

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 QUARTER AND YEAR ENDED 31ST MARCH, 2012

(₹ in lakhs)

Part - I	PARTICULARS	Stand Alone			Consolidated		
		Quarter ended on		Year ended on		Year ended on	
		31.03.2012 (Un-audited)	31.12.2011 (Un-audited)	31.03.2011 (Un-audited)	31.03.2012 (Audited)	31.03.2011 (Audited)	31.03.2011 (Audited)
1.	Income from Operations	295881	233961	206354	954419	790215	982563
	a) Transmission Income	9094	7340	9151	28995	29935	28470
	b) Consultancy Income	5212	5361	5578	20119	18720	20119
	c) Telecom Income	310187	246662	221083	1003533	838870	1031152
	Total income from operations						813780
2.	Expenses	24005	19976	16491	84297	74589	92141
	a) Employee benefit expenses	71765	67923	58296	257254	219939	263739
	b) Depreciation and amortisation expenses	25799	17810	23859	80998	69893	82646
	c) Transmission, Administration and Other expenses	121569	105709	98646	422549	364421	438526
	Total Expenses						227292
3.	Profit from Operations before other income, finance costs, prior period adjustments and exceptional items (1-2)	188618	140953	122437	580984	474449	592626
		30691	10958	37003	74968	71005	76206
4.	Other Income						66078
5.	Profit from ordinary activities before finance costs, prior period adjustments and exceptional items (3+4)	219309	151911	159440	655952	545454	668832
6.	Finance costs	50989	47057	40312	185883	155665	190132
	a) Interest & Other Charges						8443
	b) Foreign Exchange Rate Variation (including adjustment to Borrowing Cost and net of amount recoverable from beneficiaries) : Loss/(Gain)	3137	(1103)	6591	8443	6879	8443
	Total finance costs	54126	45954	46903	194326	162544	198575
7.	Profit from ordinary activities after finance costs but before prior period adjustments and exceptional items (5-6)	165183	105957	112537	461626	382910	470257
8.	Prior Period Adjustments : Expenses / (Income)	1641	311	(260)	1866	437	1291
9.	Exceptional Items						437
10.	Profit before Tax (7-8-9)	163542	105646	112797	459760	382473	468966
11.	Provision for Taxation	31761	20665	19595	88851	68461	93625
	a) Current Tax (Minimum Alternate Tax)	28612	4058	18090	45414	44323	45042
	b) Deferred Tax	60373	24723	37685	134265	112784	138667
	Total Provision for Taxation	103169	80923	75112	325495	269689	330299
12.	Net Profit after Tax (10-11)						
13.	Extraordinary Items (net of tax expenses)	103169	80923	75112	325495	269689	330299
14.	Net Profit for the period (12-13)						
15.	Share of profit / (loss) of associates						
16.	Minority Interest						
17.	Net profit after taxes, minority interest and share of profit / (loss) of associates	103169	80923	75112	325495	269689	330299
18.	Paid up Equity Share Capital	462973	462973	462973	462973	462973	462973
19.	Paid up Debt Capital				5175191	3943277	462973
20.	Reserves excluding Revaluation Reserve as per balance sheet				1885805	1673727	1895348
21.	Bonds Redemption Reserve				322403	256804	
22.	Earnings per share (before extraordinary items)(not annualised)						
	(₹/Share of ₹10 each calculated on Profit after Tax)	2.23	1.75	1.62	7.03	6.19	7.14
	(a) Basic	2.23	1.75	1.62	7.03	6.19	7.14
	(b) Diluted						
23.	Earnings per share (after extraordinary items)(not annualised)						
	(₹/Share of ₹10 each calculated on Profit after Tax)	2.23	1.75	1.62	7.03	6.19	7.14
	(a) Basic	2.23	1.75	1.62	7.03	6.19	7.14
	(b) Diluted						
24.	Debt Equity Ratio				69:31	65:35	
25.	Debt Service Coverage Ratio (DSCR)				2.25	2.30	
26.	Interest Service Coverage Ratio (ISCR)				5.14	5.15	

Refer accompanying notes to the financial results

Part - II	Stand Alone						Consolidated	
	Quarter ended on			Year ended on			Year ended on	
	31.03.2012	31.12.2011	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2011
	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
PARTICULARS								
A PARTICULARS OF SHAREHOLDING								
1. Public Shareholding								
- Number of shares	1415701141	1415701141	1415701141	1415701141	1415701141	1415701141	1415701141	1415701141
- Percentage of shareholding	30.58 %	30.58 %	30.58 %	30.58 %	30.58 %	30.58 %	30.58 %	30.58 %
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	3214024212	3214024212	3214024212	3214024212	3214024212	3214024212	3214024212	3214024212
Percentage of share (as % of the total shareholding of promoter and promoter group)	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Percentage of share (as % of the total share capital of the company)	69.42 %	69.42 %	69.42 %	69.42 %	69.42 %	69.42 %	69.42 %	69.42 %

Particulars		Quarter ended 31.03.2012	
B INVESTOR COMPLAINTS			
Pending at the beginning of the quarter		41	
Received during the quarter		476	
Disposed of during the quarter		288	
Remaining unresolved at the end of the quarter		229	

STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2012 (Audited)	Year ended 31.03.2011 (Audited)	Year ended 31.03.2012 (Audited)	Year ended 31.03.2011 (Audited)
I. EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	462,973	462,973	462,973	462,973
(b) Reserves and surplus	1,885,805	1,673,727	1,895,348	1,678,786
Sub-total - Shareholders' funds	2,348,778	2,136,700	2,358,321	2,141,759
Non-current liabilities				
(a) Long-term borrowings	4,911,919	3,721,584	5,000,573	3,790,465
(b) Deferred tax liabilities (Net)	160,088	114,674	159,456	114,414
(c) Deferred revenue	228,310	234,738	233,275	239,776
(d) Deferred income/(expenditure) from Foreign Currency Fluctuation(Net)	49,317	(1,159)	49,317	(1,159)
(e) Other long term liabilities	143,173	282,662	146,225	284,639
(f) Long-term provisions	42,149	31,664	44,895	34,082
Sub-total - Non-current liabilities	5,534,956	4,384,163	5,633,741	4,462,217
Current liabilities				
(a) Short-term borrowings	165,000	145,000	165,828	145,000
(b) Trade payables	20,335	19,666	23,717	23,249
(c) Other current liabilities	846,099	630,746	916,987	732,671
(d) Short-term provisions	306,440	255,882	315,405	261,324
Sub-total - Current liabilities	1,337,874	1,051,294	1,421,937	1,162,244
TOTAL - EQUITY AND LIABILITIES	9,221,608	7,572,157	9,413,999	7,766,220
I. ASSETS				
Non-current assets				
(a) Fixed assets				
Tangible Assets	4,733,978	3,697,029	4,799,770	3,767,812
Intangible Assets	32,252	25,369	32,411	25,389
Capital Work in progress	1,549,989	1,286,463	1,624,875	1,332,653
Intangible Assets under Development	7,361	9,905	9,308	10,750
	6,323,580	5,018,766	6,466,364	5,136,604
(b) Construction stores	1,261,004	1,074,925	1,263,677	1,074,931
(c) Non-current investments	110,119	121,401	57,386	75,712
(d) Deferred foreign currency fluctuation asset	131,667	32,897	131,667	32,897
(e) Long-term loans and advances	561,476	361,533	564,453	353,475
Sub-total Non-current assets	8,387,846	6,609,522	8,483,547	6,673,619
Current assets				
(a) Current investments	18,326	18,434	19,984	19,454
(b) Inventories	44,031	38,151	44,125	38,235
(c) Trade receivables	231,537	111,400	234,707	120,104
(d) Cash and Bank balances	233,688	368,006	311,134	480,587
(e) Short-term loans and advances	243,369	203,728	253,296	207,669
(f) Other current assets	62,811	222,916	67,206	226,552
Sub-total - Current assets	833,762	962,635	930,452	1,092,601
TOTAL - ASSETS	9,221,608	7,572,157	9,413,999	7,766,220

Audited Segment wise Revenue, Results and Capital Employed for the year ended 31.03.2012

(₹ in lakhs)

PARTICULARS	Stand Alone					Consolidated	
	Quarter ended on			Year ended on		Year ended on	
	31.03.2012	31.12.2011	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)	(Audited)	(Audited)
A. Segment Revenue including Other Income							
- Transmission	324192	234190	231254	1008432	824846	1021682	835089
- Consultancy	9601	7056	9369	29365	30335	28840	27955
- RLDCs - POSOCO Assets	-	-	(237)	-	14425	18871	25229
- ULDCs - Other Assets	1872	11012	12050	20553	21477	20553	21477
- Telecom	5854	5459	5484	21032	19161	21032	19161
Total	341519	257717	257920	1079382	910244	1110978	928911
Less: Inter Segment Revenue	641	97	(166)	881	369	3620	1657
Total Revenue including Other Income	340878	257620	258086	1078501	909875	1107358	927254
B. Segment Results							
Profit Before Tax							
- Transmission	153785	97325	96693	433759	348348	437715	348144
- Consultancy	5833	4797	5239	16336	16528	16485	15269
- RLDCs - POSOCO Assets	-	-	(905)	-	2019	5101	4195
- ULDCs - Other Assets	2212	1987	9533	5088	12236	5088	12236
- Telecom	1712	1537	2237	4577	3342	4577	3085
Total Profit Before Tax	163542	105646	112797	459760	382473	468966	382929
C. Segment Capital Employed							
- Transmission	7743228	7404947	6282743	7743228	6282743	7836773	6352385
- Consultancy	(171077)	(163813)	(199308)	(171077)	(199308)	(171077)	(199329)
- RLDCs - POSOCO Assets	-	-	10806	-	10806	11351	19212
- ULDCs - Other Assets	87459	83048	94010	87459	94010	87459	94010
- Telecom	29359	29061	36485	29359	36485	29359	36485
Total Segment Capital Employed	7688969	7353243	6224736	7688969	6224736	7793865	6302763

Notes

- Assets pertaining to 'RLDCs-POSOCO Assets' segment have been taken over by Power System Operation Corporation Ltd., a 100% subsidiary of the Company, w.e.f. 01.10.2010. Hence current year figures are nil for 'RLDCs-POSOCO Assets' segment.
- Profit of Telecom segment has been increased by the amount of inter segment revenue with a corresponding decrease in profit of Transmission segment.
- While calculating segment wise capital employed, entire deferred tax liability has been considered and included in transmission segment.
- Investment assets and income thereon are included in Transmission Segment.
- The operations of the Company are mainly carried out within the country and therefore, geographical segments are not applicable.

The Subsidiaries and Joint Venture Companies considered in the consolidated Financial Results - FY 2011-12

Name of the Company		Ownership (%)
Subsidiary Companies		
1	Power System Operation Corporation Limited	100%
2	Nagapattinam Madhugiri Transmission Company Limited	100%
Joint Venture Companies		
1	Powerlinks Transmission Limited	49%
2	Torrent Power Grid Limited	26%
3	Jaypee Powergrid Limited	26%
4	Parbati Koldam Transmission company Limited	26%
5	Teestavalley Power Transmission Limited *	26%
6	North East Transmission Company Limited	26%
7	National High Power Test Laboratory Private Limited	25%
8	Energy Efficiency Services Limited	25%
All the above companies are incorporated in India.		
* Un-Audited Financial Statements		

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 Company has recognized transmission income during the year as per the following :
 - a) ₹ 193442 lakhs (previous year nil) for which provisional tariff orders have been issued by CERC allowing provisional billing of at 85%–95% of the tariff claimed;
 - b) ₹ 651680 lakhs (previous year ₹ 345731 lakhs for which final tariff orders have been issued by CERC.
 - c) ₹ 30194 lakhs (previous year ₹ 423333 lakhs) based on CERC Tariff norms applicable for the tariff block 2009-14 for which tariff orders are yet to be issued by CERC.
 - d) ₹ 46555 lakhs recognized as transmission income on account of Deferred Tax liability (Net) materialized upto 31.03.2012 as permissible under CERC regulations.
3. Effect of changes in accounting policies :
 - a) In view of option allowed by Ministry of Corporate Affairs vide its notification dated 29.12.2011 on Accounting Standard-11, the Company, during the year, has capitalized the Foreign Exchange Rate Variation (FERV) loss arising on account of settlement/restatement of long term monetary liabilities relating to depreciable capital assets. Consequently, FERV loss, which has hitherto charged to Profit & Loss Account has been adjusted in cost of related Fixed Assets/Capital work-in-progress. As a result, profit before tax for the year ended 31.03.2012 after considering the amount of FERV loss recoverable from beneficiaries as per CERC Tariff Regulations 2009 is higher by ₹ 1193 lakhs.
 - b) Intangible Assets –Right of Way (Afforestation expenses) were hitherto amortised over the useful life of related assets. During the year company has changed accounting policy in this regard and now these assets are being amortised following the rates and methodology notified by CERC Tariff Regulation with retrospective effect from 01.04.2009. This has resulted in increase in amortisation for the year and Prior Period amortisation of ₹ 762 lakhs and ₹ 1140 lakhs respectively.
4. Accounting of FERV as per accounting policies adopted by the Company has resulted in decrease in profit for the year by ₹ 8443 lakhs (previous year increase in profit by ₹ 448 lakhs, being the difference of ₹ 7800 lakhs included in other incomes and ₹ 7352 lakhs included in Interest and other expenses).
5. Out of the issue proceeds of FPO of ₹ 372117 lakhs, the Company has utilised an amount of ₹ 137117 lakhs during the year (₹ 297117 lakhs cumulative upto 31.03.2012) as per the objects of the issue and the balance of Rs. 75000 lakhs is kept in the banks as term deposits.
6. During the year, the Company has paid an interim dividend of ₹ 0.80 per share (face value ₹ 10/- each) for the year 2011-12. The Board of Directors has recommended final dividend of ₹ 1.31 per share (face value ₹ 10/- each). The total dividend (including interim dividend) for the financial year 2011-12 is ₹ 2.11 per share (face value ₹ 10/- each).
7. 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).

8. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31.03.2012 have been prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to current year's classification. Further, previous period/year figures have been regrouped / rearranged wherever necessary.
9. Figures for the fourth quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the financial year.
10. The above results have been reviewed by the Audit Committee at its meeting held on 28.05.2012 and have been approved by the Board of Directors at its meeting held on 29.05.2012.

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


(R. N. Nayak)

Chairman & Managing Director

Place : New Delhi.

Date : 29th May, 2012.