

Power Grid [UPSC Notes]

POWERGRID or the Power Grid Corporation of India Ltd. is a publicly-traded company which is an enterprise of the Government of India. Public Sector Enterprises are important for aspirants preparing for the [IAS Exam](#).

Public Sector Enterprises can be related to Economics and Polity segments of the [UPSC Syllabus](#). In this article, we'll discuss Powergrid in relevance to the UPSC preparation.

What is a Public Sector Enterprise?

The public sector comprises businesses owned and managed by the government whether it is a state, central, or local government. They are engaged in ventures to provide government goods and services to society.

A public sector organization is formed when the government fully finances the firm or when the government has 51% or more of the firm's share capital. The government funds these companies from the collection of revenues such as taxes, fees, duties, etc.

Types of Public Sector Enterprises

Public sector organizations are established in three forms:

1. Departmental undertakings
2. Public corporations/statutory corporations
3. Government company

What is POWERGRID?

- Originated in 1989 under the [Companies Act](#) of 1956, the Power Grid Corporation of India Limited was incorporated as the National Power Transmission Corporation of India limited.
- Its name was changed in 1992 to the Power Grid Corporation of India Limited.
- It was established with an authorized share capital of Rs. 5,000 Crore (subsequently enhanced to Rs. 10,000 Crore in Financial Year (FY) 2007-08).
- Powergrid was incorporated as a public limited company, wholly owned by the Government of India.
- Now, PowerGrid is a Maharatna company.
- The electric utility company is headquartered in Gurugram.
- The CPSEs in India are divided in three major categories:
 - Maharatna
 - Navratna
 - Miniratna (Further categorised in Category 1 & Category 2)
- Powergrid is responsible for the transmission of more than 50% of the total power generated in India through its network.
- Its businesses include power transmission and distribution and energy trading.
 - Its subsidiary company POSOCO (Power System Operation Corporation Ltd.) engages in power management.
 - It also has a telecom business named POWERTEL.

Functions of POWERGRID

When established, POWERGRID was in charge of the administration of Transmission of Power in the country. It included

- Planning the projects
- Executing the projects
- Owning and operating the projects
- Maintaining the projects

Even now the main objective and function of PowerGrid is Transmission of Power (bulk) all over the States in the Country.

UPSC Questions related to POWERGRID

Is Powergrid a PSU?

The Power Grid Corporation of India Limited is a Public Sector Unit (PSU).

Is Power Grid a Maharatna?

The CPSE Power Grid Corporation of India Limited is a Maharatna.