

FINANCIAL CAPITAL

Strategic Investments for Infrastructure
Development & Sustainable Growth

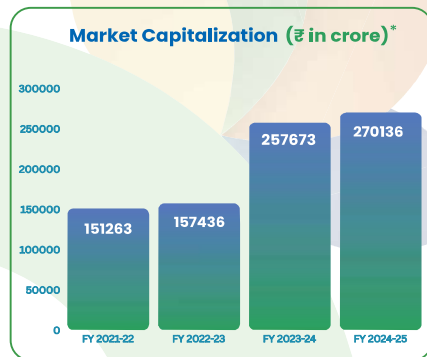


FINANCIAL CAPITAL

POWERGRID's achievements are built on strong financial management and strategic foresight, forming a solid foundation for operations, investments, and sustainable growth. We ensure adequate funding for expanding our transmission network and investing in innovative technologies to enhance grid reliability and efficiency. Our exceptional financial performance, driven by strategic expansion, increased reserves, and cost controls, secures a promising future. As a forward-thinking utility, we prioritize responsible financial management to support operations and provide top-tier services. We strategically allocate resources to maximize returns while adhering to Environmental, Social, and Governance (ESG) commitments. Through efficient resource management and a resilient balance sheet, we deliver sustainable value to stakeholders and maintain grid reliability amid evolving market and regulatory demands.

SHAREHOLDER VALUE CREATION

Central to our corporate strategy is an unwavering commitment to maximizing shareholder returns. This dedication is exemplified by the extraordinary increase in our market capitalization, soaring to all time highest to ₹ 3.4 trillion on 25th September, 2024. We deeply value the trust and support of our shareholders, who have invested their capital and placed their confidence in our growth journey



*Based on closing share price on BSE

KEY Pillars OF FINANCIAL PLANNING AT POWERGRID



Infrastructure Development Planning



Funding & Debt Management



Revenue Maximization



Risk Management & Financial Stability



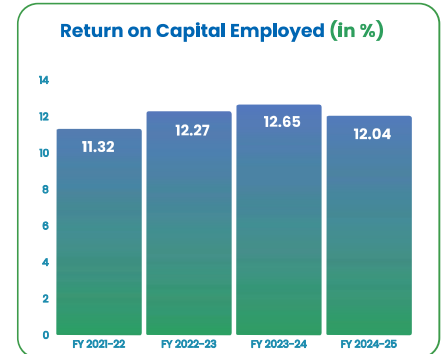
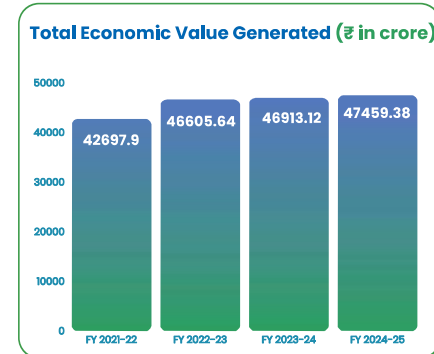
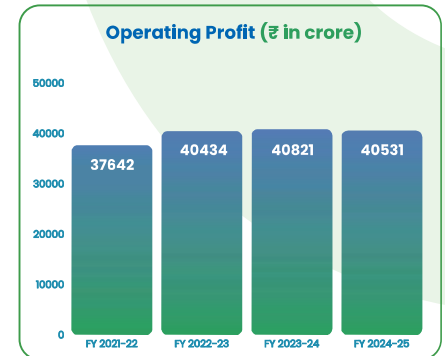
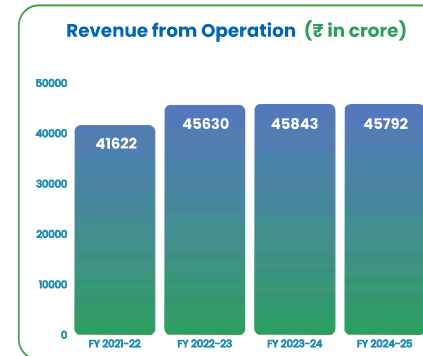
Diversification & Strategic Growth Investments



Human Capital Investment

FINANCIAL PERFORMANCE

On Consolidated basis



Direct economic value generated & distributed, CAPEX and other key parameters during FY 25

(All Figures except per share data are in units as indicated)

Parameters	FY 2021 ₹ (crore)	FY 2022 ₹ (crore)	FY 2023 ₹ (crore)	FY 2024 ₹ (crore)	FY 2025 ₹ (crore)
Revenue from operations	39,639.79	41,621.64	45,603.11	45,843.10	45,792.32
Other income	1,183.74	1,076.26	1,002.53	1,070.02	1,667.06
Total economic value generated	40,823.53	42,697.90	46,605.64	46,913.12	47,459.38
Payment against Long term loan & Bonds	11,219.40	15,410.82	15,540.65	13,440.72	15,701.70
Operating Expenses	2,531.92	2,805.55	3,594.62	3,505.77	4,122.55
Employee Salary and Wages	2,114.76	2,243.89	2,508.53	2,434.44	2,604.40
Taxes	3,464.25	2,785.57	2,281.88	2,940.79	3,772.76
Dividend paid	6,821.99	10,811.96	8,544.93	11,218.85	9,765.64

Parameters	FY 2021 ₹ (crore)	FY 2022 ₹ (crore)	FY 2023 ₹ (crore)	FY 2024 ₹ (crore)	FY 2025 ₹ (crore)
CSR Expenditure	247.22	273.91	327.09	324.22	386.84
Total Economic Value Distributed	26,399.54	34,331.70	32,797.70	33,864.79	36,353.89
Total Economic Value Retained	14,423.99	8,366.20	13,807.94	13,048.33	11,105.49
Operating Profit	36386.18	37642.32	40434.32	40820.91	40531.59
Operating Margins (%)	92%	90%	89%	89%	89%
Profit before Taxes (PBT)	15139.03	20139.38	17453.05	19085.34	19017.89
Taxes rate (%)	17.47%	17.47%	17.47%	17.47%	17.47%
Profit After Tax (PAT)	12036.46	16824.07	15419.74	15573.16	15521.44
PAT Margins (%)	30%	40%	34%	34%	34%
Net Fixed Assets	183725.94	191772.84	185436.99	177760.55	172320.17
Share Capital	5231.59	6975.45	6975.45	9300.6	9300.6
Reserves and Surplus	64704.48	69280.84	76050.84	77844.51	83362.21
Shareholder Funds	69,936.07	76,256.29	83,026.29	87,145.11	92,662.81
Earning Per Share	₹12.94	₹18.09	₹16.58	₹16.74	₹16.69
Dividend per share	₹7.33	₹11.63	₹9.19	₹12.06	₹10.50
Book value per share	₹75.2	₹81.99	₹89.27	₹93.70	₹99.63
No. of shares	523.16	697.55	697.55	930.06	930.06
Share Price	₹215.65	₹216.8	₹225.7	₹276.9	₹290.35
Market Cap	1,12,819	1,51,263	1,57,436	2,57,673	2,70,136
CAPEX	11,284	9,060	9212	12,500	26,255
EBITDA	36,386.18	37,642.32	40,434.32	40,820.91	40,531.59
Return on Capital Employed	10.87%	11.32%	12.27%	12.65%	12.04%
Net profit	12,036.46	16,824.07	15,419.74	15,573.16	15,521.44

COMMERCIAL PERFORMANCE

POWERGRID's proactive commercial initiatives have significantly boosted its financial performance, demonstrating a strong commitment to customer satisfaction and efficient revenue management. Through consistent follow-up and by assisting its customers (DICs) in utilizing innovative financial instruments via CTUIL, POWERGRID achieved an impressive collection efficiency of 103.82% of billing in FY 2024-25, highlighting the success of these focused efforts in optimizing revenue realization.

TAX STRATEGY & GOVERNANCE

At POWERGRID, tax strategy and governance are integral components of our operational framework, ensuring that we manage our tax responsibilities with both efficacy and integrity. As a leader in the energy transmission sector, we understand the critical importance of upholding strong ethical standards and strict adherence to tax regulations. Our tax strategy is designed not only to ensure compliance with applicable tax laws but also to optimize our tax position in a manner that aligns with our sustainability and corporate responsibility commitments.

This strategy involves meticulous planning, transparency, and a proactive approach to tax governance, all aimed at supporting our long-term growth objectives while positively impacting the communities we serve. Our tax strategy and governance framework are essential elements of our broader corporate governance, reflecting our mission to create sustainable value for all stakeholders. We are deeply committed to adhering to all tax-related regulations, upholding the highest standards of corporate citizenship and responsibility.

DEFERRED INCOME TAX ASSETS AND LIABILITIES

The evaluation and recognition of deferred income tax assets require significant managerial judgment, particularly in estimating the timing and amount of future taxable income. The value of deferred tax assets may fluctuate if projections of future taxable income or applicable tax regulations change.

Recognition of these assets relies on the likelihood of realizing deductible temporary differences. Our assessments are based on existing tax laws and rates, along with strategic business considerations, including management's expectations regarding the recovery timing and method of the associated assets.

Adjustments in these evaluations may affect the valuation of deferred tax assets or liabilities, influencing the tax expense reported in the Standalone/Consolidated Statement of Profit or Loss. Provisions for tax liabilities involve judgments about interpreting tax regulations, legal precedents, and anticipated outcomes of tax audits and appeals, which carry inherent uncertainties. Consequently, actual outcomes may differ from initial expectations, requiring adjustments in provisions, deferred tax asset valuations, cash tax settlements, and ultimately, the tax expense recorded in the Standalone/Consolidated Statement of Profit or Loss.



Signed 1st Green Loan agreement with Sumitomo Mitsui Banking Corporation (SMBC), a JPY-denominated facility equivalent to US \$200 million, with a US \$150 million greenshoe option.

