



पावरग्रिड

ANNUAL REPORT 2010-2011



Transmitting the Rhythm of Progress

www.powergridindia.com

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” to:

- Undertake transmission of electric power 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 Power Committees;
 - vi. Authority;
 - vii. Licensees;
 - viii. Any other person notified by the Central Government in this behalf.
- To ensure development of an efficient, co-ordinated and economical system of inter-State transmission lines for smooth flow of electricity from generating stations to the load centres.
- Efficient Operation and Maintenance of Transmission systems.
- Restoring power in quickest possible time in the event of any natural disasters like super cyclone, flood etc. through deployment of Emergency Restoration Systems.
- Provide consultancy services at national and international level in transmission sector based on the in-house expertise developed by the organisation.
- Participate in long distance telecommunication business ventures.
- Ensure principles of Reliability, Security and Economy matched with the rising/desirable expectation of a cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

Values

- ❖ Zeal to excel and zest for change
- ❖ Integrity and fairness in all matters
- ❖ Respect for dignity and potential of individuals
- ❖ Strict adherence to commitments
- ❖ Ensure speed of response
- ❖ Foster learning, creativity and team-work
- ❖ Loyalty and pride in POWERGRID

Powertel

Diversified into telecommunication to mobilise 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 Second Annual General Meeting of the Members of Power Grid Corporation of India Limited will be held on **Monday, the 19th September, 2011 at 11.00 a.m. at “NDMC Talkatora Indoor Stadium, Talkatora Garden, Park Street, New Delhi - 110 001”** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 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 2010-11.
3. To appoint a Director in place of Shri V. M. Kaul, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Rakesh Jain, who retires by rotation and being eligible, offers himself for re-appointment.
5. To fix the remuneration of the Auditors for the Financial Year 2011-12.

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: 04.08.2011

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 **11.00 a.m. on Saturday, the 17th September, 2011**. 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 V. M. Kaul and Shri Rakesh Jain, 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 those director(s) who have been appointed since the last Annual General Meeting, is also annexed. The tenure of Shri V. M. Kaul is up to 31st March, 2012 and the tenure of Shri Rakesh Jain is as per terms of his appointment by the Government of India.
3. None of the Directors of the Company is 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 8th September, 2011 to 19th September, 2011 (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 7th October, 2011.
7. The Board of directors in its meeting held on 8th February, 2011 had declared an interim dividend @ 5% on the paid-up equity share capital of the Company which was paid on 24th February, 2011. 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 @ 12.50% on the paid-up equity share capital of the Company at its meeting held on 24th May, 2011. The dividend, if declared at the Annual General Meeting will be paid on 7th October, 2011 to those Members, whose names appear on the Register of Members of the Company as on 19th September, 2011 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 or before 7th September, 2011 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) 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 2011-12 are to be appointed by the Comptroller & Auditor General of India (C&AG). 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 2011-12, 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 ₹32.40 lakhs plus applicable taxes for the Statutory Audit and supplementary report under Section 619(3) of the Companies Act, 1956; in addition, ₹2.25 lakhs plus applicable taxes for Statutory Audit of Consolidated Financial Statement as per the requirement of AS-21 & AS-27; and reimbursement of actual travelling and out of pocket expenses, to the three Joint Statutory Auditors for the Financial Year 2010-11.
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 Friday, the 16th September, 2011.
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 Agents 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 2011-12 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, subdivision, 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, Bank details, etc.:
 - (i) to their Depository Participants (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.

18. Important Communication to Members:-

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the Form and hand over the same along with Attendance Form at the Registration Counter of venue of Annual General Meeting for registration of Email address for receiving notice/documents including Annual Report to participate in "Green Initiative" to affirm commitment towards future generations.

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

Directors seeking re-election at the 22nd AGM:

| Name | Shri V. M. Kaul | Shri Rakesh Jain |
|--|---|--|
| Date of Birth and Age | 18 th March, 1952 / 59 years | 18 th August, 1957/54 years |
| Date of Appointment | 16 th March, 2009 | 9 th June, 2009 |
| Qualification | Bachelor of Mechanical Engineering, IIT, Delhi. MBA, IGNOU. | Masters Degree in Physics, Delhi University. |
| Expertise in specific functional area | Shri V. M. Kaul has over 37 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. | Shri Rakesh Jain, is an officer of Indian Audit & Accounts Service (1981). He is currently Joint Secretary and Financial Adviser (JS&FA) in the Ministry of Power. Before joining Ministry of Power, Shri Jain 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. |
| Directorship held in other Companies (Part-time) | 1. Nuclear Power Corporation of India Limited. 2. Powerlinks Transmission Limited. | 1. NTPC Limited. 2. NHPC Limited. |
| Memberships / Chairmanships of Committees in other Companies | Audit Committee – 1. Nuclear Power Corporation of India Limited. 2. Powerlinks Transmission Limited. | Audit Committee – 1. NTPC Limited. 2. NHPC Limited. Shareholders/Investors Grievance Committee - 1. NTPC Limited. |
| No. of Shares held | 7213 | NIL |

Director appointed since last Annual General Meeting held on 24th September, 2010

| | |
|--|---|
| Name | Shri R. T. Agarwal |
| Date of Birth and Age | 12 th August, 1956/55 years |
| Date of Appointment | 29 th July, 2011 |
| Qualification | B.Com., Chartered Accountant |
| Expertise in specific functional area | Shri R. T. Agarwal, has more than 30 years of experience in multifarious Finance & Accounts functions like finalization of Accounts, coordination with Auditors, Taxation, Treasury Functions, Internal Audit, Budgeting, Pay Roll, Concurrence, MIS & Commercial aspects etc both at the Corporate Centre and at Regional Headquarters of POWERGRID. Prior to this, he was Executive Director (Finance) and had played a pivotal role in the successful Follow-on Public Offer of POWERGRID in 2010. Before joining POWERGRID in 1991, he had worked in power major NTPC Ltd. project sites for around 10 years. |
| Directorship held in other Companies | 1. Powerlinks Transmission Limited 2. Power System Operation Corporation Limited 3. Prabati Koldam Transmission Company Limited 4. Energy Efficiency Services Limited |
| Memberships / Chairmanships of Committees in other Companies | Audit Committee 1. Powerlinks Transmission Limited – Member 2. Power System Operation Corporation Limited – Member 3. Prabati Koldam Transmission Company Limited – Chairman 4. Energy Efficiency Services Limited - Member |
| No. of Shares held | 4056 |

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-122 001, Haryana.

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 Second Annual General Meeting** of the Company to be held on **Monday, the 19th September, 2011 at "NDMC Talkatora Indoor Stadium, Talkatora Garden, Park Street, New Delhi - 110 001"** at **11.00 a.m.** and at any adjournment thereof.

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

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| DP ID Nos. | | | | | | | |
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|--------------------|--|--|--|--|--|--|--|
| 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-122 001, Haryana.

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 Second Annual General Meeting** of the Company to be held on **Monday, the 19th September, 2011 at 11.00 a.m** at **"NDMC Talkatora Indoor Stadium, Talkatora Garden, Park Street, New Delhi - 110 001"**.

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| No. of Shares held | | | | | | | |
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(Signature of Member/Proxy)

E-COMMUNICATION REGISTRATION FORM

(In terms of circular no.17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs)

Folio No. / DP ID & Client ID :

Name of 1st Registered Holder :

Name of Joint Holder(s) :

Registered Address :

E-mail ID (to be registered) :

I/we shareholder(s) of Power Grid Corporation of India Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail in your records for sending communication through e-mail.

Signature:.....

(First Holder)

Date:

Note: Shareholder(s) are requested to keep the Company/Registrar and Transfer Agent of the Company informed as and when there is any change in the e-mail address.

