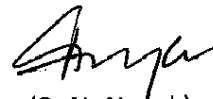


**Notes :**

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 2014' vide order dated 21<sup>st</sup> February, 2014 for the determination of transmission tariff for the block period 2014-2019.  
(ii) Pending filing of petitions and issue of tariff orders by CERC, income on account of Transmission Charges for the quarter has been provisionally recognized based on the transmission tariff norms applicable for the block period 2014-2019. However, beneficiaries are being billed in accordance with the tariff approved and applicable as on 31.03.2014 as provided in the CERC (Terms and Conditions of Tariff) Regulations, 2014.
2. The tariff norms for the block period 2014-2019 notified by the CERC provide that the recovery of Income Tax from the beneficiaries is to be based on the effective tax rate for a financial year which shall be based on the actual tax paid during the year. Accordingly, deferred tax liability provided for the quarter ended 30.06.2014 relating to transmission segment is shown as recoverable from beneficiaries as the same will be recovered in the form of current tax in future period in terms of above said tariff norms.
3. During the Quarter, the Company has revised depreciation rates on certain fixed assets w.e.f. 01<sup>st</sup> April, 2014 as per useful life specified in schedule II of the Companies Act, 2013 as reassessed by the company. Accordingly the company has accounted for additional depreciation charge of ₹ 488 lakhs during the quarter in the financial results and ₹ 5 lakhs (net of deferred tax) in reserves in terms of the transitional provisions of said schedule II. Thus, by charging depreciation at the revised depreciation rates, the depreciation charge for the year is higher by ₹ 488 lakhs.
4. Out of the proceeds of Follow on Public Offer (FPO) made during the financial year 2013-14, a sum of ₹ 278216 lakhs has been utilised upto 30.06.2014 as per the objects of the issue and the balance of ₹ 252500 lakhs is kept in the banks as term deposits.
5. The above results have been reviewed by the Audit Committee and have been approved by the Board of Directors in their respective meetings held on 04.08.2014.
6. The above results have been reviewed by the Statutory Auditors as required under clause 41 of the listing agreements.
7. Previous periods' / 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 : 04.08.2014.

