

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, 2006

(Rs. in crore)

PARTICULARS	Half Year ended 30.09.2006 (Audited)	Corresponding Half Year ended 30.09.2005 (Audited)	Accounting Year ended 31.03.2006 (Audited)
1. Revenue from Operations			
a) Transmission Income	1499.20	1275.04	2905.27
b) Consultancy Income	84.95	61.07	154.99
c) Others	47.39	32.46	85.08
Total Revenue from Operations	1631.54	1368.57	3145.34
2. Other Income			
a) Interest on Bonds & Long Term Advances	88.40	82.11	220.48
b) Lease Income - State Sector ULDC	27.51	18.12	38.90
c) Surcharge	0.00	8.81	19.55
d) Provision Written Back	0.00	0.01	67.93
e) Others	29.60	30.01	62.11
Total Other Income	145.51	139.06	408.97
Total Income	1777.05	1507.63	3554.31
3. Expenditure			
a) Staff Cost	138.26	129.97	256.81
b) Provisions	2.89	0.00	132.77
c) Prior Period Expenditure	-0.08	41.64	72.74
d) Others O&M Expenditure	120.72	98.24	231.22
Total Expenditure	261.79	269.85	693.54
4. Interest & Finance Charges			
a) Interest & Other Charges	530.87	361.74	812.50
b) Incentive to SEBs under Securitisation scheme	0.00	33.69	85.10
c) Rebate to Customers	26.63	22.96	49.85
Total Interest & Finance Charges	557.50	418.39	947.45
5. Depreciation	408.97	355.90	744.33
6. Profit Before Tax	548.79	463.49	1168.99
7. Provision for Taxation(MAT) & FBT	56.25	35.02	90.90
8. Profit after MAT & FBT	492.54	428.47	1078.09
9. Provision for Deferred Taxes (After reducing tax recoverable from SEBs)	35.28	31.16	69.16
10. Profit after Deferred Tax	457.26	397.31	1008.93
11. (a) Paid up Equity Share Capital	3740.41	3265.25	3584.63
(b) Paid up Equity Share Capital (including Share Capital deposit)	3826.22	3429.06	3623.44
12. Reserves excluding Revaluation Reserve but including Capital Reserves	6804.91	6216.22	6378.55
13.(a) Basic EPS (Rs./Share of Rs 1000 each calculated on profit after Deferred Tax)	131*	125*	307
13.(b) Diluted EPS (Rs./Share of Rs 1000 each calculated on profit after Deferred Tax)	130*	124*	303

(*) Not Annualised

(Rs. in crore)

Segment wise Revenue Results and Capital Employed.

	Particulars	Half Year ended 30/09/2006 -(Audited)	Half Year ended 30/09/2005 (Audited)	Year ended 31/03/2006 (Audited)
A.	Segment Revenue			
	- Transmission	1554.20	1418.26	3164.55
	- Consultancy	85.62	61.67	155.58
	- ULDC/RLDC	106.19	(*)12.34	196.53
	- Telecom	31.04	15.36	37.65
	Total Income	1777.05	1507.63	3554.31
B.	Segment Results			
	Profit (before interest and tax)			
	- Transmission	995.32	841.49	1918.40
	- Consultancy	62.07	46.47	119.34
	- ULDC/RLDC	53.87	(*)6.59	100.23
	- Telecom	-4.97	-12.67	-21.53
	TOTAL	1106.29	881.88	2116.44
	Less : Interest and Finance charges	557.50	418.39	947.45
	Total Profit Before Tax	548.79	463.49	1168.99
C.	Segment Capital Employed			
	- Transmission	24019.29	20973.60	21306.06
	- Consultancy (including APDRP)	-488.04	-402.46	-652.60
	- ULDC/RLDC	1452.16	(*)52.77	1461.48
	- Telecom	774.16	753.00	753.04
	Total Segment Capital Employed	25757.57	21376.91	22867.98

(*) Represents only RLDC data. ULDC data for the half year ended 30.09.2005 is included in the Transmission Segment.

Notes :

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

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 and orders received for the block period 2004-09 and 2001-04.
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). 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 year.
3. Exchange differences of Rs. 61.34 crore (to the extent considered as adjustment to interest costs) is recognized as an expense (previous period gain of Rs. 20.86 crore) for the half year based on the exchange rates prevailing as on 30/09/2006. Further an amount of Rs. 179.03 crore (previous period 61.17 crore towards exchange rate variation gain) being remaining exchange rate variation gain has been adjusted in the respective carrying amount of Fixed assets/Capital Work in progress.
4. In terms of Accounting Standard 15, (revised 2005) applicable from 01/04/2006 on "Employee Benefits", provision of Rs. 16.19 crore has been made towards employee benefits on the basis of actuarial valuation. The shortfall in liability towards employee benefits as on 1st April, 2006 based on revised actuarial valuation amounting to Rs. 22.34 crore has been adjusted against the opening balance of General Reserve in terms of the transitional provisions of the Standard.
5. In the current period, there is no indication which requires to re-estimate the recoverable amount of the transmission assets for impairment analysis. As regards telecom activities of the company the cash generating unit in terms of the Accounting Standard is yet to be completed and business plan is in the process of finalisation to ascertain the future cash inflows, the Telecom assets will be considered for impairment analysis afterwards.
6. As at 30.09.2006, no investor's complaint / grievance is lying un-resolved. Clarifications, as and when sought by any investor, have been furnished.
7. Previous period figures have been regrouped / rearranged wherever necessary.
8. 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 23.11.2006.

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

Place : New Delhi.
Date : 23.11.2006

(R.P.Singh)
Chairman & Managing Director