

POWER GRID CORPORATION OF INDIA LTD. (A Govt. of India Enterprise)
B-9, QUTAB INSTITUTIONAL AREA, KATWARIA SARAI, NEW DELHI-110016.
AUDITED FINANCIAL RESULTS
FOR THE HALF YEAR ENDED 30th SEPTEMBER, 2005

(Rs. in crore)

PARTICULARS	Half Year ended 30/09/05 (Audited)	Corresponding Half Year ended 30/09/04 (Un-Audited)	Accounting Year ended 31/03/05 (Audited)
1. Revenue from Operations	1363.07	1115.28	2485.17
2. Other Income			
a) RLDC Expenditure Reimbursement	5.50	14.35	27.90
b) Lease Income - State Sector ULDC	18.12	25.00	47.05
c) Interest on Securitisation Bonds	82.11	79.31	178.62
d) Others	38.83	30.70	92.54
Total Other Income	144.56	149.36	346.11
Total Income	1507.63	1264.64	2831.28
3. Expenditure			
a) Staff Cost	126.01	109.90	207.09
b) RLDC Expenditure	5.53	14.10	29.56
c) Others	138.31	92.07	235.31
Total Expenditure	269.85	216.07	471.96
4. Interest & Finance Charges			
a) Interest & Other Charges	361.74	361.86	684.80
b) Incentive to SEBs under Securitisation scheme	33.69	36.06	78.41
c) Rebate to Customers	22.96	22.13	45.48
Total Interest & Finance Charges	418.39	420.05	808.69
5. Depreciation	355.90	312.13	642.26
6. Profit Before Tax	463.49	316.39	908.37
7. Provision for Taxation(MAT) & FBT	35.02	20.00	64.81
8. Profit after MAT & FBT	428.47	296.39	843.56
9. Provision for Deferred Taxes (After reducing tax recoverable from SEBs)	31.16	0.00	58.04
10. Profit after Deferred Tax	397.31	296.39	785.52
11. (a) Paid up Equity Share Capital	3265.25	3035.25	3165.25
(b) Paid up Equity Share Capital (including Share Capital deposit)	3429.06	3074.06	3204.06
12. Reserves excluding Revaluation Reserve but including Capital Reserves (as per Balance Sheet of previous accounting year)	-	-	5826.87
13.(a) Basic EPS (Not Annualised) (Rs./Share of Rs 1000 each calculated on profit after Deferred Tax)	125	98	257
13.(b) Diluted EPS (Not Annualised) (Rs./Share of Rs 1000 each calculated on profit after Deferred Tax)	124	96	254

Notes :

1. The transmission income included in Revenue from Operations for the period has been accounted for on the basis of regulations issued by CERC for the block period 2004-09 and the orders received till date. The tariff for previous block period (2001-04) in a few cases is subject to revision, impact thereof shall be considered after the final orders are passed by CERC.

2. 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). The decision of MOP is awaited. Impact thereof will be considered on receipt of final decision.

3. During the financial year 2004-05, the accounting of Foreign Exchange Rate Variation was made in accordance with the clause 4 (e) of AS-16 on "Borrowing Costs" (read with ASI-10 thereon) only to the extent it pertains to loans contracted after 01.04.2000. In view of the recent opinion of ICAI, FERV on entire loans contracted prior to 01.04.2000 are also accounted for in accordance with the aforesaid method in the accounts for the period ended 30.09.2005.

Pursuant to the change in method as stated in aforesaid para Gross Block of Fixed Assets stands reduced by Rs 26.10 crore (net of prior period) representing FERV adjusted in cost of Fixed Assets after 01.04.2000 in terms of the provisions of erstwhile AS 11 (1994) with the corresponding effect thereof in interest cost for the current year by (-)Rs. 20.86 crore and Rs.46.96 crore for the earlier years.

4. The company shall consider the effect of impairment of assets, if any, as per AS-28 at the time of finalisation of accounts for the financial year 2005-06.

5. Since CERC vide their order issued during September, 2005 on NR, SR & NER ULDC, has disallowed reimbursement of fees and charges w.e.f. the date of commissioning of the respective ULDCs, the same are included in the expenditure of Transmission Activities. Accordingly, fees and charges in respect of ERLDC (prorata upto 31.08.2005) and WRLDC only have been considered in the half yearly accounts under "RLDC Expenditure Reimbursement" alongwith corresponding expenditure thereof on normative basis.

6. As regards Auditors' qualification in the Audit Report for the financial year 2004-05

a) as stated in clause 6(iii) in respect of CANFINA, the matter is still pending in High Court for settlement.

b) as stated in clause 7(i) in respect of disposal of appeal filed by the Company against the CERC Order before the Hon'ble Delhi High Court, the same is still to be disposed off by the Court.

c) as stated in clause 7(ii) regarding the one time settlement of dues in respect of Bihar, Jharkhand & DVB the same may result in securitisation during the year 2005-06.

7. The above results have been reviewed by the Audit Committee and have been taken on record by the Board of Directors in its meeting held on 30.11.2005.

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

Place : New Delhi.
Date : 30.11.2005

(R.P.Singh)
Chairman & Managing Director

Rs. In crore

Segment wise Revenue, Results and Capital Employed,

Particulars	Half Year Ended 30.09.2005 Audited	Year Ended 31.03.2005 Audited
A. Segment Revenue		
- Transmission	1418.26	2635.27
- Consultancy	61.67	128.27
- Others	27.70	67.74
Total Income	1507.63	2831.28
B. Segment Results		
Profit (before interest and tax)		
- Transmission	841.49	1616.23
- Consultancy	46.47	103.07
- Others	-6.08	-2.24
Total	881.88	1717.06
Less: Interest & finance charges	418.39	808.69
Total Profit Before Tax	463.49	908.37
C. Segment Capital Employed		
- Transmission	20973.60	20235.91
- Consultancy	-415.16	-526.89
- Others	818.47	797.84
Total Segment Capital Employed	21376.91	20506.86

Note.:

Since for the period ended 30.09.2004 the company was having only one reportable segment, hence figures for Segment Reporting in terms of AS-17 are given for the year ended 31.03.2005.

2. While calculating segment wise Capital Employed, Deferred Tax Liability for consultancy and other segments has not been considered and included in Transmission segment.