

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

AUDITED RESULTS FOR THE YEAR ENDED 31ST MARCH 2009

PARTICULARS	(Rs. in lacs)	
	Accounting year ended 31.03.2009	Accounting year ended 31.03.2008
1. Revenue from Operations		
Transmission Income - Other than FERV	528284	411793
Transmission Income - FERV	88982	7059
a) Total Transmission Income	617266	418852
b) Consultancy Income	21590	25004
c) Telecom Income	14983	12353
d) Short Term Open Access	6161	7384
e) Lease Income - State Sector ULDC	7585	6654
Total Revenue from Operations	667585	470247
2. Expenditure		
I. a) Staff Cost	64388	51906
b) Other O&M Expenditure (including DRE Written off)	45967	35068
Total Expenditure other than Depreciation	110355	86974
II. Depreciation	109397	95965
Total Expenditure	219752	182939
3. Profit from Operations before Other Income and Interest & Finance Charges	447833	287308
4. Other Income		
a) Interest on Bonds & Long Term Advances	13299	14999
b) Interest from Banks	10984	7462
c) Dividend	1954	539
d) Provision Written Back	4	839
e) FERV Gain		4296
f) Others	9028	9771
Total Other Income	35269	37906
5. Profit before Interest & Finance Charges	483102	325214
6. (I) Interest & Finance Charges		
a) Interest & Other Charges	150244	119565
b) Rebate to Customers	8631	6764
c) FERV as adjustment in Borrowing Cost	40486	7626
(II) FERV above Domestic Borrowing Cost	53848	
Total Interest & Other Charges	253209	133955
7. Profit after interest but Before Tax and Prior Period Adjustments	229893	191259
8. Less : Prior Period Items - FERV	5102	17928
Prior Period Items - Others	1934	278
9. Profit before tax	222857	173053
10. Provision for Taxation		
a) Minimum Alternate Tax	47860	19711
b) Fringe Benefit Tax	1460	1050
c) Deferred Tax	4476	7445
11. Profit after Tax	169061	144847
12. Paid up Equity Share Capital	420884	420884
13. Reserves excluding Revaluation Reserve	1041475	929853
14.(a) Basic EPS (*)	4.0168	3.6019
(Rs./Share of Rs 10 each calculated on profit after Tax)		
14.(b) Diluted EPS (*)	4.0168	3.6007
(Rs./Share of Rs 10 each calculated on profit after Tax)		
15. Debt Equity Ratio	66:34	62:38
16. Debt Service Coverage Ratio (DSCR)	1.66	1.64
17. Interest Service Coverage Ratio (ISCR)	3.31	3.29
18. Public Shareholding		
- Number of shares	573932895	573932895
- Percentage of shareholding	13.64 %	13.64 %

PARTICULARS	(Rs. in lacs)	
	Accounting	Accounting
	year ended	year ended
	31.03.2009	31.03.2008
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
Percentage of share (as % of the total shareholding of promoter and promoter group)	100 %	100 %
Percentage of share (as % of the total share capital of the company)	86.36 %	86.36 %

Segment wise Revenue, Results and Capital Employed

Rs. in lacs

	Particulars	Year ended	Year ended
		31.03.2009	31.03.2008
		(Audited)	(Audited)
A.	Segment Revenue including Other Income		
	- Transmission	634295	448030
	- Consultancy	21754	25329
	- ULDC/RLDC	31800	22408
	- Telecom	15326	12584
	Total	703175	508351
	Less: Inter Segment Revenue	321	198
	Total Revenue including Other Income	702854	508153
B.	Segment Results		
	Profit Before Tax		
	- Transmission	214140	157810
	- Consultancy	10155	16093
	- ULDC/RLDC	1774	945
	- Telecom	-3212	-1795
	Total Profit Before Tax	222857	173053
C.	Segment Capital Employed		
	- Transmission	4097340	3298410
	- Consultancy	-117483	-58869
	- ULDC/RLDC	116653	123415
	- Telecom	75094	64468
	Total Segment Capital Employed	4171604	3427424

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.The audited accounts are subject to review by the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956.

2.The transmission income included in Revenue from Operations for the period has been accounted for on the basis of regulations issued by CERC and orders received for the block period 2004-09.

3.For the year 2008-09, the re-statement of foreign currency loans has resulted in FERV loss of Rs. 191104 lacs. Accounting of such FERV as per accounting policies adopted by the Company has resulted in reduction in profit for the year by Rs. 8699 lacs (including reduction on account of prior period FERV of Rs. 5102 lacs) (Previous year Rs. 15643 lacs). Balance has been capitalised or shown as recoverable as per the opinion of Expert Advisory Committee of ICAI.

4. The pay revision of the employees of the company is due w.e.f 1st Jan, 2007. Pending implementation of pay revision, provision for the year Rs.24100 lacs (net of amount charged to construction) against previous year provision of Rs.14599 lacs (net of amount charged to construction) has been made towards wage revision on an estimated basis having regard to the guidelines issued from time to time by Department of Public Enterprises (DPE), GOI.

5. During the period the company has provided depreciation at the rates notified for the purpose of recovery of tariff by Central Electricity Regulatory Commission empowered under The Electricity Act, 2003. The issue of charging depreciation has been referred by CAG to the Ministry of Power (MOP). MOP has issued tariff policy which provides that rates of depreciation notified by CERC would be applicable for the purpose of tariffs as well as accounting.

In accordance with the Tariff Policy, CERC has notified norms for the block year 2009-14 in which depreciation @ 5.28% in first 12 years and there after amortisation of residual value over the residual life will be allowed in place of average 2.91% in the block of 2004-09. However, useful life of assets has been kept unchanged. Considering above, the rates notified under Tariff Norms 2004-09 are considered appropriate for charging depreciation for the year.

6. Pursuant to the directions by the MOP, GOI vide letter dt. 04/07/2008 the company had set up a wholly owned subsidiary company on 20th March 2009 namely "Power System Operation Corporation Limited" for independent system operation with separate accounting and Board structure. Pending determination of assets to be transferred, the business of RLDC/ULDC segment is continued to be operated by the Company.

7. The Service Tax Authorities are interpreting 'Transmission of Power' as taxable service under the head "Business Support Service" w.e.f 1st May 2006 given in the list of taxable services. Accordingly, the company has received Show Cause Notices from Service Tax / Central Excise Department at New Delhi and Shillong amounting to Rs. 41316 lacs and Rs 6648 lacs respectively plus interest and penalties. Based on the legal opinion and the fact that transmission of power is not covered in the list of taxable services under section 65 of the Finance Act, the company has not provided for the liability on account of Service Tax on transmission charges. The estimated amount of Service Tax liability of Rs. 204100 lacs (including interest of Rs. 30800 lacs) for the period from 1st May, 2006 to 31st March, 2009 is shown as contingent liability for the company as a whole.

A petition has been filed with the Central Electricity Regulatory Commission (CERC) for reimbursement of service tax if levied by revenue authorities, since service tax is an Indirect Tax and is a pass through item in transmission tariff.

8. 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).

9. (i) Status of investor complaints received and attended, regarding equity shares, during the year ended 31st March, 2009 is given as under :

	Opening Balance	Additions*	Attended*	Closing Balance
No. of Complaints	124	1240	1363	1

* includes references and communications

(ii) As at 31st March, 2009 , no investor's complaint / grievance is lying un-resolved in respect of Bonds issued by the Company. Clarifications, as and when sought by any investor, have been furnished.

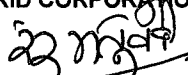
10. During the year, the Company has paid an interim dividend of Re.0.50 per share (face value Rs.10/-each) for the year 2008-09. The Board of Directors has recommended final dividend of Rs.0.70 per share (face value Rs.10/-each). The total dividend (including interim dividend) for the financial year 2008-09 is Rs.1.20 per share (face value Rs.10/-each).

11. During the year, an amount of Rs. 88000 lacs, being the unutilized amount outstanding as 31st March, 2008 out of Initial Public Offer (IPO), has been fully utilized for the capital expenditure on the projects specified in the offer document.

12. Previous year figures have been regrouped / rearranged wherever necessary.

13. The above results have been reviewed by the Audit Committee in its meeting held on 15.06.2009 and have been approved by the Board of Directors in its meeting held on 16.06.2009.

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


(S.K. Chaturvedi)

Chairman & Managing Director

Place : New Delhi.

Date : 16.06.2009.