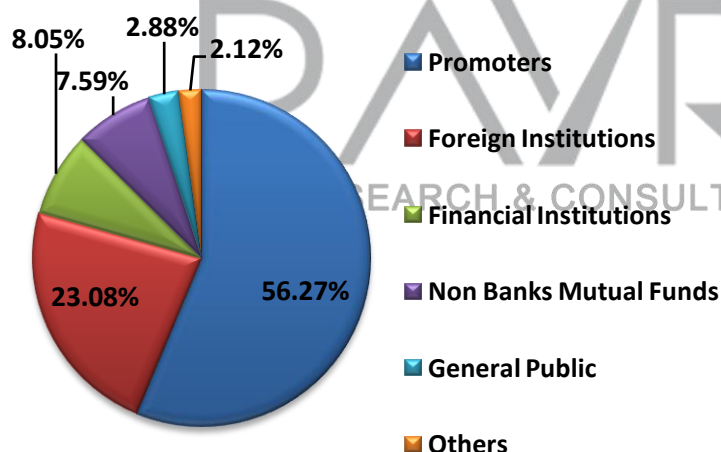


POWER GRID CORPORATION OF INDIA LTD

CMP:Rs.194.75

DATE:3.9.2018

COMPANY DETAILS			
Industry Type	Electric Utility		
Incorporated and Headquarter	1989,Gurgaon,India		
Market cap (Rs. In Cr.)	101,885.21		
52 weeks Low/High	174.25/224.00		
NSE/BSE Code	POWERGRID/532898		
KEY FINANCIALS (Rs. IN CRORE)			
Year	Revenue	Expenses	Net Profit
2013-14	16,146.12	9,787.12	4,547.58
2014-15	18,233.04	11,834.06	5,046.25
2015-16	21,780.76	14,135.76	6,014.56
2016-17	26,287.72	17,042.40	7,450.73
2017-18	30,430.54	20,391.92	8,198.31
SHAREHOLDING PATTERN			



HIGHLIGHTS:

Power Grid Corporation of India Limited is a transmission company engaged in the power transmission business with responsibility for planning, implementation, operation and maintenance of Inter-State Transmission System and operation of National and Regional Load Dispatch Centres. The Company's segments include Transmission, Telecom and Consultancy. . It transmits about 50% of the total power generated in India on its transmission network.

Power Grid Corporation of India Ltd., incorporated in the year 1989,headquartered in Gurgaon, India is a Large Cap company (having a market cap of Rs. 101,885.21Cr.) operating in Power sector.BSE/NSE Code of this company is POWERGRID/532898. During

FY2017-18, the company has witnessed a healthy and steady financial performance. Revenue of the company has registered a growth of 15.76% which stood at Rs.30, 430.54 crore as compared to Rs.26, 287.72 crore in FY2016-17. Expenses stood at Rs.20, 391.92 crore in FY2017-18 as against Rs.17, 042.40 crore in FY2016-17, higher by 28.25%. Profit has recorded a growth of 10.03% in FY2017-18 and stood at Rs. 8,198.31 crore in FY2017-18 as compared to Rs.7,450.73 crore in FY2016-17. Revenue of the company increased at a CAGR of 13.51% over the last five years. This Company has developed the expertise in core areas of power transmission, sub-transmission, load dispatch and communications etc.Leveraging its capacity and experience, Consulting Services have been provided to a number of clients in India and worldwide. Promoters held 56.27% of equity shares in this company and

followed by Foreign Institutions, financial institutions, Non Banks Mutual Funds, General public, others having shares of 23.08%, 8.05%, 7.59%, 2.88% and 2.11% respectively.

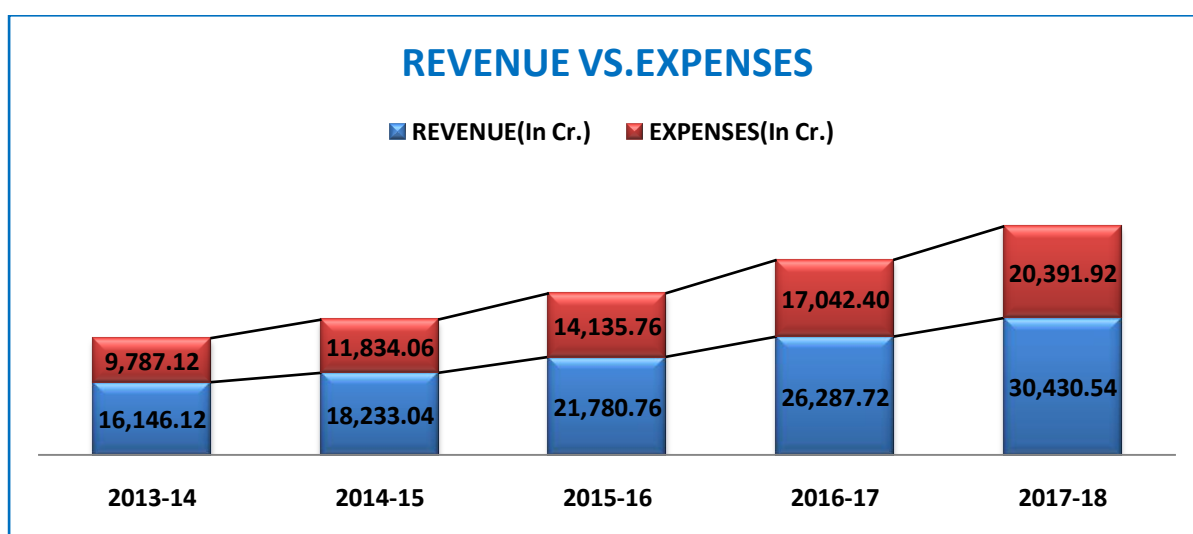
FINANCIAL PERFORMANCE:

FINANCIAL PERFORMANCE		
PARTICULARS	2016-17	2017-18
ASSETS (In Cr.)	195,645.00	214,326.66
SHAREHOLDER'S FUND (In Cr.)	49,865.50	54,425.99
LIABILITIES (In Cr.)	140,897.13	154,933.26
ROA (%)	3.81	3.83
ROE (%)	14.94	15.06
ROCE (%)	4.37	4.40
NET PROFIT MARGIN (%)	28.34	26.94
EPS(Rs.)	14.24	15.27
BPS(Rs.)	95.31	104.03

During FY2017-18, the company displayed an impressive financial performance. This company has registered a growth of 9.55% in Assets in FY2017-18 from FY2016-17. Shareholder's fund has risen to Rs.54,425.99 crore in FY2017-18 from Rs. 49,865.50 crore in FY2016-17. This company has liabilities of Rs.154,933.26 crore in FY2017-18 as against Rs. 140,897.13 crore in FY2016-17. Returns of the company has shown an increase in FY2017-18. ROA, ROE, ROCE stood at 3.83%, 15.06%, 4.40% respectively in FY2017-18. Net Profit margin has declined to 26.94% in FY2017-18 from 28.34% in FY2016-17. EPS and BPS has increased in FY2017-18 and stood at Rs.15.27 and Rs. 104.03 respectively.

FINANCIAL ANALYSIS:

REVENUE VS. EXPENSES:



By considering these five year's revenue and expenses, it could be analysed that both the trend are increasing at the same time. In FY2017-18, Revenue of the company has recorded a growth of 15.76% while expenses have recorded a growth of 19.65%.

Revenue:

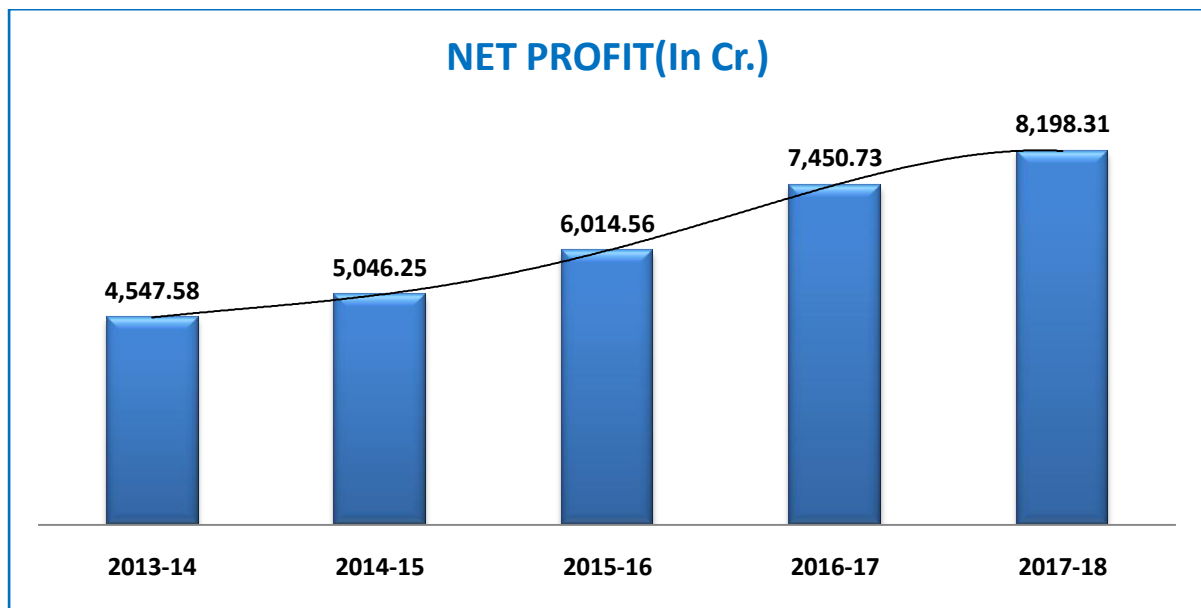
Revenue of the company was at Rs.30,430.54 crore in FY 2017-18 as compared to Rs.26,287.72 crore in FY2016-17, recording a growth of .This Increase was due to increase in Sale of services from Transmission business of 16.65%, Sale of services from Telecom business of 32.96%, Consultancy Project management and supervision of 3.30%.

Expenses:

Expenses of the company for FY2017-18 was at Rs.20,391.92 crore as against Rs.17,042.40 crore in FY2016-17. This increase in expenses was on account of increase in Employee benefit expenses of 16.61%, Finance costs of 18.06%, Depreciation and amortization expenses of 19.54%, Other expenses of 28.25%.

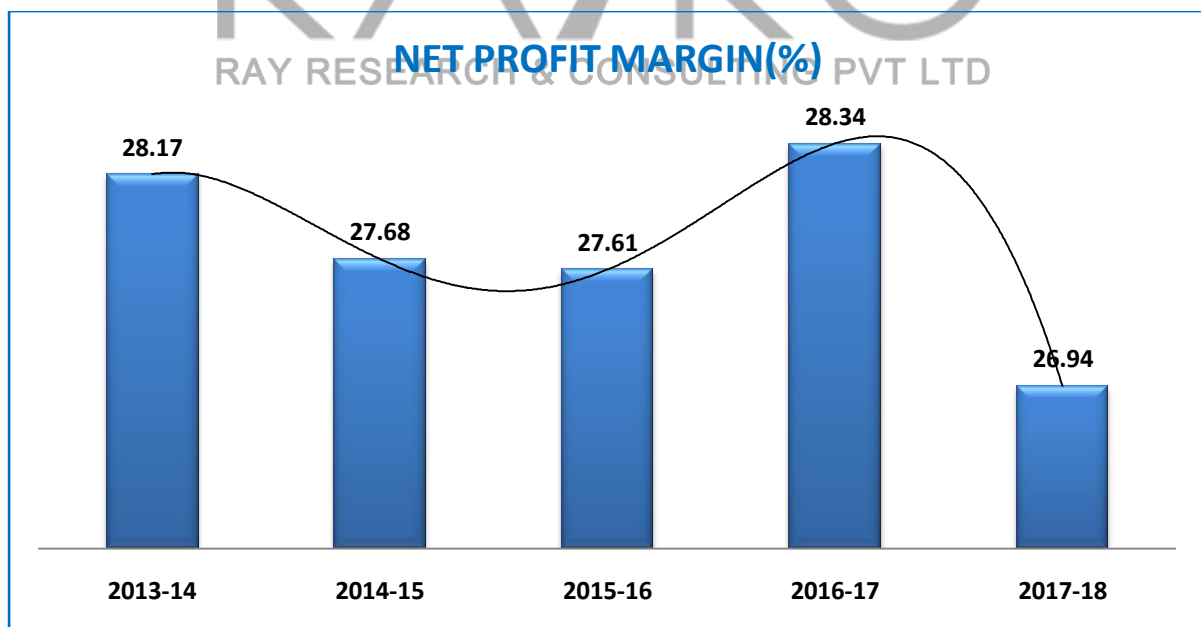
- Employee benefit expenses have increased to Rs.1,605.89 crore in FY2017-18 from Rs.1,377.13 crore in FY2016-17. This Increase was because of salaries ,wages, allowances and benefits of 32.43%, staff welfare expenses of 19.58%.
- Finance cost has increased to Rs.7,324.14 crore in FY2017-18 from Rs. 6,203.55 crore in FY2016-17. This increase was due to increase in interest and finance charges from Indian banks and financial institutions of 4.28%, interest and finance charges from Foreign banks and financial institutions of 40.62%, interest and finance charges from secured/Unsecured redeemable bonds 10.67%, interest and finance charges from foreign currency bonds of 10.91%. Other Finance charges of 19.64%.
- Depreciation and amortization expenses has increased by 32.43% due to increase in depreciation of property ,plant and equipment of 19.75%, Amortization of intangible assets of 16.53%.
- Other Expenses of the company has increased by 28.25% because of increase in Repair & Maintenance of Buildings of 17.66%, Repair & Maintenance of Plant and machinery of 8.12%, System and Market Operation Charges of 7.82%, Expenses of Diesel Generating sets of 4.83%, Legal expenses of 7.28%, Rent 17.36%, CERC petition & other charges of 7.18%, Horticulture Expenses of 16.85% etc.

NET PROFIT:



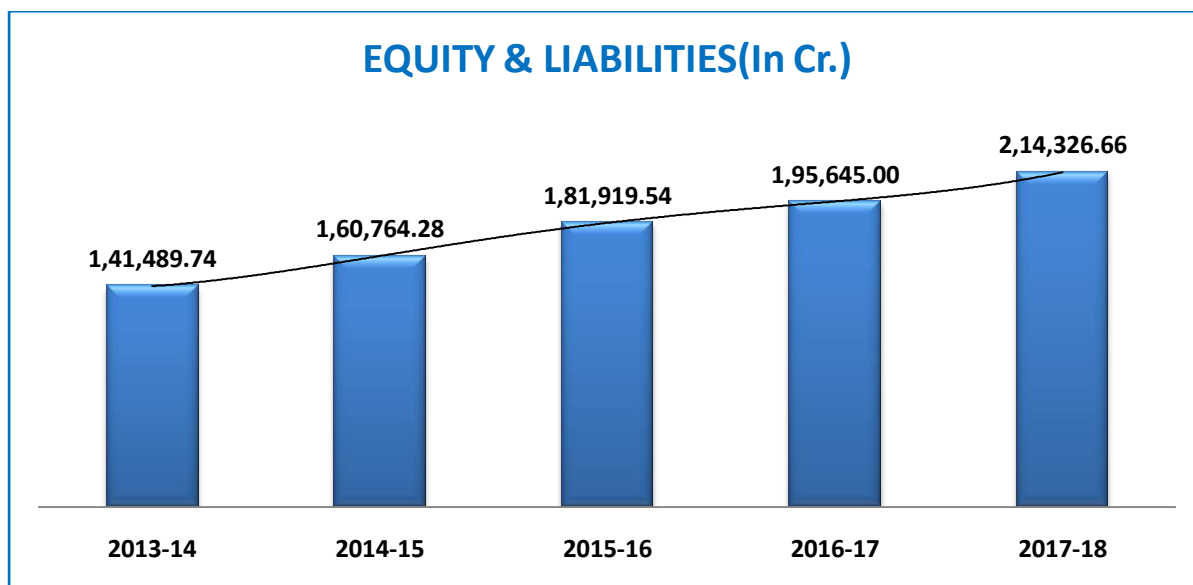
During FY2017-18, Profit of the company has increased to Rs.8,198.31 crore from Rs.7,450.73 crore in FY2016-17, recording a growth of 10.03%. As revenue of the company increased, Profit of the company has increased.

NET PROFIT MARGIN:



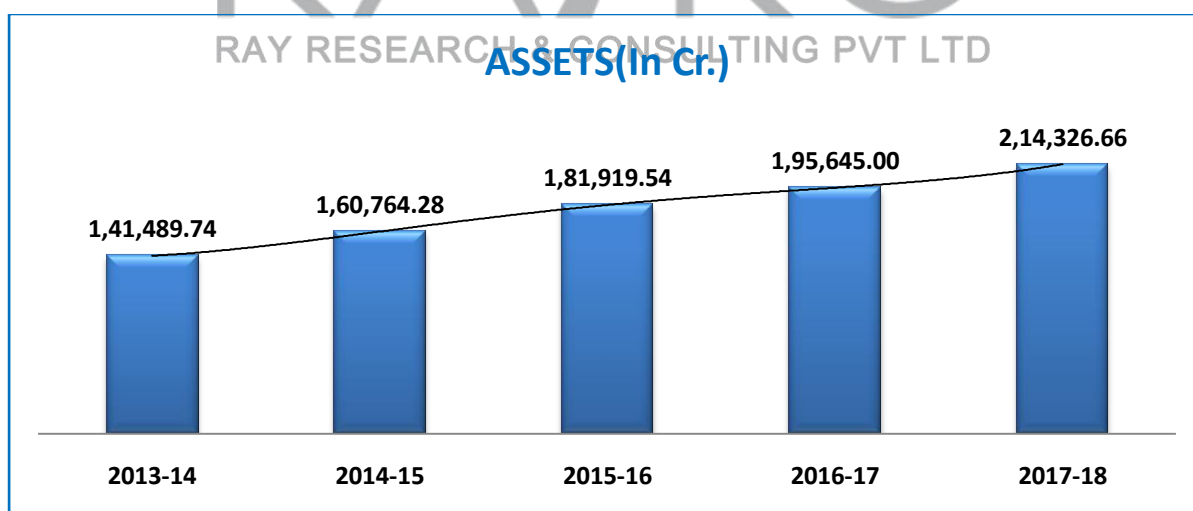
Net Profit margin has declined to 26.94% in FY2017-18 from 28.34% in FY2016-17. This decline was because of increase in the operating expenses of the company.

EQUITY & LIABILITIES:



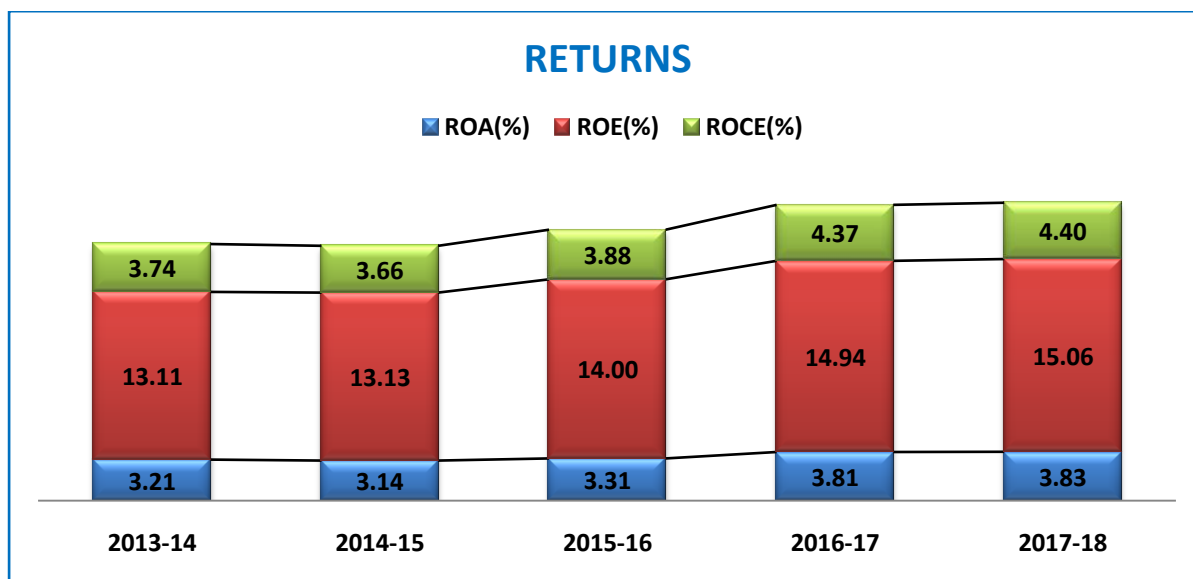
Equity and Liabilities of the company has increased to Rs.214, 326.66 crore in FY2017-18 from Rs.195,645.00 crore in FY2016-17 ,recording an increase of 9.55%.This Increase was due to increase in Reserve and surplus of 10.22%, Long-term borrowings of 10.30%, Other current liabilities of 5.00%, Short-term provisions of 97.24%.

ASSETS:



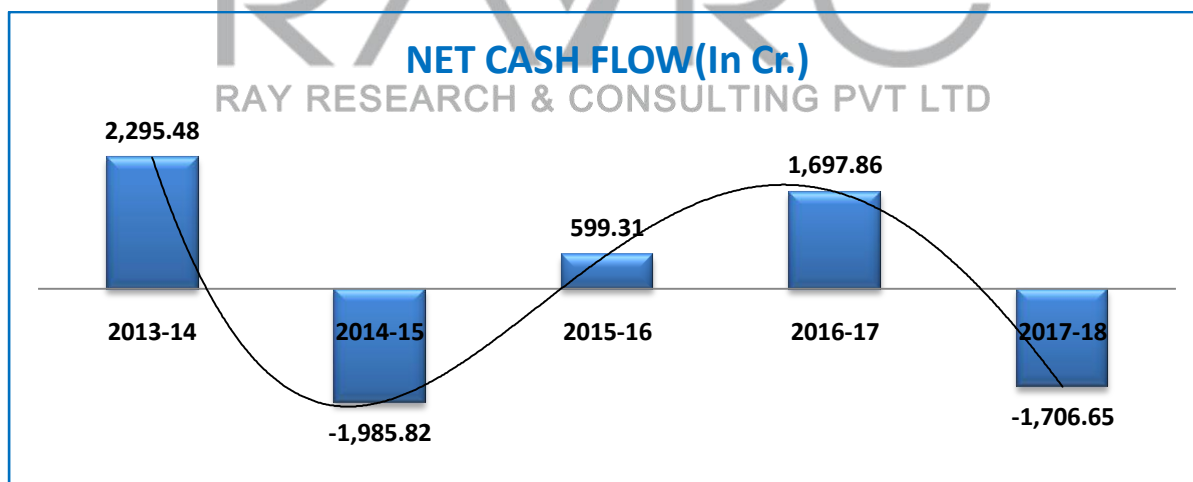
Assets of the company has shown an increase of 9.55%, Rs.214,326.66 crore in FY 2017-18 as against Rs.195,645.00 crore in FY2016-17.The increase in Assets was on account of increase in Tangible Assets of 13.49%, Intangible Assets of 8.88%, Investments in Joint Ventures accounted for using the equity method of 7.29%, Long-term loans and advances of 5.76%, Other non-current financial assets of 9.17%, Trade receivables 16.22%, Short-term loans and advances of 17.73%, Other current financial assets of 45.56%, Other current assets of 68.11%.

RETURNS:



Returns of the company has shown an increase in FY2017-18. ROA stood at 3.83% in FY2017-18 as compared to 3.81% in FY2016-17. ROE has increased to 15.06% from 14.94% in FY2016-17. ROCE was at 4.40% in FY2017-18 as against 4.37% in FY2016-17.

NET CASH FLOW:



There was a negative cash flow in FY2017-18 which stood at Rs. (1,706.65) crore as compared to Rs.1,697.86 crore in FY 2016-17. This negative cash flow was because of Depreciation, Provisions, Net Loss on Disposal of Fixed Assets, Interest and Finance Charges, FERV loss, Direct taxes paid, Loans repaid, Proceeds from short-term loans, Dividend paid, Dividend Tax paid.

FINACIAL STATEMENTS:

PROFIT & LOSS STATEMENT:

CONSOLIDATED PROFIT & LOSS STATEMENT					
	(Rs. IN CRORE)				
	2013-14	2014-15	2015-16	2016-17	2017-18
I. Revenue from operations	15,675.43	17,658.51	21,352.32	25,703.91	29,941.49
II. Other income	470.69	574.53	428.44	583.81	489.05
III. Total Revenue (I + II)	16,146.12	18,233.04	21,780.76	26,287.72	30,430.54
IV. Expenses:					
Purchases of stock-in-trade	219.40	-	-		
Employee benefits expense	1,033.61	1,124.41	1,084.61	1,377.13	1,605.89
Finance costs	3,253.66	4,081.23	5,085.95	6,203.55	7,324.14
Depreciation and amortization expense	4,079.38	5,173.33	6,302.18	7,722.25	9,230.99
Transmission, administration and other Expenses	1,158.54	1,407.90	1,662.15	-	-
Other expenses				1,739.47	2,230.90
Prior period items (net)	42.53	47.19	0.87	-	
Total expenses	9,787.12	11,834.06	14,135.76	17,042.40	20,391.92
Profit before share of net profits of investments in Joint Ventures accounted for using Equity Method and tax				9,245.32	10,038.62
Share of Net Profits of investments accounted for using Equity Method				141.75	147.94
Profit before extraordinary items , Rate Regulated Activities and tax	6,359.00	6,398.98	7,645.00	-	10,186.56
Extraordinary items(Income)/Expenses	-	-5.13	-	-	-
Profit before tax and Rate Regulated Activities	-	6,404.11	7,645.00	-	-
Add: Regulatory Income/(Expense)	-	-	-0.05	-	-
Profit before tax	6,359.00	-	7,644.95	9,387.07	10,186.56
Tax expense:	-	6,404.11	-		
(1) Current tax - Current Year	1,337.98	1,345.90	1,618.62	1,989.07	2,232.56
Earlier years	-0.18	-0.82	-20.41	-	15.34
	1,337.80	1,345.08	1,598.21	1,989.07	
(2) Credit for MAT entitlement	-11.69	-24.21	-11.12		
(3) Deferred tax	485.31	839.01	1,860.60	2,636.27	3,068.77
Less: Deferred Asset for deferred tax liability	-	802.02	1,817.30	2,619.07	3,121.19
	485.31	36.99	43.30	2,006.27	2,195.48
	1,811.42	1,357.86	1,630.39		
Profit for the period before Regulatory Deferral Account Balances				7,380.80	7,991.08

Net movement in Regulatory Deferral Account Balances- Income/(Expenses)				69.93	207.23
Profit for the year	4,547.58	5,046.25	6,014.56	7,450.73	8,198.31
Other Comprehensive Income					
Items that will not be reclassified to profit or loss				49.83	13.72
Share of other comprehensive income of joint ventures accounted for using equity method				0.01	-0.1
				49.84	13.62
Total Comprehensive Income for the period				7,500.57	8,211.93
Earnings per equity share (Par value ` 10/- each):					
Basic & Diluted before extraordinary Item (`)	9.47	9.64	11.50	14.24	15.67
Basic & Diluted after extraordinary Item (`)	9.47	9.65	11.50	14.11	15.27

BALANCESHEET:

CONSOLIDATED CONSOLIDATED BALANCE SHEET					
(RS. IN CRORE)					
	2013-14	2014-15	2015-16	2016-17	2017-18
Shareholders' funds					
(a) Share capital	5,231.59	5,231.59	5,231.59	5,231.59	5,231.59
(b) Reserves and surplus	29,466.35	33,207.14	37,736.09	44,633.91	49,194.40
	34,697.94	38,438.73	42,967.68	49,865.50	54,425.99
Deferred revenue	4,567.05	4,812.59	5,773.29	-	-
Non-current liabilities					
(a) Long-term borrowings	77,772.13	90,492.47	101,775.73	111,253.17	122,710.32
(b) Deferred tax liabilities (Net)	2,452.45	2,490.45	2,524.51	2,535.98	2,483.46
(c) Deferred revenue					
(d) Deferred Income/(Expenditure) From Foreign Currency Fluctuation(Net)	-	-	-		
(e) Other Long Term Liabilities	1,466.91	1,129.39	1,379.53	575.20	457.16
Other non-current financial liabilities				474.60	459.60
(f) Long-term provisions	554.97	610.50	686.45	789.56	716.87
	82,246.46	94,722.81	106,366.22	115,628.51	126,827.41
Current liabilities					
(a) Short-term borrowings	2,700.00	1,206.49	2,002.90	1,500.00	1,000.00
(b) Trade payables	349.01	430.19	344.00	413.98	240.44
(c) Other current liabilities	15,938.84	19,997.36	23,056.60	2,589.08	2,718.55
(d) Short-term provisions	990.44	1,156.11	1,408.85	537.21	1,059.60
Current Tax Liabilities (Net)				418.41	407.26
Other Current financial					22,680.00

Liabilities					
	19,978.29	22,790.15	26,812.35	25,268.62	28,105.85
Deferred Revenue				4,882.37	4,967.41
Total	141,489.74	160,764.28	181,919.54	195,645.00	214,326.66
II.ASSETS					
Non-current assets					
(a) Fixed assets					
Tangible assets	73,584.00	90,385.78	115,876.14	136,422.44	154,831.38
Intangible assets	667.67	805.28	1,011.09	1,255.39	1,366.86
Investment Property				0.03	0.03
Capital work in progress	32,016.80	40,262.76	35,610.74	38,187.00	37,603.90
Intangible assets under development	374.34	213.28	172.11	77.34	64.67
Investments in Joint Ventures accounted for using the equity method				1,020.76	1,095.19
	106,642.81	131,667.10	152,670.08	176,962.96	
Construction stores	17,677.93	13,205.24	10,350.69		
Non-current investments	206.27	19.49	14.50	141.70	128.78
Deferred foreign currency fluctuation asset	2,490.57	2,841.54	3,831.75		
Regulatory Assets	-	-	37.67		
Long-term loans and advances	4,700.19	4,147.13	3,886.72	132.36	139.99
Other non-current financial assets				793.55	866.35
Other non-current assets	-	-	1.55	6,517.32	5,747.68
	7,397.03	7,008.16	7,772.19	184,547.89	201,844.83
Current assets					
(a) Current investments	217.17	200.10	25.27	2.50	
(b) Inventories	713.44	718.84	848.23	906.95	1,049.35
(c) Trade receivables	1,618.29	2,206.96	2,822.11	3,131.93	3,640.02
(d) Cash and Bank balances	4,974.37	2,988.55	3,587.86	3,353.63	1,534.80
Bank Balances other than Cash and Cash equivalents					654.22
(e) Short-term loans and advances	461.79	424.52	679.95	39.82	46.88
Other current financial assets				3,254.57	4,737.23
(f) Other current assets	1,786.91	2,344.81	3,163.16	300.11	504.50
	9,771.97	8,883.78	11,126.58	10,989.51	12,167.00
Regulatory Deferral Account Balances				107.60	314.83
TOTAL	141,489.74	160,764.28	181,919.54	195,645.00	214,326.66

CASHFLOW STATEMENT:

CONSOLIDATED CASHFLOW STATEMENT					
(IN CRORES)					
	2013-14	2014-15	2015-16	2016-17	2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit Before Tax	6,359.00	6,404.11	7,644.95	9,457.00	10,393.79

Add: Other Comprehensive Income / (Expense)				49.84	-
Less: Rate Regulated Income / (Expenditure)	-	-	-0.05	69.93	-
	-	-	7,645.00	9,436.91	10,393.79
Adjustment for :					
Depreciation (including prior period)	4,094.23	5,173.33	6,242.11	7,722.25	9,230.99
Transfer from Grants in Aid	-22.05	-21.86	-22.20	-21.89	-12.13
Receipt of Grant	-	-	58.00	-	-
Deferred revenue - Advance against Depreciation	-76.89	-79.50	-143.00	-145.85	-120.72
Amortised Expenditure(DRE written off)	-	-	-	-	-
Provisions	22.43	43.95	7.50	9.05	50.59
Changes in fair value of financial assets through profit or loss				-47.53	-6.42
Change in previous year profit of JVs and Subsidiarie after Audit	28.42	-20.98	-47.56	-	-
Transfer from Self Insurance Reserve	-5.83	-20.21	-5.29	-	-
Net Loss on Disposal / Write off of Fixed Assets	5.66	-1.32	-0.47	3.82	10.3
Deferred Foreign Currency Fluctuations Assets					240.75
Deferred Income from Foreign currency Fluctuations					-203.5
Regulatory Deferral Account Debit Balances					-207.23
Interest and Finance Charges	3,253.66	4,081.23	5,097.87	6,203.55	7,324.14
Provisions Written Back	-6.50	-5.52	-21.80	-3.98	-8.36
FERV loss / (gain)	-	-	4.80	-27.34	-0.33
Interest earned on term deposits, bonds and loans to State Govts.	-235.41	-316.46	-123.78	-85.79	-98.97
Stamp Duty & Filing Fee	-	-	-	-	-
Rebate on Transmission Charges	-	-	-	-	-
Dividend Received	-1.92	-2.41	-2.64	-7.07	-5.58
Income from sale of short term investments		-	-	-	-
	7,055.80	8,830.25	11,043.54	13,599.22	16,193.53
Operating profit before Working Capital Changes	13,414.80	15,234.36	18,688.54	23,036.13	26,587.32
Adjustment for :					
(Increase)/Decrease in Inventories	-160.61	-25.29	-129.39	-196.61	-163.46
(Increase)/Decrease in Trade Receivables	-127.53	-608.75	-608.92	-395.25	-523.83
(Increase)/Decrease in Financial Assets				274.65	-2,151.34
(Increase)/Decrease in Other				-192.66	57.95

Non-current Assets					
(Increase)/Decrease in Loans and Advances	-42.48	-30.82	-826.39		
(Increase)/Decrease in Other current assets	145.31	-626.38		587.58	-196.47
Increase/(Decrease) in Liabilities and Provisions	2,958.64	2,855.18	1,397.01	229.99	1,359.01
Increase/(Decrease) in Deferred Income/Expenditure from Foreign Currency Fluctuation(Net)	-140.11	153.68	236.93	141.81	-
(Increase)/Decrease in Rate Regulated Assets	264.54		0.05	-	-
	2,897.76	1,717.62	-263.71	449.51	-1,618.14
Cash generated from operations	16,312.56	16,951.98	18,424.83	23,485.64	24,969.18
Direct taxes paid	-1,230.15	-1,151.90	-1,524.83	-1,871.41	-2,259.06
Net Cash from operating activities	15,082.41	15,800.08	16,900.00	21,614.23	22,710.12
B. CASH FLOW FROM INVESTING ACTIVITIES					
Fixed assets (including incidental expenditure during construction)	-880.24	-1,205.78	-541.67	-23,754.29	-26,651.53
Advances for Capital Expenditure				-170.09	471.67
Receipt of Grant				63.02	421.39
(Increase)/Decrease in Investments				-56.47	-25.12
(Increase)/Decrease in Investments accounted for using the equity method				-186.54	-74.43
Loans & Advances to JV Company					-6
Capital work in progress	-25,630.41	-28,653.99	-25,066.98	-	
Construction Stores and Advances for capital expenditure	-402.26	4,881.71	3,208.02	-	
(Increase)/Decrease in Investments	162.88	203.85	179.82	81.21	
(Increase)/Decrease in Long Term Loans under Securitisation Scheme	15.42	23.14	15.43	7.71	
Lease receivables	-24.85	97.93	-32.43	43.94	59.82
Interest earned on term deposits, bonds and loans to State Govts.	192.89	386.03	131.80	89.51	97.17
Dividend from JV Companies (Adj. through Surplus Account)	65.64	80.04	82.13	-	-
Dividend received	1.92	2.41	2.64	7.07	5.58
Net cash used in investing activities	-26,499.01	-24,184.66	-22,021.24	-23,874.93	-25,701.45
C. CASH FLOW FROM FINANCING ACTIVITIES					

Proceeds from issue of Shares - Capital	601.86	-	-	-	
Proceeds from issue of Shares - Premium		-	-	-	
Share Issue Expenses	4,694.74	-	-	-	
Loans raised during the year	18,091.85	17,968.04	17,969.23	19,342.85	18,706.79
Loans repaid during the year	-5,367.49	-6,461.05	-6,093.09	-8,092.24	-6,236.67
Proceeds from short-term loans					-500.00
Adjustment for fair Valuation of Long term Loans					22.31
Interest and Finance Charges Paid	-2,837.39	-3,781.61	-4,767.67	-5,699.95	-7,047.97
Dividend paid	-1,257.84	-1,123.64	-1,152.28	-1,313.12	-3,034.33
Dividend Tax paid	-213.65	-202.98	-235.64	-278.98	-625.45
Net Cash from Financing Activities	13,712.08	6,398.76	5,720.55	3,958.56	1,284.68
D. Net change in Cash and Cash equivalents(A+B+C)	2,295.48	-1,985.82	599.31	1,697.86	-1,706.65
E. Cash and Cash equivalents(Opening balance)	2,678.89	4,974.37	2,988.55	1,543.59	3,241.45
F. Cash and Cash equivalents(Closing balance)	4,974.37	2,988.55	3,587.86	3,241.45	1,534.80

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