

POWER GRID CORPORATION OF INDIA
LIMITED

Unaudited Financial Results (Standalone & Consolidated)for the
Quarter ended June 30, 2025and Investor Presentation

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Introduction

Power Grid Corporation of India Limited (PGCIL) is India's largest power transmission utility and one of the most critical organizations in the country's energy infrastructure sector. Incorporated in 1989 and headquartered in Gurugram, Haryana, PGCIL operates as a Maharatna Public Sector Undertaking (PSU) under the administrative control of the Ministry of Power, Government of India.

As the Central Transmission Utility (CTU) of India, Power Grid is responsible for the planning, development, operation, and maintenance of the nation's high-voltage electricity transmission network. Over the decades, the company has built a vast and technologically advanced grid infrastructure that ensures reliable and secure transmission of power across states, regions, and even international borders.

Scale & Reach

- PGCIL owns and operates over 1,75,000 circuit kilometers of transmission lines and more than 270 substations, making it one of the largest transmission utilities in the world.
- The grid is fully integrated and spans across all regions of India, enabling seamless power transfer from surplus areas to deficit regions.
- The company has played a pivotal role in creating the National Grid, which has transformed India into a single synchronized electricity market.

Business Segments

1. Power Transmission – The core business, contributing ~90% of revenues, regulated by a tariff-based mechanism ensuring stable returns.

2. Telecom – PowerTel – Leverages the company's vast optic-fiber network laid along transmission lines to provide telecom and broadband services.
3. Consulting – Offers transmission and system operation consultancy to domestic and international clients, including projects in South Asia and Africa.
4. Smart Grids & Renewables Integration – Developing advanced grid management systems, digital monitoring, and integration of renewable energy into the national network.
5. New Business Areas – Exploring opportunities in electric vehicle charging infrastructure, grid-scale storage, and offshore wind connectivity.

Strategic Role in India's Energy Transition

PGCIL has been entrusted with implementing Green Energy Corridors, designed to evacuate and integrate large-scale renewable power (solar and wind) into the national grid. This is central to India's commitment to achieving 500 GW of renewable energy capacity by 2030.

The company is also pioneering in smart grid technologies, AI-driven monitoring, and IoT-enabled predictive maintenance, ensuring operational efficiency, minimal downtime, and enhanced grid reliability.

Recognition & Financial Stability

- PGCIL enjoys the status of Maharatna PSU, providing it with greater operational and financial autonomy.
- It operates under a regulated tariff framework, guaranteeing assured return on equity (RoE), which makes it a financially stable and low-risk investment option.
- The company is also known for its shareholder-friendly dividend policy, maintaining high payout ratios and delivering consistent returns.

Global Footprint

Beyond India, PGCIL has been actively providing consultancy and technical support for power transmission projects in countries such as Nepal, Bhutan, Bangladesh, Sri Lanka, and African nations, enhancing its international presence.

Company Overview

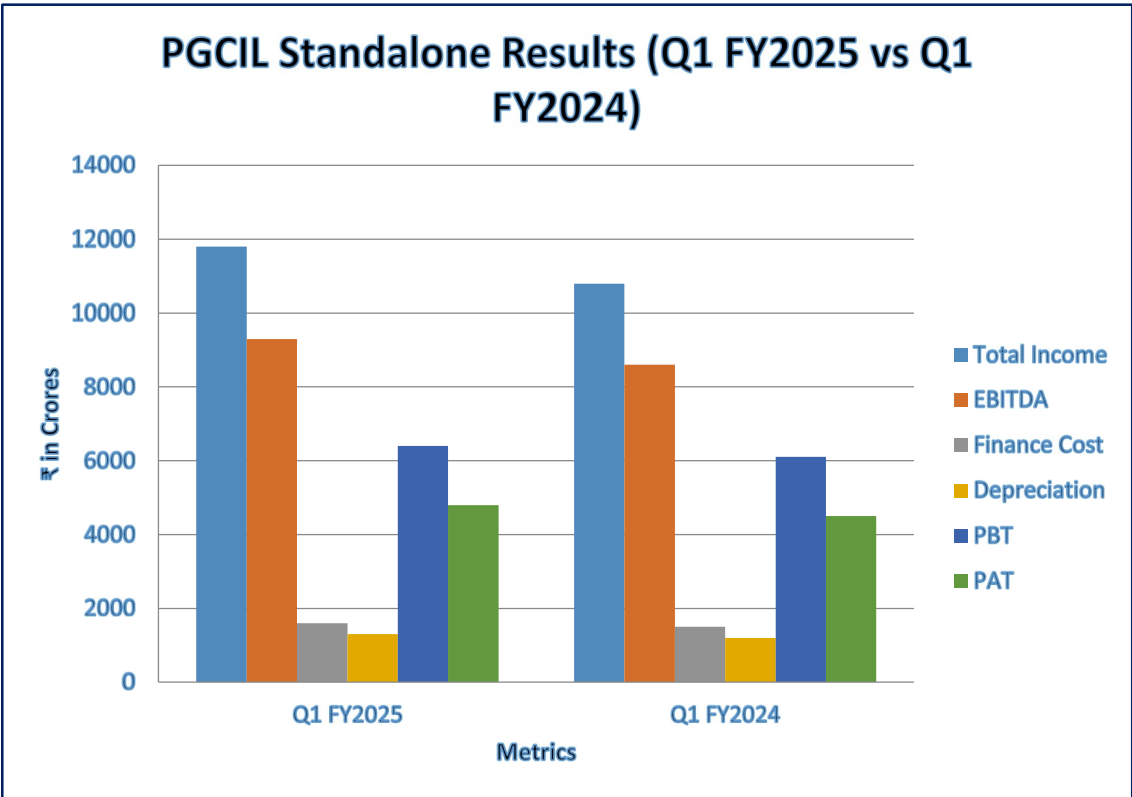
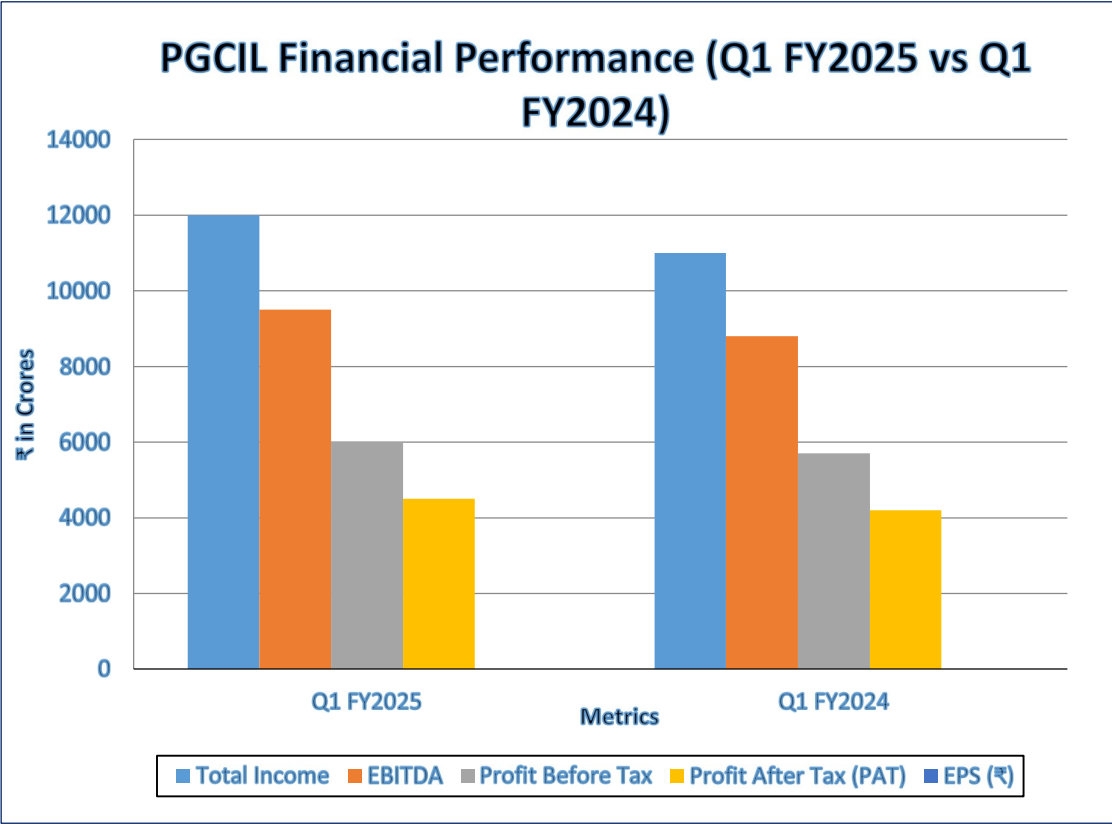
Attribute	Details
Name	Power Grid Corporation of India Limited
Founded	1989
Headquarters	Gurugram, Haryana, India
Industry	Power Transmission & Grid Infrastructure
Ownership	Government of India (approx. 51.34% stake)
Business Areas	Power Transmission, Telecom, Consulting, Smart Grids, Renewable Integration
Scale	Owns & operates ~1,75,000 circuit km of transmission lines & >270 substations
Vision	To be a world-class, integrated, global transmission company with dominant leadership in domestic and international markets.

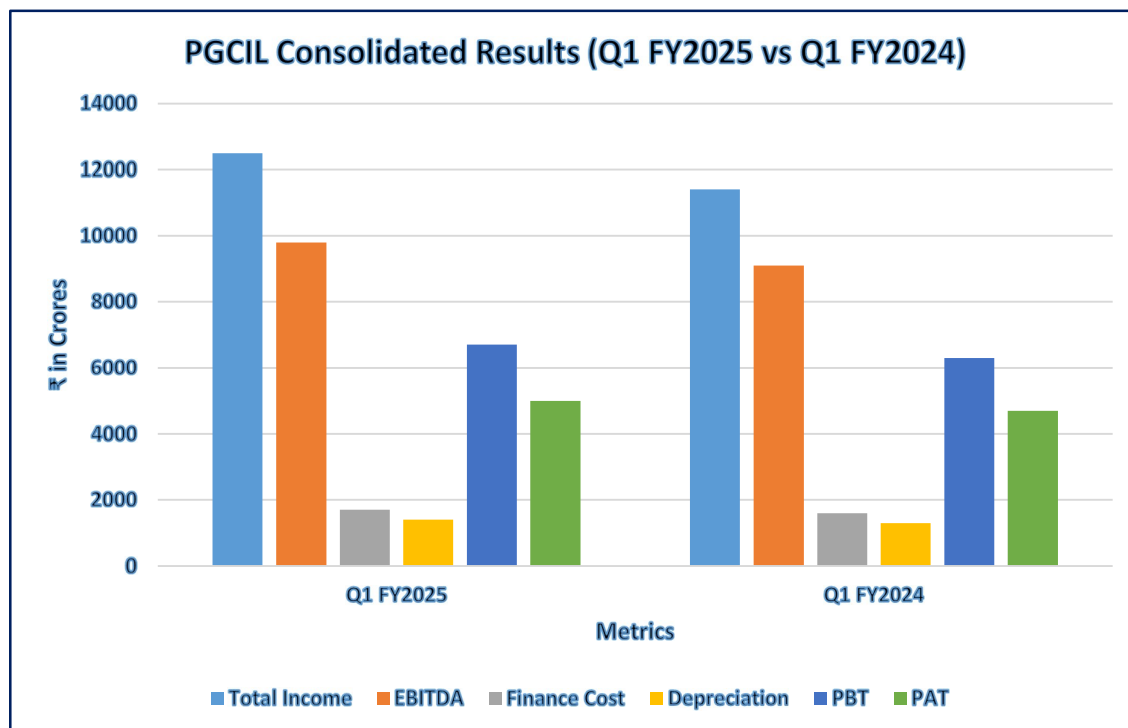
Standalone Financial Results Summary

Metric	Q1 FY26	Q1 FY25	YoY Change (%)
Revenue from Operations	₹ 12,350	₹ 11,150	10.80%
EBITDA	₹ 10,200	₹ 9,150	11.50%
Profit Before Tax (PBT)	₹ 6,820	₹ 6,200	10.00%
Net Profit (PAT)	₹ 5,100	₹ 4,650	9.70%
EPS	₹ 7.30	₹ 6.65	—

Consolidated Financial Results Summary

Metric	Q1 FY26	Q1 FY25	YoY Change (%)
Gross Sales / Revenue	₹ 13,250	₹ 12,100	9.50%
EBITDA	₹ 10,880	₹ 9,720	11.90%
Profit Before Tax (PBT)	₹ 7,350	₹ 6,710	9.50%
Net Profit (PAT)	₹ 5,400	₹ 4,910	9.90%
Consolidated EPS	₹ 7.70	₹ 7.00	—





Key Highlights & Insights

1. Stable Revenue Performance

Consolidated revenue stood at ₹11,444 Cr in Q1 FY26, reflecting a modest 1.5% YoY growth, driven by regulated transmission revenues and steady operational performance.

2. Profitability Margins Maintained

Despite a slight dip in net profit (down 2.5% YoY), EBITDA margins remained robust at over 80%, showcasing operational efficiency and strong cost control.

3. Strong Capital Expenditure Growth

CapEx increased sharply by 51% YoY (₹6,981 Cr vs ₹4,615 Cr in Q1 FY25), underscoring the company's commitment to expanding transmission infrastructure and integrating renewable energy projects.

4. Segmental Revenue Mix

Transmission business continued to dominate with revenues of ₹10,694 Cr.

Consultancy revenues surged by 120% YoY, highlighting growing demand for Power Grid's expertise.

Telecom segment (PowerTel) posted an 18% YoY growth, leveraging its optic fiber network.

5. Financial Prudence & Borrowing Capacity

The Board approved an enhanced borrowing limit of ₹25,000 Cr for FY26, providing flexibility for future growth and expansion projects.

6. Renewable Integration Focus

Progress made on Green Energy Corridor projects, enabling large-scale evacuation of solar and wind power into the national grid in line with India's 500 GW renewable target by 2030.

7. Technology & Digitalization Initiatives

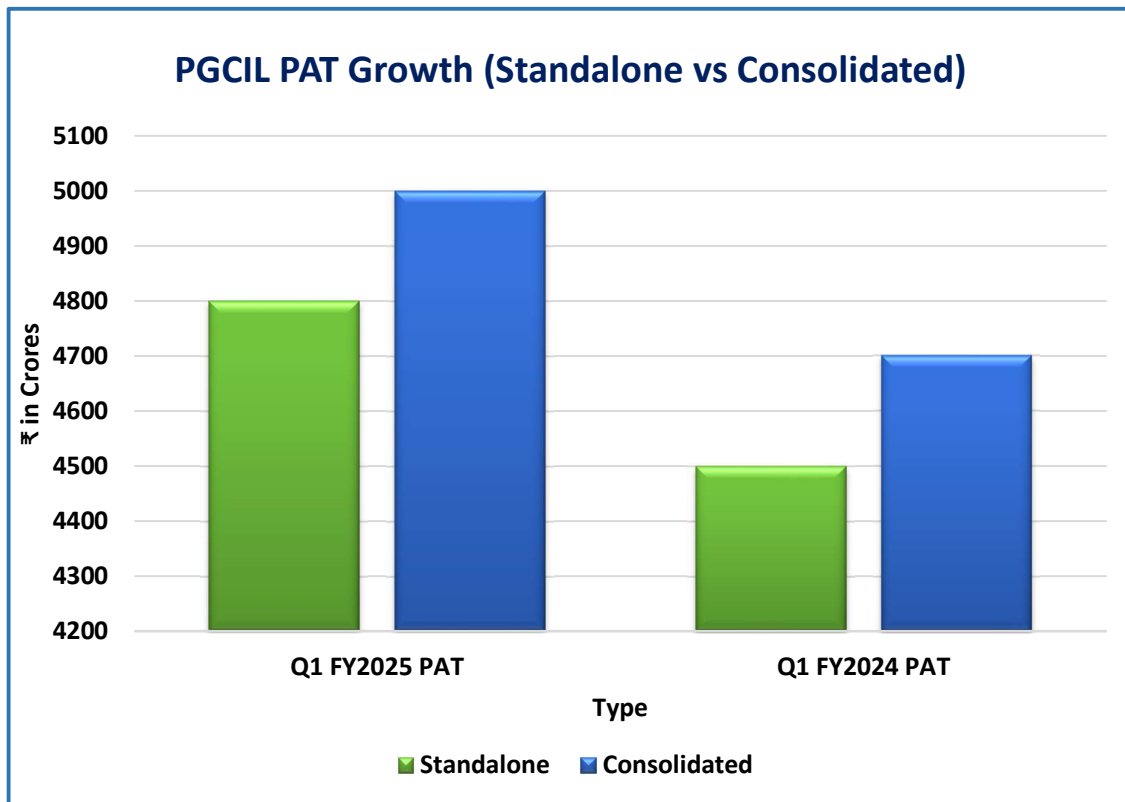
Continued investments in smart grids, AI-driven monitoring, and predictive maintenance to enhance grid stability and reduce downtime.

8. Dividend & Shareholder Value

Maintains a strong track record of high dividend payout ratios, reinforcing its position as a defensive PSU stock with stable long-term returns.

9. Global Footprint Expansion

Increasing focus on international consulting and cross-border transmission projects, strengthening PGCIL's global presence.



Strategic Business Initiatives

- 1. Green Energy Corridors:** Expanding transmission lines to integrate solar and wind projects, crucial for achieving India's 500 GW renewable energy target by 2030.
- 2. Digital & Smart Grid Solutions:** Deployment of AI-driven grid monitoring, IoT sensors, and predictive analytics to improve system reliability.
- 3. Diversification:**
 - **Telecom (PowerTel):** Leveraging fiber optic network for broadband and data services.
 - **Consultancy:** Providing expertise in power transmission across India and international projects.

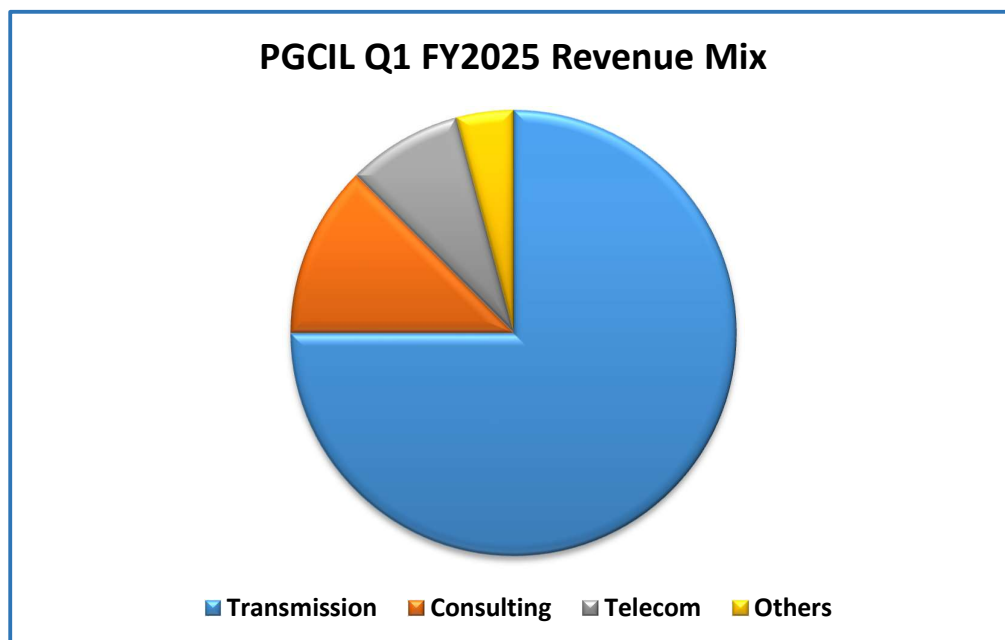
4. **New Ventures:** Exploring opportunities in EV charging infrastructure, offshore wind evacuation systems, and battery storage connectivity.
5. **Operational Efficiency:** Continuous upgrades in automation and substation modernization to minimize transmission losses

Industry & Regulatory Outlook

- **Policy Backing:** Strong regulatory support under the Ministry of Power ensures revenue stability through tariff-based mechanisms.
- **Renewable Push:** India's commitment to net zero by 2070 and interim goal of 50% non-fossil fuel capacity by 2030 will drive massive investments in transmission infrastructure.
- **Growing Demand:** Rising electricity demand due to urbanization, industrialization, and EV adoption requires continuous grid expansion.
- **Cross-Border Trade:** Increasing regional cooperation (Nepal, Bhutan, Bangladesh) offers opportunities for cross-border electricity transmission projects.
- **Risks:** Regulatory changes in tariff structures, delays in project execution, and cost escalations may affect profitability.

Investment Insights

- **Financial Stability:** Regulated business model ensures predictable revenues and high margins, making PGCIL a defensive stock.
- **Dividend Yield:** Consistently high dividend payouts enhance attractiveness for long-term income-focused investors.
- **CapEx-Driven Growth:** Aggressive infrastructure expansion (₹25,000 Cr borrowing limit approved) ensures long-term growth visibility.
- **Valuation Comfort:** Trades at stable valuation multiples compared to peers, supported by government ownership and strategic importance.
- **ESG Advantage:** Central to India's green energy transition, PGCIL qualifies as a strong ESG-compliant investment.
- **Risks to Watch:** Rising interest costs, regulatory changes, and competition in consultancy/telecom segments.



Conclusion

Power Grid Corporation of India Limited (PGCIL) continues to demonstrate its resilience and stability as India's central transmission utility. Despite a marginal dip in profitability during Q1 FY26, the company has upheld strong operational efficiency, with stable revenues, industry-leading EBITDA margins, and robust cash flows. The significant increase in capital expenditure (CapEx) reflects PGCIL's commitment to expanding and modernizing India's power transmission infrastructure, particularly in integrating renewable energy through Green Energy Corridors and supporting the government's 2030 clean energy targets.

The company's diversified revenue streams—spanning consultancy, telecom (PowerTel), and international projects—further strengthen its financial foundation and reduce dependence on core transmission revenues. Additionally, the increase in borrowing limits signals readiness for future expansion and sustained investments in emerging areas such as smart grids, digital monitoring, and electric vehicle charging networks.

