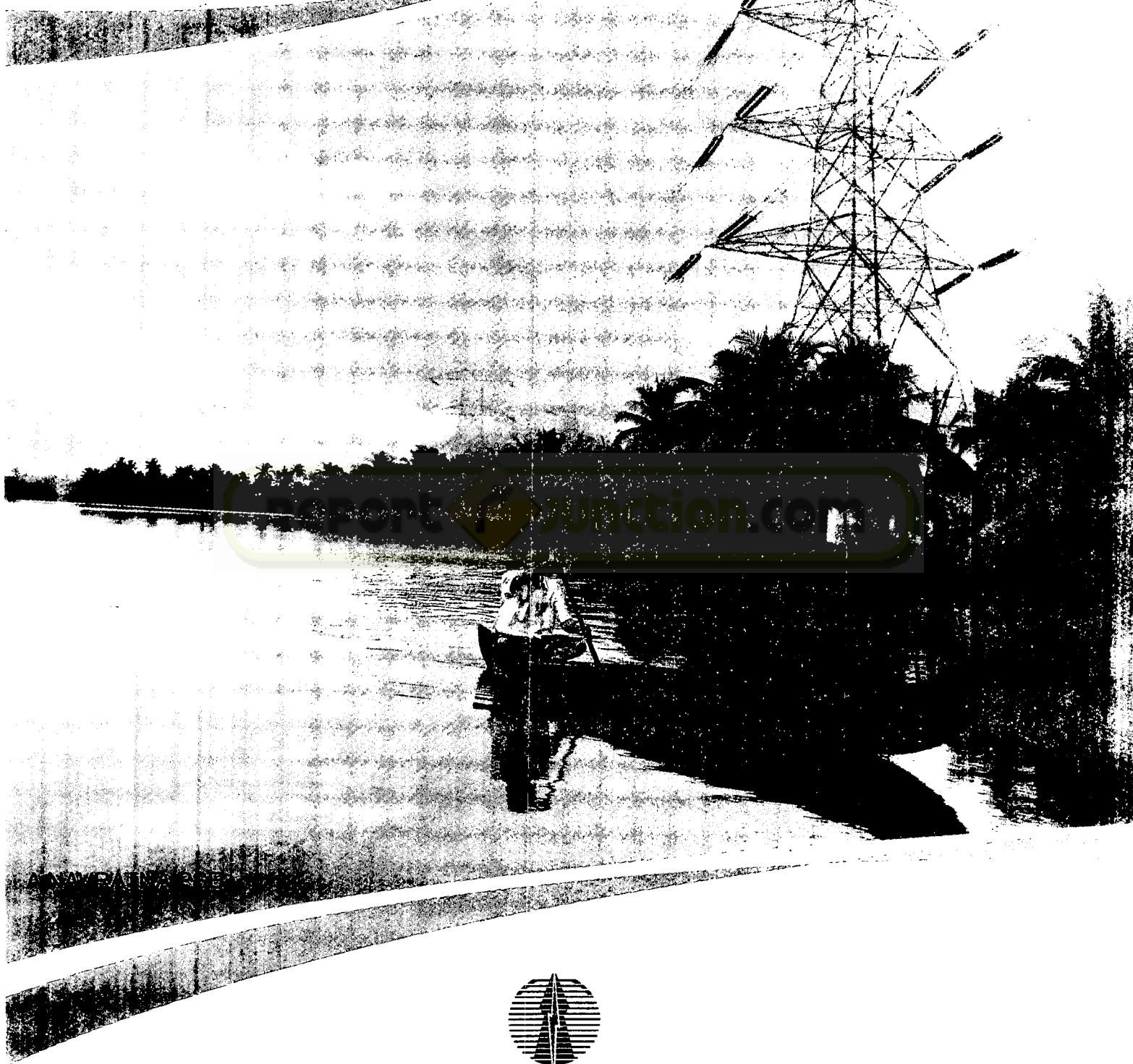


ANNUAL REPORT 2007-08



पावरग्रिड

POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)



Mission

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.

99

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 Governments;
 - (iv) Generating Companies;
 - (v) Regional Electricity Boards;
 - (vi) Authority;
 - (vii) 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 and operate all Regional Load Despatch Centres and Communication facilities.
- To facilitate private sector participation in 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 to mobilise additional resources to establish much needed National Grid.

- Established Broadband Telecom Network of 20,000 kms connecting over 100 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.
Delhi, Mumbai, Chennai, Kolkata,
Jammu, Jalandhar, Shimla, Guwahati, Shillong, Imphal, Kohima, Hyderabad, Bangalore, Cochin, Ahmedabad, Indore etc.
- 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)

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**ANNUAL REPORT 2007-08****REFERENCE INFORMATION****Registered Office**

B-9, Qutab, Institutional Area,
Katwaria Sarai, New Delhi - 110 016

Corporate Office

"Saudamini", Plot No. 2, Sector 29,
Gurgaon - 122 001 (Haryana)

Registrar & Share Transfeer 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

Company Secretary

Ms. Divya Tandon

Auditors

A. R. & Co.
S R I Associates
Umamaheswara Rao & Co.

Bankers

Indian Overseas Bank
ICICI Bank
Union Bank of India
Bank of Baroda
State Bank of Hyderabad
State Bank of India
State Bank of Patiala
Corporation Bank
Canara Bank
Dena Bank
Punjab National Bank
Indian Bank
J & K Bank
IDBI Bank
HDFC Bank
Allahabad Bank
Bank of India

Shares Listed at

National Stock Exchange of India Limited
Bombay Stock Exchange Limited

Depositories

National Securities Depository Limited
Central Depository Service (India) Limited

DIRECTORS' PROFILE

SHRI S. K. CHATURVEDI

Chairman & Managing Director



Shri S. K. Chaturvedi, aged 57 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 S. MAJUMDAR

Director (Projects)



Shri S. Majumdar, aged 59 years, is the Director (Projects) of our Company. He graduated with a Bachelor in Engineering degree from Calcutta University. He has 37 years of diverse work experience in the fields of corporate planning, distribution management services and contract services and materials. Prior to joining our Company in January 1991, he has worked in organisations such as National Thermal Power Corporation Limited, Damodar Valley Corporation, Calcutta Telephones, and Indo-German Prototype Development Training Centre. He was appointed as a Director on our Board in September 2005. He also held additional charge of Chairman & Managing Director of POWERGRID from 30.05.2008 to 31.07.2008.

SHRI J. SRIDHARAN

Director (Finance)



Shri J. Sridharan, aged 57 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 33 years of work experience primarily in the field of financial management. Prior to joining our Company in 2000, he has worked in organisations such as Airport Authority of India and Bharat Heavy Electricals Limited. He was appointed as a Director on our Board in December, 2005.

SHRI G. B. PRADHAN

Govt. Nominee Director



Shri G. B. Pradhan, aged 55 years, is a government nominee Director of our Company. He graduated with a Master of Arts degree in History from Delhi University, master of Public Administration degree from the School of Public Administration, Carleton University, Ottawa and a master in military science degree from National Defence College, New Delhi and is an officer in the Indian Administrative Services since 1977. He is currently Additional Secretary in the MoP. He was appointed as a Director on our Board in November, 2003.



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SHRI RAJESH VERMA

Govt. Nominee Director



Shri Rajesh Verma, aged 43 years, is a government nominee Director of our Company. He holds a bachelor's degree in Technology (Electrical Engineering) from the Indian Institute of Technology, Delhi. He has been a part of the IAS since 1987 and is presently Joint Secretary and Financial Advisor to the MoP. He has also held the post of Director (Hydro) in the

MoP where he was responsible for ensuring planning and investment approval of hydro-electric power projects in the Central Sector and formulation of policies for providing impetus to the development of hydro sector in the country. He has also served as the Joint Secretary, Department of Industries, Orissa, Executive Director of the Rajasthan Industrial and Investment Corporation and Managing Director of the Orissa Industrial Infrastructure Development Corporation. He was honoured by the Government of Rajasthan with the State Award for excellent performance in the field of public service. He is also holding the additional charge of Joint Secretary and Financial Advisor to the Ministry of Labour and Employment. He was appointed as a Director on our Board in August, 2007.

DR. P. K. SHETTY

Independent Director



Dr. P. K. Shetty, aged 46 years, is an Independent Director of our Company. He graduated with a Master of Science degree from University of Agricultural Science, Dharwad, Karnataka and also holds a PhD from the Indian Agricultural Research Institute, New Delhi. He was the Head of the Environmental Studies Unit and also served as the Dean (Administration) at the National Institute of Advanced Studies, Bangalore. He is currently the Professor and Dean (School of Natural Sciences and Engineering) at National Institute of Advanced Studies, Bangalore; Director, Advanced Research Institute, Bangalore and is also the Honorary Chairman, MEDT Group of Institutions, Bangalore. He was appointed as a Director on our Board in July, 2007.

the National Institute of Advanced Studies, Bangalore. He is currently the Professor and Dean (School of Natural Sciences and Engineering) at National Institute of Advanced Studies, Bangalore; Director, Advanced Research Institute, Bangalore and is also the Honorary Chairman, MEDT Group of Institutions, Bangalore. He was appointed as a Director on our Board in July, 2007.

DR. A. S. NARAG

Independent Director



Dr. A. S. Narag, aged 62 years, is an Independent Director of our Company. He graduated with a Master of Science degree and PhD from Delhi University and also holds an ITP Certificate from Graduate School of Business Administration, Harvard University. He has served as the Dean, Faculty of Management Studies, University of Delhi and has

held various important positions in the University of Delhi. He is currently a professor at the Faculty of Management Studies, University of Delhi. He was appointed as a Director on our Board in July, 2007.

SHRI ANIL K. AGARWAL

Independent Director



Shri Anil K. Agarwal, aged 53 years, is an Independent Director of our Company. He graduated with a Master of Commerce degree from University of Delhi and also holds a Post Graduate Diploma in Business Management from University of Delhi. He has been actively involved in Industry Associations, for development of International Trade and Investments

and was the President of the Associated Chambers of Commerce and Industry of India (the 'ASSOCHAM'). He is currently the Chairman of the International Affairs of the ASSOCHAM and a Council Member of the Institute of Chartered Accountants of India. He was appointed as a Director on our Board in July, 2007.

SHRI F. A. VANDREVALA

Independent Director



Shri F. A. Vandrevalla, aged 57 years, is an Independent Director of our Company. He graduated with a Bachelor of Technology degree in Electrical Engineering from Indian Institute of Technology, Kharagpur and also holds a Post Graduate Diploma in Business Management from Xavier's Labour Relations Institute, Jamshedpur. He has over

34 years of work experience primarily in the field of Steel, Power and Telecom. He is currently the Chairman and Managing Director of Hirco Developments Private Limited. He was appointed as a Director on our Board in July, 2007.

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

Shri S. C. Tripathi, aged 62 years, is an Independent Director of our Company. He holds a master's 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.

SMT. SARITA PRASAD**Independent Director**

Smt. Sarita Prasad (61) 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 ASHOK KHANNA**Independent Director**

Shri Ashok Khanna, aged 60 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.

SHRI S. NANDKEOLYAR**Chief Vigilance Officer**

Shri S. Nandkeolyar, aged 51 years, belongs to the Indian Audit & Accounts Service (1982). During his service career he has had wide experience in the fields of Audit & Financial management, besides serving with distinction with Govt. of India as Under Secretary, Dy. Secretary and Director in Cabinet Secretariat and DOP&T. He has also

conducted audit of Indian Embassies abroad and the United Nations. He has been appointed as Chief Vigilance Officer of POWERGRID on July, 2005.



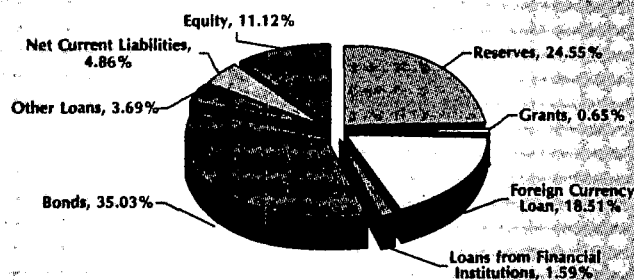
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LIST OF EXECUTIVE DIRECTORS (BELOW BOARD LEVEL) AND REGIONAL / RLDC HEADS

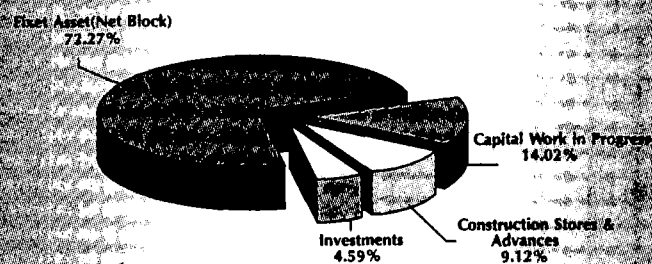
Sl	Name (S/Shri)	Designation
1	R.G. Yadav	ED (OS), CC
2	Umesh Chandra	ED (Commercial), CC
3	V.K. Prasher	ED (LD&C), CC
4	R.N. Nayak	ED (Engg & QA&I), CC
5	I.C. Jaiswal	ED (CP & ESMD), CC
6	V.M. Kaul	ED (PI & BDD), CC
7	Ganesh Singh	ED (DMS-Proj), CC
8	S.K. Soonee	ED (SO), CC
9	V. Mittal	ED (NLDC), CC
10	I.S. Jha	ED (CMG), CC
11	T.S.P. Rao	ED (Law), CC
12	Ravi P. Singh	ED (HR & Corp. Comm.), CC
13	R.P. Sasmal	ED (HVDC & DMS Engg), CC
14	R.T. Agarwal	ED (Fin), CC
15	Sachidanand Singh	ED (CS), CC
16	D. Chowdhury	ED (ER-II)
17	P.C. Pankaj	ED (NER)
18	Prabhakar Singh	ED (NR-I)
19	R.K. Vohra	ED (NR-II)
20	Anand Mohan	ED (SR-I)
21	D.G. Sohony	ED (SR-II)
22	D.K. Valecha	ED (WR-I)
23	A.K. Dutta	ED (WR-II)
24	J.P. Singh	GM(I/c) (ER-I)
25	Arun Kumar	GM(I/c) (DMS/ST/RE), ER-I
26	V K Agrawal	GM (NRLDC)
27	Dr L Hari	GM (ERLDC)
28	L K Kanungo	GM (NERLDC)
29	P.R. Raghuram	GM (SRLDC)
30	M.G. Raoot	GM (WRLDC)
On deputation to other Organizations		
1	R.B. Mishra	ED-On deputation to Jaypee POWERGRID
2	Anjan Roy	ED -On deputation to MSETCL

POWERGRID'S PERFORMANCE

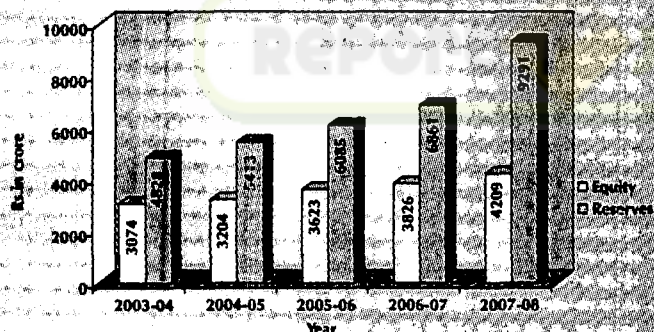
Sources of Funds (%) 2007-08



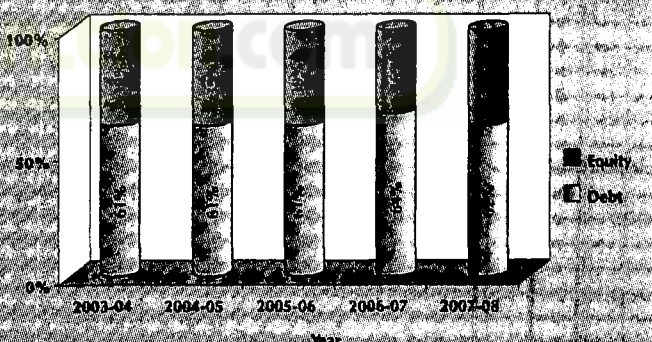
Application of Funds (%) 2007-2008



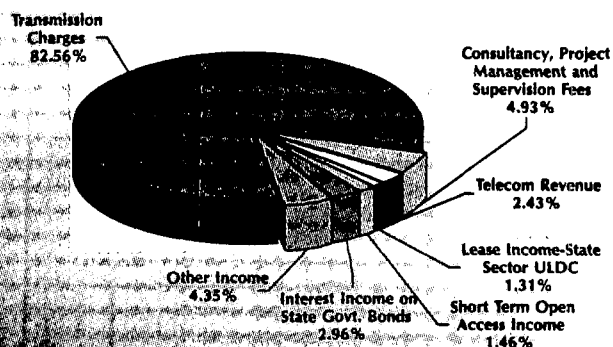
EQUITY AND RESERVES



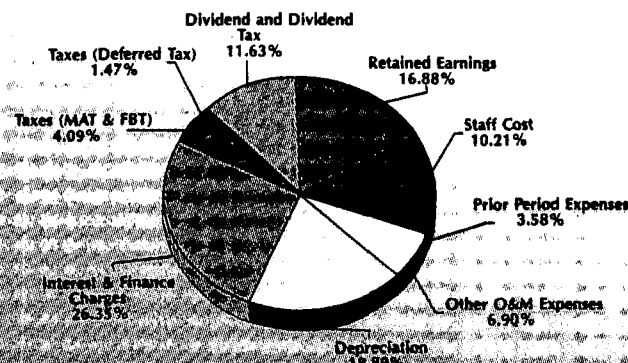
Debt Equity Ratio (%)



INCOME BREAK-UP (%) 2007-08



Distribution of Revenue - 2007-08





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FIVE YEAR SUMMARY

OPERATING RESULTS

(Rs.in crore)

	2007-08	2006-07	2005-06	2004-05	2003-04
(A).EARNED FROM :					
Transmission Charges	4188.52	3248.00	2905.27	2296.83	2190.61
Consultancy & other income	893.01	849.15	649.04	534.45	615.14
Total Earnings	5081.53	4097.15	3554.31	2831.28	2805.75
(B).PAID & PROVIDED FOR :					
Employees Remuneration & Benefits	519.06	338.88	256.81	227.18	235.29
Transmission Expenses	171.55	164.44	92.57	87.18	71.80
Administration Expenses	162.42	142.05	122.36	109.14	111.87
Other Expenses(Including Prior Period Adj.)	189.51	-9.15	80.17	-26.43	43.29
Deferred Revenue Expenditure	5.43	8.19	8.86	9.31	13.85
Provisions	3.83	2.74	132.77	65.58	17.98
Total Expenditure (Excluding Depreciation & Interest)	1051.80	647.15	693.54	471.96	494.08
Profit before Depreciation & Interest	4029.73	3450.00	2860.77	2359.32	2311.67
Depreciation	959.65	827.58	744.33	642.26	606.42
Interest & Finance Charges	1339.55	1140.42	947.45	808.69	990.96
Net Profit after Interest & Depreciation but before Tax	1730.53	1482.00	1168.99	908.37	714.29
Provision for tax (MAT)	197.11	134.09	83.16	64.81	16.64
Fringe Benefit Tax	10.50	8.72	7.74		
Net Profit after MAT and FBT	1522.92	1339.19	1078.09	843.56	697.65
Deferred Tax	74.45	109.82	69.16	58.04	-50.55
Profit after Deferred Tax	1448.47	1229.37	1008.93	785.52	748.20
Dividend	505.08	368.82	302.68	184.00	125.00