

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 YEAR ENDED 31ST MARCH, 2011

(Rs. in lacs)

PARTICULARS	Stand Alone		Consolidated
	Year ended 31.03.2011 (Audited)	Year ended 31.03.2010 (Audited)	Year ended 31.03.2011 (#) (Audited)
1. Revenue from Operations			
a) Total Transmission Income	769064	657638	791656
b) Consultancy Income	29935	26917	28676
c) Telecom Income	18720	15772	18720
d) Short Term Open Access	21151	12418	22124
Total Revenue from Operations	838870	712745	861176
2. Expenditure			
I. a) Staff Cost	74589	72670	78568
b) Other O&M Expenditure (including DRE Written off)	59149	53136	60714
Total Expenditure other than Depreciation	133738	125806	139282
II. Depreciation	219939	197969	227292
Total Expenditure	353677	323775	366574
3. Profit from Operations before Other Income and Interest & Finance Charges	485193	388970	494602
4. Other Income	71110	37613	66185
5. Profit before Interest & Finance Charges	556303	426583	560787
6. Interest & Finance Charges			
a) Interest & Other Charges	155696	146339	159718
b) Rebate to Customers	10278	7768	10275
c) FERV as adjustment in Borrowing Cost	7419	217	7428
Total Interest & Other Charges	173393	154324	177421
7. Profit after interest but Before Tax and Prior Period Adjustments	382910	272259	383366
8. Less : Prior Period Expenses	437	9627	437
9. Profit before tax	382473	262632	382929
10. Provision for Taxation			
a) Minimum Alternate Tax	68461	42191	71682
b) Fringe Benefit Tax		-150 *	
c) Deferred Tax	44323	16497	44056
11. Profit after Tax	269689	204094	267191
12. Paid up Equity Share Capital	462973	420884	
13. Reserves excluding Revaluation Reserve	1673727	1173306	1678785
14. Bonds Redemption Reserve	256804	204308	
15. Basic and Diluted EPS	6.19	4.85	6.13
(Rs./Share of Rs 10 each calculated on Profit after Tax)			
16. Debt Equity Ratio	65:35	68:32	
17. Debt Service Coverage Ratio (DSCR)	2.30	2.16	
18. Interest Service Coverage Ratio (ISCR)	5.15	4.36	
19. Public Shareholding			
- Number of shares	1415701141	573932895	1415701141
- Percentage of shareholding	30.58 %	13.64 %	30.58 %
20. 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	3634908335	3214024212
Percentage of share (as % of the total shareholding of promoter and promoter group)	100 %	100 %	100 %
Percentage of share (as % of the total share capital of the company)	69.42 %	86.36 %	69.42 %

* Pertains to earlier years

As per the transitional provisions of AS-21, comparative figures of previous year have not been presented.

The Subsidiaries and Joint Venture Companies considered in the consolidated Financial Results

Name of the Company		Ownership (%)
Subsidiary Companies		
1	Power System Operation Corporation 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	24.93%
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		

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Audited Segment wise Revenue, Results and Capital Employed for the year ended 31.03.2011

Rs. in lacs

	Particulars	Stand Alone		Consolidated
		Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011
		(Audited)	(Audited)	(Audited)
A.	Segment Revenue including Other Income			
	- Transmission	826072	670579	834165
	- Consultancy	29214	27708	27955
	- RLDCs - POSOCO Assets	14425	22458	25229
	- ULDCs - Other Assets	21477	13730	21477
	- Telecom	19161	16729	18904
	Total	910349	751204	927730
	Less: Inter Segment Revenue-Telecom	369	846	369
	Total Revenue including Other Income	909980	750358	927361
B.	Segment Results			
	Profit Before Tax			
	- Transmission	348348	239396	348144
	- Consultancy	16528	14555	15269
	- RLDCs - POSOCO Assets	2019	4177	4195
	- ULDCs - Other Assets	12236	3815	12236
	- Telecom (*)	3342	689	3085
	Total Profit Before Tax	382473	262632	382929
C.	Segment Capital Employed			
	- Transmission (**)	6162935	4873125	6274548
	- Consultancy	-199388	-152509	-199329
	- RLDCs - POSOCO Assets	11320	28728	19212
	- ULDCs - Other Assets	94010	97525	94010
	- Telecom	36485	73019	36485
	Total Segment Capital Employed	6105362	4919888	6224926

(*) 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.

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AUDITED SUMMARY OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2011

(Rs. in lacs)

Particulars	Stand Alone		Consolidated
	Year ended 31.03.2011 (Audited)	Year ended 31.03.2010 (Audited)	Year ended 31.03.2011 (Audited)
SHAREHOLDERS' FUND:			
(a) Capital	462973	420884	462973
(b) Reserves and Surplus	1673727	1173306	1678785
DEFERRED REVENUE			
(a) Advance Against Depreciation (AAD)	217607	221363	222445
(b) Grants in Aid	17131	19882	17331
LOAN FUNDS			
(a) Secured Loans	3632507	3134578	3705475
(b) Unsecured Loans	455770	307101	455770
DEFERRED TAX LIABILITY	114674	70351	114414
TOTAL	6574389	5347465	6657193
NET FIXED ASSETS	3722398	3206126	3793199
CWIP AND CONSTRUCTION STORES & ADVANCES	2662459	2042218	2709500
INVESTMENTS	136505	145322	95166
CURRENT ASSETS, LOANS AND ADVANCES			
(a) Inventories	38151	34490	38235
(b) Sundry Debtors	316209	221486	327013
(c) Cash and Bank balances	368006	327764	480587
(d) Other current assets	49949	48752	51483
(e) Loans and Advances	279398	330240	271954
Less: Current Liabilities and Provisions			
(a) Liabilities	711381	763460	813275
(b) Provisions	287546	245829	296910
NET CURRENT ASSETS	52786	-46557	59087
MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED)	241	356	241
TOTAL	6574389	5347465	6657193

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. i) In accordance with the CERC Tariff Regulations, 2009 :
 - a) The Company has billed and recognized transmission income as per tariff orders issued by CERC applicable for the block period 2009-14.
 - b) Where tariff has not been approved under block period 2009-14, in respect of assets commissioned upto 31.03.2009, the Company has billed transmission charges as approved by CERC for the block period 2004-09 as applicable as on 31.03.2009 and recognized revenue as per norms for the block period 2009-14.
 - c) Where tariff has not been approved by CERC under block period 2009-14 in respect of assets commissioned after 01/04/2009, the Company has recognized revenue of Rs 120739 lacs based on Tariff Norms 2009-14 and the same is yet to be billed pending issuance of tariff orders by CERC for which petitions have been filed by the Company. However, CERC has amended the regulation 5 of the principal regulations vide its notification dated 02.05.2011 to the effect that Commission may consider in its discretion to grant provisional tariff upto 95% of the annual fixed cost of the project claimed in the application subject to adjustment after the final tariff order has been issued.
- ii) The Sundry Debtors include an amount of Rs 215271 lacs (previous year Rs. 158232 lacs) on account of unbilled revenue in view of recognition of revenue as per CERC Tariff Norms applicable for 2009-14.
3. Effect of Changes in Accounting Policies :
 - a) CERC Tariff Regulations 2009 for block period 2009-14 provide that tariff for additional capital expenditure incurred after the date of commercial operation shall be allowed based on the projected expenditure. In view of the above, Transmission income in respect of additional capitalization, which was hitherto accounted for on the basis of specific order by the CERC, is now being accounted for on accrual basis based on actual expenditure incurred from year to year after date of commercial operation. This has resulted in increase in transmission income amounting to Rs. 5717 lacs (including Rs. 1747 lacs for financial year 2009-10)
 - b) Changes in other accounting policies relating to ammortisation of lease hold land, capital expenditure on assets not owned by the Company, accounting of price variation and liquidated damages claims, surcharge etc. has resulted in decrease in profit by Rs. 1710 lacs.
4. Accounting of FERV as per accounting policies adopted by the Company has resulted in increase in profit for the year by Rs. 448 lacs (previous year increase in profit by Rs. 354 lacs).
5. As per order of Ministry of Power, GOI, the moveable assets of RLDCs (System Operation Segment) have been transferred to Power System Operation Corporation Limited (POSOCO) a wholly owned subsidiary w.e.f. 01/10/2010. The purchase consideration has been worked out and settled as per details given below :-

Depreciated Value of moveable assets (Net block)	: Rs. 7595 lacs
CWIP and Construction Stores & Advances	: Rs. 60 lacs
Net Current Assets	: Rs. 2513 lacs
Total	: Rs.10168 lacs

Less : Grant in Aid : Rs. 506 lacs :
LDC Development Fund : Rs. 2572 lacs : Rs. 3078 lacs
Net Purchase Consideration : Rs.. 7090 lacs

POSOCO has issued 3,05,90,000 fully paid equity shares of face value of Rs. 10/- each (Rupees ten only) amounting to Rs. 3059 lacs in favour of the Company and taken over loan liabilities of Rs. 4031 lacs towards Purchase Consideration.

Loans and Advances includes Rs. 4904 lacs (including interest of Rs 34 lacs charged on estimated bases) advanced to POSOCO for day to day operations pending realisation of dues by POSOCO. As per Audited Accounts, operations of POSOCO for the six months ended 31.03.2011 have resulted in turnover of Rs. 11571 lacs and Profit after Tax of Rs. 1121 lacs.

6. Out of the issue proceeds of FPO of Rs. 372117 lacs, the Company has utilised an amount of Rs. 160000 lacs as per the objects of the issue and the balance is kept in the banks as term deposits.
7. During the year, the Company has paid an interim dividend of Re. 0.50 per share (face value Rs.10/- each) for the year 2010-11. The Board of Directors has recommended final dividend of Rs. 1.25 per share (face value Rs. 10/- each). The total dividend (including interim dividend) for the financial year 2010-11 is Rs. 1.75 per share (face value Rs.10/- each).
8. 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).
9. i) Status of investor complaints received and attended, regarding equity shares, during the year ended 31.03.2011 is given as under :

	Opening Balance	Additions*	Attended*	Closing Balance
No. of Complaints	0	13251	13243	8

* includes references and communications

- ii) As at 31.03.2011, no investor's complaint / grievance is lying un-resolved in respect of Bonds issued by the Company. Clarifications, as and when sought by investors, have been furnished.
10. Previous year figures have been regrouped / rearranged wherever necessary.
11. The above results have been reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on 24.05.2011.

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


(S.K. Chaturvedi)
Chairman & Managing Director

Place : New Delhi.
Date : 24th May, 2011.

