

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, सेक्टर-29, गुडगाँव-122 001, हरियाणा  
फोन : 0124-2571700-719 फैक्स : 0124-2571760, 0124-2571761 तार : 'नेटग्रिड'  
Corporate Office : "Saudamini" Plot No-2, Sector-29, Gurgaon - 122 001 Haryana  
Tel.: 0124-2571700 - 719 Fax : 0124-2571760, 0124-2571761 Gram : 'NATGRID'

संदर्भ संख्या / Ref. No.

केन्द्रीय कार्यालय / CORPORATE CENTRE

C/COS/Listing

Dt: 20.10.2010

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 ended 30<sup>th</sup> September, 2010 together with Limited Review Report.**

In pursuance of clause 41 of the Listing Agreement, a copy of Unaudited Financial Results for the quarter ended 30<sup>th</sup> September, 2010 together with Limited Review Report for the said period is submitted please.

Thanking You,

Yours faithfully,

  
(Divya Tandon)

Company Secretary

Encl: a/a

A.R. & Co.  
Chartered Accountants  
C-1, II Floor, R.D.C.  
Raj Nagar, Ghaziabad – 201 002.  
National Capital Region of Delhi

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 and half year ended 30<sup>th</sup> September, 2010 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. 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 inquires 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.

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  
Regn No.002744C

  
( Pawan K. Goel )  
Partner  
Membership No. 072209  
Place : Mumbai  
Date : 20-10-2010  


For S R I Associates  
Chartered Accountants  
Regn No.305109E

  
( I. Pasha )  
Partner  
Membership No. 013280  


For Umamaheswara Rao & Co.  
Chartered Accountants  
Regn No. 004453S

  
( L. Shyama Prasad )  
Partner  
Membership No. 028224  


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, 2010

(Rs. in lacs)

PARTICULARS	Quarter ended on		Half Year ended on		Year ended on 31.03.2010 (Audited)
	30.09.2010	30.09.2009	30.09.2010	30.09.2009	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
<b>1. Revenue from Operations</b>					
a) Transmission Income	193843	158482	377559	320267	657638
b) Consultancy Income	7891	5033	15195	9605	26917
c) Telecom Income	4536	4147	8937	8107	15772
d) Short Term Open Access	6393	2468	10884	3573	12418
<b>Total Revenue from Operations</b>	<b>212663</b>	<b>170130</b>	<b>412575</b>	<b>341552</b>	<b>712745</b>
<b>2. Expenditure</b>					
I. a) Staff Cost	19282	16954	39267	36593	72670
b) Other O&M Expenditure (including DRE Written off)	14805	10673	26623	20386	53136
<b>Total Expenditure other than Depreciation</b>	<b>34087</b>	<b>27627</b>	<b>65890</b>	<b>56939</b>	<b>125806</b>
II. Depreciation	54560	58185	104551	104886	197969
<b>Total Expenditure</b>	<b>88647</b>	<b>85812</b>	<b>170441</b>	<b>161825</b>	<b>323775</b>
<b>3. Profit from Operations before Other Income and Interest &amp; Finance Charges</b>	<b>124016</b>	<b>84318</b>	<b>242134</b>	<b>179727</b>	<b>388970</b>
<b>4. Other Income</b>	<b>9634</b>	<b>9960</b>	<b>24691</b>	<b>19971</b>	<b>37613</b>
<b>5. Profit before Interest &amp; Finance Charges</b>	<b>133650</b>	<b>94278</b>	<b>266825</b>	<b>199698</b>	<b>426583</b>
<b>6. Interest &amp; Finance Charges</b>					
a) Interest & Other Charges	39799	36973	76870	73001	146339
b) Rebate to Customers	1666	1805	3778	3862	7768
c) Foreign Exchange Rate Variation (FERV)	-1299	569	257	23	217
<b>Total Interest &amp; Other Charges</b>	<b>40166</b>	<b>39347</b>	<b>80905</b>	<b>76886</b>	<b>154324</b>
<b>7. Profit after interest but Before Tax and Prior Period Adjustments</b>	<b>93484</b>	<b>54931</b>	<b>185920</b>	<b>122812</b>	<b>272259</b>
<b>8. Less : Prior Period Expenses / (-) Incomes</b>	<b>350</b>	<b>81</b>	<b>230</b>	<b>-61</b>	<b>9627</b>
<b>9. Profit before Tax</b>	<b>93134</b>	<b>54850</b>	<b>185690</b>	<b>122873</b>	<b>262632</b>
<b>10. Provision for Taxation</b>					
a) Minimum Alternate Tax	18838	8709	35844	20631	42191
b) Fringe Benefit Tax		-150		-150	-150
c) Deferred Tax	9156	294	14388	1734	16497
<b>11. Profit after Tax</b>	<b>65140</b>	<b>45997</b>	<b>135458</b>	<b>100658</b>	<b>204094</b>
12. Paid up Equity Share Capital	420884	420884	420884	420884	420884
13. Reserves excluding Revaluation Reserve					1173306
14. Basic and Diluted EPS (*)	<b>1.55</b>	<b>1.09</b>	<b>3.22</b>	<b>2.39</b>	<b>4.85</b>
(*)/Share of Rs 10 each calculated on Profit after Tax)					
15. Debt Equity Ratio			68:32	67:33	68:32
16. Debt Service Coverage Ratio (DSCR)			2.32	2.24	2.16
17. Interest Service Coverage Ratio (ISCR)			4.84	4.34	4.36
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/ half year have not been Annualised.



## Segment wise Revenue, Results and Capital Employed

(Rs. in lacs)

Particulars	Quarter ended 30.09.2010 (Unaudited)	Quarter ended 30.09.2009 (Unaudited)	Half Year ended 30.09.2010 (Unaudited)	Half Year ended 30.09.2009 (Unaudited)	Year ended 31.03.2010 (Audited)
<b>A. Segment Revenue including Other Income</b>					
- Transmission	199392	165167	392216	332425	670579
- Consultancy	7938	5075	15306	9660	27708
- RLDCs (System Operations Segment)	8156	5700	14662	11303	22458
- ULDCs - Other Assets	2261		6129		13730
- Telecom	4627	4233	9179	8305	16729
<b>Total</b>	<b>222374</b>	<b>180175</b>	<b>437492</b>	<b>361693</b>	<b>751204</b>
Less: Inter Segment Revenue	77	85	226	170	846
<b>Total Revenue including Other Income</b>	<b>222297</b>	<b>180090</b>	<b>437266</b>	<b>361523</b>	<b>750358</b>
<b>B. Segment Results Profit Before Tax</b>					
- Transmission	84884	52120	172330	118426	239396
- Consultancy	4355	1436	8073	2993	14555
- RLDCs (System Operations Segment)	1860	338	2924	761	4177
- ULDCs - Other Assets	1094		1642		3815
- Telecom (*)	941	956	721	693	689
<b>Total Profit Before Tax</b>	<b>93134</b>	<b>54850</b>	<b>185690</b>	<b>122873</b>	<b>262612</b>
<b>C. Segment Capital Employed</b>					
- Transmission (**)	5235225	4455758	5235225	4455758	4873125
- Consultancy	-159937	-93516	-159937	-93516	-152509
- RLDCs (System Operations Segment)	21272	123830	21272	123830	28728
- ULDCs - Other Assets	94275		94275		97525
- Telecom	70933	75777	70933	75777	73019
<b>Total Segment Capital Employed</b>	<b>5261768</b>	<b>4561849</b>	<b>5261768</b>	<b>4561849</b>	<b>4919888</b>

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

(\*\*) While calculating segment wise capital employed, entire deferred tax liability has been considered and included in transmission segment.



**SUMMARY OF ASSETS AND LIABILITIES AS AT 30th SEPTEMBER, 2010**

(Rs. in lacs)

Particulars	Half Year ended 30.09.2010 (Unaudited)	Half Year ended 30.09.2009 (Unaudited)	Year ended 31.03.2010 (Audited)
<b>SHAREHOLDERS' FUND:</b>			
(a) Capital	420884	420884	420884
(b) Reserves and Surplus	1308719	1142132	1173306
<b>DEFERRED REVENUE</b>			
(a) Advance Against Depreciation (AAD)	221238	214051	221363
(b) Grants in Aid	18569	21338	19882
<b>LOAN FUNDS</b>			
(a) Secured Loans	3365687	2894453	3134578
(b) Unsecured Loans	296715	242418	307101
<b>DEFERRED TAX LIABILITY</b>	84740	55589	70351
<b>TOTAL</b>	<b>5716552</b>	<b>4990865</b>	<b>5347465</b>
<b>NET FIXED ASSETS</b>	3556218	3078282	3206126
<b>CWIP AND CONSTRUCTION STORES &amp; ADVANCES</b>	2077552	1557148	2042218
<b>INVESTMENTS</b>	148512	158918	145322
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
(a) Inventories	36261	30478	34490
(b) Sundry Debtors	286502	166014	221486
(c) Cash and Bank balances	356116	443370	327764
(d) Other current assets	47413	78964	48752
(e) Loans and Advances	283891	265873	330240
Less: Current Liabilities and Provisions			
(a) Liabilities	788287	536447	763460
(b) Provisions	287920	252193	245829
<b>NET CURRENT ASSETS</b>	-66024	196059	-46557
<b>MISCELLANEOUS EXPENDITURE ( NOT WRITTEN OFF OR ADJUSTED)</b>	294	458	356
<b>TOTAL</b>	<b>5716552</b>	<b>4990865</b>	<b>5347465</b>



**Notes :**

1. 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 dated 19.01.2009 for the determination of transmission tariff for the block period 2009-14. The transmission income includes Rs. 119607 lacs on account of non-disposal of tariff petitions filed with CERC, for the quarter and Rs. 170634 lacs for the half year ended 30.09.2010 [(corresponding quarter Rs. Nil and half year Rs. Nil for the previous year] and pending filing of petitions in certain other cases, Rs. 43590 lacs for the quarter and Rs. 149476 lacs for the half year ended 30.09.2010 [(corresponding quarter Rs. 155385 lacs and half year Rs. 302690 lacs for the previous year)] have been provisionally recognised based on the CERC norms for the block period 2009-14 and as per accounting policy of the Company.

Transmission charges have been recognized Rs. 7386 lacs for the quarter and Rs. 7453 lacs for the half year ended 30.09.2010 [(corresponding quarter Rs. 68 lacs and half year Rs. 136 lacs for the previous year)] based on tariff orders issued by CERC.

However, The Tariff Regulations, 2009 provide that pending determination of tariff by the CERC, the Company has to provisionally bill the beneficiaries at the tariff rates approved by the CERC as on 31.03.2009. Accordingly, the Company has provisionally billed the transmission charges amounting to Rs. 178085 lacs for the quarter and Rs. 326359 lacs for the half year ended 30.09.2010 [(corresponding quarter Rs. 188952 lacs and half year Rs. 332055 lacs for the previous year)].

The outstanding unbilled amount is as per CERC norms and is covered under Bulk Power Transmission Agreement with the beneficiaries.

2. (i) Based on the tariff orders issued by CERC pertaining to the transmission systems commissioned upto 31.03.2010, an amount of Rs. 4049 lacs for the quarter and Rs. 5543 lacs for the half year ended 30.09.2010 [(corresponding quarter Rs. 2501 lacs and half year Rs. 12809 lacs for the previous year)], being the tariff for the period upto 31.03.2010, has been considered in Transmission Income during the current quarter.

- (ii) The CERC has passed an order dated 03.08.2010, wherein it has mentioned that "... the staff of the Commission to prepare and submit draft amendment to the 2009 regulations for allowing grossing up of base rate of return with the applicable tax rate as per the Finance Act for the relevant year and direct settlement of tax liability between the generating company/transmission licensee and the beneficiaries/long term transmission customers on year to year basis". In view of above, Return on Equity(ROE) component of transmission charges amounting to Rs. 6000 lacs for the quarter and Rs. 11544 lacs for the half year ended 30.09.2010 has been recognised by grossing up the ROE using the applicable MAT rate of 19.9305% for the year as against the MAT rate of 11.33% for the financial year 2008-09.

Transmission Charges for the half year ended 30.09.2010 include an amount of Rs. 13247 lacs (recognised in the first quarter ended 30.06.2010) being the differential of ROE grossed up at the applicable MAT rate of 16.995% against the applied MAT rate of 11.33% for the financial year 2009-10.



(iii) In view of the notification dated 24.09.2010 by CERC allowing the date of commercial operation of 400 KV Kudankulam-Tirunelveli D/C (Quad) Lines I and II w.e.f. 01.04.2009, pending commissioning of the generating unit of Nuclear Power Corporation (NPC), an amount of Rs. 7023 lacs for the period from 01.04.2009 to 30.06.2010 and Rs. 1399 lacs for the quarter has been recognised in the current quarter as transmission income.

3. The re-statement of foreign currency loans has resulted in Foreign Exchange Rate Variation (FERV) gain of Rs. 33945 lacs for the quarter and FERV loss of Rs. 1512 lacs for the half year ended 30.09.2010 as against FERV loss of Rs. 10773 lacs and FERV gain of Rs. 44688 lacs for the corresponding quarter and half year of the previous year 2009-10.

Accounting of such FERV consistently as per accounting policies adopted by the Company has resulted in increase in profit for the quarter by Rs. 1299 lacs ( decrease in profit by Rs. 569 lacs in the corresponding quarter of previous year) and decrease in profit for the half year by Rs. 257 lacs (decrease in profit by Rs. 23 lacs in the corresponding half year of previous year). Balance has been capitalized/decapitalised or shown as recoverble/payable as per the opinion of Expert Advisory Committee of ICAI.

4. Pending implementation of Pay revision for the supervisors and workmen, the company has made a provision of Rs. 1239 lacs for the quarter (Rs. 1995 lacs for the corresponding quarter of previous year) and Rs. 3355 lacs for the half year (Rs. 4040 lacs for the corresponding half year of previous year) on an estimated basis having regard to the guidelines issued from time to time by DPE, principles of wage revision implemented in respect of executives of the company.
5. 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 company on 20.03.2009 namely "Power System Operation Corporation Limited" (POSOCO) for taking over Assets and Liabilities along with associated manpower of Power System Operation Segment comprising of five Regional Load Despatch Centres (RLDCs) and National Load Despatch Centre(NLDC). Shareholder's approval, through postal ballot, has been obtained for transfer of RLDC and NLDC assets to POSOCO.

Ministry of Power, vide notification dated 27.09.2010 u/s 27(2) of the Electricity Act, 2003, has authorized POSOCO to operate the NLDC at Delhi and five RLDCs situated at Delhi, Kolkata, Mumbai, Bangaluru and Shillong w.e.f., 01.10.2010. Income & expenditure pertaining to these five RLDCs and NLDC upto 30.09.2010 have been accounted for in the books of account of the Company. The Company is in process of completing legal formalities for transfer of assets w.e.f., 01.10.2010.

6. Formula used for computation of coverage ratios  $DSCR = \frac{\text{Earning before Interest, Depreciation and Tax}}{(\text{Interest \& Finance Charges net of amount transferred to expenditure during construction} + \text{Principal Repayment})}$  and  $ISCR = \frac{\text{Earning before Interest, Depreciation and Tax}}{(\text{Interest \& Finance Charges net of amount transferred to expenditure during construction})}$ .



7. (i) Status of investor complaints received and attended, regarding equity shares, during the quarter ended 30.09.2010 is given as under :

	Opening Balance	Additions*	Attended*	Closing Balance
No. of Complaints	0	30	30	0

\* includes references and communications

- (ii) As at 30.09.2010, 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.
8. Previous quarter / half year / year figures have been regrouped / rearranged wherever necessary.
9. The above results have been reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on 20.10.2010.
10. 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 : Mumbai.

Date : 20.10.2010.

