

# RESEARCH REPORT

## POWER GRID CORPORATION LTD



**PREPARED BY:**

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# About

Powergrid is mainly engaged in the business of transmission of power through its EHVAC/HVDC transmission network. The company has diversified into telecom business by leveraging its Pan India transmission network through stringing of optical ground wire(OPGW).

## Key Business

Transmission Charges

Consultancy

Telecom

## Synopsis of Financials

- Q4 FY24 income was Rs. 12,254 crore with a profit of Rs. 4,128 crore.
- Total FY24 income was Rs. 45,815 crore with a profit of Rs. 15,475 crore.
- EBITDA margin around 85-87%.
- Capitalization target for FY25 around Rs. 17,000 crore.
- Operational efficiency with high availability and low tripping rates.
- Expected growth in CapEx and profitability.
- Market cap growth from 1 lakh crore in 2016 to over 3 lakh crore in 2024.
- Future outlook positive with potential for increased projects and revenue.

## Stock data (as 09th July 2024)

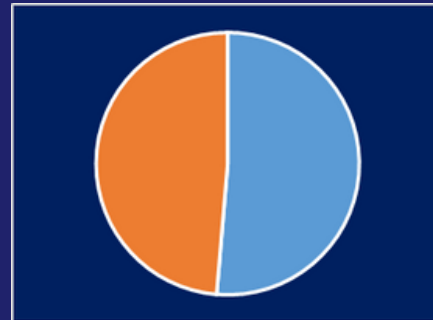
Nifty Price	: 24,421.75
52 week High (in Rs.)	: 349
52 week Low (in Rs.)	: 178
Market Cap. (in Crore)	: 3,18,081 CR
NSE Code	: POWERGRID

## Stock data



-NIFTY50  
-POWER GRID

## Shareholding Pattern (March 2024)



-PUBLIC GROUP  
-PROMOTER GROUP

## Financial Summary

Particulars	March 2024	March 2023	March 2022
Sales	45,843	45,581	41,622
Sales Growth %	0.57%	9.51%	5.00%
Expenses	6,531	7,001	5,796
Operating Profit	39,312	38,580	35,826
OPM %	86%	85%	86%
Net Profit	15,573	15,417	16,824
EPS in Rs	16.74	16.58	18.09

# Quarterly Results



Particular	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	11151	11262	12264	11048	11267	11550	11978
Expenses	1785	1368	1433	1716	1557	1375	2055
Operating Profit	9366	9893	10831	9332	9710	10175	9923
OPM %	84%	88%	88%	84%	86%	88%	83%
Other Income	199	500	294	209	263	380	389
Interest	2187	3012	2475	2057	2341	2446	1928
Depreciation	3317	3407	3314	3266	3277	3293	3259
Profit before tax	4060	3975	5335	4218	4355	4816	5125
Tax %	10%	8%	19%	15%	13%	16%	19%
Net Profit	3650	3645	4323	3597	3781	4028	4166

Source: Screener

## Key Ratios

### Financial Ratios

Particulars	FY 2022-23	FY 2021-22
Debtors Turnover	3.85	4.46
Inventory Turnover	32.22	29.14
Interest Coverage Ratio	3.93	4.61
Current Ratio*	0.90	0.62
Debt Equity Ratio	60:40	63:37
Operating Profit Margin	92%	93%
Net Profit Margin	35%	43%

\*Current ratio increased by 45% due to decrease in current maturities of Long term borrowings and Short-term borrowings. Refer note 64(i) \*Additional Regulatory Information as per Schedule III to the Companies Act, 2013-Ratios\* for reasons for variance > 25%.

Source: Annual Report

# Yearly Results

Particulars	March 2024	March 2023	March 2022
Equity Capital	9,301	6,975	6,975
Reserves	77,845	76,039	69,272
Borrowings	123,516	126,661	134,696
Other Liabilities	40,229	40,627	40,008
Total Liabilities	250,891	250,303	250,950
Fixed Assets	177,876	185,437	191,773
CWIP	18,082	13,772	12,854
Investments	4,163	3,489	3,788
Other Assets	50,769	47,604	42,536
Total Assets	250,891	250,303	250,950

# Synopsis Quater Results

## Con-Call May 24: Key Highlights

### Company Information:

- Power Grid Corporation of India Limited.
- Listed Indian company.
- Major presence in transmission sector.
- Operations in India, neighboring countries like Nepal, Bhutan, Bangladesh.
- 47 subsidiaries, 12 joint venture companies, 4 associates.
- Handling huge asset base, one of the largest transmission companies in the world.
- Excellent credit rating domestically and internationally.
- Operations cover 1,77,000 circuit kilometers with 278 substations and 5,27,000 MVA capacity.
- Achieved 99% system availability and excellent tripping rates.
- HVDC systems with high voltage capacities.
- State-of-the-art technology including GIS and dynamic compensation systems.

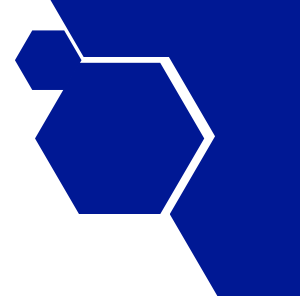
### Major Highlights:

- Won 13 ISTS TBCB projects in FY 2024.
- Projects include transmission lines and substations across various regions.
- Cabinet approved Green Energy Corridor for Ladakh.
- Signed MoUs with RVPNL for intrastate transmission projects.
- Successfully completed multiple TBCB projects in FY 2024.
- Received patent for Thermal energy storage based air conditioning system.
- Certified for ISO 55001 for Asset Management System and ISO 37001 for Anti-Bribery Management System.
- Highest dividend payer company with a dividend payout of Rs. 10,463 crore.

### Conclusion:

- Power Grid Corporation shows strong performance and growth potential.
- Focus on renewable energy projects and transmission network expansion.
- Optimistic outlook for future projects and financial stability.
- Addressing investor queries with transparency and detailed responses.

# Revenue Highlights



## Revenue from Operation

(₹ in crore)



## Operating Profit

(₹ in crore)



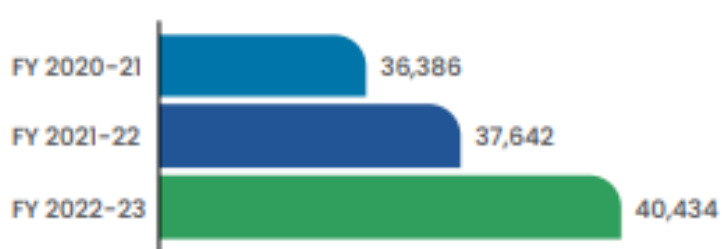
## Total Economic Value Generated

(₹ in crore)



## EBITDA

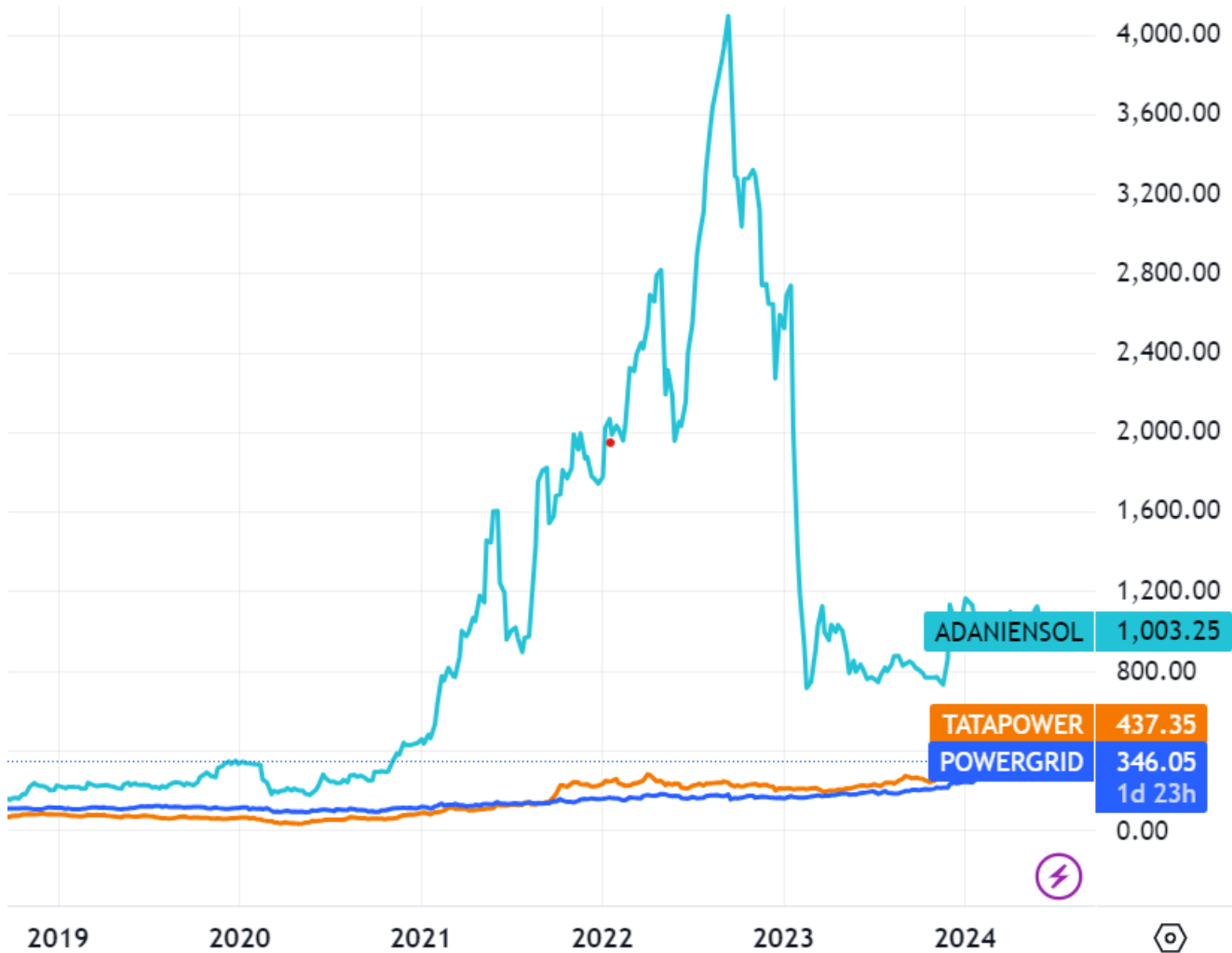
(₹ in crore)



# Peer Comparison



## Peer Stock Performance (5Y) Indexed



Source: Trading View

## Peer Financial Performance

Power Grid Corpn	346.10	20.67	321893.99	3.17	4166.33	-3.62	11978.11	-2.33	12.98
Tata Power Co.	437.25	40.53	139716.21	0.46	1045.58	12.21	15846.58	27.24	11.13
Adani Energy Sol	1003.85	106.88	111978.67	0.00	381.29	-7.19	4706.85	40.18	9.00

Source: Screener

# Final Outlook

**POWERGRID : SELL | LTP: 346**

I would recommend selling this stock as the peers are in much advantage while seeing their ratios and already this stock price is near to 52 week high. This company's assets are also decreasing, company's expenses are increasing, profit for the period has been declining. Comparing for the different quarters also revenue is decreasing.

State-owned Power Grid Corporation shares slipped over five per cent on Thursday, May 23, a day after the PSU firm reported a nearly four per cent dip in its consolidated net profit to Rs 4,166.33 crore in the March 2024 quarter, mainly due to a marginal decline in income.

The power PSU stock fell as much as 5.1 per cent to the day's low of Rs 309 on NSE. The stock closed at Rs 319, down 2.07 per cent on NSE.

Power Grid's total income declined to Rs 12,305.39 crore in the quarter as compared to Rs 12,557.44 crore.