benefit Tax - Current Year		-		14.62
- Earlier Years		(1.50)		(0.02)
			(1.50)	14.60
Profit after Current Tax			2205.91	1735.37
Less: Provision for Deferred Tax				
Total Deferred tax Liability		225.02		718.49
Less: Recoverable from beneficiaries for arrears of earlier years		60.05		673.73
			164.97	44.76
Profit after Tax			2040.94	1690.61
Add: Balance of Profit brought forward			46.92	33.97
Add: Bond Redemption Reserve Written Back			166.19	139.42
Add: Withdrawal from STOA Reserve			81.97	22.65
Total Amount Available for Appropriation			2336.02	1886.65
Appropriation				
Interim Dividend Paid			210.46	210.46
Corporate Dividend Tax Paid			35.77	35.77
Proposed Final Dividend			420.88	294.62
Provision for Corporate Dividend Tax			69.90	50.07
Transfer to Self Insurance Reserve			37.75	34.93
Transfer to Bonds Redemption Reserve			630.13	491.23
Transfer to STOA Reserve			81.97	22.65
Transfer to LDC Development Reserve			16.44	-
Transfer to CSR Activities Reserve			8.39	-
Transfer to General Reserve			800.00	700.00
Balance of Profit carried over to Balance Sheet			24.33	46.92
			2336.02	1886.65
Earning per Share-Basic & Diluted [In ₹ per share]			4.85	4.02
Face value of ₹ 10/- each				
Incidental Expenditure During Construction	27			
Notes on Accounts	28			
Schedules 1 to 28 and Accounting Policies form an integral part of Accounts				

For and on behalf of the Board

(Mrinal Shrivastava)
Company Secretary(J.Sridharan)
Director(Finance)(S.K.Chaturvedi)
(Chairman & Managing Director)

As per our report of even date

For A. R. & Co.
Chartered Accountants
Firm Regn. No.002744CFor S R I Associates
Chartered Accountants
Firm Regn. No.305109EFor Umamaheswara Rao & Co
Chartered Accountants
Firm Regn. No.044535(Anil Gaur)
Partner
M.No.017546(I. Pasha)
Partner
M.No. 013280(G. Siva Rama Krishna Prasad)
Partner
M.No. 024860Place: New Delhi
Date: 25th May, 2010



पावरग्रिड

Schedule 01 - Share Capital

Description	(₹ in crore)	
	As at 31st March, 2010	As at 31st March, 2009
AUTHORISED		
10,00,00,00,000 (Previous year 10,00,00,00,000) equity shares of ₹ 10/- each	<u>10000.00</u>	<u>10000.00</u>
ISSUED, SUBSCRIBED AND PAID-UP		
4,20,88,41,230 (Previous Year 4,20,88,41,230) equity shares of ₹ 10/- each fully paid up.		
Of the above 1,81,25,29,500 (Previous Year 1,81,25,29,500) equity Shares have been allotted as fully paid up pursuant to Govt. of India notification without payment being received in cash.	<u>4208.84</u>	<u>4208.84</u>
TOTAL	<u>4208.84</u>	<u>4208.84</u>

Schedule 02 - Reserves and Surplus

Description	(₹ in crore)			
	As at 1st April, 2009	Additions During the year	Deductions/ Adjustments During the year	As at 31st March, 2010
Share Premium	1583.14	-	-	1583.14
Self Insurance Reserve				
Through Appropriation of Profit	127.25	37.75	-	165.00
Through Charge to Profit & Loss account	68.75	-	0.34	68.41
STOA Reserve	-	81.97	81.97	-
LDC Development Fund	-	16.44	-	16.44
CSR Activities Reserve	-	8.39	-	8.39
Bonds Redemption Reserve	1579.14	630.13	166.19	2043.08
General Reserve	7009.55	814.72*	-	7824.27
	<u>10367.83</u>	<u>1589.40</u>	<u>248.50</u>	<u>11708.73</u>
Balance in Profit & Loss Account	46.92			24.33
TOTAL	<u>10414.75</u>			<u>11733.06</u>

* Transitional provision of ₹ 14.72 crore made in respect of LTC as per AS-15, now written back. (refer note no. 25)

Schedule 03 - Advance Against Depreciation (Deferred Revenue)

Description	(₹ in crore)			
	As at 1st April, 2009	Additions During the Year	Reversals/ Adjustments During the year	As at 31st March, 2010
Advance Against Depreciation	2159.59	62.97	8.93	2213.63
TOTAL	<u>2159.59</u>	<u>62.97</u>	<u>8.93</u>	<u>2213.63</u>
Previous Year	1697.07	464.66	2.14	2159.59

Schedule 04 - Grants in Aid (Deferred Revenue)

Description	(₹ in crore)			
	As at 1st April, 2009	Additions During the year	Deductions/ Adjustments During the year	As at 31st March, 2010
Grants in aid	225.35		26.53	198.82
	<u>225.35</u>		<u>26.53</u>	<u>198.82</u>
Previous Year	246.80		21.45	225.35

Schedule 05A- Secured loans

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
LOANS THROUGH BONDS		
BONDS VI SERIES		
13% Taxable, Secured, Redeemable, Non-cumulative, Non-convertible Bonds of ₹1000/-each redeemable at par in 10(ten) equal annual installments w.e.f 6th December, 2002.	20.00	30.00
Secured by equitable mortgage of immovable properties & hypothecation of movable properties of Gandhar Stage-I Transmission System.		
BONDS VIII SERIES		
10.35% Taxable, Secured, Redeemable, Non-cumulative, Non-convertible Bonds of ₹1000/-each redeemable at par in 10(Ten) equal annual instalments w.e.f. 27th April, 2005.	10.00	12.00
Secured by floating charge over the Fixed Assets of the Corporation.		
BONDS IX SERIES		
12.25% Taxable, Secured, Redeemable, Non-cumulative, Non-convertible Bonds of ₹ 1,00,000/- each redeemable at par in 10(Ten) equal annual instalments w.e.f. 22nd August, 2003.	172.95	230.60
Secured by way of Registered Bond Trust Deed on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation of the assets of Transmission lines and Sub-stations of parts of NJTL system.		
BONDS X SERIES		
10.90% Taxable, Secured, Redeemable, Non-cumulative, Non-convertible Bonds of ₹ 12 lakh each redeemable at par in 12 (twelve) equal annual instalments w.e.f 21.06.2004.	380.76	444.22
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti, Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation of the assets of CTP-I, Farakka & Chamera Transmission system.		
BONDS XI SERIES		
9.80% Taxable, Secured, Redeemable, Non-cumulative, Non-convertible Bonds of ₹ 3 crore each consisting of 12 STRPPs of ₹ 25 lakh each, redeemable at par in 12 (twelve) equal annual instalments w.e.f 07-12-2005.	316.75	362.00



Schedule 05A- Secured loans (Contd...)

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti, Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Anta, Auriya, Moga-Bhiwani, Chamera-Kishenpur, Sasaram-Allahabad, LILO of Singrauli-Kanpur and Allahabad Sub-station.		
BONDS XII SERIES		
9.70% Taxable, Secured, Redeemable, Non-cumulative, Non-convertible Bonds of ₹ 1.5 crore each consisting of 12 STRPPs of ₹ 12.50 lakh each, redeemable at par in 12 (twelve) equal annual instalments w.e.f 28.03.2006.	107.62	123.00
Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage and hypothecation on assets of Kayamkulam & Ramagundam Hyderabad Transmission System.		
BONDS XIII SERIES		
8.63% Taxable, Secured, Redeemable, Non-cumulative, Non-convertible Bonds of ₹ 1.5 crore each consisting of 12 STRPPs of ₹ 12.50 lakh each, redeemable at par in 12 (twelve) equal annual instalments w.e.f 31.07.2006.	540.00	607.50
Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Kishenpur Moga & Dulhasti Contingency Transmission System.		
BONDS XIV SERIES		
6.10% Taxable, Secured, Redeemable, Non-Cumulative, Non-Convertible Bonds of ₹ 1.5 crore each consisting of 12 STRPP's of ₹ 12.50 Lakh each redeemable at par in 12 (twelve) equal annual instalments w.e.f. 17.07.2004.	349.50	407.75
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the Company.		
BONDS XV SERIES		
6.68% Taxable, Secured, Non-Cumulative, Non-convertible Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 Lakh each redeemable at par in 12 (twelve) equal annual instalments w.e.f 23.02.2008.	675.00	750.00
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		

Schedule 05A- Secured loans (Contd...)

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
BONDS XVI SERIES		
7.10% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.00 crore each consisting of 10 STRPP's of ₹ 10.00 lakh each redeemable at par in 10 (Ten) equal annual installments w.e.f. 18.02.2009. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	600.00	675.00
BONDS XVII SERIES		
7.39% Taxable, Secured, Redeemable, Non-convertible, Non-cumulative Bonds of ₹ 1.00 Crore each consisting of 10 STRPP's of ₹ 10.00 lakh each redeemable at par in 10(ten) equal annual installments w.e.f 22.09.2009. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	900.00	1000.00
BONDS XVIII SERIES		
8.15% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12(twelve) equal annual installments w.e.f 09.03.2010. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	915.75	999.00
BONDS XIX SERIES		
9.25% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12(twelve) equal annual installments w.e.f 24.07.2010. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	495.00	495.00
BONDS XX SERIES		
8.93% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12(twelve) equal annual installments w.e.f 07.09.2010. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	1500.00	1500.00



Schedule 05A- Secured loans (Contd...)

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
BONDS XXI SERIES		
8.73% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12 (Twelve) equal annual installments w.e.f. 11.10.2010. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	510.00	510.00
BONDS XXII SERIES		
8.68% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12 (twelve) equal annual installments w.e.f. 07.12.2010. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	690.00	690.00
BONDS XXIII SERIES		
9.25% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12 (twelve) equal annual installments w.e.f. 09.02.2011. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	307.50	307.50
BONDS XXIV SERIES		
9.95% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12 (twelve) equal annual installments w.e.f. 26.03.2011. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	799.50	799.50
BONDS XXV SERIES		
10.10% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12 (twelve) equal annual installments w.e.f. 12.06.2011. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	1065.00	1065.00

Schedule 05A- Secured loans (Contd...)

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
BONDS XXVI SERIES		
9.30% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12(twelve) equal annual installments w.e.f 07.03.2012. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	999.00	999.00
BONDS XXVII SERIES		
9.47% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12(twelve) equal annual installments w.e.f 31.03.2012. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	705.00	705.00
BONDS XXVIII SERIES		
9.33% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12(twelve) equal annual installments w.e.f 15.12.2012. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	2400.00	2400.00
BONDS XXIX SERIES		
9.20% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12(twelve) equal annual installments w.e.f 12.03.2013. Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	1297.50	*
* Included under Unsecured Loans in previous year due to non completion of legal formalities		
BONDS XXX SERIES		
8.80% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12(twelve) equal annual installments w.e.f 29.09.2013.	2332.50	-



पावरग्रिड

Schedule 05A- Secured loans (Contd...)

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
8.90% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12(twelve) equal annual installments w.e.f 25.02.2014.	2047.50	-
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
BONDS XXXII SERIES		
8.84% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12(twelve) equal annual installments w.e.f 29.03.2014.	1035.00	-
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
	21171.83	15112.07
Term Loans from Banks/ Financial Institutions		
Secured by a floating charge on the fixed assets of the Company		
Indian Overseas Bank	30.00	40.00
Corporation Bank	35.00	45.00
Punjab National Bank-Loan-I	60.00	80.00
Punjab National Bank-Loan-II	150.00	175.00
Oriental Bank of Commerce	125.00	145.84
Life Insurance Corporation of India-II	365.78	439.95
Life Insurance Corporation of India-III	29.66	36.24
	795.44	962.03
ICICI Bank Ltd.	45.00	60.00
Secured by first pari passu charge over the assets of the Company		
Bank of India, Cayman Islands	312.48	379.84
Secured by a Floating charge on the immovable properties of the company		
Loan from Asian Development Bank , Philippines (Guaranteed by Govt. of India)		
ADB-I	504.78	654.00
Secured by pari passu interest in the liens created on the assets as security for the debts.		

Schedule 05A- Secured loans (Contd...)

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
ADB-II	987.16	1168.13
Secured by pari passu interest in the liens created on the assets as security for the debts.		
ADB-III	1591.40	1406.11
Secured by pari passu interest in the liens created on the assets as security for the debts.		
	3083.34	3228.24
Loan from International Bank for Reconstruction and Development, USA (Guaranteed by Govt. of India)		
PSDP I	372.31	515.12
Secured by equitable mortgage of immovable properties and hypothecation of movable properties of Vindhyachal and Rihand Transmission system.		
PSDP-II	1696.96	2025.77
Secured by pari passu interest in the liens created on the assets as security for the debts.		
PSDP-III	1759.58	1867.42
Secured by pari passu interest in the liens created on the assets as security for the debts.		
PSDP-IV	2108.84	1137.76
Secured by pari passu interest in the liens created on the assets as security for the debts.		
	5937.69	5546.07
	10173.95	10176.18
Total Secured Loans	31345.78	25288.25
Due for repayment/redemption within one year	1593.19	1233.00



Schedule 05B- Unsecured Loans

(₹ in Crore)

Description	As at 31st March, 2010	As at 31st March, 2009
BONDS XXIX SERIES		
9.20% Taxable, Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds of ₹ 1.50 crore each consisting of 12 STRPP's of ₹ 12.50 lakh each redeemable at par in 12 (twelve) equal annual installments w.e.f 12.03.2013.	*	1297.50
To be secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
*Bonds XXIX series are included under Secured Loans in Current year		1297.50
Loans in Indian Currency		
Short Term Loans from Banks	1250.00	750.00
Term Loans		
Power Finance Corporation Limited	25.00	35.00
	1275.00	785.00
Loans in Foreign Currency		
From Foreign Banks & Financial Institutions		
Loans Guaranteed by Govt of India		
a. Natixis Banque (Formerly Credit National), France	115.30	137.00
b. Japan International Cooperation Agency (Formerly Japan Bank for International Cooperation), Japan	151.73	172.59
c. European Investment Bank, Luxembourg	69.59	94.58
	336.62	404.17
To be secured (Pending creation of security by way of pari passu interest in the liens created on the assets as security for the debts)		
a) ADB-IV	115.38	-
b) ADB-V	11.78	-
c) PSDP-IV (Addl.)	747.00	-
d) PSDP-V	54.81	-
	928.97	-
Others		
Kreditanstalt fur Wiederaufbau, Germany	413.71	558.40
Skandinaviska Enskilda Banken AB(publ), Sweden	116.71	132.11
	530.42	690.51
	1796.01	1094.68
Total Unsecured Loans	1796.01	1094.68
Due for repayment/redemption within one year	3071.01	3177.18
	1427.20	935.35

Schedule 06 - Fixed Assets

(₹ in Crore)

Description	Gross Block			Depreciation			Net Block			
	As at 1st April,2009	Additions during the year	Adjustments during the year	As at 31st March,2010	As at 1st April,2009	Additions during the year	Adjustments during the year	As at 31st March,2010	As at 31st March,2010	As at 31st March,2009
Land										
a) Freehold	367.12	62.16	(13.05)	442.33	-	-	-	-	442.33	367.12
b) Leasehold	71.15	23.08	-	94.23	4.86	1.10	-	5.96	88.27	66.29
Buildings										
a) Sub-Stations & Office	422.02	9.72	(0.44)	432.18	105.17	12.65	0.04	117.78	314.40	316.85
b) Township	331.10	25.11	(4.20)	360.41	49.39	10.51	(0.08)	59.98	300.43	281.71
Temporary Erection	7.77	0.14		7.91	6.05	1.04	-	7.09	0.82	1.72
Roads & Bridges	107.37	5.01	(0.35)	112.73	16.02	3.43	-	19.45	93.28	91.35
Water Supply Drainage & Sewerage	62.72	1.55	(1.08)	65.35	12.90	2.03	-	14.93	50.42	49.82
Plant & Machinery										
a) Transmission Lines	24454.58	2567.99	319.78	26702.79	4538.11	1222.32	22.25	5738.18	20964.61	19916.47
b) Substation	12266.38	591.09	148.83	12708.64	3809.92	561.62	5.56	4365.98	8342.66	8456.46
c) ULDC	744.40	1.57	27.01	718.96	229.36	86.16	(0.18)	315.70	403.26	515.04
d) Telecom links	906.18	56.48	44.38	918.28	244.92	56.00	0.59	300.33	617.95	661.26
Constrn.and Workshop equipment	60.00	15.22	(0.20)	75.42	12.83	4.11	0.15	16.79	58.63	47.17
Electrical Installation	64.90	3.69	1.85	66.74	23.10	2.79	0.16	25.73	41.01	41.80
Vehicles	4.10	0.93	0.32	4.71	2.20	0.27	0.28	2.19	2.52	1.90
Furniture Fixtures & Office equipment	113.62	14.74	5.49	122.87	44.76	6.73	2.47	49.02	73.85	68.86
EDP/WP Machines	57.21	7.44	1.65	63.00	43.78	4.87	1.62	47.03	15.97	13.43
Miscellaneous Assets/ Equipments	61.40	5.72	0.28	66.84	35.44	2.55	0.08	37.91	28.93	25.96
Capital Exp. on Assets not owned by the Company	13.94	1.92	(0.33)	16.19	10.87	1.70	(0.03)	12.60	3.59	3.07
Intangible Assets										
Afforestation Charges	209.10	23.90	1.10	231.90	6.00	6.00	-	12.00	219.90	203.10
Softwares	1.08	0.69	-	1.77	0.90	0.22	-	1.12	0.65	0.18
Grand Total	40326.14	3418.15	531.04	43213.25	9196.58	1986.10	32.91	11149.77	32063.48	31129.56
Less: Provisions for assets discarded				10.97				8.75	2.22	
				43202.28				11141.02	32061.26	
Previous Year	35423.95	4206.98	(695.21)	40326.14	8067.63	1118.42	(10.53)	9196.58	31129.56	
Less: Provisions for assets discarded				6.81				5.69	1.12	
				40319.33				9190.89	31128.44	
						31.03.2010		31.03.2009		
Depreciation (Addition during the year)						1986.10		1118.42		
Less: Transferred to Incidental Expenditure During Construction (Schedule 27-C)						4.94		6.90		
						1981.16		1111.52		
Add: Depreciation amortised due to FERV adjustment						(1.47)		(17.55)		
Charged to Profit & Loss Account						1979.69		1093.97		



पावरग्रिड

Schedule 07 - Capital Work In Progress

(₹ in Crore)

Description	Balance As at 01.04.2009	Additions during the year	Adjustments during the year	Capitalised during the year	Balance As at 31.03.2010
Land					
Development of land	26.56	8.51	0.27	0.58	34.22
Buildings					
a) Sub-Stations & Office	21.14	24.61	0.52	8.39	36.84
b) Township	51.62	29.99	3.66	23.94	54.01
Temporary erection	0.23	0.39	0.02	0.03	0.57
Roads & Bridges	7.93	5.16	-	4.72	8.37
Water Supply Drainage and Sewerage	6.10	2.03	0.63	1.08	6.42
Plant & Machinery (including associated civil works)					
a) Transmission Lines	4339.60	4603.22	(4.63)	2386.53	6560.92
b) Sub-Station	866.99	1804.03	6.87	514.85	2149.30
c) ULDC	5.22	0.51	-	-	5.73
d) Telecom links	59.53	69.98	6.16	51.06	72.29
Furniture, Fixtures & Other office equipment	1.74	5.82	0.04	0.79	6.73
Electrical installations	5.46	9.80	0.07	2.93	12.26
Survey, Investigation, Consultancy & Supervision Charges	52.66	9.09	4.07	5.32	52.36
Difference in Exchange on foreign Loans	(0.01)	(588.42)	(331.71)	(256.70)	(0.02)
Capital expenditure on assets not owned by Company	2.29	0.52	0.12	1.61	1.08
Incidental Expenditure during Construction	1047.79	787.45	643.32	-	1191.92
Intangible Assets					
Afforestation Charges	41.28	34.58	0.14	23.65	52.07
TOTAL	6536.13	6807.27	329.55	2768.78	10245.07
Less: Provisions for assets discarded					2.70
					10242.37
Previous Year	5305.41	6279.70	926.81	4122.17	6536.13
Less: Provisions for assets discarded					2.70
					6533.43

Schedule 08 - Construction Stores and Advances

(₹ in crore)

Description	As at 31st March, 2010	As at 31st March, 2009
Construction Stores {Including Material in transit/pending issue to contractors and with contractors of ₹ 7405.42 crore (Previous Year ₹ 4682.00 crore)}		
Towers	2267.63	1114.15
Conductors	3001.93	1693.58
Other Line Materials	743.04	522.30
Sub-Station Equipments	1093.12	1013.08
HVDC Equipments	264.89	307.29
ULDC Materials	0.89	4.75
Telecom Materials	2.76	2.83
Steel	0.56	0.71
Others	58.63	35.51
	7433.45	4694.20
Less: Provision for Shortages and obsolete material	0.01	0.01
	7433.44	4694.19
Advances for Capital Expenditure		
Secured		
Considered Good	1.43	1.84
Unsecured		
Considered Good		
a. Against Bank guarantees	2543.42	1860.45
b. Others	201.52	196.09
Considered Doubtful	1.91	1.91
	2746.85	2058.45
Less: Provision for Bad & Doubtful Advances	1.91	1.91
	2744.94	2056.54
TOTAL	10179.81	6752.57

Schedule 09 - Investments

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
LONG TERM		
A. TRADE INVESTMENTS		
I. Govt. Securities (Unquoted):-		
a) 8.5% tax free Bonds redeemable in 20 half yearly instalments w.e.f. 1.10.2006 of :		
Andhra Pradesh	108.31	126.36
Arunachal Pradesh	3.13	3.65
Assam	100.68	117.46
Bihar	97.28	113.50
Gujarat	42.03	49.03
Haryana	48.30	56.35
Himachal Pradesh	1.70	1.98
Jammu & Kashmir	97.18	113.38
Kerala	14.47	16.88
Madhya Pradesh	62.44	72.84
Maharashtra	8.08	9.43
Manipur	19.02	22.19
Meghalaya	0.26	0.30
Mizoram	0.01	0.01
Nagaland	8.36	9.75
Punjab	28.16	32.86
Rajasthan	6.54	8.72
Sikkim	6.76	7.89
Tripura	0.55	0.64
Uttar Pradesh	276.88	323.02
Uttaranchal	30.76	35.89
West Bengal	48.29	56.34
Jharkhand	<u>66.91</u>	<u>78.06</u>
	1076.10	1256.53
b) Other Bonds:-		
15 years 8.5% J&K Govt. Bonds 2017, Interest payable semi-annually, redeemable w.e.f 30.11.2007.	17.31	20.77
15 years 8.5% J&K Govt. Bonds 2018, Interest payable semi-annually, redeemable w.e.f 31.03.2008.	<u>21.50</u>	<u>24.19</u>
II. Equity Shares-Fully Paid up :-	38.81	44.96
Quoted		
PTC India Ltd		
120,00,006(Previous year 120,00,006) Shares of ₹ 10/- each fully paid up.		
{Market Value ₹ 134.46 crore @ 112.05 (NSE) per share (Previous year ₹ 83.94 Crore @ 69.95 (NSE) per share)}	12.00	12.00



पावरग्रिड

Schedule 09 - Investments (Contd...)

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
Unquoted		
Subsidiary Company		
Byrnihat Transmission Co. Ltd.		
50,000(Previous year 50,000) Equity shares of ₹ 10/- each fully paid up.	0.05	0.05
Less: Provision for diminution	<u>0.01</u>	0.04
Powe System Operation Corporation Ltd.		
50,000(Previous year NIL) Equity shares of ₹ 10 each fully paid up		0.05
Joint Venture Companies		
Torrent Power Grid Ltd.		
234,00,000 (Previous year 156,00,000) Equity Shares of ₹ 10/- each fully paid up.	23.40	15.60
Powergrid IL &FS Transmission Pvt. Ltd		
25,000(Previous year 25,000) Equity shares of ₹ 10/- each fully paid up.	0.03	0.03
Less: Provision for diminution	<u>0.03</u>	
Jaypee Powergrid Ltd.		
4,55,00,000 (Previous year 3,25,00,000)Equity Shares of ₹ 10/- each fully paid up.	45.50	32.50
Parbati Koldam Transmission Company Ltd.		
33,93,000 (Previous year 18,33,000) Equity shares of ₹ 10/- each fully paid up.	3.39	1.83
Teestavalley Power Transmission Limited		
13,000 (Previous Year 13,000) Equity shares of ₹ 10/- each fully paid up.	0.01	0.01
Powerlinks Transmission Ltd		
22,93,20,000 (Previous year 22,93,20,000) Equity shares of ₹ 10/- each fully paid up	229.32	229.32
North East Transmission Company Ltd.		
23,10,10,000 (Previous year NIL) Equity shares of ₹ 10/- each fully paid up	23.10	-
Energy Efficiency Services Ltd		
6,25,000 (Previous year NIL) Equity shares of ₹ 10/- each fully paid up	0.62	-
National High Power Test Laboratory Ltd.		
8,75,000 (Previous year NIL) Equity shares of ₹ 10/- each fully paid up	<u>0.88</u>	-
	<u>326.31</u>	<u>279.34</u>
TOTAL (A)	<u>338.31</u>	<u>291.34</u>
	1453.22	1592.83
B. Non-trade investments (Unquoted)		
500 Fully paid up shares of ₹ 10/- each in Employees Co-op Society Limited Itarsi (₹5000/-)		
500 Fully paid up shares of ₹ 10/- each in Employees Co-op Society Limited Nagpur (₹5000/-)		
500 Fully paid up shares of ₹ 10/- each in Employees Co-op Society Limited Jabalpur (₹ 5000/-)		
TOTAL (B)		
GRAND TOTAL (A+B)	<u>1453.22</u>	<u>1592.83</u>

Note : 22,93,19,997 shares (Previous year 22,93,19,997) of Powerlinks Transmission Ltd. held by the Company have been pledged as continuous security with consortium of financial institutions against financial assistance obtained by Powerlinks Transmission Ltd.

Schedule 10 - Inventories

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
(Valuation as per Accounting policy No.10)		
Components, Spares & other spare parts		
i) Transmission Inventory		
Towers	88.42	84.96
Conductors	22.52	19.87
Other Line Materials	54.40	53.17
ii) Sub-Station Equipments/Spares	79.73	75.31
iii) HVDC Equipments/spares	40.70	27.33
iv) ULDC Spares	2.90	2.88
v) Telecom Spares	11.02	14.47
vi) Other Stores	43.55	17.92
Consumable stores	1.00	1.04
Loose tools	0.82	0.79
	345.06	297.74
Less Provision for Shortages	0.16	0.17
TOTAL	344.90	297.57

Schedule 11 - Sundry Debtors

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
Debts Outstanding for a period exceeding Six Months		
Considered Good	481.76	220.37
Considered Doubtful	113.89*	113.20*
	595.65	333.57
Other Debts		
Considered Good	1733.10	1153.19
	2328.75	1486.76
Less: Provision for bad & doubtful debts	113.89*	113.20*
TOTAL	2214.86	1373.56

(The debtors are unsecured except to the extent of ₹ 502.63 crore (Previous year ₹ 371.83 crore) for which Letters of Credit are held by the Company from SEBs as on 31st March, 2010)

* includes provision of ₹ 57.79 crore in respect of amount receivable from DESU.

Schedule 12 - Cash and Bank Balances

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
Cash, Stamps and Imprest	0.09	0.10
Drafts/Cheques in Hand	25.58	51.99
Remittance in transit	9.35	0.97
Balances with scheduled banks-		
-In Current Accounts/Flexi deposit Account	3242.62*	2125.82*
{Including ₹2929.66 crore (Previous year ₹ 1619.82 crore) lying in designated accounts meant for specific disbursement}		
-In Term Deposits	-	250.00
TOTAL	3277.64	2428.88

*Includes ₹ 2.96 crore (Previous year ₹ 2.69 crore) on account of unclaimed Dividend



पावरग्रिड

Schedule 13 - Other Current Assets

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
Interest accrued on:		
Investments (Bonds)	51.39	60.13
Term/Fixed deposits	<u>21.81</u>	<u>5.44</u>
	73.20	65.57
Deferred Income/Expenditure from Foreign Currency Fluctuation (Net)	56.37	-
Deferred Foreign Currency Fluctuation Asset/Liability(Net)	346.80	1314.96
Others	<u>20.77</u>	<u>4.39</u>
	497.14	1384.92
Less: Provisions for Doubtful FERV recoverable	<u>9.62</u>	-
TOTAL	<u>487.52</u>	<u>1384.92</u>

Schedule 14 - Loans and Advances

Description	(₹ in Crore)	
	As at 31st March, 2010	As at 31st March, 2009
a) Loans to		
-Employees [Including interest on employee loan of ₹ 60.31 crore (Previous year ₹61.36 crore)]	126.06	129.03
-Long Term Advances(Under securitisation scheme)	107.98	115.69
-Others	<u>0.14</u>	<u>0.02</u>
	234.18	244.74
b) Lease Receivables(State sector ULDC)	655.07	766.52
c) Advances		
Advances recoverable in cash or in kind or for value to be received		
Contractors & Suppliers (Including Material issued on loan)	5.99	9.85
Employees	131.79	158.18
Claims recoverable	12.57	39.27
Others	<u>1135.06</u>	<u>659.37</u>
	1285.41	866.67
Less: Provision for bad and doubtful Advances and Claims	<u>10.72</u>	<u>8.90</u>
	1274.69	857.77
Balance with Customs, Port Trust and other authorities	37.24	29.64
Advance Tax & TDS	<u>1101.22</u>	<u>929.32</u>
	2413.15	1816.73
TOTAL	<u>3302.40</u>	<u>2827.99</u>
Particulars of Loans and Advances		
Secured	60.61	62.37
Unsecured Considered Good	3241.79	2765.62
Considered doubtful	<u>10.72</u>	<u>8.90</u>
	3313.12	2836.89
Less: Provision for Bad & Doubtful Claims	<u>10.72</u>	<u>8.90</u>
TOTAL	<u>3302.40</u>	<u>2827.99</u>
Due from Directors & Officers of the company		
Directors	0.09	0.06
Officers	24.47	14.48
Directors Maximum Amount	0.15	0.07
Officers Maximum Amount	29.50	18.64

Schedule 15 - Current Liabilities

Description	(₹ in crore)	
	As at 31st March, 2010	As at 31st March, 2009
Sundry Creditors		
For capital expenditure	888.12	879.30
Other goods and services	<u>172.50</u>	<u>193.58</u>
	1060.62	1072.88
Advance from Customers	1886.80	1309.84
Deposits Retention money from contractors and others.	1357.02	1082.31
Less: Investments held as security	<u>0.48</u>	<u>0.30</u>
	3243.34	2391.85
Investor Education and Protection Fund		
Un-paid (Un-claimed) matured bonds*	0.06	0.05
Unclaimed Dividend *	2.96	2.69
Other Liabilities	2690.55	1695.66
Interest Accrued But Not Due On Loans From		
Indian Banks, Financial Institutions & Corporations	25.92	31.44
Foreign Banks & Financial Institutions	31.29	67.74
Secured/Unsecured redeemable Bonds	<u>579.86</u>	<u>478.02</u>
	637.07	577.20
Deferred Income/Expenditure from Foreign Currency Fluctuation	-	383.04
TOTAL	<u>7634.60</u>	<u>6123.37</u>

* No amount is due for payment to Investor Education and Protection Fund

Schedule 16 -Provisions

Description	(₹ in crore)	
	As at 31st March, 2010	As at 31st March, 2009
Taxation (Including interest on Tax & FBT)		
As per last balance sheet	1025.32	498.58
Additions during the year	433.66	526.74
Amount adjusted during the year	310.94	-
	<u>1148.04</u>	<u>1025.32</u>
Employee Benefits		
As per last balance sheet	308.39	263.77
Additions during the year	40.15	78.39
Amounts utilised/paid during the period/year	36.97	33.77
	<u>311.57</u>	<u>308.39</u>
Transmission incentive, special incentive & PRP		
As per last balance sheet	81.30	25.15
Addition during the year	78.08	85.77
Amount paid/adjusted during the year	10.69	29.62
	<u>148.69</u>	<u>81.30</u>
Provision for Wage revision		
As per last balance sheet	422.53	220.40
Additions during the year	169.81	202.13
Amounts utilised/paid during the year	249.41	-
	<u>342.93</u>	<u>422.53</u>



Schedule 16 -Provisions (Contd....)

(₹ in crore)

Description	As at 31st March, 2010	As at 31st March, 2009
Proposed Final Dividend		
As per last balance sheet	294.62	294.62
Additions during the year	420.88	294.62
Amounts paid during the year	294.62	294.62
	<u>420.88</u>	<u>294.62</u>
Guarantee Fee to GOI		
As per last balance sheet	7.59	-
Additions during the year	8.69	7.59
	<u>16.28</u>	<u>7.59</u>
Dividend Tax		
As per last balance sheet	50.07	50.07
Additions during the year	69.90	50.07
Amounts paid during the year	50.07	50.07
	<u>69.90</u>	<u>50.07</u>
TOTAL	<u>2458.29</u>	<u>2189.82</u>

Schedule 17 - Miscellaneous Expenditure (To the extent not written off or adjusted)

(₹ in crore)

Description	As at 1st April, 2009	Additions/ Adjustments during the year	Deductions during the year	As at 31st March, 2010
Deferred Revenue Expenditure	5.50	(0.16)	1.78	3.56
TOTAL	<u>5.50</u>	<u>(0.16)</u>	<u>1.78</u>	<u>3.56</u>
Previous Year	7.19	0.14	1.83	5.50

Schedule 18 - Contingent Liabilities

(₹ in crore)

Description	As at 31st March, 2010	As at 31st March, 2009
Claims against the Company not acknowledged as debt in respect of		
Arbitration / Court Cases	1828.09	1930.27
Land / Crop / Tree Compensation cases	503.42	480.89
Service Tax	1099.62	925.05
Others	167.69	125.66
Disputed Tax Demands-Income Tax	4.36	12.22
Disputed Tax Demands-Service Tax	66.48	-
Disputed Tax Demands-Others	123.84	160.47
Continuity Bonds with Custom Authorities	969.92	809.42
Others-Service Tax	1656.93	1115.95
Others	47.34	114.61
TOTAL	<u>6467.69</u>	<u>5674.54</u>

Schedule 19 - Revenue from Operations

Description	(₹ in crore)	
	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Revenue from Transmission Charges (Refer Note No.17 of Schedule 28)	6630.42	5745.64
Less: Advance Against Depreciation	62.97	464.66
	<u>6567.45</u>	<u>5280.98</u>
Add: Revenue Recognised out of AAD	8.93	1.86
	<u>6576.38</u>	<u>5282.84</u>
	6576.38	5282.84
Income from Short Term Open Access	124.18	41.42
Consultancy, Project Management and Supervision Fees	269.17	215.90
Revenue from Telecom	166.18	153.04
Less: Inter Divisional Transfer (Telecom)	<u>8.46</u>	<u>3.21</u>
	157.72	<u>149.83</u>
TOTAL	<u>7127.45</u>	<u>5689.99</u>

Schedule 20 - Provisions written Back

Description	(₹ in crore)	
	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Others	<u>0.21</u>	<u>0.04</u>
	0.21	0.04

Schedule 21 - Other Income

Description	(₹ in crore)	
	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Dividend on Trade Investments	24.37	19.54
Interest From		
Govt. Securities		
8.5% Tax Free Bonds	102.97	118.31
Taxable Bonds	3.93	3.86
Loan to State Govt. in settlement of dues from Customers	9.51	10.82
Indian Banks [TDS ₹12.46 crore (Previous year ₹ 30.15 crore)]	64.66	138.27
Interest From advances to Contractors	90.68	21.54
Others	<u>23.85</u>	<u>16.88</u>
	295.60	309.68
Profit on sale of fixed assets	1.13	0.08
Deferred Income (Transferred from Grants-in-aid)	26.53	18.42
Short Term Open Access-Other Charges	25.19	20.19
Transfer from Insurance Reserve on A/c of Losses of Fixed Assets	0.34	0.04
Lease Income-State Sector ULDC	56.45	75.85
Surcharge	7.95	1.00
Hire charges for equipments	0.39	0.30
FERV gain	475.99	
Less: Payable to beneficiaries	<u>471.30</u>	
Miscellaneous income	54.11	57.48
	496.75	502.58
Less: Income transferred to incidental expenditure during construction-Schedule 27(E)	120.83	53.89
TOTAL	<u>375.92</u>	<u>448.69</u>



पावरग्रिड

Schedule 22 - Employees' Remuneration & Benefits

(₹ in crore)

Description	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Salaries, wages, allowances & benefits	783.23	715.39
Contribution to provident and other funds	81.14	53.09
Welfare expenses	94.89	131.38
	959.26	899.86
Less: Transferred to Incidental Expenditure during Construction-Schedule 27(A)	232.56	251.79
	726.70	648.07
Less: Recoverable from MOP on account of APDRP	-	4.19
TOTAL	726.70	643.88

Schedule 23 - Transmission, Administration and Other Expenses

(₹ in crore)

Description	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Repair & Maintenance		
Buildings	20.05	20.02
Plant & Machinery		
Sub Station	94.60	83.87
Transmission lines	36.47	18.96
Construction equipment	0.02	-
Others	29.44	25.74
	160.53	128.57
Power charges	65.18	56.75
Less: Recovery from contractors	0.80	1.59
	64.38	55.16
Expenses of Diesel Generating sets	2.84	3.21
Stores & spares consumed	0.03	0.02
Water charges	1.05	0.73
Right of Way charges(Telecom)	4.18	4.21
	253.06	211.92
Training & Recruitment expenses	18.40	11.18
Less: Fees for training and application	0.88	0.53
	17.52	10.65
Legal expenses	4.83	6.01
Professional charges	11.55	5.18
Consultancy expenses	0.68	0.85
Communication expenses	11.36	10.62
Travelling & Conveyance Expenses	63.14	56.00
Foreign travel	6.11	5.90
	69.25	61.90
Tender expenses	8.44	6.19
Less: Sale of tenders	2.01	1.83
	6.43	4.36
Remuneration to auditors (Including service Tax)		
Audit Fees	0.24	0.38*
Tax Audit Fees	0.07	0.12*
Quarterly review Fees as per SEBI	0.18	0.26*
Annual review fees as per DOT	0.07*	0.02
In Other Capacity	0.21	0.20
Lodging, boarding & travelling expenses	0.68	0.61
Reimbursement of service Tax	0.08	0.11
	1.53	1.70

* Including arrears of ealier year

Schedule 23 - Transmission, Administration and Other Expenses (Contd...)

(₹ in crore)

Description	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Advertisement and publicity	9.83	7.70
Printing and stationery	6.37	5.87
Books, Periodicals and Journals	1.76	3.69
EDP hire and other charges	2.30	2.99
Entertainment expenses	1.56	1.42
Brokerage & Commission	0.18	0.45
Donations	-	7.10
Research & Development expenses	0.02	0.50
Cost Audit Fees	0.19	0.05
Rent	6.04	5.40
Miscellaneous expenses	16.43	17.64
Horticulture Expenses	4.19	3.71
Security Expenses	48.38	39.69
Hiring of Vehicle	40.58	35.02
Insurance	11.00	11.98
Rates and taxes	20.24	18.57
Bandwidth charges, Dark fibre lease charges (Telecom) etc	8.01	9.62
Expenditure on Corporate Social Responsibility	4.29	-
Non operating expenses	0.26	0.25
Transit Accomodation Expenses	3.30	2.88
Less : Recovery for usage	<u>0.49</u>	<u>0.47</u>
	<u>2.81</u>	<u>2.41</u>
	307.59	275.33
	560.65	487.25
Less: Transferred to Incidental Expenditure during Construction-Schedule 27(B)	58.18	78.87
	502.47	408.38
Less: Recoverable from MOP on account of APDRP	-	0.67
	502.47	407.71
Loss on Disposal/Write off of Fixed Assets	4.96	3.90
TOTAL	507.43	411.61
Stores & spares consumption included in repair and maintenance	44.74	27.94

Schedule 24 - Provisions

(₹ in crore)

Description	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Doubtful FERV recoverable	9.62	35.94
GOI Guarantee Fee	8.69	7.59
Others	3.84	2.70
TOTAL	22.15	46.23



पावरग्रिड

Schedule 25- Interest and Finance Charges

(₹ in crore)

Description		For the year ended 31st March, 2010	For the year ended 31st March, 2009
Interest on Loan from			
Indian Banks, Financial Institutions & Corporations	153.56		210.59
Foreign Banks and Financial Institutions	189.53		324.09
Secured/Unsecured redeemable Bonds	1560.75		1213.64
Interest on Land/tree Compensation	3.25		27.30
Interest u/s 234B & C	3.32		33.54
Others	23.41		3.18
		1933.82	1812.34
Add: FERV as adjustment to borrowing cost	3.22		595.33
FERV above domestic borrowing cost	-		538.48
	3.22		1133.81
Less: FERV Recoverable as transmission charges	-		889.82
	3.22		243.99
Less: Transferred to Incidental Expenditure during Construction-FERV	1.05		190.47
		2.17	53.52
		1935.99	1865.86
Finance Charges			
Rebate to Customers		77.68	86.31
Commitment charges		6.92	8.08
Foreign Exchange Rate Variation		-	1.69
Guarantee fee		109.76	106.28
Other finance charges		21.70	15.11
		216.06	217.47
		2152.05	2083.33
Less: Transferred to Incidental Expenditure during Construction-Schedule 27 (D)		608.81	441.06
TOTAL		1543.24	1642.27

Schedule 26 - Prior Period Expenditure/(Income) (Net)

(₹ in crore)

Description		For the year ended 31st March, 2010	For the year ended 31st March, 2009
Income			
Revenue Recognised out of AAD		-	0.28
Deferred Income on A/c of Grand in Aid		-	3.03
Transmission charges		-	8.20
Revenue from Telecom		0.27	-
Depreciation written back		1.10	0.56
FERV gain		0.93	-
Others		4.20	10.15
		6.50	22.22
Expenditure			
Power charges		0.17	0.66
Rates and taxes		0.46	0.24
Depreciation		0.14	22.52
Depreciation amortised due to FERV		-	0.91
Transmission charges written back		-	11.17
Telecom Revenue written back		0.05	0.38
FERV recoverable/payable as adjustment to Transmission income (Net)		-	51.02
Others		104.69	6.20
		105.51	93.10
Prior period expenditure/(income)(Net)		99.01	70.88
Less: Transferred to Incidental Expenditure during Construction - Schedule 27		2.74	0.52
TOTAL		96.27	70.36

Schedule 27 Incidental Expenditure During Construction

Description	(₹ in crore)	
	For the year ended 31st March, 2010	For the year ended 31st March, 2009
A.Employees Remuneration & Benefits		
Salaries, wages, allowances and benefits	195.03	199.62
Contribution to provident and other funds	18.10	14.02
Welfare expenses	19.43	38.15
Total(A)	232.56	251.79
B.Other Expenses		
Repairs and Maintenance		
Buildings	3.08	4.31
Others	1.17	2.33
	4.25	6.64
Power charges	3.83	5.78
Less: Recovered from contractors	0.44	1.14
	3.39	4.64
Expenses of Diesel Generating sets	0.31	0.81
Water charges	0.20	0.22
Training & recruitment Expenses	-	6.01
Legal expenses	0.42	1.50
Professional charges	1.22	2.42
Consultancy expenses	0.19	0.15
Communication expenses	2.97	2.68
Travelling & Conv.exp. (Including Foreign Travel)	19.91	21.06
Tender expenses	4.48	3.72
Less: Income from sale of tenders	1.91	1.75
	2.57	1.97
Payment to Auditors	0.44	1.01
Advertisement and Publicity	1.37	1.56
Printing and stationery	0.35	2.80
EDP hire and other charges	0.06	1.06
Entertainment expenses	0.10	0.59
Brokerage and commission	0.02	0.04
Rent	1.70	1.83
Miscellaneous expenses	3.19	6.11
Horticulture Expenses	0.27	0.41
Security Expenses	4.30	4.92
Hiring of Vehicles	10.44	9.03
Insurance	0.10	0.31
Rates and taxes	0.15	0.19
Bandwidth,Dark fibre, lease charges etc	0.02	0.06
Transit Accomodation Expenses	0.26	0.86
Less : Recovery for usage	0.02	0.02
	0.24	0.84
Non Operation Expenses	-	0.01
	58.18	78.87
Total(B)	58.18	78.87
Prior Period adjustment (net)	2.74	0.52
Total(B1) (including prior period)	60.92	79.39



Schedule 27 Incidental Expenditure During Construction (Contd...)

Description	(₹ in crore)	
	For the year ended 31st March, 2010	For the year ended 31st March, 2009
C. Depreciation	4.94	6.90
D. Interest and Finance Charges		
Interest on Loans from		
Indian Banks, Financial Institutions and Corporations		8.82
Foreign Banks and Financial Institutions	43.97	89.59
Secured/Unsecured Redeemable Bonds	498.40	282.20
Add/Less: ERV as adjustment to borrowing cost	<u>1.05</u>	<u>190.47</u>
	543.42	571.08
Finance Charges		
Commitment charges	5.73	7.80
Guarantee fee	43.88	45.38
Other Finance Charges	<u>16.83</u>	<u>7.27</u>
	66.44	60.45
Total (D)	609.86	631.53
E. Less: Other Income		
Interest from		
Indian banks	25.08	28.43
Others	<u>90.55</u>	<u>22.30</u>
Sub-Total	115.63	50.73
Miscellaneous income	5.01	3.16
Hire charges	0.19	-
Total (E)	120.83	53.89
GRAND TOTAL (A+B1+C+D-E)	787.45	915.72

SCHEDULE 28 : NOTES ON ACCOUNTS

- 1 a) The company owns 4703 hectare (Previous Year 4138 hectare) of land valuing ₹ 536.56 crore (Previous Year ₹ 438.27 crore) which has been classified into freehold and leasehold based on available documentation.
- b) The company's land in the State of Jammu & Kashmir amounting to ₹ 19.89 crore (Previous Year ₹ 18.78 crore) and in certain other cases (value not ascertainable), the conveyancing of title to the freehold land and execution/ registration of lease agreements in favour of the company is pending for completion of legal formalities.
- c) Freehold land includes ₹ 33.71 crore (previous year ₹ 31.91 crore) in respect of land acquired for residential complex at Gurgaon for which conveyance deed in favour of the Company is yet to be executed.
- d) Leasehold land includes ₹ 7.64 crore (previous year ₹ 7.64 crore) in respect of land acquired for office complex on perpetual lease basis with an unlimited useful life at Katwaria Sarai, New Delhi and hence no depreciation is charged.

2 Township buildings includes ₹ 7.27 crore (previous year ₹ 7.27 crore) for 28 flats at Mumbai, for which registration in favour of the company is pending.

3 Plant and machinery under substation in fixed assets (Schedule No 6) includes company's share of ₹ 3.80 crore (previous year ₹ 3.80 crore) in common services and facilities of 400 KV sub-stations of Uttar Pradesh state electricity board and Rajasthan state electricity board pending execution of formal agreements for joint ownership.

4 Cash equivalent of deemed export benefits availed of ₹ 209.99 crore in respect of supplies affected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (Govt of India) during 2002-03 due to non availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP. Thereafter, World Bank had financed both the ESI project and STP as originally envisaged and they became eligible for deemed export benefits. Consequently, the company lodged claims with the Customs and Excise Authorities.

During the year, company recovered deemed export benefits to the extent of ₹ 1.49 crore (Previous year ₹ 4.39 crore) and de-capitalised in respective assets. The cumulative amount received and de-capitalised upto 31st March 2010 is ₹ 11.34 crore (Previous year ₹ 9.85 crore). The company continued to show the balance of ₹ 198.65 crore as at 31st March 2010 (Previous year ₹ 200.14 crore) in capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

5 Pending reconciliation, materials amounting to ₹ 106.33 crore (previous year ₹ 47.81 crore) is included under construction stores – schedule 8 as construction stores with contractors in commissioned lines.

6 The transmission systems situated in Jammu and Kashmir have been taken over by the Company w.e.f. 1st April, 1993 from National Hydroelectric Power Corporation Ltd. (NHPC) upon mutually agreed terms, pending completion of legal formalities.

7 Hon'ble High Court of Karnataka has declared the Karnataka Special Tax on Entry of Certain Goods Act, 2004 as illegal and directed the concerned authority to refund the amount of Entry Tax collected since inception of the Act. The government of Karnataka has filed a writ petition before divisional bench of Hon'ble Karnataka High Court which is yet to come up for hearing. The Company capitalised ₹ 13.62 crore paid towards entry tax. The same will be decapitalised upon final resolution of the issue.

8 During the year 400kV Kudankulam-Tirunelveli D/C (Quad) Lines I & II have become ready for intended use of evacuation of power from the Kudankulam Atomic Power Project of Nuclear Power Corporation of India Ltd (NPC) from 01.04.2009. Accordingly these Transmission Lines were capitalised w.e.f 01.04.2009 in accordance with the Accounting Policy No. 4.4 of the Company. The generating unit of NPC is not yet commissioned. The Company has an agreement dated 13th December 2004 with NPC for indemnification of the expenditure towards interest during construction (IDC) including FERV and Govt Guarantee fees for the delay in commissioning of the generating unit for a period upto one year from the date of capitalisation.

However, the tariff regulations 2009 for the block period 2009-14 provides for approving the Date of Commercial Operation (DOCO) by CERC prior to the transmission line coming into regular service for evacuation of power in respect of which petition has been filed by the Company. Pending approval of DOCO of the transmission lines by CERC and settlement of indemnification amount with NPC, no revenue has been recognised during the year.

**NOTES ON ACCOUNTS (Contd....)**

9. Service Tax is leviable on services notified under section 65 of the Finance Act, 1994. "Transmission of Power" is not a specified service in the said list. However, The Service Tax Authorities are interpreting 'Transmission of Power' as taxable service under the head "Business Support Service" w.e.f 1st May 2006 given in the list of taxable services. Accordingly, the company has received Order-in-Original from Central Excise Department at Shillong (₹ 66 crore) & appealed before CESTAT, Kolkata. A Show Cause Notices from Service Tax / Central Excise Department at New Delhi (₹ 413 crore & ₹ 241 crore) Nagpur (₹ 237 crore) and Patna (₹ 209 crore) along with interest and penalties leviable thereon. All the cases were transferred before Commissioner Service Tax, New Delhi vide CBEC Order No. 2/2010 dated 22.01.2010. In addition, the Service Tax Authorities are gathering information from other regional offices of the company. The company has obtained legal opinion in the matter and necessary reply and appeal have been filed with the concerned authorities.

Based on the legal opinion and the fact that transmission of power is not covered in the list of taxable services under section 65 of the Finance Act, the company has not provided for the liability on account of Service Tax on transmission charges.

CBEC vide Notification No. 11/2010 dated 27.02.2010 has exempted Transmission of Power from the Service Tax net. As the notification is silent about the past period, the matter has been referred by Ministry of Power to Ministry of Finance. The same is still pending with Ministry of Finance.

The estimated amount of Service Tax liability of ₹ 2,820.68 crore (including interest of ₹ 537.71 crore) for the period from 1st May, 2006 to February 2010 (Previous year ₹ 2041 Crore including interest of ₹ 308 crore) is shown as contingent liability for the company as a whole.

Moreover, petition has been filed with the Central Electricity Regulatory Commission (CERC) for reimbursement of service tax, if levied by revenue authorities, since service tax is an Indirect Tax and is a pass through item in transmission tariff.

10. a) Balances in Loans and Advances, material with contractors, Sundry Creditors, Advances from customers and Sundry Debtors are subject to confirmation and consequential adjustments, if any.
- b) In the opinion of the management, the value of Current Assets, Loans and Advances, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
11. Cash and Bank Balances include ₹ 34.53 crore (previous year ₹ 30.72 crore) on account of tax deducted at source on perquisites to employees as per the provisions of the Income Tax Act, 1961, which was deposited in a separate bank account as per Orders of the Hon'ble Calcutta High Court.
12. Bonds Series XXXI & XXXII amounting to ₹ 2047.50 crore & ₹ 1035 crore respectively issued during the year, have been classified as Secured upon execution of trust deed on 19 May 2010 (previous year Bonds Series XXIX amounting to ₹ 1297.50 crore classified as unsecured pending execution of trust deed).
13. Information in respect of cost plus consultancy contracts, considering the same as consultancy business in view of Accounting Standard (AS)-7 (Revised 2002) "Construction Contracts".

₹ in crore

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
i) The amount of revenue recognised on cost plus consultancy contract works	204.95	187.24
ii) The methods used to determine the contract revenue recognised in the period: 15% of total consultancy fees upto award stage to executing agencies (out of which 10% upto issue of notices inviting tenders), 85% with progress of work including supplies (Progress of work is taken as certified by engineer in charge).	As Per Policy	As Per Policy
iii) Cumulative amount of costs incurred on construction contracts	7128.44	5971.40
iv) Cumulative amount of advance received from customers	8505.61	7503.97
v) Amount of retention money with customers	41.76	39.80
vi) Gross amount due from customers for contract works as an asset	14.53	20.74
vii) Gross amount due to customers for contract works as a liability	1084.25	856.86

NOTES ON ACCOUNTS (Contd....)

14. a) The company has been providing for depreciation at the rates notified for the purpose of recovery of tariff, by CERC. The issue of charging depreciation at rates different from the rates specified under Companies Act, 1956 has been referred by the Comptroller & Auditor General of India (C&AG) to the Ministry of Power (MOP) during the block year 2004-09 and the same is pending for disposal. However, MOP has issued tariff policy for the block year 2009-14, which provides that rates of depreciation notified by CERC would be applicable for the purpose of tariff as well as accounting.

In accordance with the Tariff Policy, CERC has notified norms for the block period 2009-14 which provides for specified depreciation rates in first 12 years and thereafter amortisation of residual value over the residual life as against average 2.91% in the block period 2004-09.

Accordingly, depreciation on the transmission assets for the year has been provided as per above rates and methodology. Thus, by charging depreciation at the aforesaid rates, the depreciation charge for the year is higher by ₹ 675.23 crore as compared to the depreciation charge as per rates notified by CERC for the block year 2004-09 which were being followed upto 31/03/2009.

- b) Depreciation charge for the year is lower by ₹ 50.69 crore (previous year ₹ 781.29 crore) as compared to the depreciation as per rates provided in the Schedule XIV of the Companies Act, 1956.
15. Effects due to changes in accounting policies during the year

The matter regarding allocation of Common Expenses of Corporate office, Regional Offices and Projects, common to operation and construction activities, was referred to Expert Advisory Committee (EAC) of Institute of Chartered Accountant of India (ICAI). Upon receipt of Opinion from EAC, such expenses which were hitherto allocated to various diversified activities of the company viz. transmission, telecom, consultancy and Accelerated Power Development and Reform Program (APDRP) in the ratio of the respective income/reimbursement of each activity and further allocated between revenue and Incidental Expenditure during Construction in the proportion of Transmission Charges and Telecom Income to annual capital outlay have now been identified and allocated on systematic basis with retrospective effect from 1st April, 2008.

The above has resulted in increase in current year expenditure by ₹ 86.35 crore & prior period expenditure by ₹ 91.92 crore and thereby reduction in profit for the year by ₹ 178.27 crore with corresponding decrease in CWIP and Gross Block.

16. a) Upon the implementation of the revised pay scales as per the guidelines issued by Department of Public Enterprise (DPE) from time to time, the company has revised the pay scales for the executives effective from 01.01.2007 and the payments made during the current financial year have been adjusted against the provision held on 31.03.2009 for pay revision amounting to ₹ 249.41 crore for executives.
- b) Further, a provision of ₹ 6.20 crore (previous year ₹ 56.82 crore) has been made towards superannuation benefit scheme for executives being the balance permissible amount under DPE guidelines for which scheme is yet to be finalized.
- c) Pending the implementation of Pay revision for the supervisors and workmen, the company has made a provision of ₹ 106.79 crore (Previous Year ₹ 45.09 crore) aggregating to ₹ 279.90 crore as on 31.03.2010 (previous year ₹ 173.11 crore) on an estimated basis having regard to the guidelines issued from time to time by DPE and principles of wage revision implemented in respect of executives of the company. Against the above provision, adhoc advance of ₹ 57.01 crore (previous year ₹ 40.44 crore) has been paid which has been included under loans and advances- Schedule no 14.
- d) Further Provision for Performance Related Pay (PRP) of ₹ 74.96 crore (net of adjustment of ₹ 32.02 crore being excess provision made last year) (Previous Year ₹ 76.78 crore) has been made as per DPE guidelines, as part of wage revision in respect of Executives and Supervisors.
17. a) Central Electricity Regulatory Commission (CERC), constituted under erstwhile Electricity Regulatory Commission Act, 1998, issued orders in December, 2000 with respect to the norms, principles and availability based tariff. An appeal was filed by the Company against the above orders before the Hon'ble Delhi High Court which was subsequently transferred to the Appellate Tribunal for Electricity (ATE) on its formation. The ATE has dismissed



NOTES ON ACCOUNTS (Contd....)

the appeal on the ground of its power to deal with regulations notified by CERC. Against the said dismissal order of ATE, NTPC Ltd. preferred an appeal before the Honb'le Supreme Court impleading POWERGRID as one of the respondents. Since the subject matter of the appeal is for restoration of certain components of tariff on par with the erstwhile Government of India (GOI) norms, which will be more favourable than CERC norms, the impact of the appeal shall not result in reduction of revenue.

The Company has followed the CERC Tariff regulations, 2001 and 2004 for recognition of revenue for block period 2001-04 & 2004-09 respectively.

- b) In exercise of powers u/s 178 of Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified 'CERC (Terms and Conditions of Tariff) Regulations 2009' vide order dated 19th January, 2009 for determination of transmission tariff for the block period 2009-14. The norms include the following major items:
- Return on Equity to be allowed @ 17.48% pre tax (15.5% post tax) in place of 14% post tax in the block of 2004-09.
 - Additional return on equity @0.5% if projects are completed within the time limits specified by CERC against nil in block of 2004-09.
 - Recovery of Depreciation @ 5.28% (T/L and S/S) in first 12 years and there after recovery based on residual value over the residual life in place of average 2.91% in the block of 2004-09.
 - Availability Incentives linked with monthly transmission charges instead of increased return on equity in the block period 2004-09.

Transmission charges of ₹ 4985.18 crore for the year have been provisionally recognised based on the above norms for the block period 2009-14 and as per accounting policy of the Company pending filing of petitions. Further ₹ 1014.15 crore has been recognised awaiting issuance of project specific tariff orders by CERC for which petitions have been filed.

- c) As prescribed by the CERC Tariff Regulations, 2009, pending final determination of tariff by CERC as per the Tariff norms, 2009, billing has been made provisionally on the basis of tariff as approved by CERC and applicable as on 31.03.2009. The difference between recognition of income for the year 2009-10 and provisional billing has resulted in an increase in sundry debtors by an amount of ₹ 883.48 crore
- d) Transmission income of ₹ 180.77 crore (previous year 219.37 crore) has been recognised as income of the year on issuance of final tariff orders by CERC in respect of provisional recognition of revenue in earlier years.
- e) The tariff norms for the block period 2009-14 notified by CERC provides that the rate of return on equity (ROE) shall be computed by grossing up the base rate of 15.5% with the tax rate applicable to the Company (MAT @ 11.33%) for the year 2008-09 which shall be trued up separately for each year with respect to the actual tax rate applicable, in line with the provisions of the relevant Finance Act of the respective year, for the tariff period alongwith the tariff petition for the next tariff period. An application has filed with CERC for grossing of ROE based on the MAT rate applicable for the respective financial year. Pending disposal of application by CERC, ROE amounting to ₹ 132.47 crore, being the difference of grossing up @ 16.995% (being the MAT rate for financial year 2009-10) and @ 11.33% as aforesaid, has not been recognised.
18. Advance Against Depreciation (AAD) was included in the Transmission income on repayment of entire loan deployed in the specific project by spreading the AAD over the residual life of the project upto 31.03.2009. Due to change of tariff norms w.e.f. 01/04/2009, the same has now been taken to transmission income after 12 years from the year of commercial operation. The above income is recognised being the lower of AAD outstanding and the difference between the depreciation charge in accounts and depreciation recovery through tariff.

The change has resulted in increase in transmission income by ₹ 7.20 crore and profit by same amount.

19. a) The Regional Load Despatch Centres (RLDCs) of Central Electricity Authority were transferred to the company (along with associated manpower) during the earlier years as per orders of Ministry of Power, Government of India (GOI). The Assets of RLDCs are being used by the company pending transfer of ownership and determination of cost of assets so taken over.

NOTES ON ACCOUNTS (Contd....)

- b) The company had set up a wholly owned subsidiary company on 20th March 2009 namely "Power System Operation Corporation Limited" (POSOCO) for taking over Power System Operation Segment. The same is considered as 'Discontinuing Operation' as per Accounting Standard 24. The System Operation segment of the company along with associated manpower are in the process of being transferred w.e.f 01.04.2010. An amount of ₹ 0.05 crore (Previous Year Share application money of ₹ 0.05 crore) has been subscribed towards share capital. The amount of ₹ 1.28 crore, incurred by the Company towards incorporation and other administrative expenses of POSOCO, has been shown as advance recoverable.
- c) The Company has identified assets (Gross Block) of ₹ 269.98 crore as on 31.03.2010 to be transferred to POSOCO. Revenue of ₹ 224.58 crore (including other income mainly STOA charges and bank interest) emanating from such assets has been recognised based on the CERC (fees and charges of Regional Load Despatch Centre and other related matters) Regulations, 2009 dt 18.09.2009 notified by CERC. Pending transfer of Assets/Liabilities to POSOCO, the revenue, expenses, assets and liabilities have been depicted as a separate segment.
- d) After transfer of such identified assets to POSOCO, part of the ULDC assets of the Central portion mainly communication systems and the SLDC systems consisting of the entire state portion would continue to be operated and maintained by the Company as per the committees constituted for the purpose. An application has been filed before CERC under Regulation- 44 (Power to Relax), for extending the CERC (Terms and Conditions of Tariff) Regulations, 2009 for the "Communication Systems' and "SLDC System" with certain modifications in Depreciation, O&M etc. Pending finalisation of the decision of CERC in this regard, tariff for "Communication Systems' and "SLDC System" have been accounted as per rates applicable during the previous block 2004-09.
20. a) (i) FERV loss (to the extent not exceeding the difference between the Interest on foreign currency borrowings and local currency borrowings) has been adjusted to borrowing cost amounting to ₹ 2.17 crore (net of ₹ 1.05 crore FERV loss for the construction projects) {previous year FERV loss of ₹ 404.86 crore (net of 190.47 core FERV loss for the construction projects)} towards loan liabilities attributable to fixed assets.
- (ii) FERV Gain of ₹ 704.85 crore (previous year FERV Loss ₹ 967.71 crore) has been adjusted in the respective carrying amount of Fixed Assets/Capital work in Progress (CWIP)/lease receivables.
- (iii) FERV Gain of ₹ 475.54 crore (previous year FERV Loss of ₹ 538.48 crore) has been recognised in the profit and loss Account in respect of loans contracted on or after 1st April,2004 in terms of provisions of AS-11 (revised 2003)
- b) Other Income for the year include an amount of ₹ 0.34 crore being the FERV gain on Current Assets (previous year FERV loss of ₹ 1.69 crore included in Finance Charges).
21. FERV Gain of ₹ 471.30 crore (previous year FERV Loss ₹ 889.82 crore) has been shown as FERV Payable and ₹ 1.47 crore has been shown as depreciation amortisation (previous year ₹ 17.55 crore depreciation write back) as per Accounting Policy No.8.3 and 8.4. In the Previous Year, ₹ 51.02 crore was shown as FERV Payable on account of Prior Period Expenditure
22. Accounting of FERV as stated in note nos. 20 and 21 above has resulted in increase in profit for the year by ₹ 3.54 crore (previous year reduction in profit by ₹ 86.99 crore).
23. Other Income includes ₹ 26.53 crore (previous year ₹ 18.42 crore) being the amount transferred from Grants- in-Aid received in respect of Chandrapur HVDC, NER ULDC and Salakati as per Accounting Policy No. 3.1.
24. The company is following AS-15 (revised 2005) 'Employee Benefits' from 1st April, 2007.

Defined employee benefit schemes are as under:-

A. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rate to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognised as expense and is charged to profit and loss a/c. The obligation of the company is limited to such fixed contribution. However, the trust is required to pay a minimum rate of interest on contributions to the members as specified by GOI. The fair value of the assets of the provident fund including the return on the assets thereof, as on the balance sheet date is greater than the obligations under the defined contribution plan.



NOTES ON ACCOUNTS (Contd....)

B. Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹ 3.50 Lacs on pre revised pay scales due for revision effective from 01.01.2007 for supervisors and workmen and ₹ 10 Lacs for executives on revised pay scales implemented from 01.01.2007. The provision for additional gratuity liability on enhanced limit from ₹ 3.50 lacs to ₹ 10 lacs on revised scales due for revision for supervisors and workmen amounting to ₹ 54.88 crore has been provided under wage revision. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognised on the basis of actuarial valuation on annual basis.

C Post-Retirement Medical Facility (PRMF)

The company has Post-Retirement Medical Facility (PRMF), under which retired employees and the spouse are provided medical facilities in the empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The scheme is unfunded and is recognised in profit and loss a/c on the basis of actuarial valuation on annual basis.

D. Other Defined Retirement Benefits (ODRB)

The Company has a scheme for settlement at the time of superannuation at home town for employees and dependents. The scheme is unfunded and is recognised in profit and loss a/c on the basis of actuarial valuation on annual basis.

The summarised position of various defined benefits recognised in the Profit and Loss Account, Balance Sheet and the funded status are as under:-

a) Expenses recognised in profit and loss account

(₹ in crore)

	GRATUITY		PRMF		LTC *		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Yr.	Current Yr.	Previous Yr.
Current Service Cost	12.46	8.29	3.13	2.84	-	10.17	0.49	0.89
Interest cost on benefit obligation	12.05	10.04	5.38	3.71	-	1.17	0.65	0.55
Expected return on plan assets	-13.75	-11.64	-	-	-	-	-	-
Net actuarial (gain)/loss recognised in the year	-12.94	3.27	5.88	13.20	-	2.12	1.21	-0.51
Expenses recognised in the profit and loss a/c.	81.46	9.96	14.39	19.76	-	13.48	2.33	0.93

*Refer Note No. 25

b) Weighted average rate of return on plan assets during the year is 8.73 % (previous year 8.79%)

c) The amount recognised in the Balance Sheet

(₹ in crore)

	GRATUITY		PRMF		LTC *		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation as at 31/03/2010(i)	247.25	160.71	84.86	71.71	-	19.71	10.42	8.65
Fair value of plan assets as at 31/03/2010 (ii)	226.79	159.25	-	-	-	-	-	-
Difference (ii) – (i)	-20.46	-1.46	- 84.86	- 71.71	-	-19.71	-10.42	-8.65
Net asset (liability) recognised in the Balance Sheet	-20.46	-1.46	- 84.86	- 71.71	-	-19.71	-10.42	-8.65

*Refer Note No. 25

NOTES ON ACCOUNTS (Contd....)

d) Changes in the present value of the defined benefit obligations:

(₹ in crore)

	GRATUITY		PRMF		LTC *		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation as at 01/04/2009	160.71	143.47	71.71	53.14	-	16.69	8.65	7.82
Interest cost	12.05	10.04	5.37	3.72	-	1.17	0.65	0.55
Current Service Cost	96.10	8.29	3.13	2.85	-	10.17	0.49	0.89
Benefits paid	-9.47	-4.51	-1.24	-1.20	-	-10.44	-0.58	-0.10
Net actuarial (gain)/loss on obligation	-12.14	3.42	5.89	13.20	-	2.12	1.21	-0.51
Present value of the defined benefit obligation as at 31/03/2010	247.25	160.71	84.86	71.71	-	19.71	10.42	8.65

*Refer Note No. 25

e) Changes in the fair value of plan assets:

(₹ in crore)

	GRATUITY	
	Current Year	Previous Year
Fair value of plan assets as at 01/04/2009	161.71	136.99
Expected return on plan assets	13.75	11.64
Contribution by employer	60.00	15.00
Benefits paid	-9.47	-4.51
Actuarial gain/(loss)	-0.80	-0.15
Fair value of plan assets as at 31/03/2010	226.79	159.25

f) During the year the company has provided liability towards contribution to the Gratuity Trust of ₹ 81.23 crore (Previous Year ₹ 17.25 crore), PRMF of ₹ 13.15 crore (Previous Year ₹ 18.57 crore) and to ODRB of ₹ 1.76 crore (Previous Year ₹ 0.83 crore).

E. Other Employee Benefits

Provision for Leave encashment amounting to ₹ 4.00 crore (Previous Year ₹ 38.72 crore) for the year has been made on the basis of actuarial valuation at the year end and charged to Profit and Loss Account.

F. Details of the Plan Asset (Gratuity)

The details of the plan assets at cost as on 31st March, 2010 are as follows:-

(₹ in crore)

	(At Purchase Value)	
	Current Year	Previous Year
i) State Government Securities	28.40	24.74
ii) Central Government Securities	45.29	39.52
iii) Corporate Bonds/Debentures	158.76	94.97
iv) RBI Special Deposit	5.13	5.13
Total	237.58	164.36



NOTES ON ACCOUNTS (Contd....)

G. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

- i) Method used - Projected unit credit (PUC)
- ii) Discount rate - 7.5% (Previous Year 7%)
- ii) Expected rate of return on assets (Gratuity only) – 8.50 % (Previous Year 8.50%)
- iv) Future salary increase- 5% (Previous Year 4.50%)

The estimate of future salary increases, considered in actuarial valuation, takes into account (i) inflation, (ii) Seniority (iii) Promotion and (iv) Other relevant factors, such as supply and demand in the employment market.

25. In the pay revision implemented for executives, expenditure on account of Leave Travel Concession (LTC) has been included as one of the component of perquisites w.e.f. 26.11.2008. Now a fixed sum is being paid to executives on account of LTC on monthly basis. Similar provision has also been made in respect of wage revision due for the supervisors and workmen category of employees. Accordingly, LTC which was hitherto being accounted for on the basis of actuarial valuation on annual basis is now being accounted based on actual expenditure incurred. Provision for unclaimed LTC of ₹ 17.45 crore has been written back including a sum of ₹ 14.72 crore (adjusted against the General Reserve as per the transitional provisions of AS-15 in the Financial Year 2007-08) which has been directly credited to General Reserve.

26. Segment Reporting

(₹ in crore)

	Transmission		Consultancy		Telecom		ULDC/RLDC			Elimination		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	ULDC/RLDC	Current Year	Previous Year	Current Year	Previous Year
Revenue:							Power System Operation Assets *	Other Assets					
Revenue from Operations	6675.84	5433.59	277.08	217.54	158.83	150.05	224.69	137.30	318.00			7473.74	6119.18
Inter Segment Revenue					8.46	3.21				-8.46	-3.21		
Net Revenue from Operations	6675.84	5433.59	277.08	217.54	167.29	153.26	224.69	137.30	318.00	-8.46	-3.21	7473.74	6119.18
Segment result	2383.50	2129.40	145.55	101.55	6.89	-32.12	41.77	38.15	17.74			2615.86	2216.57
Unallocated Corporate interest and other income												29.84	19.55
Unallocated corporate expenses, interest and finance charges												19.38	7.55
Income tax (Net)												585.38	537.96
Profit after Tax												2040.94	1690.61
Other information:													
Segment Assets	55622.60	47577.64	127.70	175.46	837.98	850.63	3278.60	1035.99	2875.56			60902.87	51479.29
Unallocated Corporate and other assets												2661.11	2840.90
Total Assets												63563.98	54320.19
Segment Liabilities:	38283.79	32256.54	1652.79	1341.83	702.39	703.96	3127.14	901.69	2645.11			44667.80	36947.44
Unallocated Corporate and other liabilities												2660.87	2529.31
Total liabilities												47328.67	39476.75
Depreciation	1835.77	993.29	0.30	0.22	47.07	48.52	62.84	33.71	51.94			1979.69	1093.97

Note : Loss of Telecom segment has been reduced by the amount of inter segment revenue with a corresponding decrease in profit of Transmission segment.

* Identified for transfer to Power System Operation Corporation Ltd.

NOTES ON ACCOUNTS (Contd....)**a) Business Segments**

The company's principal business is transmission of bulk power across different States of India. However, Power System Operation Assets, ULDC, telecom and consultancy business are also treated as a reportable segment in accordance with para 28 of AS-17 "Segment Reporting".

b) Segment Revenue and Expense

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses. Consultancy allowance paid to all the employees has been considered as expense of 'Consultancy Segment'.

c) Segment Assets and Liabilities

Segment assets include all operating assets comprising of net fixed assets, construction work-in-progress, construction stores, investments, loans and advances and current assets. Segment liabilities include loan liabilities, current liabilities and provisions.

d) The company has transmission projects located within the country and no geographical segment is distinguishable.

27. Related Party Disclosures:-**a) Related Parties:-****i) List of Joint Ventures:-**

Powerlinks Transmission Limited, Torrent Power Grid Limited, Jaypee Powergrid Limited, Parbati Koldam Transmission Company Ltd, POWERGRID IL&FS Transmission Pvt. Ltd.*, Teestavalley Power Transmission Limited, North East Transmission Company Limited, National High Power Test Laboratory Private Limited, Energy efficiency Services Limited.

ii) Subsidiaries:-

Byrnihat Transmission Company Limited
Power System Operation Corporation Limited**

* JV is under liquidation u/s 560 of Companies Act 1956

** Filing of liquidation of the subsidiary is under process.

28. Key Management Personnel

Sh. S.K. Chaturvedi	Chairman and Managing Director
Sh. J. Sridharan	Director (Finance)
Sh. V.M. Kaul	Director (Personnel)
Sh. R.N.Nayak	Director (Operations) (w.e.f. 16th May, 2009)
Sh. I.S.Jha	Director (Projects) (w.e.f. 1st September, 2009)
Dr. P.K. Shetty	Director
Dr. A.S. Narag	Director
Sh. Anil K. Agarwal	Director
Sh. F.A. Vanderavala	Director
Sh. S.C. Tripathi	Director
Sh. Ashok Khanna	Director
Smt. Sarita Prasad	Director
Sh. Sudhir Kumar	Director (w.e.f. 22nd May, 2009 to 10th December, 2009)
Sh. Rakesh Jain	Director (w.e.f. 09th June, 2009)
Sh. I.C.P Keshari	Director (from 6th March, 2009 to 21st May, 2009)
Sh. M. Ravi Kant	Director (w.e.f. 11th December, 2009)
Sh. S. Majumdar	Director (Projects) (Superannuated on 31st August, 2009)



पावरलिंक्स

NOTES ON ACCOUNTS (Contd....)

b) Transactions with the related parties at a (i) above are as follows:

(₹ in crore)

Particulars	Current year	Previous Year
Contracts for Works/Services for services received by the Company		
• Transactions during the year	Nil	Nil
• Amount recoverable from related parties	Nil	Nil
• Amount payable to related parties	Nil	Nil
Contracts for Works/Services for services provided by the Company		
• Transactions during the year*	47.32	9.70
• Amount recoverable from related parties*	35.35	16.83
Dividend Received	22.93	18.35
Deputation of Employees		
• Transactions during the year	Nil	0.03
• Amount recoverable from the related parties	Nil	Nil

*This does not include transactions with respect to an agreement with Powerlinks Transmission Ltd. under which transmission charges for transmission line associated with Tala hydro electric power project are raised by Powerlinks Transmission Ltd. to the company which pay the same and collect from the respective beneficiaries.

29. Remuneration to whole time directors including chairman and managing director is ₹ 1.58 crore (previous year ₹ 0.45 crore) and amount of dues outstanding to the company as on 31st March, 2010 are ₹ 0.09 crore (previous year ₹ 0.06 crore). Director's sitting fee ₹ 0.25 crore (Previous Year ₹ 0.13 crore) for independent directors.
30. Employees' remuneration and benefits include the following for the directors, including chairman and managing director and excluding arrears paid to ex-directors.

(₹ In crore)

	Current Year	Previous year
Salaries and Allowances	1.29	0.36
Contribution to Provident Fund and other Funds, Gratuity and Group Insurance	0.10	0.03
Other benefits	0.19	0.07
Directors fees	0.25	0.13

31. In addition to the above remuneration, the whole time directors have been allowed to use the staff car (including for private journeys) on payment of ₹ 780/- p.m. as contained in the Ministry of Finance (BPE) Circular No.2(18)/pc/64 dt. 29th November, 1964 as amended.

32. Disclosures regarding leases

a) Finance Leases :-

Loans and Advances (Schedule 14) include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the company with the constituents in respect of State Sector ULDC, as per the Accounting Standard (AS) – 19 "Leases" issued by the Institute of Chartered Accountants of India.

NOTES ON ACCOUNTS (Contd....)

The reconciliation of the lease receivables (as per project cost data submitted to / approved by CERC for tariff fixation) is as under:

(₹ In crore)

Particulars	Amount as on 31.03.2010	Amount as on 31.03.2009
Gross value of assets acquired and leased at the beginning of the year	958.57	927.96
Add : Adjustment for gross value of assets acquired prior to the beginning of the year.	30.45	30.61
Revised Gross value of the assets at the beginning of the year	989.02	958.57
Less : Capital recovery provided up to the beginning of the year	266.12	213.87
Add: Capital recovery for assets acquired prior to the beginning of the year.	(0.85)	(1.30)
Revised Capital recovery provided up to the beginning of the year	266.97	212.58
Capital recovery outstanding as on 31st March of last financial year	722.05	745.99
Less : Capital recovery for the current year	58.54	53.54
Lease receivables (*)	663.51	692.45

(*) Does not include additional capitalisation which are subject to approval of CERC.

The value of contractual maturity of such leases as per AS-19 are as under :-

(₹ In crore)

Particulars	Amount as on 31.03.2010	Amount as on 31.03.2009
Gross investment in lease	921.26	987.40
Unearned finance income	257.75	294.95
Present value of minimum lease payment (MLP)	663.51	692.45

Gross investment in lease and present value of minimum lease payments receivables as at 31st March, 2010 for each of the periods are as under:

(₹ In crore)

Particulars	Gross Investment in lease		Present Value of MLPs	
	2009-10	2008-09	2009-10	2008-09
Not later than one year	113.33	108.59	62.76	57.34
Later than one year and not later than five years	453.34	434.35	301.17	274.00
Later than five years	354.59	444.46	299.58	361.11
Total :	921.26	987.40	663.51	692.45

The unearned finance income as on 31st March, 2010 is ₹ 257.75 crore (previous year ₹ 294.95 crore).

b) Operating leases:-

The company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps are usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include ₹ 19.61 crore (Previous Year ₹ 14.36 crore) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments of ₹ 5.40 crore (Previous Year ₹ 5.00 crore) in respect of premises for offices and guest house/transit camps are shown under Rent in Schedule-23 – Transmission, Administration and Other expenses.



NOTES ON ACCOUNTS (Contd....)

33. Earning per share calculated in accordance with the provisions of AS-20

	As at 31.03.2010	As at 31.03.2009
Numerator		
Profit after tax as per Profit and Loss Account (Used as Numerator) (₹ In crore)	2040.94	1690.61
Denominator		
Number of equity shares (Face value of ₹ 10/- each)	4208841230	4208841230
Number of Shares allotted during the year	NIL	NIL
Weighted Average number of equity shares for calculating Basic and Diluted earning per share	4208841230	4208841230
Basic and Diluted earning per share (₹ / per share) (Face value of ₹ 10/- each)	4.85	4.02

34. Consolidated Financial Statements

The company has made investments of ₹ 0.05 crore each in the equity shares of wholly owned subsidiary companies (i) Byrnihat Transmission Company Ltd. (liquidation proceedings initiated) and (ii) Power System Operation Corporation Limited (POSOCO).

No consolidated financial statements are prepared since the transactions of the subsidiaries are not material.

35. During the year the company has provided ₹ 164.97 crore (previous year ₹ 44.76 crore) as deferred tax liability. Major components of deferred tax liabilities and assets are given as under:

(₹ in crore)

Particulars	As at 31.03.2010	As at 31.03.2009
Deferred Tax Liability		
Towards Fixed Assets (Net) (A)	755.31	568.60
Deferred Tax Asset		
Transfer to Self Insurance Reserve	0.69	0.82
Income during Construction	16.91	6.81
Wage revision and Employee Benefits	5.62	17.42
Provisions	12.19	5.01
Other Miscellaneous	16.39	-
Sub Total (B)	51.80	30.06
Net Deferred Tax Liability (A-B)	703.51	538.54

36. Joint Venture entities:-

Name of the company	Proportion of ownership as on	
	31.03.2010 %age	31.03.2009 %age
Powerlinks Transmission Limited	49%	49%
Torrent Power Grid Limited	26%	26%
Jaypee Powergrid Limited	26%	26%
Parbati Koldam Transmission Company Ltd	26%	26%
Powergrid IL&FS Transmission Private Limited*	50%	50%
Teestavalley Power Transmission Limited	0.02%	26%
North East Transmission Company Limited	30.917%	26%
National High Power Test Laboratory Private Limited	25%	-
Energy Efficiency Services Limited	25%	-

*Under liquidation u/s 560 of Companies Act, 1956

NOTES ON ACCOUNTS (Contd....)

In addition, the share application money of ₹ 13.00 crore, ₹ 15.03 crore and ₹ 24.38 crore given to Jaypee Powergrid Limited, Teestavalley Power Transmission Limited and Energy Efficiency Services Limited respectively, has been included in Advance – Others in Schedule no. 14 pending allotment of shares.

Under the Transmission Service Agreement (TSA) with Powerlinks Transmission Ltd, the company has an obligation to purchase the JV company (Powerlinks Transmission Ltd) at a buyout price determined in accordance with the TSA. Such an obligation may result in case JV company (Powerlinks Transmission Ltd) serves a termination notice either on "POWERGRID event of default" or on "force majeure event" prescribed under TSA. No contingent liability on this account has been considered as the same is not ascertainable.

The company's share in assets and liabilities as on 31st March 2010 and income and expenses for the year in respect of above joint venture entities based on their accounts are given below:-

(₹ in crore)

	31.03.2010	31.03.2009
A. Assets		
• Long Term Assets	918.31	738.35
• Investments	39.33	63.46
• Current assets	170.41	83.20
• Profit and Loss A/C	1.18	0.45
• Misc Expenditure	0.48	0.48
Total	1129.70	885.93
B. Liabilities		
• Equity	394.19	296.82
• Long Term Liabilities	639.27	535.77
• Current Liabilities and Provisions	96.24	53.34
Total	1129.70	885.93
C. Contingent Liabilities	0.13	1.44
D. Capital Commitments	330.86	77.75
	Current Year	Previous Year
E. Income	154.68	131.87
F. Expenses(Including provision for taxes)	102.30	99.97

37. In accordance with AS-28 "Impairment of Assets", impairment analysis of assets of transmission activity of the company by evaluation of its cash generating units, was carried out by an outside agency in the year 2004-05 and since recoverable amount was more than the carrying amount thereof, no impairment loss was recognised. Similarly, impairment analysis of telecom assets was carried out during 2006-07 and since the recoverable amount was more than the carrying amount of assets, no impairment loss was recognised. In the current year, there is no indication of impairment which requires re-estimating the recoverable amount of the assets.

38. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 20952.14 crore (previous year ₹ 16418.24 crore).

39. No provision has been made for tax demands amounting to ₹ 194.68 crore (previous year ₹ 172.69 crore) and other demands (amount not ascertainable), for which appeals / litigation are pending, and the same have been shown as contingent liabilities under schedule no 18.

40. Disclosure in respect of contingent liabilities as required in AS 29 of 'Provisions, Contingent Liabilities and Contingent Assets':

Contingent Liabilities:

- a) Contingent Liabilities as stated in Schedule 18 are dependent upon the outcome of court/appellate authorities/ out of court settlement, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, disposal of appeals.

**NOTES ON ACCOUNTS (Contd....)**

- b) Reimbursement of outflow in respect of 'Claim against the Company not acknowledged as debt' and 'Disputed tax demands-Income Tax' (limited to Income Tax on core activity only)/and service tax on transmission charges as stated in Schedule 18 of Contingent Liability, is dependent on the admittance of petition to be filed with CERC and in remaining cases no reimbursement is expected.
41. a) Based on the information available with the company, there are no suppliers/service providers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as on 31st March, 2010.
- b) No payment is due for more than 30 days as at 31st March, 2010 in respect of purchases / services made from small scale/ancillary industries.
42. a) **VALUE OF IMPORTS CALCULATED ON CIF BASIS :**

(₹ in crore)

	Current Year	Previous Year
i) Capital Goods	470.50	1126.16
ii) Spare Parts	1.76	1.02

b) EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

(₹ in crore)

	Current Year	Previous Year
i) Professional and Consultancy fees	2.05	3.14
ii) Interest	207.66	341.92
iii) Others	26.38	19.16

c) VALUE OF COMPONENTS, STORES AND SPARE PARTS CONSUMED :

(₹ in crore)

	%	Current Year	%	Previous Year
i) Imported	1.77%	0.79	5.73%	1.60
ii) Indigenous (Including fuel)	98.23%	43.95	94.27%	26.34

d) EARNINGS IN FOREIGN EXCHANGE

(₹ in crore)

	Current Year	Previous Year
Interest	0.00	0.29
Consultancy Fee	2.37	0.72

43. ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****i) REGISTRATION DETAILS :**

Registration No.	U40101DL1989GOI038121
State Code	55
Balance Sheet Date	31st March 2010

ii) CAPITAL RAISED DURING THE YEAR

(₹ in crore)

Public Issue	Nil
Rights Issue	Nil
Private Placement, pursuant to a contract, for consideration other than cash (Issued to Govt. of India)	Nil
Bonus Issue	Nil

NOTES ON ACCOUNTS (Contd....)**iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**

(₹ in crore)

Total Liabilities	63567.54
Total Assets	63567.54
Sources of funds	
Paid up Capital	4208.84
Reserves and Surplus	11733.06
Secured Loans	31345.78
Unsecured Loans	3071.01
Advance against Depreciation	2213.63
Grants in Aid	198.82
Deferred Tax Liability	703.51
Application of Funds	
Net Fixed Assets	32061.26
Capital Work-in-Progress (including Construction, Stores and Advances)	20422.18
Investments	1453.22
Net Current Assets	(465.57)
Miscellaneous Expenditure	3.56

iv) PERFORMANCE OF COMPANY

(₹ in crore)

Turnover/Income	7127.45
Other Income (including Transfer from Grants in Aid)	376.13
Total expenditure	4877.26
Profit before Tax	2626.32
Profit after MAT and Deferred tax	2040.94
Earning per share (Basic) (₹)	4.85
Dividend Amount	631.34

v) GENERIC NAMES OF PRINCIPAL PRODUCT/SERVICE OF COMPANY

Item code no. : Not Applicable

Product Description : Transmission, Central Transmission Utility function.

44. a) Figures have been rounded off to nearest rupees in crore.

b) Previous year figures have been regrouped / rearranged wherever necessary.

For and on behalf of the Board**(Mrinal Shrivastava)**

Company Secretary

For A.R. & Co.
Chartered Accountants
Regn. No. 002744C

(Anil Gaur)

Partner
M.No. 017546**(J. Sridharan)**

Director (Finance)

For S R I Associates
Chartered Accountants
Regn. No. 305109E

(I Pasha)

Partner
M.No. 013280**(S.K. Chaturvedi)**

CMD

For Umamaheswara Rao & Co.
Chartered Accountants
Regn. No. 04453S

(G. Siva Rama Krishna Prasad)

Partner
M. No. 024860

Place : New Delhi

Dated: 25th May, 2010.



पावरग्रिड

AUDITORS' REPORT

To,
The Members,
Power Grid Corporation of India Limited,

1. We have audited the attached Balance Sheet of Power Grid Corporation of India Ltd. as at March 31, 2010, and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Company is governed by the Electricity Act, 2003. Though the said Act has repealed the Electricity (Supply) Act 1948 and Electricity Regulatory Commission Act, 1998, certain provisions of the repealed Act, to the extent they are not inconsistent with the provisions of said Act, continued to be applied by the Company while preparing the financial statements. Further, the provisions of the said Act read with the rules thereunder have prevailed wherever the same have been inconsistent with the provisions of the Companies Act, 1956.
4. As required by the Companies (Auditor's Report) Order, 2003, read with Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. We draw attention to :
 - a) Note No. 9 regarding levy of Service Tax on transmission charges, and
 - b) Note No. 17 (b) regarding provisional recognition of transmission charges.
6. Further to our comments in the annexure referred to in paragraph 4 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, subject to our observations in paragraph 3 above, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - e) In pursuance to the notification No. GSR 829(E) dated 17.7.2003, issued by the Department of Company Affairs; clause (g) of sub-section (1) of section 274 of Companies Act, 1956 pertaining to disqualification of Directors is not applicable to a Government Company.
 - f) In our opinion and to the best of our knowledge and according to information and explanation given to us, the said financial statements, read together with the Notes on Accounts given in Schedule 28 and Accounting Policies annexed thereto, in so far as these are not inconsistent with the Electricity Act, 2003, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - ii) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For A.R. & Co.

Chartered Accountants
Regn No.002744C

(Anil Gaur)

Partner

Membership No.017546

For S R I Associates

Chartered Accountants
Regn No.305109E

(I. Pasha)

Partner

Membership No.013280

For Umamaheswara Rao & Co.

Chartered Accountants
Regn No. 004453S

(G. Siva Rama Krishna Prasad)

Partner

Membership No.024860

Place : New Delhi.

Dated : 25th May, 2010.

ANNEXURE TO THE AUDITORS' REPORT

RE: POWER GRID CORPORATION OF INDIA LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH 4 OF OUR REPORT OF EVEN DATE

1. a) The Company has generally maintained records of Fixed Assets, showing full particulars including quantitative details and situation of Fixed Assets .
 - b) The assets have been physically verified by external agencies during the year and discrepancies, though not material, noticed on such verification have been reconciled/adjusted in the books of account. In our opinion, frequency of verification is reasonable.
 - c) During the year the company has not disposed off substantial part of its Fixed Assets.
2. a) Physical verification of inventory has been conducted by external agencies during the year, except for the materials lying with contractors. In our opinion frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories, followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of inventory. The discrepancies noticed on physical verification of the inventory have been properly dealt with in the books of account except material lying with contractors where verification is not undertaken.
3. The Company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and income from transmission, telecom and consultancy activities. During the course of our audit we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the underlying internal control systems.
5. According to the information and explanation given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act 1956, during the year, to be entered in the register maintained under that section . Accordingly Clause (v) of paragraph 4 of the Order is not applicable.
6. Since the Company has not accepted any deposit from the public, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 58-A, 58-AA and other relevant provisions of Companies Act, 1956, and rules framed thereunder, does not arise.
7. The Company has an Internal Audit system. In our opinion, the scope and coverage of Internal Audit are commensurate with the size and nature of its business.
8. The Central Government has prescribed maintenance of Cost Records under Section 209 (1)(d) of the Companies Act, 1956 in respect of Transmission & Telecom Operations of the Company. We have broadly reviewed the Records prepared by the Company and are of the opinion that, prima facie, the prescribed records have been made and maintained.
9. a) According to the information and explanation given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as on 31.3.2010 for a period of more than six months from the date they became payable.

As informed, the provisions of the Employees State Insurance Act are not applicable to the Company.

Unclaimed bonds of ₹ 0.06 crore and unclaimed dividend of ₹ 2.96 crore which has not exceeded the time limit prescribed under Section 205C of the Companies Act, 1956 are lying as liability towards Investor Education & Protection Fund.

- b) According to information and explanation given to us, following disputed income tax / sales tax / customs duty / wealth tax / service tax / excise duty / cess dues have not been deposited.

Particulars	Amount (₹ in crore)	Forum Where Pending
Entry Tax	1.47	Appellate Board, Commercial Tax Department, Madhya Pradesh
Entry Tax	39.16	Dy. Commissioner (Appeals), Commercial Tax Department, Madhya Pradesh
Entry tax	11.41	Joint Commissioner of Commercial Tax (Appeal), Patna
Sales Tax	18.80	Assistant Commissioner, Commercial Tax Department, Madhya Pradesh
Sales Tax	32.64	J&K State Sales Tax Appellate Tribunal



ANNEXURE TO THE AUDITORS' REPORT (Contd...)

Sales Tax	12.68	Dy. Commissioner of Sales Tax (Appeal), Jammu, J&K State
Service Tax	66.48	Commissioner of Central Excise, Shillong
Service Tax	1.57	Commissioner of Central Excise, Patna
Service Tax	2.31	Custom, Excise & Service Tax Appellate Tribunal (CESTAT), New Delhi
Service Tax	0.01	Commissioner of Customs & Central Excise, Hyderabad-II Division.
Education Cess	1.21	Dehgam Nagar Palika, Dehgam
Diversion Tax (for non-agriculture use of land)	2.23	S D O, Itarsi
Penalty for unauthorized digging of pits	0.35	S D O, Panvel and Dahnu
Income Tax (TDS) on perquisites	34.53	High Court, Kolkata
Income Tax & Interest	1.09	Commissioner of Income Tax (Appeals), New Delhi.
Income Tax & Interest	3.27	Income Tax Appellate Tribunal, Delhi.

10. The Company does not have accumulated losses at the end of financial year and has not incurred any cash loss in the financial year under audit, and also in the immediately preceding financial year.
11. On the basis of audit procedures adopted by us and according to the records, the Company has not defaulted in repayment of dues to any financial institution or bank or bondholders.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or nidhi/mutual benefit fund/society. Accordingly, Clause xiii of paragraph 4 of the Order is not applicable.
14. In our opinion, the Company is not dealing in or trading in shares, debentures, and other investments. Accordingly, Clause xiv of paragraph 4 of the Order is not applicable.
15. As informed to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, except in the case of Powerlinks Transmission Limited, wherein it has pledged its shares in favour of financial institutions for financial assistance obtained by the said company, as per the terms and conditions of Joint Venture Agreement. In our opinion and to the best of our information and according to explanation given to us, the terms and conditions of share pledge agreement are not, prime facie prejudicial to the interest of the company.
16. In our opinion on an overall basis and according to the information and explanation given to us, the company has applied the term loans for the purpose, they were raised during the year.
17. In our opinion, on an overall basis, and according to the information and explanation given to us, the company has not used the funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act during the year.
19. The Company has not issued the debentures during the year.
20. The Company, during the year, has not raised any money by public issue.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For A.R. & Co.
Chartered Accountants
Regn No.002744C
(Anil Gaur)
Partner
Membership No.017546

For S R I Associates
Chartered Accountants
Regn No.305109E
(I. Pasha)
Partner
Membership No.013280

For Umamaheswara Rao & Co.
Chartered Accountants
Regn No. 004453S
(G. Siva Rama Krishna Prasad)
Partner
Membership No.024860

Place : New Delhi.
Dated : 25th May, 2010.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(₹ in crore)

Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	2626.32	2228.57
Adjustment for :		
Depreciation (including prior period)	1978.73	1115.93
Transfer from Grants in Aid	(26.53)	(21.45)
Adjustment against General Reserve	14.72	0.00
Amortised Expenditure (DRE written off)	1.78	1.83
Provisions	13.26	38.60
Self Insurance	(0.34)	(0.04)
Net Loss on Disposal / Write off of Fixed Assets	3.83	3.82
Interest and Finance Charges	1543.24	2532.09
FERV gain	(4.69)	0.00
Interest earned on bonds/Loans to State Govts.	(116.41)	(132.99)
Dividend received	(24.37)	(19.54)
Operating profit before Working Capital Changes	6009.54	5746.82
Adjustment for :		
(Increase)/Decrease in Trade and other Receivables	(787.95)	153.52
(Increase)/Decrease in Inventories	(47.32)	(49.32)
Increase/(Decrease) in Trade payables and other liabilities	1527.68	2497.98
(Increase)/Decrease in Other current assets	(24.01)	28.65
(Increase)/Decrease in Deferred Income/Expenditure from Foreign Currency Fluctuation(Net)	(439.41)	617.76
(Increase)/Decrease in Deferred Foreign Currency Fluctuation Asset/Liability(Net)	968.16	(1434.86)
(Increase)/Decrease in Loans and Advances	(357.68)	(815.75)
Deferred Revenue Expenditure	0.16	(0.14)
	839.63	997.84
Direct taxes paid (including FBT)	(230.00)	(154.02)
Net Cash from operating activities	6619.17	6590.64
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed assets (including incidental expenditure during construction)	(147.70)	(770.82)
Capital work in progress	(6477.72)	(5352.89)
Advances for capital expenditure	(3427.24)	(3299.89)
(Increase)/Decrease in Investments - Bonds and others	186.63	182.89
(Increase)/Decrease in investments -JVs and Subsidiaries	(47.06)	(39.50)
Lease receivables	111.45	(29.07)
Interest earned on bonds/Loans to State Govts.	116.41	132.99
Dividend received	24.37	19.54
Net cash used in investing activities	(9660.86)	(9156.75)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loans raised during the year - Long Term (Net of FERV Adjustment)	6848.77	7629.85
Gross loans raised without FERV adjustment ₹ 8023.73 crore (Previous year ₹ 5717.10 crore)		
Loans repaid during the year - Long Term	(1392.72)	(1427.89)
Loans raised during the year - Short Term	1250.00	750.00
Loans repaid during the year - Short Term	(750.00)	(750.00)
Interest and Finance Charges Paid	(1474.68)	(2481.64)
Dividend paid	(505.08)	(505.08)
Dividend Tax paid	(85.84)	(85.84)
Net Cash from Financing Activities	3890.45	3129.40
D. Net change in Cash and Cash equivalents(A+B+C)	848.76	563.29
E. Cash and Cash equivalents(Opening balance)	2428.88	1865.59
F. Cash and Cash equivalents(Closing balance)	3277.64	2428.88

Note: Cash and cash equivalents consist of cash in hand and balance with banks and it includes ₹ 2929.66 crore (previous year ₹ 1619.82 crore) not available for use by the Company.

For and on behalf of the Board

(Mrinal Shrivastava)
Company Secretary

(J. Sridharan)
Director (Finance)

(S. K. Chaturvedi)
Chairman & Managing Director

As per our report of even date

For A.R. & Co.
Chartered Accountants
Regn. No. 002744C

For S R I Associates
Chartered Accountants
Regn. No. 305109E

For Umamaheswara Rao & Co.
Chartered Accountants
Regn. No. 004453S

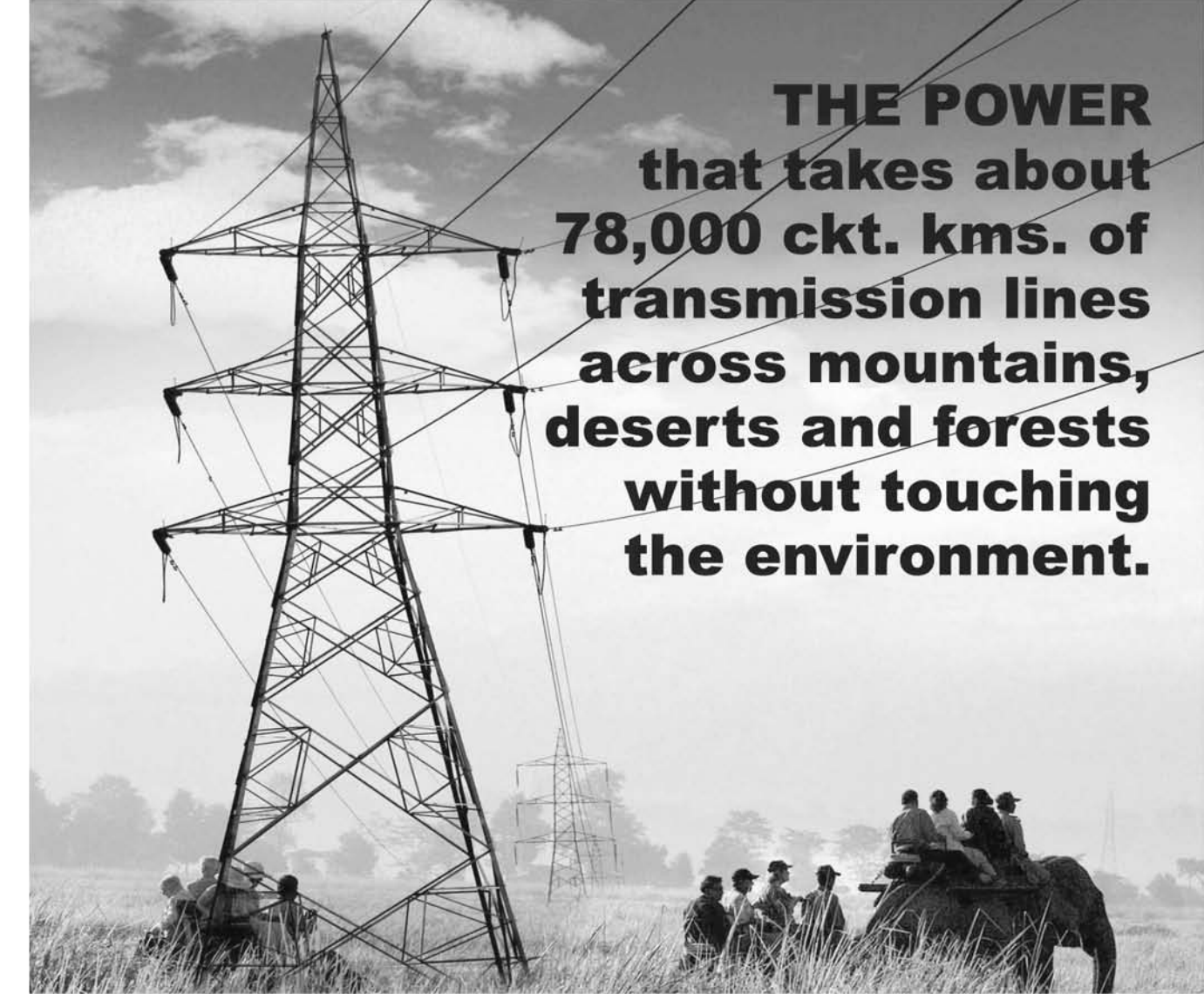
(Anil Gaur)
Partner
M.No. 017546

(I. Pasha)
Partner
M.No. 013280

(G. Siva Rama Krishna Prasad)
Partner
M.No. 024860

Place: New Delhi.

Date: 25th May, 2010.



**THE POWER
that takes about
78,000 ckt. kms. of
transmission lines
across mountains,
deserts and forests
without touching
the environment.**

Our commitment towards community and environment is as strong as our towers. We design towers, compact and tall enough to address right-of-way and help conserve the surrounding environment, community, flora and fauna.

Highlights

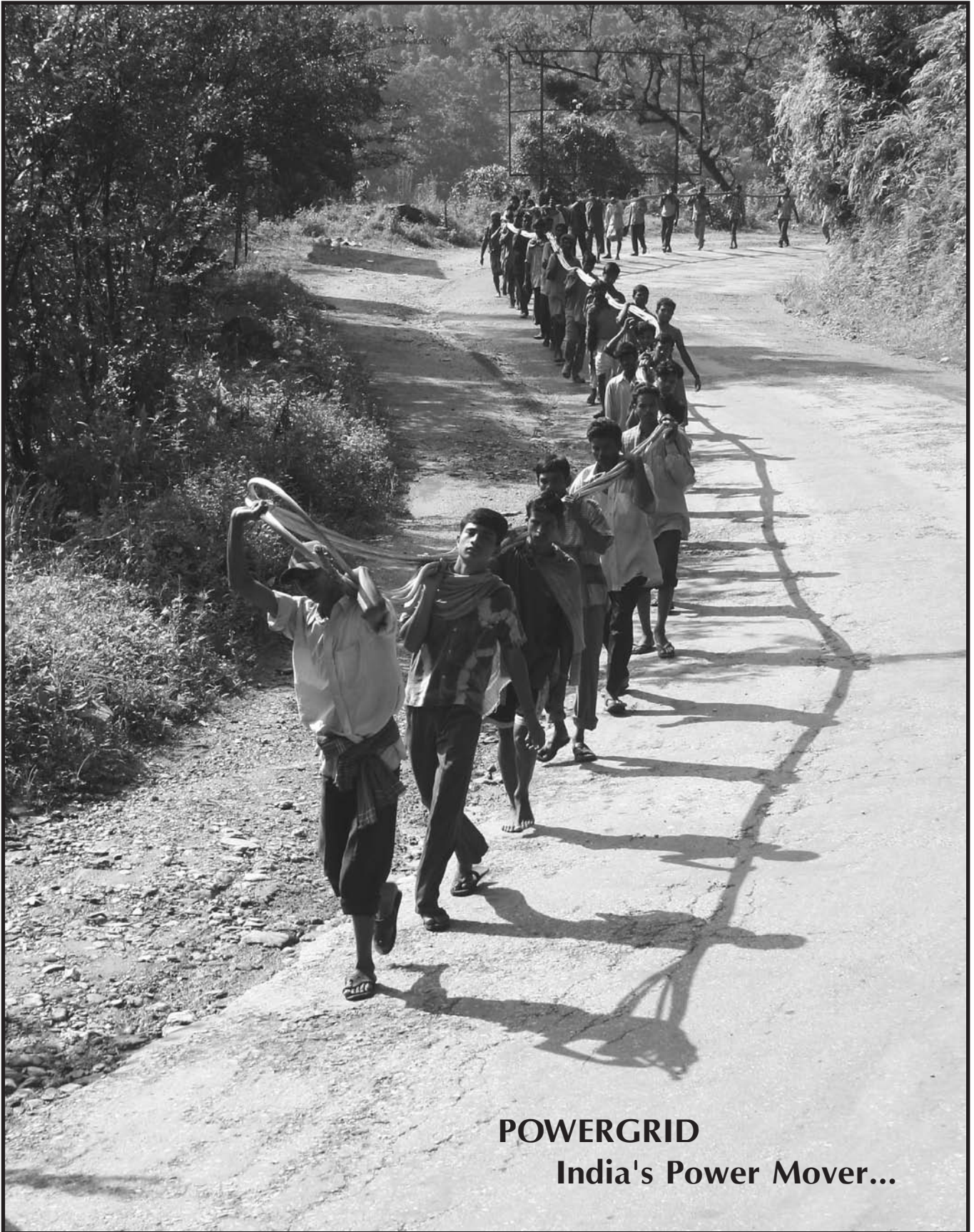
- A Navratna PSU and the Central Transmission Utility (CTU) of the country
- One of the world's largest and best managed transmission utilities
- Extensive transmission network of about 78,000 ckt. km of and 132 substations with a transformation capacity of about 89,000 MVA
- Established a National Grid of over 22,400 MW power transfer capacity
- Transmission projects under consultancy assignment in Bhutan, Nepal, Afghanistan, Nigeria, Dubai, Myanmar and many other countries
- Acquired IP-II, ISP Category A & NLDO Licenses to provide variety of telecom services
- Marked presence in remote areas like NER and Jammu & Kashmir and robust overhead optic fibre telecom network of about 22,000 km with 99.99% reliability
- Assisting Govt. of India in implementing distribution sector reforms by executing projects under R-APDRP & RGGVY



पावरग्रिड

**POWER GRID
CORPORATION OF INDIA LTD.**
(A Government of India Enterprise)
www.powergridindia.com

IT'S TOWER POWER



POWERGRID
India's Power Mover...



POWERGRID
Committed to energizing the Nation

ANNUAL REPORT OF SUBSIDIARIES



BYRNIHAT TRANSMISSION COMPANY LIMITED

DIRECTORS' REPORT

To,

The Members,

I, on behalf of the Board of Directors, present the Fourth Directors' Report of BYRNIHAT TRANSMISSION COMPANY LIMITED together with the audited Statement of Accounts for the financial year 2009-10.

Your Company had been incorporated on 23rd March, 2006 as a Project specific 'SHELL COMPANY' to take up the implementation of Misa – Byrnihat Transmission Project through Joint Venture route. However, the said Transmission Line was taken up for execution by POWERGRID as a consultancy work.

Presently Byrnihat Transmission Company Limited is not undertaking any business activity. The Company had not applied for the Certificate of Commencement of Business. During the year, the Board of the Company and the Board of the parent Company has approved that the Company be wound up. The process of dissolution of the Company has been taken up.

Directors

Shri J.Sridharan, Shri I.S. Jha and Shri V.M. Kaul are on the Board of the Company.

Auditors

Naresh K. Gupta & Co., Chartered Accountants, New Delhi, were appointed by C&AG as Statutory Auditors of the Company for the year 2009-2010.

Auditors' Report

The Statutory Auditors' Report to the shareholders does not contain any qualifications. Further, the Comptroller and Auditor General of India has decided not to review the Report of the Auditor on the Accounts of the Company and as such C&AG has no comments under Section 619(4) of the Companies Act, 1956.

Directors' Responsibility Statement

Pursuant to the requirements under Section 217(2A) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year and of the profit / loss of the Company for the year under review;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared annual accounts on a going concern basis.

Particulars of Employees

Since the Company has no employee, Section 217(2A) of Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not applicable.

Conservation of Energy, Technology Absorption, Foreign Exchange Earning & Outgo

Since no commercial activity was carried out by the Company, particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable to the Company.

Acknowledgement

The Board extends its sincere thanks to POWERGRID.

For and on behalf of
BYRNIHAT TRANSMISSION COMPANY LIMITED

Sd/-
(J. Sridharan)
Director

Date : 06.08.2010
Place: New Delhi



पावरविड

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF BYRNIHAT TRANSMISSION COMPANY LIMITED, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2010

The preparation of financial statements of Byrnihat Transmission Company Limited, New Delhi, for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 15 June 2010.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Byrnihat Transmission Company Limited, New Delhi, for the year ended 31 March 2010 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-

(M. K. Biswas)

Principal Director of Commercial Audit &
Ex-officio Member Audit Board - III,
New Delhi

Place: New Delhi

Dated: 25th June, 2010

BYRNIHAT TRANSMISSION COMPANY LIMITED
BALANCE SHEET AS AT 31st MARCH, 2010

(Amount in ₹)

	Schedule Reference	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
1. Shareholders` Funds			
Share Capital	1	500,000	500,000
TOTAL		<u>500,000</u>	<u>500,000</u>
APPLICATION OF FUNDS			
2. Current Assets, Loans and Advances			
Current Assets			
Cash & Bank Balances	2	497,475	498,025
Less : Current Liabilities & Provisions			
Current Liabilities	3	99,205	83,573
Net Current Assets		<u>398,270</u>	<u>414,452</u>
3. Profit & Loss Account		101,730	85,548
TOTAL		<u>500,000</u>	<u>500,000</u>
Significant Accounting Policies and Notes	5		
forming part of Accounts			
(Schedule 1 to 5 form integral part of Accounts)			

As per our report of even date

For **NARESH K. GUPTA & CO.**

Chartered Accountants

Firm Regn. No. 002232N

For and on behalf of Board of Directors

(Nitin Gupta)
Partner

M. No. 096295

Place : New Delhi

Date : 15.06.2010

(J.Sridharan)
Director

(V. M. Kaul)
Director



BYRNIHAT TRANSMISSION COMPANY LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(Amount in ₹)

	Schedule	For the Year ended 31.03.2010	For the Year ended 31.03.2009
INCOME		-	-
TOTAL		-	-
EXPENSES			
Administrative Expenses	4	4,602	3,762
Statutory Audit Fee		11,030	11,030
Bank Charges		550	550
Preliminary Expenses written off		-	33,555
Pre-operative Expenses (of earlier years) written off		-	36,651
TOTAL		16,182	85,548
Profit / (Loss) for the year before tax		(16,182)	(85,548)
Provision for Current Income Tax			85,548
Profit / (Loss) after Tax		(16,182)	(85,548)
Add: Balance of Profit/(-)Loss brought forward		(85,548)	-
Appropriations		-	-
Balance transferred to Balance Sheet		(101,730)	(85,548)
Earning Per Share		(0.32)	(1.71)
(Face Value of ₹ 10/- per share)			
Significant Accounting Policies and Notes	5		
forming part of Accounts			
(Schedule 1 to 5 form integral part of Accounts)			

As per our report of even date

For **NARESH K. GUPTA & CO.**

Chartered Accountants

Firm Regn. No. 002232N

For and on behalf of Board of Directors

(Nitin Gupta)
Partner

M. No. 096295

(J.Sridharan)
Director

(V. M. Kaul)
Director

Place : New Delhi

Date : 15.06.2010

BYRNIHAT TRANSMISSION COMPANY LIMITED

Schedules - Forming part of Accounts

(Amount in ₹)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE '1'		
SHARE CAPITAL		
Authorised		
50,000 equity shares of ₹ 10/- each	<u>500,000</u>	<u>500,000</u>
Issued, Subscribed & Paid-up		
50,000 equity shares of ₹ 10/- each fully paid up.	<u>500,000</u>	<u>500,000</u>

(Amount in ₹)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE '2'		
Cash & Bank Balances		
Balance with Scheduled Bank-		
in Current Account	<u>497,475</u>	<u>498,025</u>
	<u>497,475</u>	<u>498,025</u>

(Amount in ₹)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE '3'		
Current Liabilities		
a. Power Grid Corp. of India Ltd.	87,563	71,931
b. Statutory Audit Fees	11,030	11,030
c. Other Liabilities	<u>612</u>	<u>612</u>
	<u>99,205</u>	<u>83,573</u>
	<u>99,205</u>	<u>83,573</u>

(Amount in ₹)

	For the year ended on 31st March, 2010	For the year ended on 31st March, 2009
SCHEDULE '4'		
ADMINISTRATIVE EXPENSES		
ROC Filing Fees	918	3,762
Professional Charges	3,309	-
Printing & Stationary	<u>375</u>	<u>-</u>
	<u>4,602</u>	<u>3,762</u>

BYRNIHAT TRANSMISSION COMPANY LIMITED SCHEDULES - FORMING PART OF ACCOUNTS

SCHEDULE '5'

A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under.

2. Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

3. Provisions and Contingent Liabilities

A provision is recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

4. Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

B) NOTES FORMING PART OF ACCOUNTS

1. The company was incorporated on 23rd March, 2006 and certificate of commencement of business has not been obtained so far.
2. The Company is governed by the Electricity Act, 2003 and that the said Act read with rules framed there-under have prevailed wherever the same were inconsistent with the Companies Act, 1956.
3. 49,994 equity shares of ₹ 10/- each are held by the holding company, Power Grid Corporation of India Ltd. Balance 6 shares are held in the name of the officers of POWERGRID as its nominees.
4. As approved by the Board of Directors, the Company is in process of filing application to the Registrar of Companies for striking off the name of the Company under Section 560 of the Companies Act, 1956.
5. Related Party Disclosures

I. As per the Accounting Standard on 'Related Party Disclosure' (AS-18) issued by the Institute of Chartered Accountants of India, the related parties are as follows:

i) Holding Company

The Company is a 100% subsidiary of **Power Grid Corporation of India Limited (POWERGRID)**

ii) Key Management Personnel

Sh. J. Sridharan - Director

Sh. I.S. Jha - Director

Sh. V.M. Kaul - Director

II. During the year, expenditure of ₹ 15632/- (previous year ₹ 16722/-) has been incurred by POWERGRID on behalf of the Company. The total amount payable to POWERGRID as at 31st March, 2010 is ₹ 87563/- (previous year ₹ 71931/-).

6. There are no Micro and Small Enterprise, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

7. Earning/ (Loss) per Share

Net (Loss) after Tax used as numerator (Rupees)	(16,182)
Weighted average number of equity shares used as denominator	50,000
Earnings/ (Loss) per shares (Basic and Diluted) (Rupee)	(0.32)
Face value per share (Rupees)	10/-

8. There are no contingent liabilities.

9. All figures have been rounded off to the nearest rupee.

10. Previous year figures have been re-grouped / re-arranged wherever necessary.

As per our report of even date

For **NARESH K. GUPTA & CO.**
Chartered Accountants
Firm Regn. No. 002232N

For and on behalf of Board of Directors

(Nitin Gupta)
Partner

M. No. 096295

Place : New Delhi

Date : 15.06.2010

(J.Sridharan)
Director

(V. M. Kaul)
Director



पावरग्रिड

BYRNIHAT TRANSMISSION COMPANY LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. U40102DL2006GOI147937

State Code : 055

Balance Sheet Date 31 3 10
DATE MONTH YEAR

II. Capital Raised during the year (Amount in ₹ Thousands)

Public Issue NIL Rights Issue NIL
Bonus Issue NIL Private Placement NIL

III. Position of Mobilization and Deployment of funds (Amount in ₹ Thousands)

Total Liabilities	599	Total Assets	599
Sources of Funds			
Paid-up Capital	500	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	NIL	Investment	NIL
Net Current Assets	398	Misc. Expenditure	0
Accumulated Losses	102		

IV. Performance of Company (Amount in ₹ Thousands)

Turnover	-	Total Expenditure	16
Profit/Loss before Tax	(16)	Profit/Loss after Tax	(16)
Earning per Share in ₹	(0.32)	Dividend Rate %	NIL

V. Generic Name of three principal Product/Services of Company (As per monetary norms)

Item Code No. N.A.
(ITC) Code
Product Description N.A.

As per our Separate report of even date

For **NARESH K. GUPTA & CO.**

Chartered Accountants

Firm Regn. No. 002232N

For and on behalf of Board of Directors

(Nitin Gupta)
Partner

M. No. 096295

(J.Sridharan)
Director

(V. M. Kaul)
Director

Place : New Delhi

Date : 15.06.2010

AUDITOR'S REPORT

To the Members of

BYRNIHAT TRANSMISSION COMPANY LIMITED

1. We have audited the attached Balance Sheet and Profit and Loss Account of M/S. BYRNIHAT TRANSMISSION COMPANY LIMITED as at 31st March 2010. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order 2003 read with Companies (Auditor's Report) (Amendment) order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in para 4 and 5 of the said order.
4. We draw your attention to, without qualifying our Audit Report, that Board of directors have approved for filing application to Registrar of Companies for striking off the name of the company under section 560 of the Companies Act, 1956.
5. Further to above :
 - A. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - C. The Balance Sheet and the Profit & Loss Account, dealt with by this report, are in agreement with the books of account.
 - D. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the mandatory accounting standards referred to in sub section 3 (c) of section of 211 of the Companies Act, 1956.
 - E. Being a Government company, pursuant to the notification no. GSR 829(E) issued by Government of India, provisions of clause (g) of sub section (1) of section 274 of the Companies Act, 1956. are not applicable to the company.
 - F. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010
 - ii. In the case of Profit and Loss Account, of the loss of the Company for the year ended on 31st March, 2010
 - iii. In the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on 31st March, 2010

For **NARESH K. GUPTA & CO.**

*Chartered Accountants
Firm Regn. No. 002232N*

(NITIN GUPTA)

Partner

Membership No. 096295

Dated : 15.06.2010

Place : New Delhi

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in Auditor's report of even date on the accounts of Byrnihat Transmission Company Limited for the year ended 31st March, 2010

1. The company does not own any Fixed Assets and hence 4(i)(a), 4(i)(b), 4(i)(c) of Companies (Auditor Report) (amendment) Order, 2004 are not applicable to the Company.
2. The company does not have inventory and hence 4(ii)(a), 4(ii)(b), 4(ii)(c) of Companies (Auditor Report) (amendment) Order, 2004 are not applicable to the Company.
3. a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
b. In view of clause III (a) above, clauses 4(iii)(b), 4(iii)(c), 4(iii)(d) of Companies (Auditor Report) (amendment) Order, 2004 are not applicable to the Company.
c. The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
d. In view of clause III (c) above, clauses 4(iii)(f), 4(iii)(g) of Companies (Auditor Report) (amendment) Order, 2004 are not applicable to the Company.
4. Since there are no Fixed Assets and Inventory the clause 4(iv) of Companies (Auditor Report)(amendment) Order, 2004 is not applicable to the Company.
5. a. According to the information & explanation given to us, during the year under Audit, there have been no particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, which needs to be entered in the register required to be maintained under that section.
b. In view of the clause v(a) above the clause 4(v)(b) of Companies (Auditor Report)(amendment) Order, 2004 is not applicable to the Company.
6. The Company has not accepted any deposits from the public and in view of this, clause 4(vi) of Companies (Auditor Report)(amendment) Order, 2004 is not applicable to the Company.
7. According to the information & explanation given to us the company did not have an internal audit system in place for the financial year 2009-10.
8. The department of Company affairs has prescribed maintenance of cost accounting records under section 209(1)(d) of the Companies Act, 1956. However, cost accounts have not been prepared since there is no commercial activity during the year.
9. a. The undisputed statutory dues including Income tax, sales tax, wealth tax, service tax, excise duty, customs duty, cess and any other statutory dues wherever applicable have been regularly deposited by the company with appropriate authorities.
b. According to the information & explanation given to us there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have been deposited on account of any dispute.
10. The Company has been registered for a period of less than 5 years up to the last day of financial year 2009-10 from the date of registration of the Company. In view of this, clause 4(x) of Companies (Auditor Report) (amendment) Order, 2004 is not applicable to the Company
11. Since, the company does not have any borrowings clause 4(xi) of Companies (Auditor Report) (amendment) Order, 2004 is not applicable to the Company.
12. According to the information and explanations given to us the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures & other securities
13. In our opinion, the company is not a Chit Fund or a nidhi / mutual benefit fund / society. Therefore the Provisions of clause 4(xiii) of Companies (Auditor's Report) (Ammendment) Order, 2004 are not applicable to the Company.

14. The Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the Provisions of clause 4(xiv) of Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
15. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions
16. Since the Company has taken no loans clause 4(xvi) of Companies (Auditor Report) (Amendment) Order, 2004 is not applicable to the Company.
17. Since the company has not raised any funds during the year clause 4(xvii) of Companies (Auditor Report) (amendment) Order, 2004 is not applicable to the Company.
18. According to the information and explanations given to us the Company has not made any preferential allotment to parties or companies covered in the register maintained under section 301 of the Act during financial year 2009-10.
19. According to the information and explanations given to us the Company has not issued any debentures during financial year 2009-10 and therefore the Provisions of clause 4(xix) of Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
20. According to the information and explanations given to us the company has not raised any money by way of Public Issue during financial year 2009-10.
21. According to the information and explanations given to us no fraud on or by the Company causing a material misstatement in the Financial Statements, has been noticed or reported during the financial year 2009-10.

For **NARESH K. GUPTA & CO.**

*Chartered Accountants
Firm Regn. No. 002232N*

(NITIN GUPTA)

Partner

Membership No. 096295

Place : New Delhi
Dated : 15.06.2010



पावरविड

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2010

(Amount in ₹)

PARTICULARS	For the Year ended 31.03.2010	For the Year ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	(16,182)	(85,548)
Adjustments for :		
Preliminary Expenses written off	-	33,555
Pre-operative Expenses (of earlier years) written off / Pre-operative Expenses	-	36,651
Bank Charges Paid	550	550
Profit/(Loss) before Working Capital Changes	(15,632)	(14,792)
Adjustments for :		
Add: Increase in Current Liabilities	15,632	14,792
Net Cash from Operating Activities	-	-
B. CASH FLOW FROM INVESTING ACTIVITIES		
Less: Bank Charges Paid	550	550
Net Cash Flow from Investing Activities	(550)	(550)
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
D. Net Change in Cash and Cash Equivalents (A+B+C)	(550)	(550)
E. Cash and Cash Equivalents (Opening Balance)	498,025	498,575
F. Cash and Cash Equivalents (Closing Balance)	497,475	498,025

For **NARESH K. GUPTA & CO.**
Chartered Accountants
Firm Regn. No. 002232N

For and on behalf of Board of Directors

(Nitin Gupta)
Partner

M. No. 096295

Place : New Delhi

Date : 15.06.2010

(J.Sridharan)
Director

(V. M. Kaul)
Director

POWER SYSTEM OPERATION CORPORATION LIMITED

Registered Office: 1st Floor, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016

DIRECTORS' REPORT

To,

The Members,

I, on behalf of the Board of Directors, present the First Directors' Report of Power System Operation Corporation Limited together with the audited Statement of Accounts for the period for the first Financial Year of the period from 20th March, 2009 to 31st March, 2010.

Your Company had been incorporated on 20th March, 2009 in deference to the directive no.11/20/2005-PG dated 4th July, 2008 of Ministry of Power as an wholly owned Subsidiary of Power Grid Corporation of India Limited (POWERGRID). As per the mandate of Ministry of Power, Power System Operation Corporation Limited (POSOCO) is responsible for independent system operation with separate accounting and Board structure. The Company has obtained the Certificate of Commencement of Business on 23rd March, 2010.

POWERGRID, in terms of Section 192A (2) Companies Act, 1956 has obtained the approval of its Shareholders for transfer of movable assets of Regional Load Despatch Centres (RLDCs) and National Load Despatch Centre (NLDC) to the Company. The book value of movable assets is approx. ₹184.78crore and the transfer will be made on updated book value of the assets to be transferred as on the date of transfer. Presently, the finalization of agreements for transfer is in process. The transfer agreements would be executed on receipt of notification under Section 27(2) of the Electricity Act, 2003.

POWERGRID has identified employees of System Operation Department, NLDC and RLDCs for transfer to POSOCO on Secondment basis.

POWERGRID, on behalf of the Company, filed a Petition for approval of NLDC and RLDCs Fees and Charges with Central Electricity Regulatory Commission (CERC) under CERC (fees & charges of and other related matters) Regulation, 2009 and approvals / orders are awaited.

Directors

In terms of Article 39(b) of the Articles of Association of the Company, Shri S. K. Chaturvedi, CMD, POWERGRID, Shri J. Sridharan, Director (Finance), POWERGRID, Shri S. Majumdar, Former Director (Projects), POWERGRID were the first Directors of the Company. POWERGRID, in terms of Article 49(a) (v) of the Articles of Association of the Company nominated one of its Independent Director Shri F. A. Vandrevale as a Director on the Board of Directors with effect from 29th June, 2009 as an Additional Director. On completion of his tenure as Independent Director of POWERGRID, in terms of Presidential Order communicated by Ministry of Power, Government of India vide letter No.1/38/96-PG dated 10th July, 2007, Shri F.A. Vandrevale tendered his resignation from the Directorship of the Company w.e.f. 10th July, 2010. Further, on superannuation of Shri S. Majumdar from POWERGRID, he ceased to be the Director of the Company w.e.f. 31st August, 2009 and Shri R.N. Nayak, Director (Operations), POWERGRID was appointed as Additional Director of the Company w.e.f. 29th September, 2009.

Auditors' Report

The Auditors Report to the shareholders does not contain any qualifications. Further, "Nil" comments have been received from the Comptroller and Auditor General of India under Section 619(4) of the Companies Act 1956.

Auditors

M/s Vijay Sehgal & Co. Chartered Accountants, 100, 3rd Floor, New Rajdhani Enclave, Preet Vihar, Delhi were appointed by C&AG as Statutory Auditors of the Company for the first Financial Year of the period from 20th March, 2009 to 31st March, 2010.

Directors' Responsibility Statement

Pursuant to the requirements under Section 217(2A) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed:



पावरग्रिड

- i) That in the preparation of the annual accounts for the first Financial Year of the period from 20th March,2009 to 31st March,2010 the applicable accounting standards had been followed;
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year and of the profit or loss of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared accounts for the first Financial Year of the period from 20th March,2009 to 31st March, 2010 on a going concern basis.

Particulars of Employees

As on 31st March,2010, the company had no employee. Accordingly, Section 217(2A) of Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not applicable.

Conservation of Energy, Technology Absorption, Foreign Exchange Earning & Outgo

As on 31st March, 2010, the Company had not carried out any commercial activity, accordingly particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable to the Company.

Acknowledgement

The Board extends its sincere thanks to POWERGRID.

For and on behalf of
Power System Operation Corporation Limited

Sd/-

(S.K. Chaturvedi)

Chairman

Date: 6th August, 2010.

Place: New Delhi.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF POWER SYSTEM OPERATION CORPORATION LIMITED, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2010

The preparation of financial statements of Power System Operation Corporation Limited, New Delhi, for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 25 May 2010.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Power System Operation Corporation Limited, New Delhi, for the year ended 31 March 2010 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-
(M. K. Biswas)

Principal Director of Commercial Audit &
Ex-officio Member Audit Board - III,
New Delhi

Place: New Delhi
Dated: 17th June, 2010



POWER SYSTEM OPERATION CORPORATION LIMITED
BALANCE SHEET AS AT 31st MARCH, 2010

(Amount in ₹)

	Schedule	As at 31st March, 2010
SOURCES OF FUNDS		
1. Shareholders` Funds		
Share Capital	1	500,000
TOTAL		500,000
APPLICATION OF FUNDS		
2. Current Assets, Loans and Advances		
Current Assets		
Cash & Bank Balances	2	500,000
Less : Current Liabilities & Provisions		
Current Liabilities	3	12,802,159
Net Current Assets		(12,302,159)
3. Debit Balance in Profit & Loss Account		
		12,802,159
TOTAL		500,000
Significant Accounting Policies and Notes forming part of Accounts	5	

(Schedule 1 to 5 form integral part of Accounts)

This is the Balance Sheet referred
to in our report of even date
For **Vijay Sehgal & Co.**
Chartered Accountants
Reg. No. 000374N

(CA S.V. Sehgal)
Partner

Membership No. 080329

For and on behalf of Board of Directors

(S.K. Chaturvedi)
Chairman

(J. Sridharan)
Director

Place : New Delhi
Date : 25th May, 2010

PROFIT & LOSS ACCOUNT
FOR THE PERIOD FROM 20.03.2009 (Date of Incorporation) TO 31st MARCH, 2010

(Amount in ₹)

	Schedule	For the Period ended 31.03.2010
INCOME		-
TOTAL		-
EXPENSES		
Preliminary Expenses		12,708,634
Preoperative Expenses		59,830
Administrative Expenses	4	6,120
Statutory Audit Fee		27,575
TOTAL		12,802,159
(Loss) for the Period before tax		(12,802,159)
Provision for Tax		
(Loss) after Tax		(12,802,159)
Carried forward as Debit Balance in the Profit & Loss A/c in the Balance Sheet		

Earning/ (Loss) Per Share - Basic & Diluted **(256)**

(Face Value of ₹ 10/- per share)

Significant Accounting Policies and Notes 5
forming part of Accounts

(Schedule 1 to 5 form integral part of Accounts)

This is the Profit & Loss Account referred

to in our report of even date

For **Vijay Sehgal & Co.**

Chartered Accountants

Reg. No. 000374N

(CA S.V. Sehgal)

Partner

Membership No. 080329

For and on behalf of Board of Directors

(S.K. Chaturvedi)

Chairman

(J. Sridharan)

Director

Place : New Delhi

Date : 25th May, 2010



POWER SYSTEM OPERATION CORPORATION LIMITED
Schedules - Forming part of Accounts

(Amount in ₹)

As at
31st March, 2010

SCHEDULE '1'

SHARE CAPITAL

Authorised

200,000,000 equity shares of ₹ 10/- each 2,000,000,000

Issued, Subscribed & Paid-up

50,000 equity shares of ₹ 10/- each fully paid up in cash 500,000

(Amount in ₹)

As at
31st March, 2010

SCHEDULE '2'

Cash & Bank Balances

Cash in Hand -

Balance with Scheduled Bank-
in Current Account 500,000

500,000

(Amount in ₹)

As at
31st March, 2010

SCHEDULE '3'

Current Liabilities

a. Payable to Holding Company 12,773,564

b. Statutory Audit Fees Payable 27,575

c. Other Current Liabilities 1,020

12,802,159

12,802,159

(Amount in ₹)

For the Period
ended on
31st March, 2010

SCHEDULE '4'

ADMINISTRATIVE EXPENSES

Filing Fee

6,120

6,120

SCHEDULES - FORMING PART OF ACCOUNTS

SCHEDULE '5'

A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956, including accounting standards notified there-under.

2. Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

3. Provisions and Contingent Liabilities

A provision is recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. However claims by/ against the Company on any account are provided in the accounts on receipts/ acceptances. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

4. Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements', issued by the Institute of Chartered Accountants of India.

5. Earning Per Share

In accordance with Accounting Standard-20 (AS-20), "Earning per Share", issued by the Institute of Chartered Accountants of India, Basic & Diluted Earning per Share is computed using the weighted average number of Equity shares during the period.

6. Deferred Tax Assets/ Liabilities

Deferred tax assets & liabilities are measured using the current tax rates. When there is unabsorbed depreciation or carry forward of losses, Deferred Tax Assets are recognized to the extent there is a virtual certainty of realization of Deferred Tax Asset. Other Deferred Tax Assets are recognized to the extent, there is a reasonable certainty of realization of deferred tax asset. Such deferred tax assets and other unrecognized deferred tax assets are re-assessed at each Balance Sheet date and the carrying value of the same are adjusted, recognizing the change in the value of each such deferred tax asset.

7. Other Significant Policies

Other Significant policies will be framed, in coming years, as and when the need arises.

B) NOTES FORMING PART OF THE ACCOUNTS

1. The company was incorporated on 20th March, 2009 as a wholly owned subsidiary of Power Grid Corporation of India Ltd., a Government of India Enterprise to take over the business of system operations presently being carried out by the holding company. Hence accounts for the financial year are prepared for the period from 20th March, 2009 to 31st March, 2010, as per decision taken by the Board of Directors of the Company in their first Board Meeting and accordingly comparative figures for previous year can not be furnished.
2. a) The certificate of commencement of business was granted to the company on 23rd March, 2010.
b) Assets identified by the Holding Company, having Gross Block Value of ₹ 269.98 Crore as at 31st March, 2010, shall be transferred to the Company w.e.f., 01st April, 2010 after completing legal formalities.
3. The Company is governed by the Electricity Act, 2003 and that the said Act read with rules framed there-under have prevailed wherever the same were inconsistent with the Companies Act, 1956.



पावरग्रिड

4. In view of book & taxable losses, no provision for Income Tax has been made.
5. Deferred tax Assets (DTA) has not been recognised as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.
6. Related Party Disclosures

I. As per the Accounting Standard on 'Related Party Disclosure' (AS-18) issued by the Institute of Chartered Accountants of India, the related parties are as follows:

Holding Company

The Company is a 100% subsidiary of Power Grid Corporation of India Ltd. (POWERGRID).

Key Management Personnel

- Mr. S.K. Chaturvedi - Chairman
 Mr. J. Sridharan - Director
 Mr. S. Majumdar - Director (till 31.08.2009)
 Mr. F.A. Vandrevala - Director (w.e.f., 29.06.2009)
 Mr. R.N. Nayak - Director (w.e.f.. 29.09.2009)

II. The nature and volume of transactions during the period with the related parties were as follows:

(Amount in ₹)

Transaction during the period	Holding Company	Key Management Personnel
1) Outstanding Balances		
As Payable	12773564	NIL
2) Transaction during the period		
Preliminary & Preoperative Expenses incurred by Powergrid on behalf of the company.	12773564	NIL
Managerial Remuneration	NIL	NIL
3) Liabilities		
Share capital Allotted	4,99,940 (*)	NIL

(*) excludes 6 equity shares of ₹ 10/- each allotted to the officials of the holding company.

7. There are no Micro and Small Enterprise, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
8. Earning/ (Loss) per Share

Net (Loss) after Tax used as numerator (Rupees)	(128,02,159)
Weighted average number of equity shares used as denominator	50,000
Earnings/ (Loss) per shares (Basic and Diluted) (Rupees)	(256)
Face value per share (Rupees)	10/-
9. There are no contingent liabilities.
10. All figures have been rounded off to the nearest rupee.

As per our Report of even date

For and on behalf of Board of Directors

For **Vijay Sehgal & Co.**
 Chartered Accountants
 Reg. No. 000374N

(CA S.V. Sehgal)
 Partner

Membership No. 080329

(S.K. Chaturvedi)
 Chairman

(J. Sridharan)
 Director

Place : New Delhi

Date : 25th May, 2010

**POWER SYSTEM OPERATION CORPORATION LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No. U40105DL2009GOI188682

State Code : 055

Balance Sheet Date	31	3	10
	DATE	MONTH	YEAR

II. Capital Raised during the year (Amount in ₹ Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	500

III. Position of Mobilization and Deployment of funds
(Amount in ₹ Thousands)

Total Liabilities	13,302	Total Assets	13,302
Sources of Funds			
Paid-up Capital	500	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	NIL	Investment	NIL
Net Current Assets	(12,302)	Misc. Expenditure	0
Accumulated Losses	12,802		

IV. Performance of Company
(Amount in ₹ Thousands)

Turnover	-	Total Expenditure	12,802
Profit/Loss before Tax	(12,802)	Profit/Loss after Tax	(12,802)
Earning per Share in ₹	(256)	Dividend Rate %	NIL

V. Generic Name of three principal Product/Services of Company
(As per monetary norms)

Item Code No. N.A.
(ITC) Code

Product Description Operations of National Load Dispatch Centre (NLDC) and
Regional Load Dispatch Centres (RLDCs).

For and on behalf of Board of Directors

**(S.K. Chaturvedi)
Chairman**

**(J. Sridharan)
Director**

Place : New Delhi
Date : 25th May, 2010.

AUDITORS' REPORT

To the Members of

Power System Operation Corporation Limited, New Delhi.

1. We have audited the attached Balance Sheet of M/s. Power System Operation Corporation Limited as at 31st March, 2010 and Profit & Loss Accounts and also the cash flow statement for period from 20th March, 2009 (Date of Incorporation) to 31st March, 2010, annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Company is governed by the Electricity Act, 2003. The provisions of the said Act read with the rules there under have prevailed wherever the same have been inconsistent with the provisions of the Companies Act, 1956.
4. As required by the Companies (Auditor's Report) Order, 2003, read with Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. Further to our comments in the Annexure referred to in paragraph (04) above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, subject to our observations in paragraph 3 above, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) Being a Government company & in view of Notification No. GSR 829(E) issued by the Government of India, provisions of clause (g) of sub section (1) of section 274 of the Companies Act, 1956 pertaining to disqualification of Directors, is not applicable to a Government Company; and
 - (f) In our opinion and to the best of our knowledge according to information and explanations given to us, the said Accounts read with Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010;
 - ii. in the case of the Profit and Loss Account, of the Loss for the period from 20th March, 2009 (Date of Incorporation) to 31 st March, 2010; and
 - iii. in the case of the Cash Flow Statement, of the Cash Flows for the period ended on 31st March, 2010.

For **VIJAY SEHGAL & CO.**
Chartered Accountants
Reg. No. : 000374N

(CA. S. V. SEHGAL)
Partner
Membership No. 080329

Place : New Delhi
Dated : 25th May, 2010

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in Auditor's report of even date on the accounts of Power System Operation Corporation Limited for the Period ended 31st March,2010 [Referred to in Paragraph (04) of our Report of even date]

1. The Company did not acquire any Fixed Assets, till period end and hence provisions of Clauses (i)(a), (i) (b) & (i)(c) of Paragraph 4 of the Order, are not applicable to the Company.
2. The Company did not have any inventory till period end and hence provisions of Clauses (ii)(a), (ii)(b) & (ii)(c) of Paragraph 4 of the Order are not applicable to the Company.
3. a) The Company has neither granted nor taken any loan, secured on unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
b) In view of clause (iii) (a) above, provisions of Clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) & (iii)(g) of the Paragraph 4 of the Order, are not applicable to the Company.
4. Since there are no Fixed Assets & Inventory and Company has not commenced commercial activity, provision of clause (iv) of the Paragraph 4 of the Order is not applicable to the Company.
5. a. According to the information & explanation given to us, during the period under Audit, there have been no particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, which needs to be entered in the register required to be maintained under that section.
b. In view of the clause 5(a) above, the provision of clause (v)(b) of the Paragraph 4 of the Order is not applicable to the Company.
6. The Company has not accepted any deposit, during the year, under the provisions of section 58A & 58AA of the Companies Act, 1956 and the Rules framed there-under.
7. According to the information and explanations given to us, the company did not have an internal audit system in place during the period under audit.
8. Cost accounting records are prescribed to be maintained under Section 209(1)(d) of the Companies Act, 1956. However, cost accounts have not been prepared, since there is no commercial activity during the period.
9. a. According to the information & explanation given to us, as commercial activity was not commenced during the period and no employee was there on the rolls of the Company and no statutory due including that of Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess or any other statutory dues, was required to be deposited by the company with appropriate authorities.
b. Due to reason given in above sub-clause (ix)(a), there was no question of not depositing any dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess or other statutory due, on account of any dispute.
10. As this is the very first financial year of the Company, hence clause (x) of the Paragraph 4 of the Order is not applicable to the Company.
11. Since, the company did not resort to any borrowing, hence clause (xi) of the Paragraph 4 of the Order is not applicable to the Company.
12. According to the information and explanations given to us, the company has not granted any loans and advances and hence there is no question of granting any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore the provision of clause (xiii) of the Paragraph 4 of the Order is not applicable to the Company.
14. The Company has not dealt or traded in shares, securities, debentures and other investments during the period.
15. According to the information and explanations given to us, the Company has not given any guarantee during the period, for loans taken by others from bank or financial institutions.



पावरविड

16. As per the information and explanations given to us, no term loans were raised by the company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have not been used for long-term investment.
18. The Company has only allotted shares to its holding Company and other nominees, at par, who were subscribers to Memorandum of Association and accordingly there was no question of making preferential allotment of equity shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not issue any debenture and hence there is no question of creation of any Security or Charge.
20. The Company has not raised any money by public issue during the period.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the period.

For **VIJAY SEHGAL & CO.**
Chartered Accountants
Reg. No. : 000374N

(CA. S. V. SEHGAL)
Partner

Membership No. 080329

Place : New Delhi
Dated : 25th May, 2010

CASH FLOW STATEMENT FOR THE PERIOD FROM 20.03.2009 TO 31.03.2010

(Amount in ₹)

PARTICULARS	For the period ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net (Loss) Before & After Tax	(12,802,159)
Adjustments for :	Nil
(Loss) before Working Capital Changes	(12,802,159)
Adjustments for :	
Add : Increase in Current Liabilities	12,802,159
Net Cash from Operating Activities	-
B. CASH FLOW FROM INVESTING ACTIVITIES	
	-
C. CASH FLOW FROM FINANCING ACTIVITIES	
Issue of Equity Shares to subscribers	500,000
Net Cash from Financing Activities	500,000
D. Net Change in Cash and Cash Equivalents (A+B+C)	500,000
E. Cash and Cash Equivalents (Opening Balance)	-
F. Cash and Cash Equivalents (Closing Balance)	500,000

For **Vijay Sehgal & Co.**
Chartered Accountants
Reg. No. 000374N

(CA S.V. Sehgal)
Partner
Membership No. 080329

For and on behalf of Board of Directors

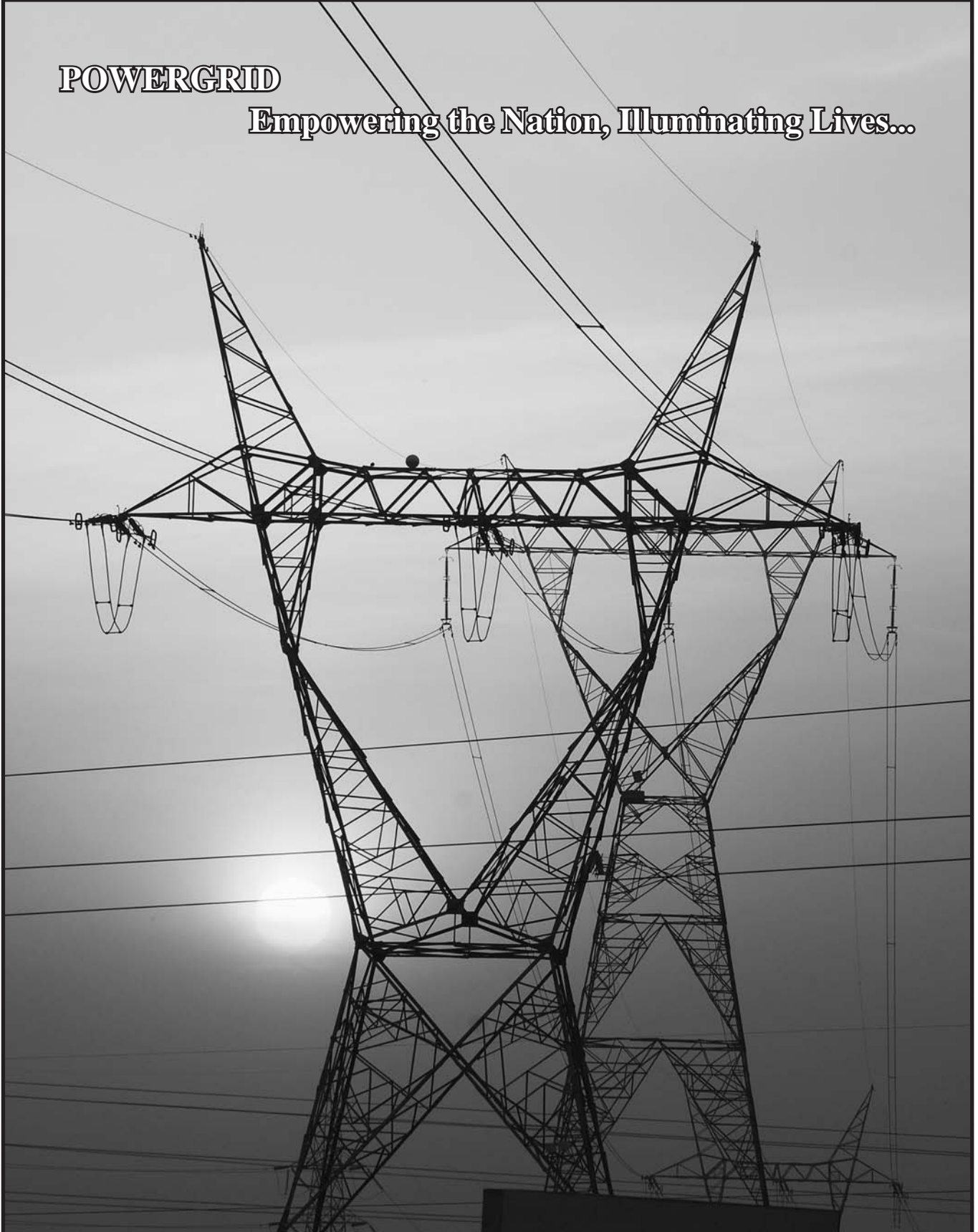
(S.K. Chaturvedi)
Chairman

(J. Sridharan)
Director

Place : New Delhi
Date : 25th May, 2010

POWERGRID

Empowering the Nation, Illuminating Lives...



Tomorrow will witness the spread
of a new glow

We are committed to
take power to India's
remotest doorsteps.

In a country of diverse terrain, it is not simply enough to generate power. What is equally important is to reach power to every nook and corner of India through a robust and widespread network of transmission lines. POWERGRID is spearheading this spread of energy for all-round economic growth. That's the power of POWERGRID!



Meet one of the world's largest and best managed power transmission utilities

*P*ower of being
Central Transmission
Utility (CTU)
of the country.

*O*ne of the Largest &
Best Managed
Transmission Utilities
in the world.

*W*heels 50%
of the Power
Generated
in India.

*E*nvironmental social
policy & procedures
for sustainable
growth.

*R*ole in GOI's
nation building
schemes APDRP
and RGGVY.

*G*rowth in inter region
power transmission.

*R*obust Network of
78,000 ckm lines.

*I*ncredible Transmission System
Availability of over 99.77%

*D*iversification in
Telecom Sector.



POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)

पावरग्रिड "Saudamini", Plot-2, Sector-29, Gurgaon, Haryana-122 001 (India)

www.powergridindia.com



पावरग्रिड

POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)

Registered Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016, INDIA
Ph: 91-11-26560112, 26564892 Fax: 91-11-26601081

Corporate Office : 'Saudamini', Plot No. 2, Sector 29, Gurgaon (Haryana) - 122 001, INDIA
Ph: 91-124-2571700-719 Fax: 91-124-2571760, 2571848

www.powergridindia.com