

**POWER GRID CORPORATION OF INDIA LTD. (A Govt. of India Enterprise)**  
**B-9 QUTAB INSTITUTIONAL AREA, KATWARIA SARAI, NEW DELHI-110016.**

**UN-AUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2008**

PARTICULARS	(Rs. in lacs)				
	Quarter ended	Quarter ended	Half Year ended	Half Year ended	Accounting Year ended
	30.09.2008 (Un-Audited)	30.09.2007 (Un-Audited)	30.09.2008 (Un-Audited)	30.09.2007 (Un-Audited)	31.03.2008 (Audited)
<b>1. Revenue from Operations</b>					
Transmission Income - Other than FERV	119791	93962	227441	181204	411792
Transmission Income - FERV <sup>@</sup>	28490		47312		7060
a) Total Transmission Income	<b>148281</b>	<b>93962</b>	<b>274753</b>	<b>181204</b>	<b>418852</b>
b) Consultancy Income	3859	5179	7925	11151	25004
c) Telecom Income	3616	3058	6925	6199	12353
d) Short Term Open Access	1765	1673	2759	3312	7384
e) Lease Income - State Sector ULDC	1248	1249	2490	2569	6654
<b>Total Revenue from Operations</b>	<b>158769</b>	<b>105121</b>	<b>294852</b>	<b>204435</b>	<b>470247</b>
<b>2. Expenditure</b>					
I. a) Staff Cost	12826	9492	27985	20142	51906
b) Other O&M Expenditure (including DRE Written off)	10257	8485	17687	15280	35068
<b>Total Expenditure other than Depreciation</b>	<b>23083</b>	<b>17977</b>	<b>45672</b>	<b>35422</b>	<b>86974</b>
II. Depreciation	27445	22965	53824	45506	95965
<b>Total Expenditure</b>	<b>50528</b>	<b>40942</b>	<b>99496</b>	<b>80928</b>	<b>182939</b>
<b>3. Profit from Operations before Other Income and Interest &amp; Finance Charges</b>	<b>108241</b>	<b>64179</b>	<b>195356</b>	<b>123507</b>	<b>287308</b>
<b>4. Other Income</b>					
a) Interest on Bonds & Long Term Advances	3442	3867	6866	7711	14999
b) Interest from Banks	3032	389	5929	873	7462
c) Dividend	120	538	1955	538	539
d) Provision Written Back				284	839
e) FERV Gain					4296
f) Others	1934	1345	3544	2962	9771
<b>Total Other Income</b>	<b>8528</b>	<b>6139</b>	<b>18294</b>	<b>12368</b>	<b>37906</b>
<b>5. Profit before Interest &amp; Finance Charges</b>	<b>116769</b>	<b>70318</b>	<b>213650</b>	<b>135875</b>	<b>325214</b>
<b>6. (I) Interest &amp; Finance Charges</b>					
a) Interest & Other Charges	37124	28412	71512	58298	119565
b) Rebate to Customers	2232	1278	4592	2503	6764
c) FERV as adjustment in Borrowing Cost <sup>@</sup>	11845	-3555	19200	-23389	7626
(II) FERV above Domestic Borrowing Cost <sup>@</sup>	19039		31335		
<b>Total Interest &amp; Other Charges</b>	<b>70240</b>	<b>26135</b>	<b>126639</b>	<b>37412</b>	<b>133955</b>
<b>7. Profit after interest but Before Tax and Prior Period Adjustments</b>	<b>46529</b>	<b>44183</b>	<b>87011</b>	<b>98463</b>	<b>191259</b>
8. Less : Prior Period Items - FERV			5058		17928
Prior Period Items - Others	749	130	808	160	278
<b>9. Profit before tax</b>	<b>45780</b>	<b>44053</b>	<b>81145</b>	<b>98303</b>	<b>173053</b>
<b>10. Provision for Taxation</b>					
a) Minimum Alternate Tax	4840	4223	8365	10145	19711
b) Fringe Benefit Tax	463	247	714	440	1050
c) Deferred Tax	834	2461	1854	5378	7445
<b>11. Profit after Tax</b>	<b>39643</b>	<b>37122</b>	<b>70212</b>	<b>82340</b>	<b>144847</b>
12. Paid up Equity Share Capital	420884	420884	420884	420884	420884
13. Reserves excluding Revaluation Reserve					9298.53
14.(a) Basic EPS (*) (Rs./Share of Rs 10 each calculated on profit after Tax)	0.9419	0.9650	1.6682	2.1477	3.6019
14.(b) Diluted EPS (*) (Rs./Share of Rs 10 each calculated on profit after Tax)	0.9419	0.9650	1.6682	2.1461	3.6007
15. Public Shareholding					
- Number of shares	573932895	573932895	573932895	573932895	573932895
- Percentage of shareholding	13.64 %	13.64 %	13.64 %	13.64 %	13.64 %
<sup>@</sup> Refer note no. 3 (ii), (iii) and (iv)					
* Quarter and Half Year EPS figures have not been Annualised					

## Segment wise Revenue, Results and Capital Employed

Rs. in lacs

Particulars	Quarter ended 30.09.2008	Quarter ended 30.09.2007	Half Year ended 30.09.2008	Half Year ended 30.09.2007	Year ended 31/03/2008
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
<b>A. Segment Revenue including Other Income</b>					
- Transmission	152740	97978	285444	189538	448030
- Consultancy	3816	5182	8408	11179	25329
- ULDC/RLDC	7056	4991	12353	9829	22408
- Telecom	3756	3153	7078	6338	12584
<b>Total</b>	<b>167368</b>	<b>111304</b>	<b>313283</b>	<b>216884</b>	<b>508351</b>
Less: Inter Segment Revenue	71	44	137	81	198
<b>Total Revenue including Other Income</b>	<b>167297</b>	<b>111260</b>	<b>313146</b>	<b>216803</b>	<b>508153</b>
<b>B. Segment Results</b>					
<b>Profit Before Tax</b>					
- Transmission	45463	40043	78856	88259	157810
- Consultancy	1482	3514	4009	7315	16093
- ULDC/RLDC	-268	488	-203	2407	945
- Telecom	-897	8	-1517	322	-1795
<b>Total Profit Before Tax</b>	<b>45780</b>	<b>44053</b>	<b>81145</b>	<b>98303</b>	<b>173053</b>
<b>C. Segment Capital Employed</b>					
- Transmission	3536777	3098960	3536777	3098960	3298410
- Consultancy	-50387	-14195	-50387	-14195	-58869
- ULDC/RLDC	130588	136083	130588	136083	123415
- Telecom	70080	70015	70080	70015	64468
<b>Total Segment Capital Employed</b>	<b>3687058</b>	<b>3290863</b>	<b>3687058</b>	<b>3290863</b>	<b>3427424</b>

Notes :

While calculating segment wise capital employed, dererred tax liability for consultancy and other segments has not been considered and included in transmission segment.

Profit of Telecom segment has been increased by the amount of inter segment revenue with a corresponding decrease in profit of Transmission segment.

**Notes. :**

1. The transmission income included in Revenue from Operations for the period has been accounted for on the basis of regulations issued by CERC and orders received for the block period 2004-09.

2. Other Income which was hitherto included in Total Income, has now been depicted after "Profit from Operations before Other Income, Interest & Finance Charges" as per the format modified by SEBI in September, 2008.

3. (i) Without considering the impact of FERV, Net Profit after Tax for the quarter and half year ended September, 2008 is Rs. 42037 lacs & Rs. 78493 lacs respectively against Rs. 33567 lacs & Rs. 58951 lacs respectively for the quarter and half year ending September, 2007. The increase of 25% for the quarter and 33% for the half year is due to commissioning of Transmission assets of Rs. 21259 lacs in the current quarter and also the impact of commissioning of assets of 254096 lacs in the first quarter of 2008-09 and Rs 595819 lacs in the last year in various stages.

(ii) Out of total FERV loss of Rs. 68610 lacs for the quarter and Rs. 118989 lacs for the half year (Rs. 6910 lacs and Rs. 47610 lacs for the corresponding quarter and half year of the previous year 2007-08), FERV loss of Rs. 30884 lacs for the quarter and Rs. 50535 lacs for the half year (Rs. 3555 lacs gain and Rs. 23389 lacs gain for the corresponding quarter and half year of the previous year 2007-08) has been charged to Profit & Loss Account and balance has been adjusted in the carrying cost of the related assets as per the provisions of the AS-11 and AS-16.

(iii) **Out of the FERV loss of Rs. 30884 lacs for the quarter and Rs. 50535 lacs for the half year (Rs. 3555 lacs gain and Rs. 23389 lacs gain for the corresponding quarter and half year of the previous year 2007-08) charged to Profit & Loss Account, Rs. 28490 lacs for the quarter and Rs. 47312 lacs for the half year (Nil for the corresponding quarter and half year of the previous year 2007-08) has been credited to Profit & Loss Account as 'Transmission Income - FERV' by depicting the same as recoverable (during the tenure of the loan as per CERC norms) in accordance with the opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India. The above accounting treatment has been followed from the quarter ended March, 2008 and June, 2008.**

(iv) **The above accounting has resulted in net loss of Rs. 2394 lacs for the quarter and Rs. 3223 lacs for the half year on account of FERV against FERV gain of Rs. 3555 lacs in the quarter and Rs. 23389 lacs in the half year ended 30th September, 07. In addition, Rs. nil for the quarter and Rs. 5058 lacs for the half year, accounted for as FERV gain in 2007-08 in respect of construction projects, has been depicted as payable to beneficiaries by charge to Profit & Loss account as prior period expenditure.**

4. Based on the recommendations of the Committee formed by Government of India, a sum of Rs. 2561 lacs for the quarter (Rs. 5433 lacs for the half year) (net of amount charged to construction) has been charged to Profit and Loss Account on account of wage revision provision against Rs. 2244 lacs for the quarter (Rs. 4488 lacs for the half year) (net of amount charged to construction) of the previous year 2007-08. A sum of Rs. 3928 lacs has been paid on account of merger of 50% DA during this quarter which has been adjusted against the wage revision provision.

5. During the period the company has provided depreciation at the rates notified for the purpose of recovery of tariff by Central Electricity Regulatory Commission empowered under The Electricity Act, 2003. The issue of charging depreciation has been referred by CAG to the Ministry of Power (MOP). MOP has issued tariff policy which provides that rates of depreciation notified by CERC would be applicable for the purpose of tariffs as well as accounting. Pending formalization of norms by CERC in accordance with the Tariff Policy, the rates notified under present Tariff Norms are considered appropriate for charging depreciation for the quarter.

6. As per the directions of MOP, the Board, in its meeting held on 12.07.2008, has decided to form a 100% subsidiary company for the RLDC/ULDC segment of the Company. The decision of the Board is under implementation.

7. (i) Status of investor complaints received and attended, regarding equity shares, during the quarter ended 30th September, 2008 is given as under :

	Opening Balance	Additions*	Attended*	Closing Balance
No. of Complaints	15	304	305	14

\* includes references and communications

(ii) As at 30th September, 2008, no investor's complaint / grievance is lying un-resolved in respect of Bonds issued by the Company. Clarifications, as and when sought by any investor, have been furnished.

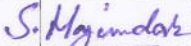
8. Out of the issue proceeds of IPO of Rs. 196576 lacs (net of Issue Expenses of Rs. 2387 lacs), the Company has utilised an amount of Rs. 108587 lacs as per the objects of the issue and the balance is kept in the banks as term deposits.

9. Previous Quarter/Half Year/ Year figures have been regrouped / rearranged wherever necessary.

10. The above results have been reviewed by the Audit Committee and have been approved by the Board of Directors in its meeting held on 31st October, 2008.

11. The above results have been reviewed by the Statutory Auditors as required under clause 41 of the listing agreements.

For and on behalf of **POWER GRID CORPORATION OF INDIA LTD.**

  
(S. Majumdar)  
Director (Projects)

Place : New Delhi.

Date : 31st October, 2008.