

August 6, 2019


**Current Price: ₹ 201.15**
**STOCK DATA**

|            |           |
|------------|-----------|
| BSE Code   | 532898    |
| NSE Symbol | POWERGRID |
| Reuters    | PGRD.BO   |
| Bloomberg  | PWGR IN   |

**VALUE PARAMETERS**

|                              |               |
|------------------------------|---------------|
| 52 W H/L(Rs)                 | 216.20/173.05 |
| Mkt. Cap.(Rs Cr)             | 105233.43     |
| Latest Equity(Subscribed)    | 5231.59       |
| Latest Reserve               | 53785.55      |
| Latest EPS -Unit Curr.       | 19.35         |
| Latest P/E Ratio             | 10.40         |
| Latest Bookvalue -Unit Curr. | 112.81        |
| Latest P/BV                  | 1.78          |
| Dividend Yield -%            | 4.14          |
| Face Value                   | 10            |

**SHARE HOLDING PATTERN (%)**

| Description as on        | % of Holding<br>(AS ON 30 Jun 2019) |
|--------------------------|-------------------------------------|
| Foreign                  | 28.08                               |
| Institutions             | 12.12                               |
| Non Promoter Corp. Hold. | 1.18                                |
| Promoters                | 55.37                               |
| Public & Others          | 3.25                                |

**Consolidated Financial Results**

|                              | Quarter ended<br>June 19 | Quarter ended<br>June 18 | In Cr.<br>Var.<br>(%) |
|------------------------------|--------------------------|--------------------------|-----------------------|
| Sales                        | 8804.11                  | 8130.73                  | 8                     |
| OPM (%)                      | 89.70                    | 85.20                    |                       |
| OP                           | 7896.42                  | 6930.72                  | 14                    |
| Other income                 | 424.26                   | 296.94                   | 43                    |
| PBIDT                        | 8320.68                  | 7227.66                  | 15                    |
| Interest                     | 2359.09                  | 2140.61                  | 10                    |
| PBDT                         | 5961.59                  | 5087.05                  | 17                    |
| Depreciation                 | 2659.05                  | 2450.61                  | 9                     |
| PBT                          | 3302.54                  | 2636.44                  | 25                    |
| Tax (including deferred tax) | 868.35                   | 1442.42                  | -40                   |
| PAT                          | 2434.19                  | 1194.02                  | 104                   |
| Regulated Income/(Exp)       | -6.30                    | 1047.68                  | PL                    |
| Net profit                   | 2427.89                  | 2241.70                  | 8                     |
| EPS (Rs)                     | 4.64                     | 4.28                     |                       |

**Power Grid Corporation of India Ltd (PGCIL) reported broadly in-line result with the market estimate.**

Power Grid Corporation has registered 8% growth in sales to Rs 8804.11 crore for the quarter ended June 2019. Higher sales together with 450 bps expansion in operating profit margin facilitated 14% increase in operating profit to Rs 7896.42 crore. The other income was up by 43% to Rs 424.26 crore and thus the PBIDT was up by 15% to Rs 8320.68 crore. After accounting for higher interest (up 10% to Rs 2359.09 crore) and depreciation cost (up 9% to Rs 2659.05 crore), the PBT was up by 25% to Rs 3302.54 crore. With taxation down by 40% (to Rs 868.35 crore) the PAT more than doubled (up 104%) to Rs 2434.19 crore. After accounting for regulated expense of Rs 6.30 crore (compared to an income of Rs 1047.68 crore in corresponding previous period), the net profit was up by 8% to Rs 2427.89 crore.

- Revenue for the quarter include previous period income of Rs 117.26 crore (up 256%) and adjusting for that the revenue was up by 7% to Rs 8686.85 crore.
- Upside in revenue is largely on account of higher transmission revenue. The transmission segment revenue was up by 9% to Rs 8651.21 crore (or 96% of sales including unallocable other income). Similarly the consultancy income was down by 17% to Rs 126.34 crore (or 1% of revenue). The segment revenue of telecom was higher by marginal 1% to Rs 194.03 crore (or 2% of revenue).
- EBIT was down by 5% to Rs 5376.83 crore with both transmission and consultancy business register fall in EBIT. Segment profit of transmission was down by 5% to Rs 5230.15 crore and that of consultancy was down by 51% to Rs 40.55 crore with its segment margin crash to 32.1% from about 54.4% in corresponding previous period. The segment profit of telecom was flat at Rs 106.13 crore with its segment margin erode by 90 bps to 54.7%.

- Fall in segment profit of transmission segment was largely due to change in accounting policy regarding 'Deferred Assets against Deferred Tax Liability' and recognition of MAT credit. On account of this change in accounting practice whatever is being passed on to the consumers as the 'regulatory deferral account balance' is factored here unlike earlier practice of netted with deferred tax liability.

Consolidated sales were higher by 11% to Rs 9179.63 crore and with OPM expand by 460 bps to 90.1%, the operating profit grew by 17% to RS 8268.52 crore. Other income for higher OI, higher interest and depreciation cost, the PBT (before share of P/L from JV) was up by 27% to Rs 3379.42 crore. The share of profit from JV was down by 15% to Rs 29.34 crore and thus the PBT (after share of P/L from JV) was up by 27% to Rs 3408.76 crore. The taxation was lower by 38% to Rs 899.66 crore and thus the PAT more than doubled to Rs 2509.10 crore. The regulated expense was Rs 6.30 crore compared to an income of Rs 1047.68 crore in the corresponding previous period. Thus the net profit was eventually higher by 10% to Rs 2502.80 crore.

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