

पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उद्यम)
POWER GRID CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)



केन्द्रीय कार्यालय : "सौदामिनी" प्लॉट सं. 2, सैक्टर-29, गुडगाँव-122 001, हरियाणा
फोन : 2571700 - 719, फ़ैक्स : 2571760, 2571761 तार 'नेटग्रिड'
Corporate Office : "Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001, Haryana
Tel. : 2571700 - 719, Fax : 2571760, 2571761 Gram : 'NATGRID'

संदर्भ संख्या/Ref. Number

C/COS/IPO/781

Dt: 28.10.2009

The GM (Listing)
National Stock Exchange of India Ltd.,
Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East)
Mumbai

Dear Sir,

Sub: Unaudited Financial Results for the quarter and half year ended 30th September, 2009 together with Limited Review Report.

In pursuance of clause 41 of the Listing Agreement, a copy of Unaudited Financial Results for the quarter and half year ended 30th September, 2009 together with Limited Review Report for the said period is submitted please.

Thanking You,

Yours faithfully,


(Divya Tandon)
Company Secretary

Encl: a/a

POWER GRID CORPORATION OF INDIA LTD. (A Govt. of India Enterprise)					
B-9 QUTAB INSTITUTIONAL AREA, KATWARIA SARAI, NEW DELHI-110016.					
UNAUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2009					
PARTICULARS	Quarter	Quarter	Half Year	Half Year	(Rs. in lacs)
	ended 30.09.2009	ended 30.09.2008	ended 30.09.2009	ended 30.09.2008	Accounting year ended 31.03.2009
	(Unaudited)				(Audited)
1. Revenue from Operations					
Transmission Income - Other than FERV	158482	119791	320267	227441	528284
Transmission Income - FERV	2804	28490	-8298	47312	88982
a) Total Transmission Income	161286	148281	311969	274753	617266
b) Consultancy Income	5033	3859	9605	7925	21590
c) Telecom Income	4147	3616	8107	6925	14983
d) Short Term Open Access	3156	1765	4761	2759	6161
e) Lease Income - State Sector ULDC	1233	1248	2716	2490	7585
Total Revenue from Operations	174855	158769	337158	294852	667585
2. Expenditure					
I. a) Staff Cost	16954	12826	36553	27985	64388
b) Other O&M Expenditure (including DRE Written off)	10673	10257	20386	17687	45967
Total Expenditure other than Depreciation	27627	23083	56939	45672	110355
II. Depreciation	58185	27445	104886	53824	109397
Total Expenditure	85812	50528	161825	99496	219752
3. Profit from Operations before Other Income and Interest & Finance Charges	89043	108241	175333	195356	447833
4. Other Income					
a) Interest on Bonds & Long Term Advances	3048	3442	6054	6866	13299
b) Interest from Banks	1565	3032	2541	5929	10984
c) Dividend		120	2293	1955	1954
d) FERV Gain	-528		11373		
e) Others	3426	1934	5179	3544	9032
Total Other Income	7511	8528	27440	18294	35269
5. Profit before Interest & Finance Charges	96554	116769	202773	213650	483102
6. (I) Interest & Finance Charges					
a) Interest & Other Charges	36973	37124	73001	71512	150244
b) Rebate to Customers	1805	2232	3862	4592	8631
c) FERV as adjustment in Borrowing Cost	2834	11845	3087	19200	40486
(II) FERV above Domestic Borrowing Cost	11	-19039	11	31335	53848
Total Interest & Other Charges	41623	70240	79961	126639	253209
7. Profit after interest but Before Tax and Prior Period Adjustments	54931	46529	122812	87011	229893
8. Less : Prior Period Items - FERV				5058	5102
Prior Period Items - Others	81	749	-61	808	1934
9. Profit before tax	54850	45780	122873	81145	222857
10. Provision for Taxation					
a) Minimum Alternate Tax	8709	4840	20631	8365	47860
b) Fringe Benefit Tax	-150	463	-150	714	1460
c) Deferred Tax	294	834	1734	1854	4476
11. Profit after Tax	45997	39643	100658	70212	169061
12. Paid up Equity Share Capital	420884	420884	420884	420884	420884
13. Reserves excluding Revaluation Reserve					1041475
14. Basic and Diluted EPS (*)	1.09	0.94	2.39	1.67	4.02
(Rs./Share of Rs 10 each calculated on profit after Tax)					
15. Debt Equity Ratio			67.33	63.37	66.34
16. Debt Service Coverage Ratio (DSCR)			2.24	1.42	1.66
17. Interest Service Coverage Ratio (ISCR)			4.34	3.05	3.31
18. Public Shareholding					
- Number of shares	573932895	573932895	573932895	573932895	573932895
- Percentage of shareholding	13.64 %	13.64 %	13.64 %	13.64 %	13.64 %
19. Promoters and Promoter Group Shareholding					
(a) Pledged/ Encumbered					
Number of Shares	-	-	-	-	-
Percentage of share (as % of the total shareholding of promoter and promoter group)	-	-	-	-	-
Percentage of share (as % of the total share capital of the company)	-	-	-	-	-
(b) Non-encumbered					
Number of Shares	3634908335	3634908335	3634908335	3634908335	3634908335
Percentage of share (as % of the total shareholding of promoter and promoter group)	100 %	100 %	100 %	100 %	100 %
Percentage of share (as % of the total share capital of the company)	86.36 %	86.36 %	86.36 %	86.36 %	86.36 %
* EPS figures for the quarter and half year have not been Annualised					
+ Pertains to earlier years					



Segment wise Revenue, Results and Capital Employed

Rs. in lacs

Particulars	Quarter ended	Quarter ended	Half Year ended	Half Year ended	Year ended
	30.09.2009 (Unaudited)	30.09.2008 (Unaudited)	30.09.2009 (Unaudited)	30.09.2008 (Unaudited)	31.03.2009 (Audited)
A. Segment Revenue including Other Income					
- Transmission	167443	152740	335500	285444	634295
- Consultancy	5075	3816	9660	8408	21754
- ULDC/RLDC	5700	7056	11303	12353	31800
- Telecom	4233	3756	8305	7078	15326
Total	182451	167368	364768	313283	703175
Less: Inter Segment Revenue	85	71	170	137	321
Total Revenue including Other Income	182366	167297	364598	313146	702854
B. Segment Results					
Profit Before Tax					
- Transmission	52120	45463	118426	78856	214140
- Consultancy	1436	1482	2993	4009	10155
- ULDC/RLDC	338	-268	761	-203	1774
- Telecom	956	-897	693	-1517	-3212
Total Profit Before Tax	54850	45780	122873	81145	222857
C. Segment Capital Employed					
- Transmission	4442895	3536777	4442895	3536777	4097340
- Consultancy	-93516	-50387	-93516	-50387	-117483
- ULDC/RLDC	123830	130588	123830	130588	116653
- Telecom	75777	70080	75777	70080	75094
Total Segment Capital Employed	4548986	3687058	4548986	3687058	4171604

- Notes :
- 1 While calculating segment wise capital employed, dererred tax liability for consultancy and other segments has not been considered and included in transmission segment.
 - 2 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. (i) 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 dt.19th January, 2009 for the determination of transmission tariff for the block period 2009-14. Pending filing of petitions and issue of tariff orders by CERC, Transmission Charges for the quarter / half year have been provisionally accounted for based on the above norms.
 - (ii) 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. Return on Equity for the quarter / half year has been grossed up based on MAT rate of 11.33% (10% plus surcharge @10% and education cess @3%) applicable for the year 2008-09.
 - (iii) Based on the tariff orders issued by CERC pertaining to the transmission systems commissioned upto 31.03.2009, an amount of Rs. 2501 lacs and Rs 12809 lacs, being the tariff for the period upto 31.03.2009, has been included in Transmission Income for the quarter and half year ended 30.09.2009 respectively.
2. (i) Depreciation on transmission assets, which was hitherto (upto the first quarter ending 30.06.2009) being charged based on the rates notified by CERC for the purpose of tariff, is now being charged as per the rates prescribed in the Schedule XIV to the Companies Act, 1956. The general rate of depreciation charged is 5.28% as against 2.91% being followed upto 31.03.2009. The change, effected retrospectively w.e.f., 01.04.2009, has resulted in increase in depreciation by Rs.42428 lacs which has been partly offset by increase in depreciation recovery in the tariff, in comparison to CERC depreciation rates and methodology applicable for the financial year 2008-09. The above change has also resulted in increase in depreciation and decrease in profit by Rs.9656 lacs with reference to the CERC depreciation rates and methodology followed during the first quarter of the Financial Year 2009-10.
 - (ii) Advance Against Depreciation (AAD) was hitherto included in the Transmission Income upto 31.03.2009 on repayment of entire loan taken for the specific project by spreading the AAD over the residual life of the project. 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 as at 31.03.2009 and the difference between the depreciation charge in accounts and depreciation recovery through tariff.
- This change has resulted in increase in Transmission Income and Profit by Rs. 1814 lacs.
3. The re-statement of foreign currency loans has resulted in FERV loss of Rs. 10773 lacs for the quarter and FERV gain Rs. 44688 lacs for the half year ended 30.09.2009 as against FERV loss of Rs. 68610 lacs and loss of Rs. 118989 lacs for the corresponding quarter and half year of the previous year 2008-09.



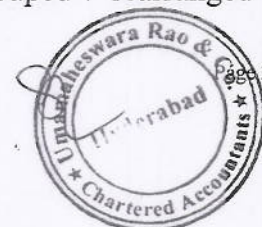
Accounting of such FERV as per accounting policies adopted by the Company has resulted in decrease in profit for the quarter by Rs. 407 lacs (decrease in profit by Rs. 2394 lacs in the corresponding quarter of last year) and increase in profit for the half year by Rs. 390 lacs (decrease in profit by Rs. 8281 lacs in the corresponding half year of last year). Balance has been decapitalised/shown as payable to constituents as per the opinion of Expert Advisory Committee of ICAI.

4. Pending implementation of pay revision due w.e.f. 1st January, 2007, provision (net of charge to construction) for the quarter Rs. 5453 lacs and Rs. 11094 lacs for the half year has been made towards wage revision against Rs. 2561 lacs and Rs. 5433 lacs for the corresponding quarter and half year of the previous year 2008-09. The guidelines issued from time to time by Department of Public Enterprises (DPE), GOI and principles of wage revision approved by the Board of Directors in respect of the Executives of the Company have been followed for creating above provision in respect of all categories of employees including Supervisors and Workmen.
5. (i) Pursuant to the directions by the Ministry of Power, GOI vide letter dt. 04/07/2008 the company had set up a wholly owned subsidiary (WOS) company on 20th March 2009 namely "Power System Operation Corporation Limited" for independent system operation. The WOS will take over certain assets presently being held under RLDC/ULDC segment of the Company.
- (ii) CERC vide notification dated 18.09.2009 has issued tariff norms for fixation of fees and charges of RLDC/ULDC segment. Pending identification and determination of value of assets and liabilities, the income of RLDC/ULDC segment is continued to be accounted for by the Company based on the CERC norms applicable for the period 2004-09. However, upon implementation of the new tariff norms with respect to RLDC/ULDC segment, the revenue recognised for the quarter / half year is not likely to result in reduction.
6. During the quarter, the Company has paid final dividend of Re. 0.70 per share (face value Rs. 10/- each) for the financial year 2008-09.
7. Formula used for computation of coverage ratios DSCR = Earning before Interest, Depreciation and Tax/(Interest & Finance Charges net of amount transferred to expenditure during construction + Principal Repayment) and ISCR = Earning before Interest, Depreciation and Tax/(Interest & Finance Charges net of amount transferred to expenditure during construction).
8. (i) Status of investor complaints received and attended, regarding equity shares, during the quarter ended 30th September, 2009 is given as under :

	Opening Balance	Additions*	Attended*	Closing Balance
No. of Complaints	0	256	256	0

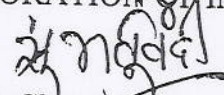
* includes references and communications

- (ii) As at 30th September, 2009 , no investor's complaint / grievance is lying un-resolved in respect of Bonds issued by the Company. Clarifications, as and when sought by investors, have been furnished.
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 at its meeting held on 28.10.2009.
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.K. Chaturvedi)

Chairman & Managing Director

Place : New Delhi.

Date : 28th October, 2009.



A.R. & Co.
Chartered Accountants
A-403, Gayatri Apartments
Airlines Group Housing Society
Sector-10, Dwarka,
New Delhi - 75

S R I Associates
Chartered Accountants
3-B, Garstin Place
Kolkata - 700 001

Umamaheswara Rao & Co.
Chartered Accountants
Flat No. 5-H 'D' Block, 8-3-324,
Krishna Apartments, Yellareddyguda Lane
Ameerpet 'X' Roads, Hyderabad - 500 073

LIMITED REVIEW REPORT

Board of Directors
Power Grid Corporation of India Limited
B-9, Qutab Institutional Area
Katwaria Sarai, New Delhi - 11 00 16

We have reviewed the accompanying statement of unaudited financial results of Power Grid Corporation of India Limited for the quarter / half year ended 30th September, 2009. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors / Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists principally of applying analytical procedures for financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

We draw attention to Note No. 5(ii) of Notes to the above referred unaudited financial results regarding recognition of fees and charges of RLDC/ULDC segment of the Company.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For A.R. & Co.
Chartered Accountants


(Anil Gaur)
Partner
M.No. 017546


Place : New Delhi
Date : 28th October, 2009

For S R I Associates
Chartered Accountants


(D. Ghosh)
Partner
M.No. 051099


For Umamaheswara Rao & Co
Chartered Accountants


(G. Sivaramakrishna Prasad)
Partner
M. No. 024860
