

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 : 0124-2571700-719, फ़ैक्स : 0124-2571760, 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

CIN: L40101DL1989GOI038121

Dt: 27.01.2016

C/COS/Listing/NSE/

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

Ref: Symbol: POWERGRID; Series: EQ; ISIN: INE752E01010

Dear Sir,

Sub: **Unaudited Financial Results for the quarter and nine months ended 31st December, 2015.**

In pursuance of Regulation 30 read with Schedule III of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, a copy of Unaudited Financial Results for the quarter and nine months ended 31st December, 2015 is submitted please.

Thanking You,

Yours faithfully,


(Divya Tandon)
Company Secretary &
Compliance Officer

S. K. Mittal & Co.
Chartered Accountants
Mittal House,
E-29, South Extension Part-II
New Delhi-110049.

R. G. N. Price & Co.
Chartered Accountants
Simpson Buildings,
861, Anna Salai
Chennai-600002.

Kothari & Co
Chartered Accountants
1E, Neelkanth,
26-B, Camac Street,
Kolkata - 700016.

Parakh & Co.
Chartered Accountants
A-101, Pratik Apartment,
Ramchandra Nagar 3, Near Cadbury Signal
Thane West, Mumbai-400604

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 standalone financial results of **Power Grid Corporation of India Limited** for the quarter and nine months ended 31st December, 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We have conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" 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 mis-statement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis of Qualified Conclusion

- i) Company has not made provision of ₹ 10789 lakhs towards reduction in revenue recognized in earlier years, to provide the impact of the tariff order dated 30.06.2015 issued by the CERC re-determining the date of commercial operation from 01.07.2010 to 01.09.2011, as per directions of Appellate Authority for Electricity (ATE) for Barh-Balia Transmission line. Company's appeal is pending with Hon'ble Supreme Court against the order of the ATE / CERC. Pending decision of Hon'ble Supreme Court and in view of uncertainty involved, provision should have been made for the revenue recognized for the period under dispute.
- ii) The Company has not made any provision in respect of outstanding dues of ₹ 1564 lakhs from one of the medium term open access customers (MTOA), which is under liquidation, under an order of the Hon'ble High Court of Calcutta. Moreover, no favorable order has been received in respect of the Company's petition before the Central Electricity Regulatory Commission for allowing the recovery of such dues from other beneficiaries. As the recovery of such dues is doubtful, provision should have been made in the accounts.

Both of the above two issues were subject matter of qualification in the Independent Auditors' Report on the financial statements for the Financial Year 2014-15, Limited Review Report for the quarter ended 30th June, 2015 and Limited Review Report for the quarter and half year ended 30th September, 2015.



Non provision of the above has resulted in increase in cumulative Profit after Tax by ₹ 9162 lakhs, which includes ₹ Nil for the quarter ended 31st December, 2015.

Qualified Conclusion

Based on our review conducted as above, with the exceptions of the matters described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results read with notes thereon, prepared in accordance with applicable Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of matter

Without modifying our report, attention is invited to Note 1(b) to the statement of standalone unaudited financial results related to provisional recognition of revenue from transmission charges.

S. K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 01135 N


(CA M. K. Junaja)
Partner
Membership No. 013117


Place of Signature: New Delhi
Date: 27th January, 2016

R. G. N. Price & Co.
Chartered Accountants
Firm Regn. No. 002785 S


(CA R. Rangarajan)
Partner
Membership No. 041883



Kothari & Co
Chartered Accountants
Firm Regn. No. 301178E


(CA Manaswy Kothari)
Partner
Membership No. 064601



Parakh & Co.
Chartered Accountants
Firm Regn. No. 001475 C


(CA Indra Pal Singh)
Partner
Membership No. 410433



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

STATEMENT OF STANDALONE UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2015

(₹ in lakhs)

PARTICULARS	Quarter ended on			Nine Months ended on		Year ended on
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1. Income from Operations						
a) Transmission Income	514277	470826	418171	1439119	1202446	1645086
b) Consultancy Income	11411	9935	10185	30248	22384	38060
c) Telecom Income	10274	9694	6888	28751	19586	27489
d) Other Operating Income	4696	1347	118	6097	2985	7088
Total income from Operations	540658	491802	435362	1504215	1247401	1717723
2. Expenses						
a) Employee benefits expense	24488	23888	25384	71404	74215	102365
b) Depreciation and amortisation expenses	158046	144806	130069	439803	366735	508541
c) Transmission, Administration and Other expenses	36513	36112	33016	107606	96717	135516
d) Prior Period Adjustments : Expenses / (Income)	97	(58)	2950	37	7184	4712
Total Expenses	219144	204748	191419	618850	544851	751134
3. Profit from Operations before other income, finance costs and exceptional items (1-2)	321514	287054	243943	885365	702550	966589
4. Other Income	9825	10888	13249	27754	39647	60281
5. Profit from ordinary activities before finance costs and exceptional items (3+4)	331339	297942	257192	913119	742197	1026870
6. Finance costs	128754	114904	102467	354563	294170	397932
7. Profit from ordinary activities after finance costs but before exceptional items (5-6)	202585	183038	154725	558556	448027	628938
8. Exceptional Items	-	-	-	-	-	-
9. Profit from ordinary activities before Tax(7-8)	202585	183038	154725	558556	448027	628938
10. Tax Expenses						
a) Current Tax (Minimum Alternate Tax)	41481	38441	31884	116412	92394	128099
b) Deferred Tax	41973	31943	17823	105771	45532	82425
Total (a+b)	83454	70384	49707	222183	137926	210524
Less: Deferred Assets for Deferred Tax Liability	42181	32150	17873	106394	46568	79503
Total Tax Expenses	41273	38234	31834	115789	91358	131021
11. Net Profit from ordinary activities after tax (9-10)	161312	144804	122891	442767	356669	497917
12. Extraordinary Items (net of tax expenses)	-	-	-	-	-	-
13. Net Profit for the period (11-12)	161312	144804	122891	442767	356669	497917
14. Paid up Equity Share Capital (Face Value - ₹10/- per share)	523159	523159	523159	523159	523159	523159
15. Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year						3293500
16. Earnings per share (before extraordinary items)(not annualised) (₹/Share of ₹10/- each calculated on Profit after Tax)						
(a) Basic	3.08	2.77	2.35	8.46	6.82	9.52
(b) Diluted	3.08	2.77	2.35	8.46	6.82	9.52
17. Earnings per share (after extraordinary items)(not annualised) (₹/Share of ₹10/- each calculated on Profit after Tax)						
(a) Basic	3.08	2.77	2.35	8.46	6.82	9.52
(b) Diluted	3.08	2.77	2.35	8.46	6.82	9.52

Refer accompanying notes to the financial results



Signature

Segment wise Revenue, Results and Capital Employed for the Quarter and nine months ended 31st December, 2015

(₹ in lakhs)

PARTICULARS		Quarter ended on			Nine Months ended on		Year ended on
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
A. Segment Revenue (including allocable Other Income)							
- Transmission		524445	475902	424005	1457814	1218383	1674240
- Consultancy		11526	10070	11047	30594	23338	38773
- Telecom		11365	10789	7766	31922	21256	30095
Total		547336	496761	442818	1520330	1262977	1743108
Less: Inter Segment Revenue		1074	1064	783	3105	1530	2439
Net Income from Operations		546262	495697	442035	1517225	1261447	1740669
B. Segment Results							
Profit Before Interest and Tax							
- Transmission		313957	279886	241021	863741	699977	957920
- Consultancy		7734	6873	7507	20810	13503	25282
- Telecom		5416	4190	2088	13813	3116	6333
Total Profit Before Interest and Tax		327107	290949	250616	898364	716596	989535
Less :							
Unallocated interest and finance charges		128743	114904	102467	354552	294170	397932
Other unallocated expenditure net of unallocated income		(4221)	(6993)	(6576)	(14744)	(25601)	(37335)
Total Profit before Tax		202585	183038	154725	558556	448027	628938
C. Capital Employed (Segment Assets - Segment Liabilities)							
- Transmission		11758689	10290504	8468279	11758689	8468279	9213007
- Consultancy		(86404)	(70392)	(103723)	(86404)	(103723)	(74653)
- Telecom		24842	18558	27373	24842	27373	25073
Capital Employed in Segments		11697127	10238670	8391929	11697127	8391929	9163427
- Unallocated Assets Less Liabilities		3221068	4395902	4781308	3221068	4781308	4157687
Total		14918195	14634572	13173237	14918195	13173237	13321114

Notes

1. The operations of the Company are mainly carried out within the country and therefore, geographical segments are not applicable.
2. Previous periods' / year figures have been regrouped / rearranged wherever necessary.



Notes :

1. (a) In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations 2014" vide order dated 21st February, 2014 for the determination of transmission tariff for the block period 2014-19.
- (b) Income on account of Transmission Charges for the quarter and nine months ended 31st December, 2015 has been provisionally recognized based on "CERC (Terms and Conditions of Tariff) Regulations 2014" pending issuance of final tariff orders (wherever tariff petitions have been filed) and filing of tariff petitions in certain cases for block period 2014-19. However beneficiaries are being billed as follows:
 - i) In respect of the assets commissioned prior to 31st March, 2014, in accordance with the tariff approved and applicable as on 31st March, 2014 as provided in CERC (Terms and conditions of Tariff) Regulations 2014.
 - ii) In respect of the assets commissioned after 31st March, 2014, up to 90% of the tariff claimed wherever provisional orders have been issued by the CERC.
2. The Auditors have submitted Limited Review Report on the financial results of the Company for the quarter and nine months ended 31st December, 2015, containing qualifications as detailed below:
 - i) Company has not made provision of ₹ 10789 lakhs towards reduction in revenue recognized in earlier years, to provide the impact of the tariff order dated 30.06.2015 issued by the CERC re-determining the date of commercial operation from 01.07.2010 to 01.09.2011 as per directions of Appellate Authority for Electricity (ATE) for Barh-Balia Transmission line. Company appeal is pending with Hon'ble Supreme Court against the order of the ATE / CERC. Pending decision of Hon'ble Supreme Court and in view of uncertainty involved, provision should have been made.
 - ii) The Company has not made any provision in respect of outstanding dues of ₹ 1564 lakhs from one of the medium term open access customers (MTOA), which is under liquidation, pending decision on the appeal filed with CERC.

Both of the above two issues were subject matter of qualification in the Independent Auditors' Report on the financial statements for the Financial Year 2014-15, Limited Review Report for the quarter ended 30th June, 2015 and Limited Review Report for the quarter and half year ended 30th September, 2015.

Non provision of the above has resulted in increase in cumulative Profit after Tax by ₹ 9162 lakhs which includes ₹ NIL for the quarter and nine months ended 31.12.2015.

Regarding comment at (i) above, Management is of the view that, the Company is entitled for the transmission charges w.e.f. 01.07.2010, since the line was ready for regular service on completion of Company's scope of work and the declaration of DOCO on 01.07.2010 is correct as per CERC Tariff Regulations, 2009.

However, as directed by Appellate Tribunal for Electricity (ATE) vide order dated 02.07.2012, CERC has now reviewed and re-determined the DOCO from 01.07.2010 (earlier approved) to 01.09.2011 vide order dated 30.06.2015. The Company has referred the matter to Hon'ble Supreme Court for appropriate relief against the above said CERC order and ATE order, which is genesis of the entire issue.

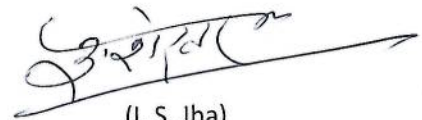


Pending final decision regarding shifting of DOCO from 01.07.2010 to 01.09.2011 by the Hon'ble Supreme Court, no provision has been considered in the accounts for the FY 2014-15 and for the quarter and nine months ended 31.12.2015.

Regarding comment at (ii) above, Management is of the view that the MTOA is a transmission service provided on the margins available in the existing transmission network and the Company is not impacted (increase/decrease) due to grant of MTOA or cancellation thereof as per CERC regulations. Considering that the entire transmission charges are recoverable from long term customers, who have signed agreement for establishment of such transmission systems as per CERC sharing regulations, no provision is required towards the above dues.

3. Provision for taxes, employee benefits and other provisions for contingencies have been considered on estimated basis.
4. Interim dividend of ₹0.80 per share (face value ₹10/- each) for the financial year 2015-16 has been declared by the Board of Directors in its meeting held on 27th January, 2016.
5. The above unaudited financial results have been reviewed by the Audit Committee and have been approved by the Board of Directors in their respective meetings held on 27th January, 2016.
6. The above unaudited financial results have been reviewed by the Statutory Auditors as required under clause 41 of the listing agreement read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
7. Previous periods' / year figures have been regrouped / rearranged wherever necessary.

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



(I. S. Jha)

Chairman & Managing Director

Place : New Delhi.

Date : 27.01.2016.

