

S. K. Mehta & Co.
Chartered Accountants
2682/2, Beadon Pura,
Karol Bagh
New Delhi – 110005.

Chatterjee & Co.
Chartered Accountants
153, Rash Behari Avenue,
3rd Floor,
Kolkata – 700029.

Sagar & Associates
Chartered Accountants
H.No. 6 / 3 / 244 / 5,
Sarada Devi Street, Prem Nagar,
Hyderabad – 500004.

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 30th September, 2011 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. 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) 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit 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 read with notes thereon, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies thereon 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 S. K. Mehta & Co.
Chartered Accountants
Firm Regn. No. 000478 N

(Rohit Mehta)
Partner

Membership No. 91382

Place : New Delhi.
Date : 22.10.2011



For Chatterjee & Co.
Chartered Accountants
Firm Regn. No. 302114 E

(R. N. Basu)
Partner

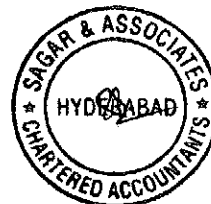
Membership No. 50430



For Sagar & Associates
Chartered Accountants
Firm Regn. No. 003510 S

(V. Vidyasagar Babu)
Partner

Membership No. 27357



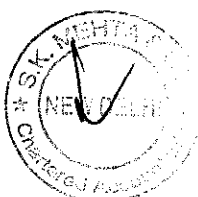
POWER GRID CORPORATION OF INDIA LTD. (A Govt. of India Enterprise)
B-9 QUTAB INSTITUTIONAL AREA, KATWARIA SARAI, NEW DELHI-110016.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2011

(₹ in lacs)

PARTICULARS	Quarter ended on		Half Year ended on		Year ended on
	30.09.2011	30.09.2010	30.09.2011	30.09.2010	31.03.2011
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1. Revenue from Operations					
a) Transmission Income	204161	193843	408575	377559	769064
b) Consultancy Income	6955	7891	12561	15195	29935
c) Telecom Income	5005	4536	9546	8937	18720
d) Short Term Open Access	10314	6393	16002	10884	21151
Total Revenue from Operations	226435	212663	446684	412575	838870
2. Expenditure					
I. a) Staff Cost	19220	19282	40316	39267	74589
b) Other O&M Expenditure	17433	14805	32039	26623	59149
Total Expenditure other than Depreciation	36653	34087	72355	65890	133738
II. Depreciation	59663	54560	117566	104551	219939
Total Expenditure	96316	88647	189921	170441	353677
3. Profit from Operations before Other Income, Interest & Finance Charges, Prior Period Adjustments and Exceptional Items	130119	124016	256763	242134	485193
4. Other Income	19420	9634	33319	24691	63243
5. Profit before Interest & Finance Charges, Prior Period Adjustments and Exceptional Items	149539	133650	290082	266825	548436
6. Interest & Finance Charges					
a) Interest & Other Charges	45933	39799	87837	76870	155696
b) Rebate to Customers	2795	1666	5350	3778	10278
c) Foreign Exchange Rate Variation (including adjustment to Borrowing Cost and net of amount recoverable from beneficiaries) : Loss/(Gain)	6834	(1299)	6409	257	(448)
Total Interest & Finance Charges	55562	40166	99596	80905	165526
7. Profit after interest but Before Tax, Prior Period Adjustments and Exceptional Items	93977	93484	190486	185920	382910
8. Prior Period Adjustments : Expenses / (Income)	(211)	350	(86)	230	437
9. Exceptional Items	-	-	-	-	-
10. Profit before Tax	94188	93134	190572	185690	382473
11. Provision for Taxation					
a) Current Tax (Minimum Alternate Tax)	17830	18838	36425	35844	68461
b) Deferred Tax	5484	9156	12744	14388	44323
Total Provision for Taxation	23314	27994	49169	50232	112784
12. Profit after Tax	70874	65140	141403	135458	269689
13. Paid up Equity Share Capital	462973	420884	462973	420884	462973
14. Paid up Debt Capital			4535794	3612402	3943277
15. Reserves excluding Revaluation Reserve					1673727
16. Bonds Redemption Reserve			284833	218477	256804
17. Basic and Diluted Earning Per Share (*) (₹/Share of ₹ 10 each calculated on Profit after Tax)	1.53	1.55	3.05	3.22	6.19
18. Debt Equity Ratio			67:33	68:32	65:35
19. Debt Service Coverage Ratio (DSCR)			2.24	2.32	2.30
20. Interest Service Coverage Ratio (ISCR)			5.05	4.84	5.15
21. Public Shareholding					
- Number of shares	1415701141	573932895	1415701141	573932895	1415701141
- Percentage of shareholding	30.58 %	13.64 %	30.58 %	13.64 %	30.58 %
22. 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	3214024212	3634908335	3214024212	3634908335	3214024212
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)	69.42 %	86.36 %	69.42 %	86.36 %	69.42 %

* Earning Per Share figures for the quarter/ half year have not been Annualised.



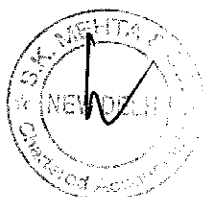
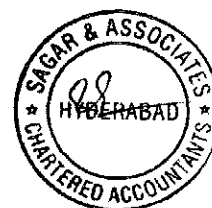
Segment wise Revenue, Results and Capital Employed

(₹ in lacs)

Particulars	Quarter ended 30.09.2011 (Un-audited)	Quarter ended 30.09.2010 (Un-audited)	Half Year ended 30.09.2011 (Un-audited)	Half Year ended 30.09.2010 (Un-audited)	Year ended 31.03.2011 (Audited)
A. Segment Revenue including Other Income					
- Transmission	229578	199392	450050	392216	818205
- Consultancy	7250	7938	12708	15306	29214
- RLDCs - POSOCO Assets	0	8156	0	14662	14425
- ULDCs - Other Assets	4000	2261	7669	6129	21477
- Telecom	5101	4627	9719	9179	19161
Total	245929	222374	480146	437492	902482
Less: Inter Segment Revenue	74	77	143	226	369
Total Revenue including Other Income	245855	222297	480003	437266	902113
B. Segment Results Profit Before Tax					
- Transmission	90870	84884	182649	172330	348348
- Consultancy	3582	4355	5706	8073	16528
- RLDCs - POSOCO Assets	0	1860	0	2924	2019
- ULDCs - Other Assets	(461)	1094	889	1642	12236
- Telecom	197	941	1328	721	3342
Total Profit Before Tax	94188	93134	190572	185690	382473
C. Segment Capital Employed					
- Transmission	7008197	5365172	7008197	5365172	6282309
- Consultancy	(169267)	(159937)	(169267)	(159937)	(199388)
- RLDCs - POSOCO Assets	0	21272	0	21272	11320
- ULDCs - Other Assets	88257	94275	88257	94275	94010
- Telecom	31642	70933	31642	70933	36485
Total Segment Capital Employed	6958829	5391715	6958829	5391715	6224736

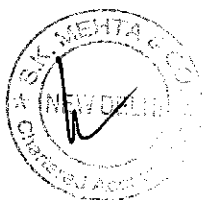
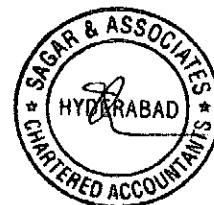
Notes

- Assets pertaining to 'RLDCs-POSOCO Assets' segment have been taken over by Power System Operation Corporation Ltd., a 100% subsidiary of the Company, w.e.f. 01.10.2010. Hence current quarter and half year figures are nil for 'RLDCs-POSOCO Assets' segment.
- 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.
- Investment assets and income thereon are included in Transmission Segment.



SUMMARY OF ASSETS AND LIABILITIES AS AT 30th SEPTEMBER, 2011

				(₹ in lacs)
	Particulars	Half Year ended 30.09.2011 (Un-audited)	Half Year ended 30.09.2010 (Un-audited)	Year ended 31.03.2011 (Audited)
SHAREHOLDERS' FUND:				
	(a) Capital	462973	420884	462973
	(b) Reserves and Surplus	1815178	1308719	1673727
DEFERRED REVENUE				
	(a) Advance Against Depreciation (AAD)	216247	221238	217607
	(b) Grants in Aid	15982	18569	17131
LOAN FUNDS				
	(a) Secured Loans	4136812	3365687	3632507
	(b) Unsecured Loans	543982	296715	455770
DEFERRED TAX LIABILITY (NET)				
		127418	84740	114674
TOTAL				
		7318592	5716552	6574389
FIXED ASSETS				
		4027448	3556218	3722398
CAPITAL WORK IN PROGRESS AND CONSTRUCTION STORES & ADVANCES				
		2753145	2077552	2662459
INVESTMENTS				
		136255	148512	136505
CURRENT ASSETS, LOANS AND ADVANCES				
	(a) Inventories	40432	36261	38151
	(b) Sundry Debtors	256215	286502	316209
	(c) Cash and Bank balances	699790	356116	368006
	(d) Other current sssets	108089	47413	49949
	(e) Loans and Advances	318898	283891	279398
Less: Curent Liabilities and Provisions				
	(a) Liabilities	702845	788287	711381
	(b) Provisions	318950	287920	287546
NET CURRENT ASSETS				
		401629	(66024)	52786
MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED)				
		115	294	241
TOTAL				
		7318592	5716552	6574389



Notes :

1. Pending determination of final tariff by the Central Electricity Regulatory Commission (CERC) for certain transmission systems, Transmission income of ₹57217 lacs for the quarter and ₹141240 Lacs for the half year ended on 30.09.2011 (corresponding previous quarter ₹163197 Lacs and half year ₹320110 lacs) has been provisionally recognized based on the CERC tariff norms for the block period 2009-14 as per accounting policy of the company.

Out of the above provisional recognition of income of ₹141240 Lacs, the Company has received provisional tariff orders of ₹138354 Lacs for billing to the beneficiaries. For the balance, billing is made as per tariff orders issued under 2004-09 norms.

2. Accounting of Foreign Exchange Rate Variation (FERV) as per accounting policies adopted by the Company in accordance with the opinion of Expert Advisory Committee of Institute of Chartered Accountants of India has resulted in decrease in profit by ₹6834 lacs for the quarter and ₹6409 lacs for the half year ended 30.09.2011 (₹1299 lacs increase in profit and ₹257 lacs decrease in profit for corresponding previous quarter and half year respectively).

Above decrease of ₹6834 lacs in profit for the quarter is mainly due to translation of foreign currency loans with reference to the higher rate of exchange applicable on 30th September, 2011 as compared to exchange rate as on 30th June, 2011. However, actual FERV gain or loss will be worked out on the date of repayment of loans based on the exchange rate prevailing on that date.

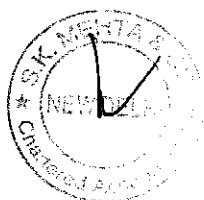
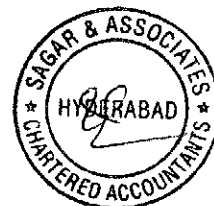
3. In accordance with the CERC (Fees and charges of Regional Load Despatch Centre and other related matters) Regulations, 2009, the Company as a transmission licensee has to pay system operation charges to the respective Regional Load Despatch Centres (RLDCs). Petition has been filed by the Company with the CERC for recovery of these charges from the beneficiaries. No revenue on this account has been considered at this stage whereas such charges of ₹504 lacs for the quarter and ₹1946 lacs for the half year are included under O&M Expenditure.

4. Profit before Tax for the half year ended 30.09.2010 includes the following income of ₹16171 lacs on account of :

i. Arrears of Transmission Charges of ₹13247 lacs on account of admission of revised MAT rate by the CERC for grossing up of Return on Equity (RoE) for earlier years.

ii. ₹2924 lacs, being profit before tax of 'RLDCs-POSOCO Assets' segment which has been taken over by Power System Operation Corporation Ltd., a 100% subsidiary of the Company, w.e.f., 01.10.2010.

5. Out of the issue proceeds of Follow on Public Offer (FPO) of ₹371289 lacs (net of Issue Expenses), the Company has utilized ₹175000 lacs till 30.09.2011, as per objects of the issue, for part financing of capital expenditure on the projects specified for utilization and the balance amount has been invested in Term Deposits with Bank.
6. During the quarter, the Company has declared final dividend of ₹1.25 per share (of ₹10/- each) for the financial year 2010-11 in addition to interim dividend of ₹0.50 per share totaling to ₹1.75 per share.



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).

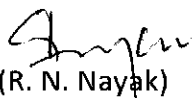
8. (i) Status of investor complaints received and attended, regarding equity shares, during the quarter ended 30.09.2011 is given as under :

	Opening Balance	Additions*	Attended*	Closing Balance
No. of Complaints	8	141	144	5

* includes references and communications

- (ii) As at 30.09.2011, 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. The above results have been reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on 22.10.2011.
10. The above results have been reviewed by the Statutory Auditors as required under clause 41 of the listing agreements.
11. Previous quarter / half year / year figures have been regrouped / rearranged wherever necessary.

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


(R. N. Nayak)
Chairman & Managing Director

Place : New Delhi.
Date : 22.10.2011.

