

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 NINE MONTHS ENDED 31ST DECEMBER, 2009					
PARTICULARS	(Rs. in lacs)				Accounting year ended 31.03.2009 (Audited)
	Quarter ended 31.12.2009	Quarter ended 31.12.2008	Nine Months ended 31.12.2009	Nine Months ended 31.12.2008	
	(Unaudited)				
1. Revenue from Operations					
Transmission Income - Other than FERV	154327	116074	474594	343515	528284
Transmission Income - FERV	-18326	18741	-26624	66053	88982
a) Total Transmission Income	136001	134815	447970	409568	617266
b) Consultancy Income	6727	5816	16332	13741	21590
c) Telecom Income	4052	4166	12159	11091	14983
d) Short Term Open Access	4608	1637	9369	4396	6161
e) Lease Income - State Sector ULDC	1153	1310	3869	3800	7585
Total Revenue from Operations	152541	147744	489699	442596	667585
2. Expenditure					
I. a) Staff Cost	15096	14527	51649	42512	64388
b) Other O&M Expenditure (including DRE Written off)	12775	11043	33161	28730	45967
Total Expenditure other than Depreciation	27871	25570	84810	71242	110355
II. Depreciation	53597	27461	158483	81285	109397
Total Expenditure	81468	53031	243293	152527	219752
3. Profit from Operations before Other Income and Interest & Finance Charges	71073	94713	246406	290069	447833
4. Other Income					
a) Interest on Bonds & Long Term Advances	2796	3216	8850	10082	13299
b) Interest from Banks	441	3482	2982	9411	10984
c) Dividend	144		2437	1955	1954
d) FERV Gain	16800		28173		
e) Others	2279	1825	7458	5369	9032
Total Other Income	22460	8523	49900	26817	35269
5. Profit before Interest & Finance Charges	93533	103236	296306	316886	483102
6. (I) Interest & Finance Charges					
a) Interest & Other Charges	40548	37770	113549	109282	150244
b) Rebate to Customers	2231	2026	6093	6618	8631
c) FERV as adjustment in Borrowing Cost	-1592	12208	1495	31408	40486
(II) FERV above Domestic Borrowing Cost	-11	8022	-	39357	53848
Total Interest & Other Charges	41176	60026	121137	186665	253209
7. Profit after Interest but Before Tax and Prior Period Adjustments	52357	43210	175169	130221	229893
8. Less : Prior Period Items - FERV		44		5102	5102
Prior Period Items - Others	-39	-565	-100	243	1934
9. Profit before tax	52396	43731	175269	124876	222857
10. Provision for Taxation					
a) Minimum Alternate Tax	3374	4680	24005	13045	47860
b) Fringe Benefit Tax		281	-150	995	1460
c) Deferred Tax	238	1535	1972	3389	4476
11. Profit after Tax	48784	37235	149442	107447	169061
12. Paid up Equity Share Capital	420884	420884	420884	420884	420884
13. Reserves excluding Revaluation Reserve					1041475
14. Basic and Diluted EPS (*) (Rs./Share of Rs 10 each calculated on profit after Tax)	1.16	0.88	3.55	2.55	4.02
15. Public Shareholding					
- Number of shares	573932895	573932895	573932895	573932895	573932895
- Percentage of shareholding	13.64 %	13.64 %	13.64 %	13.64 %	13.64 %
16. 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 nine months have not been Annualised

★ Pertains to earlier years



Segment wise Revenue, Results and Capital Employed

Rs. in lacs

Particulars	Quarter ended	Quarter ended	Nine Months ended	Nine Months ended	Year ended
	31.12.2009 (Unaudited)	31.12.2008 (Unaudited)	31.12.2009 (Unaudited)	31.12.2008 (Unaudited)	31.03.2009 (Audited)
A. Segment Revenue including Other Income					
- Transmission	157504	139542	493004	424986	634295
- Consultancy	6719	5896	16379	14304	21754
- ULDC/RLDC	6565	6645	17868	18998	31800
- Telecom	4182	4276	12487	11354	15326
Total	174970	156359	539738	469642	703175
Less: Inter Segment Revenue	83	92	253	229	321
Total Revenue including Other Income	174887	156267	539485	469413	702854
B. Segment Results					
Profit Before Tax					
- Transmission	46844	41927	165270	120646	214140
- Consultancy	4620	3492	7613	7501	10155
- ULDC/RLDC	1087	-1077	1848	-1280	1774
- Telecom	-155	-611	538	-1991	-3212
Total Profit Before Tax	52396	43731	175269	124876	222857
C. Segment Capital Employed					
- Transmission	4461853	3855042	4461853	3855042	4097340
- Consultancy	-136568	-84287	-136568	-84287	-117483
- ULDC/RLDC	121189	131831	121189	131831	116653
- Telecom	76615	71051	76615	71051	75094
Total Segment Capital Employed	4523089	3973637	4523089	3973637	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 dated 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 / nine months 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 / nine months 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. 544 lacs and Rs 13353 lacs, being the tariff for the period upto 31.03.2009, has been included in Transmission Income for the quarter and nine months ended 31.12.2009 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 now prescribed by CERC for the block period 2009-14 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. 26607 lacs for the quarter and Rs. 69035 lacs for the nine months ended 31.12.2009, 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. 5812 lacs for the quarter and Rs. 15468 lacs for the nine months ended 31.12.2009 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. 2201 lacs.
3. The re-statement of foreign currency loans has resulted in FERV gain of Rs. 32613 lacs for the quarter and FERV gain Rs. 77301 lacs for the nine months ended 31.12.2009 as against FERV loss of Rs. 33773 lacs and loss of Rs. 152762 lacs for the corresponding quarter and nine months 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. 450 lacs (decrease in profit by Rs. 1489 lacs in the corresponding quarter of last year) and decrease in profit for the nine months by Rs. 60 lacs (decrease in profit by Rs. 4712 lacs in the corresponding nine months of last year). Balance has been decapitalised/shown as payable to constituents as per the opinion of Expert Advisory Committee of ICAI.

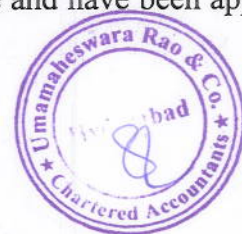
4. Employee Cost includes :

- (i) Provision of Rs. 1326 lacs for the quarter and Rs. 3979 lacs for the nine months ended 31.12.2009 towards the Performance Related Pay (PRP) and Superannuation benefits, approved by the Remuneration Committee and the Board of Directors respectively, in respect of executive category of employees. Excess provision of Rs. 2389 lacs for PRP pertaining to periods upto 31.03.2009 has been adjusted against Staff Cost.
 - (ii) Provision of Rs. 1663 lacs for the quarter and Rs. 5628 lacs for the nine months ended 31.12.2009 (corresponding previous quarter Rs. 2028 lacs and Rs 3185 lacs for the nine months) towards pay revision, due w.e.f. 01.01.2007, of supervisor and workman category of employees. The guidelines issued by Department of Public Enterprises, Govt. of India in respect of pay revision of executives and principles of pay revision approved by the Board of Directors in respect of executives have been followed for creating the above provision.
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 is yet to 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 for control period 2009-14 pertaining to RLDC assets. Pending finalization and filing of petitions for tariff (fixed charges), 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.
6. Interim dividend of Re. 0.50 per share (face value Rs. 10/- each) for the financial year 2009-10 has been approved by the Board of Directors in its meeting held on 06.01.2010.
7. (i) Status of investor complaints received and attended, regarding equity shares, during the quarter ended 31.12.2009 is given as under :

	Opening Balance	Additions*	Attended*	Closing Balance
No. of Complaints	0	325	324	1

* includes references and communications

- (ii) As at 31.12.2009, 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.
8. Previous quarter / nine months / 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 25.01.2010.



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 : New Delhi.

Date : 25th January, 2010.

