

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 half year ended 30th September, 2015 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) 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 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.

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 and Limited Review Report for the quarter ended 30th June, 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 30.09.2015.

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 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.

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 Gaurav Mittal)
Partner
Membership No. 099387

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

Place of Signature: New Delhi

Date: 03rd November, 2015



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 HALF YEAR ENDED 30TH SEPTEMBER, 2015

(₹ in lakhs)

Part - I PARTICULARS	Quarter ended on			Half Year ended on		Year ended on
	30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1. Income from Operations						
a) Transmission Income	470826	454016	402981	924842	784275	1645086
b) Consultancy Income	9935	8902	6101	18837	12199	38060
c) Telecom Income	9694	8783	6248	18477	12698	27489
d) Other Operating Income	1347	54	2524	1401	2867	7088
Total income from Operations	491802	471755	417854	963557	812039	1717723
2. Expenses						
a) Employee benefits expense	23888	23028	25705	46916	48831	102365
b) Depreciation and amortisation expenses	144806	136951	121163	281757	236666	508541
c) Transmission, Administration and Other expenses	36112	34981	33115	71093	63701	135516
d) Prior Period Adjustments : Expenses / (Income)	(58)	(2)	1047	(60)	4234	4712
Total Expenses	204748	194958	181030	399706	353432	751134
3. Profit from Operations before other income, finance costs and exceptional items (1-2)	287054	276797	236824	563851	458607	966589
4. Other Income	10888	7041	13072	17929	26398	60281
5. Profit from ordinary activities before finance costs and exceptional items (3+4)	297942	283838	249896	581780	485005	1026870
6. Finance costs	114904	110905	98909	225809	191703	397932
7. Profit from ordinary activities after finance costs but before exceptional items (5-6)	183038	172933	150987	355971	293302	628938
8. Exceptional Items	-	-	-	-	-	-
9. Profit from ordinary activities before Tax(7-8)	183038	172933	150987	355971	293302	628938
10. Tax Expenses						
a) Current Tax (Minimum Alternate Tax)	38441	36490	31064	74931	60510	128099
b) Deferred Tax	31943	31855	15682	63798	27709	82425
Total (a+b)	70384	68345	46746	138729	88219	210524
Less: Deferred Assets for Deferred Tax Liability	32150	32063	15886	64213	28695	79503
Total Tax Expenses	38234	36282	30860	74516	59524	131021
11. Net Profit from ordinary activities after tax (9-10)	144804	136651	120127	281455	233778	497917
12. Extraordinary Items (net of tax expenses)	-	-	-	-	-	-
13. Net Profit for the period (11-12)	144804	136651	120127	281455	233778	497917
14. Paid up Equity Share Capital (Face Value - ₹10/- per share)	523159	523159	523159	523159	523159	523159
15. Paid up Debt Capital				10416430	8810960	9384455
16. Reserves excluding Revaluation Reserve as per balance sheet						3293500
17. Bonds Redemption Reserve				640815	531712	587047
18. Earnings per share (before extraordinary items)(not annualised) (₹/Share of ₹10/- each calculated on Profit after Tax)						
(a) Basic	2.77	2.61	2.30	5.38	4.47	9.52
(b) Diluted	2.77	2.61	2.30	5.38	4.47	9.52
19. Earnings per share (after extraordinary items)(not annualised) (₹/Share of ₹10/- each calculated on Profit after Tax)						
(a) Basic	2.77	2.61	2.30	5.38	4.47	9.52
(b) Diluted	2.77	2.61	2.30	5.38	4.47	9.52
20. Debt Equity Ratio				72:28	71:29	71:29
21. Debt Service Coverage Ratio (DSCR)				2.11	2.19	2.04
22. Interest Service Coverage Ratio (ISCR)				3.95	4.04	4.06

Refer accompanying notes to the financial results



Part - II Select Information for the Quarter and Half Year ended 30th September, 2015.

PARTICULARS	Quarter ended on			Half Year ended on		Year ended on
	30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
A PARTICULARS OF SHAREHOLDING						
1. Public Shareholding						
- Number of shares	2202754450	2202754450	2202754450	2202754450	2202754450	2202754450
- Percentage of shareholding	42.10 %	42.10 %	42.10 %	42.10 %	42.10 %	42.10 %
2. 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	3028835198	3028835198	3028835198	3028835198	3028835198	3028835198
Percentage of share (as % of the total shareholding of promoter and promoter group)	100 %	100 %	100 %	100 %	100 %	100 %
Percentage of share (as % of the total share capital of the company)	57.90 %	57.90 %	57.90 %	57.90 %	57.90 %	57.90 %

Particulars	Quarter ended on 30.09.2015
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	1
Received during the quarter	95
Disposed of during the quarter	96
Remaining unresolved at the end of the quarter	0



Segment wise Revenue, Results and Capital Employed for the Quarter and half year ended 30th September, 2015

(₹ in lakhs)

PARTICULARS	Quarter ended on			Half Year ended on		Year ended on
	30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
A. Segment Revenue (including allocable Other Income)						
- Transmission	475902	457467	408683	933369	794378	1674240
- Consultancy	10070	8998	6170	19068	12291	38773
- Telecom	10789	9768	6743	20557	13490	30095
Total	496761	476233	421596	972994	820159	1743108
Less: Inter Segment Revenue	1064	967	479	2031	747	2439
Total Revenue including Other Income	495697	475266	421117	970963	819412	1740669
B. Segment Results						
Profit Before Interest and Tax						
- Transmission	279886	269898	235845	549784	458956	957920
- Consultancy	6873	6203	3226	13076	5996	25282
- Telecom	4190	4207	1016	8397	1028	6333
Total Profit Before Interest and Tax	290949	280308	240087	571257	465980	989535
Less :						
Unallocated interest and finance charges	114904	110905	98909	225809	191703	397932
Other unallocated expenditure net of unallocated income	(6993)	(3530)	(9809)	(10523)	(19025)	(37335)
Profit before Tax	183038	172933	150987	355971	293302	628938
C. Capital Employed (Segment Assets - Segment Liabilities)						
- Transmission	10290504	9721290	8364100	10290504	8364100	9213007
- Consultancy	(70392)	(70969)	(65330)	(70392)	(65330)	(74653)
- Telecom	18558	15515	27820	18558	27820	25073
Capital Employed in Segments	10238670	9665836	8326590	10238670	8326590	9163427
- Unallocated Assets Less Liabilities	4395902	4348659	4584299	4395902	4584299	4157687
Total	14634572	14014495	12910889	14634572	12910889	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.



Power Grid Corporation of India Limited
Standalone Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	Amount	
	As at 30.09.2015 (Un-audited)	As at 31.03.2015 (Audited)
I. EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	523159	523159
(b) Reserves and surplus	3574983	3293500
Sub-total - Shareholders' funds	4098142	3816659
2 Deferred Revenue	536832	476291
3 Non-current liabilities		
(a) Long-term borrowings	9877842	8937584
(b) Deferred tax liabilities (Net)	246800	247215
(c) Other long term liabilities	70899	109788
(d) Long-term provisions	62130	58023
Sub-total - Non-current liabilities	10257671	9352610
4 Current liabilities		
(a) Short-term borrowings	120000	120000
(b) Trade payables	10921	39297
(c) Other current liabilities	2121273	1904036
(d) Short-term provisions	105177	121195
Sub-total - Current liabilities	2357371	2184528
TOTAL - EQUITY AND LIABILITIES	17250016	15830088
II. ASSETS		
1 Non-current assets		
(a) Fixed assets (including Capital Work in Progress)	13980905	12956840
(b) Construction stores	1160620	1304196
(c) Non-current investments	74723	74099
(d) Deferred foreign currency fluctuation asset	351510	284154
(e) Long-term loans and advances	517377	417789
Sub-total Non-current assets	16085135	15037078
2 Current assets		
(a) Current investments	18543	18543
(b) Inventories	75521	71775
(c) Trade receivables	259584	211865
(d) Cash and Bank balances	427271	206298
(e) Short-term loans and advances	172233	56642
(f) Other current assets	211729	227887
Sub-total - Current assets	1164881	793010
TOTAL - ASSETS	17250016	15830088



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 half year ended 30th September, 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 a draft Limited Review Report on the financial results of the Company for the quarter and half year ended 30th September, 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 Auditors' Report on the financial statements for the FY 2014-15.

Non provision of the above has resulted in increase in cumulative Profit after Tax by ₹ 9162 lakhs which includes ₹ nil for the quarter and half year ended 30.09.2015.

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.

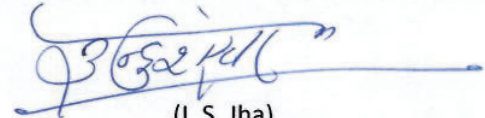
Pending final decision regarding shifting of DOCO from 01.07.2010 to 01.09.2011 by the Hon'ble Supreme Court, no provision has been considered in the accounts for the FY 2014-15 and for the quarter and half year ended 30.09.2015.



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. During the quarter, the Company has declared final dividend of ₹ 1.31 per share (face value of ₹ 10/- each) in addition to interim dividend of ₹ 0.69 per share, totaling to ₹ 2.00 per share for the financial year 2014-15.
4. Formula used for computation of coverage ratios DSCR = Earnings before Interest, Depreciation and Tax/(Interest & Finance Charges net of amount transferred to expenditure during construction + Principal Repayment) and ISCR = Earnings before Interest, Depreciation and Tax/(Interest & Finance Charges net of amount transferred to expenditure during construction).
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 03rd November, 2015.
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.**



(I. S. Jha)
Chairman & Managing Director

Place : New Delhi.
Date : 03.11.2015.

