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LIMITED REVIEW REPORT

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 Powergrid Corporation of India Limited for the quarter ended 30th June, 2008. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors.

We conducted our review in accordance with the Auditing and Assurance Standard (AAS) 33, "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 of interim financial information consists principally of applying analytical procedures for financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with accounting standards and other recognized accounting practices and policies 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 A.R. & Co.
Chartered Accountants


(Swati Singh)
Partner
M.No. 404531

For S R I Associates
Chartered Accountants


(I. Pasha)
Partner
M.No. 013280

For Umamaheswara Rao & Co
Chartered Accountants


(G. Sivaramakrishna Prasad)
Partner
M.No. 024860

Place : Gurgaon.
Date : 23rd August, 2008



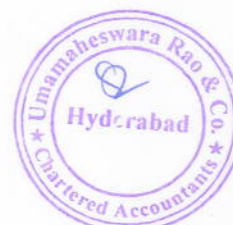
POWER GRID CORPORATION OF INDIA LTD. (A Govt. of India Enterprise)
B-9 QUTAB INSTITUTIONAL AREA, KATWARIA SARAI, NEW DELHI-110016.

UNAUDITED RESULTS FOR THE QUARTER ENDED 30TH JUNE 2008

(Rs. in crore)

PARTICULARS	Quarter ended 30.06.2008 (Unaudited)	Quarter ended 30.06.2007 (Audited)	Accounting Year ended 31.03.2008 (Audited)
1. Revenue from Operations			
a) Transmission Income	1214.14	872.42	4188.52
b) Consultancy Income	40.66	59.72	250.04
c) Telecom Income	33.09	31.41	123.53
d) Short Term Open Access - Transmission Charges	6.14	11.92	52.73
Total Revenue from Operations	1294.03	975.47	4614.82
2. Other Income			
a) Interest on Bonds & Long Term Advances	34.24	38.44	149.99
b) Lease Income - State Sector ULDC	12.42	13.20	66.54
c) Interest from Banks	28.97	4.84	74.62
d) Dividend	18.35		5.39
e) Provision Written Back		2.84	8.39
f) FERV Gain			42.96
g) Short Term Open Access-Other Charges	3.80	4.47	21.11
h) Others	16.10	16.17	97.71
Total Other Income	113.88	79.96	466.71
3. Total Income	1407.91	1055.43	5081.53
4. Expenditure			
I. a) Staff Cost	151.59	106.50	519.06
b) Provisions	0.19	0.00	3.83
c) Other O&M Expenditure (including DRE Written off)	74.11	67.95	346.85
Total Expenditure other than Depreciation	225.89	174.45	869.74
II. Depreciation	263.79	225.41	959.65
Total Expenditure	489.68	399.86	1829.39
5. Interest & Finance Charges			
a) Interest & Other Charges	343.88	298.86	1195.65
b) FERV as adjustment in Borrowing Cost	73.55	-198.34	76.26
c) Rebate to Customers	23.60	12.25	67.64
d) FERV above Domestic Borrowing Cost	122.96		
Total Interest & Finance Charges	563.99	112.77	1339.55
6. Profit Before Tax and Prior Period Adjustments	354.24	542.80	1912.59
7. Less : Prior Period Items - FERV			179.28
Prior Period Items - Others	0.59	0.30	2.78
8. Profit Before Tax	353.65	542.50	1730.53
9. Provision for Taxation			
a) Minimum Alternate Tax	35.25	59.22	197.11
b) Fringe Benefit Tax	2.51	1.93	10.50
c) Deferred Tax	10.20	29.17	74.45
10. Profit after Tax	305.69	452.18	1448.47
11. (a) Paid up Equity Share Capital	4208.84	3826.22	4208.84
(b) Paid up Equity Share Capital ((@)including Share Capital Deposit)	4208.84	3826.22	4208.84
12. Reserves excluding Revaluation Reserve			9298.53
13.(a) Basic EPS (Rs./Share of Rs 10 each calculated on profit after Tax)	0.7263(*)	1.1835(*)	3.6019
13.(b) Diluted EPS (Rs./Share of Rs 10 each calculated on profit after Tax)	0.7263(*)	1.1835(*)	3.6007
14. Public Shareholding			
- Number of shares	573932895		573932895
- Percentage of shareholding	13.64 %		13.64 %

* Not Annualised



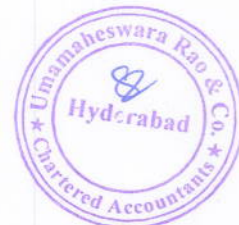
Segment wise Revenue, Results and Capital Employed

Particulars	Quarter ended 30/06/2008	Quarter ended 30/06/2007	Year ended 31/03/2008
	(Unaudited)	(Audited)	(Audited)
A. Segment Revenue			
- Transmission	1276.46	915.60	4480.30
- Consultancy	45.92	59.97	253.29
- ULDC/RLDC	52.97	48.38	224.08
- Telecom	33.22	31.85	125.84
Total	1408.57	1055.80	5083.51
Less: Inter Segment Revenue	0.66	0.37	1.98
Total Revenue	1407.91	1055.43	5081.53
B. Segment Results			
Profit Before Tax			
- Transmission	333.93	482.16	1578.10
- Consultancy	25.27	38.01	160.93
- ULDC/RLDC	0.65	19.19	9.45
- Telecom	-6.20	3.14	-17.95
Total Profit Before Tax	353.65	542.50	1730.53
C. Segment Capital Employed			
- Transmission	33958.62	28279.56	32984.10
- Consultancy	-670.83	-645.58	-588.69
- ULDC/RLDC	1257.81	1370.54	1234.15
- Telecom	658.32	717.64	644.68
Total Segment Capital Employed	35203.92	29722.16	34274.24

Notes :

While calculating segment wise capital employed, dererred tax liability for consultancy and other segments has not been considered and included in transmission segment.

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 for the year ended 31.03.2008 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.(i) Without considering the impact of FERV, net profit after tax for the quarter ending June, 2008 is Rs. 365.07 crore as against Rs. 253.84 crore for the quarter ending June, 2007. The increase of 43.82% is due to commissioning of new transmission assets of Rs. 2485.39 crore in the current quarter and also the impact of commissioning of assets of Rs. 5958.19 crore during last year in various stages.

(ii) The Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) has given two opinions w.r.t. FERV Gain, the first being the opinion published in June, 2008 Journal 'The Chartered Accountant' and the second opinion dated 17/07/2008 in respect of opinion sought by the Company. The accounting treatment followed by the company from the financial year 2007-08 is in conformity with the above referred two opinions of the EAC of ICAI.

(iii) In respect of Foreign currency loans contracted prior to 01/04/2004 FERV, which is accounted for on accrual basis, on restatement of loans, and recoverable/payable as per CERC norms on actual payment basis is accounted for in accordance with the opinion of EAC of ICAI, w.e.f. 1st April, 2004 or date of commercial operation whichever is later on "matching" concept of income and expenditure.

In respect of Foreign Currency loans contracted on or after 01/04/2004, FERV which is accounted for on accrual basis and hitherto taken to Profit & Loss Account during construction stage is now being accounted for, with retrospective effect from 01/04/2006 i.e. the year of first drawal of these loans, as 'deferred foreign currency fluctuation asset/liability account' with a corresponding credit/debit to Profit & Loss Account/ deferred income in accordance with the above referred opinion of EAC of ICAI and in tune with the 'matching' concept of income and expenditure. This has resulted in increase in Profit by Rs. 71.77 crore for the current quarter in the Profit & loss account.

(iv) Out of Rs 196.51 crore i.e., Rs. 73.55 crore & 122.96 crore stated at Sr. No. 5(b) & (d) respectively of the Unaudited Results (Rs. 198.34 crore gain in the corresponding quarter of the last year), charged to Profit & Loss account, a sum of Rs. 137.13 crore including Rs.71.77 crore as stated above and (Nil in the corresponding quarter of the last year) is recoverable from SEBs and the same is included in transmission income. The balance Amount of Rs. 59.38 crores has been charged to Profit & loss Account.

(v) There is a swing of Rs. 257.72 crore on account of FERV between the quarters ending June 2008 and June 2007. A gain of Rs. 198.34 crore, which was accounted for during the quarter ended June, 2007, was reversed at the end of Financial Year 2007-08 in accordance with the opinions of EAC of ICAI. During the current quarter, FERV loss of Rs. 59.38 crore has been accounted for which includes reversal of Rs. 51.08 crore gain, accounted for in 2007-08, in accordance with the change of accounting treatment as stated at 3 (iii) above.

4. Based on the recommendations of the Committee formed by Government of India, a sum of Rs. 28.72 crore (net of amount charged to construction) has been charged to Profit and Loss Account on account of wage revision provision for the quarter against Rs. 22.34 crore (net of amount charged to construction) for the quarter ended 30th June, 2007.

The above includes, an amount of Rs. 23.22 crore (Net of amount charged to construction) paid as DA arrears on account of 50% DA merger against the wage revision dues was charged to Profit & loss account during the quarter ending 30/06/2008.

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. Pending formalization of norms by CERC in accordance with the Tariff Policy, the rates notified under present Tariff Norms are considered appropriate for charging depreciation for the quarter.

6. As per the directions of MOP, the Board, in its meeting held on 12.07.2008, has decided to form a 100% subsidiary company for the RLDC/ULDC segment of the company.

7. (i) Status of investor complaints received and disposed off, regarding equity shares, during the quarter ended 30th June, 2008 is given as under :

a) Complaints lying unresolved at the beginning of the Quarter -	124
b) Complaints Received* during the Quarter	415
c) Complaints Attended* during the Quarter	524
d) Complaints lying unresolved at the end of the Quarter -	15

* Includes references and communications

(ii) As at 30th June, 2008, 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.

8. Out of the issue proceeds of IPO of Rs. 1965.76 crore (net of issue Expenses of Rs. 23.87 crore), the Company has utilised an amount of Rs. 1085.87 crore as per the objects of the issue and the balance is kept in the banks as term deposits.

9. Previous Year/Quarter figures have been regrouped / rearranged wherever necessary.

10. The above results are subject to limited review by the Statutory Auditors of the Company.

11. The above results have been reviewed by the Audit Committee and have been approved by the Board of Directors in its meeting held on 30.07.2008.

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

Place : New Delhi.
Date : 30th July, 2008.

(S. Majumdar)
Director Projects & CMD (Addl. Charge)

