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Quarterly Result Update

POWER GRID CORPORATION OF INDIA LIMITED

November 12, 2021

पावरग्रिड

Current Price: ₹ 182.20

STOCK DATA

BSE Code	532898.00
NSE Symbol	POWERGRID
Reuters	PGRD.BO
Bloomberg	PWGR IN

VALUE PARAMETERS

52 W H/L(Rs)	209.75/134.03
Mkt. Cap.(Rs Cr)	127092.75
Latest Equity(Subscribed)	6975.45
Latest Reserve (cons.)	70246.65
Latest EPS (cons.) -Unit Curr.	19.66
Latest P/E Ratio -cons	9.27
Latest Bookvalue (cons.) -Unit Curr.	110.71
Latest P/BV - cons	1.65
Dividend Yield -%	4.01
Face Value	10

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2021
Foreign	27.94
Institutions	8.38
Non Promoter Corp. Hold.	0.25
Promoters	51.34
Public & Others	12.10

Consolidated Financial Results

In Cr.

Particulars	Qtr Ending Sept. 21	Qtr Ending Sept. 20	Var. (%)
Sales	9929.24	9057.89	10
OPM (%)	88.50	88.00	
OP	8785.11	7971.05	10
Other inc.	542.76	832.25	-35
PBIDT	9327.87	8803.30	6
Interest	1959.02	2095.03	-6
PBDT	7368.85	6708.27	10
Dep.	3143.45	2896.65	9
PBT	4225.40	3811.62	11
EO	0.00	3.64	-100
PBT after EO	4225.40	3807.98	11
Taxation	549.02	682.35	-20
PAT	3676.38	3125.63	18
Regulatory Incom/(Exp)	-338.11	-8.22	4013
Net Profit after Regulatory Inc/Exp	3338.27	3117.41	7
EPS (Rs)	4.79	4.47	

Standalone net sales (including other operating income) of Power Grid Corporation of India has increased 10% to Rs 9,929.24 crore. Operating profit margin has expanded by 50 bps to 88.5%, leading to 10% rise in operating profit to Rs 8787.11 crore. Other income fell 35% to Rs 542.76 crore. Provision for interest fell 6% to Rs 1959.02 crore. Provision for depreciation rose 9% to Rs 3143.45 crore. Profit before tax grew 11% to Rs 4225.40 crore. EO was nil compared to an expense of Rs 3.64 crore in corresponding previous period. Thus PBT after EO was up 11% to Rs 4225.40 crore. Provision for tax was expense of Rs 549.02 crore, compared to Rs 682.35 crore. Profit after tax rose 18% to Rs 3676.38 crore. Regulatory income was an expense of Rs 338.11 crore compared to an expense of Rs 8.22 crore. Thus the net profit was up 7% to Rs 3338.27 crore.

- Sales of Transmission segment has gone up 7.34% to Rs 9,697.56 crore (accounting for 96.24% of total sales). Sales of Consultancy segment has gone up 73.43% to Rs 187.95 crore (accounting for 1.87% of total sales). Sales of Telecom segment has gone up 0.42% to Rs 190.96 crore (accounting for 1.90% of total sales). Inter-segment sales came down from Rs 17.70 crore to Rs 17.28 crore.
- Profit before interest, tax and other unallocable items (PBIT) has jumped 0.75% to Rs 5,361.91 crore. PBIT of Transmission segment fell 0.64% to Rs 5,187.23 crore (accounting for 96.74% of total PBIT). PBIT of Consultancy segment rose 353.60% to Rs 94.44 crore (accounting for 1.76% of total PBIT). PBIT of Telecom segment fell 0.04% to Rs 80.24 crore (accounting for 1.50% of total PBIT).
- PBIT margin of Transmission segment fell from 57.79% to 53.49%. PBIT margin of Consultancy segment rose from 19.21% to 50.25%. PBIT margin of Telecom segment fell from 42.21% to 42.02%. Overall PBIT margin fell from 57.02% to 53.21%.
- Transmission income for the quarter include Rs 190.44 crore (corresponding previous quarter Rs 56.47 crore pertaining to earlier years.

Segment results

In Cr.

Particulars	% of (Total)	Qtr Ending Sept.21	Qtr Ending Sept.20	Var.(%)
Sales				
Transmission	96.35	10054.26	9530.42	5.50
Consultancy	1.82	189.78	108.37	75.12
Telecom	1.83	190.96	190.17	0.42
Total Reported Sales	100.00	10435.00	9828.96	6.17
Less: Inter segment revenues		37.18	30.53	21.78
Net Sales	100.00	10397.82	9798.43	6.12
PBIT				
Transmission	96.89	5460.19	5704.27	-4.28
Consultancy	1.69	95.06	20.83	356.36
Telecom	1.42	80.24	80.27	-0.04
Total PBIT	100.00	5635.49	5805.37	-2.93
Less : Interest		1884.52	2003.27	-5.93
Add: Other un-allcoable		145.43	85.41	70.27
PBIT Margin(%)				
Transmission		54.31	59.85	-554.61
Consultancy		50.09	19.22	3086.84
Telecom		42.02	42.21	-19.03
PBT	**100.00**	**3896.40**	**3887.51**	**0.23**

Other developments

The company has monetised five (05) of its Subsidiaries, namely Powergrid Vizag Transmission Limited, Powergrid Kala Amb Transmission Limited, Powergrid Jabalpur Transmission Limited, Powergrid Warora Transmission Limited and Powergrid Parli Transmission Limited through POWERGRID Infrastructure Investment Trust (`PGInvIT/ Trust`). PGInvIT has been registered by SEBI under SEBI (Infrastructure Investment Trusts) Regulations, 2014 (`InvIT Regulations`) as an Infrastructure Investment Trust vide registration no. IN/InvIT/20-21/0016 dated 07 January 2021. The company is the Sponsor of PGInvIT and also act as the Project Manager to PGInvIT. IDBI Trusteeship Services Limited is the Trustee and Powergrid UnchaharTransmission Limited (PUTL), a wholly owned subsidiary ofthe company, has been appointed as Investment Manager to PGInvIT. The Offer Document for initial public offer was filed by PGInvIT with the SEBI and Stock Exchanges on 22 April 2021 and units got listed on stock exchanges on 14 May 2021. The 74% shares in the above five SPVs have been transferred to PGInvIT in May, 2021 and balance 26% will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale" as on 30 September 2021. In lieu of consideration of shareholding so transferred, 41,06,50,900 Units were allotted by PGInvIT to the company. The company retained 13,65,00,100 units being 15% of total units of PGInvIToutstandingon post issue basis. pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of `Offer for Sale (OFS)`. The company received an amount of ~2736.02 crore (net of STI) against the OFS. The Profit on Sale of above Investments (net of related expenses) amounting to ~3169.58 crore has been disclosed under "Exceptional items" for the current half year ended 30 September 2021.

In corresponding previous half year ended Sep 2020 a consolidated one time rebate of Rs 1078.64 crore has been disclosed under Exceptional item.

The company has invested ~ 407.49 crore during the current quarter and half year ended 301 h September, 2021 in Energy Efficiency Services Limited(EESL), thereby increasing its

shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture being the Joint control has been reinstated vide Agreement dated 0151 September, 2021.

The company has issued 174,38,63,216 equity shares of` 10/- each as fully paid bonus shares in the ratio ofone equity share of~ 10/- each for every three equity shares held on record date of 301 h July, 2021. This has been considered for calculating weighted average number of equity shares for all comparative periods presented as per Ind AS 33. In line with the above, EPS (basic and diluted) have been adjusted for all periods presented.

Equity capital increased from Rs 5,231.59 crore as of 30 September 2020 to Rs 6,975.45 crore as of 30 September 2021. Per share face Value remained same at Rs 10.00.

Promoters' stake was 51.34% as of 30 September 2021 ,compared to 51.34% as of 30 September 2020 .

Loan funds declined from Rs 1,36,372.39 crore as of 30 September 2020 to Rs 1,35,036.31 crore as of 30 September 2021. Inventories declined from Rs 1,414.00 crore as of 30 September 2020 to Rs 1,387.93 crore as of 30 September 2021. Sundry debtors were lower at Rs 6,198.96 crore as of 30 September 2021 compared to Rs 6,296.38 crore as of 30 September 2020. Cash and bank balance declined from Rs 7,428.78 crore as of 30 September 2020 to Rs 7,055.85 crore as of 30 September 2021. Investments rose to Rs 6,913.16 crore as of 30 September 2021 from Rs 2,764.22 crore as of 30 September 2020. Fixed assets declined from Rs 1,95,000.75 crore as of 30 September 2020 to Rs 1,89,252.08 crore as of 30 September 2021. Intangible assets declined from Rs 1,677.62 crore to Rs 1,584.37 crore.

Cash flow from operating activities decreased to Rs 9,173.68 crore for YTD ended September 2021 from Rs 9,841.14 crore for YTD ended September 2020. Cash flow used in acquiring fixed assets during the YTD ended September 2021 stood at Rs 1,550.82 crore, compared to Rs 2,164.42 crore during the YTD ended September 2020.

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