

12<sup>th</sup> February, 2025

To  
The General Manager (Listing)  
National Stock Exchange of India Limited  
Exchange Plaza, C 1/G Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai.

To  
The General Manager (Listing)  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai.

**Reference: NSE-SCRIP ID: POWERGRID; BSE Scrip Code: 532898**  
**EQ – ISIN INE752 E01010**

**Sub: Transcript of Webinar held on 05<sup>th</sup> February, 2025.**

Dear Sir,

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find attached herewith copy of Transcript of Webinar held on 05<sup>th</sup> February, 2025 at 11:00 A.M. for Investors & Analysts.

Thanking You.

**Yours faithfully,**

**(Satyaprakash Dash)**  
**Company Secretary &**  
**Compliance Officer**

**Power Grid Corporation of India Limited**

**Transcript of Webinar  
(For Q3 and Nine Months ended 31.12.2024)**

**05<sup>th</sup> February, 2025 11:00 A.M. (IST)**

**MANAGEMENT:** R.K. Tyagi, Chairman & Managing Director  
G. Ravisankar, Director (Finance) & CFO  
Dr. Yatindra Dwivedi, Director (Personnel)  
Naveen Srivastava, Director (Operations)  
Vamsi Ramamohan Burra, Director (Projects)

**ANALYSTS:** Sumit Kishore  
Ketan Jain  
Akhsay Malhotra  
Bharanidhar Vijayakumar  
Bhalchandra Vasant Shinde  
Aman Jain  
Mayank Bora  
Swati Jhunjhunwala  
Anuj Upadhyay  
Apoorva Bahadur  
Naishi Shah  
Vikram Datwani  
Koundinya Nimmagadda  
Mohit Pandey

### **Presentation**

**Mohit Kumar:** Hi, good morning, everyone. On behalf of ICICI Securities, I extend a very warm welcome to all of you for the Analyst Meet of Power Grid Corporation of India Limited.

Today, our senior management team is there to discuss the company's business Post Q3 and Nine Month Financial Results. It is my pleasure to introduce senior management team of Power Grid. We have with us Shri R.K. Tyagi, Chairman and Managing Director; Shri G. Ravisankar, Director (Finance) and CFO; Dr. Yatindra Dwivedi, Director (Personnel); and Shri Naveen Srivastava, Director (Operations); and Shri Vamsi Ramamohan Burra, Director (Projects).

Thank you, and over to you.

**R.K. Tyagi:** Good morning, everyone. I'll just give a brief about Power Grid achievements in Q3 and up to Q3 or nine months. Brief agenda for today's meeting is overview of Power Grid, major highlights, performance highlights, what is our growth outlook, sustainability and awards, which Power Grid has won during quarter three. Next.

As you know that Power Grid is India's flagship power transmission utility, one of the largest transmission company in the world. As per Public Enterprises Survey '23-'24, we have been given first rank in Net Profit; first rank in Dividend Declared; second rank in Gross Block; second rank in Net Worth and second rank in Contribution to Exchequer. Our international credit rating is at par with Sovereign rating, BBB- and domestic credit rating is AAA. Next.

Our transmission lines, we have transmission line across width and breadth of our country about 1,518 number of lines are there. We have 1,79,594 circuit kilometre, 280 substations, 5,52,961 MVA capacity. Our interregional transfer capacity is 99,580 megawatt, which is 84% of total interregional capacity of India. Our transmission system availability is maintained at par with world best utilities, and it is 99.81%.

We have assets of HVDC 18 station; 765 kV substations 63 numbers; 400 kV 168; SVC and STATCOMS 20 numbers; and GIS stations 64 numbers; and transmission line towers about 2,90,000; and transformer and reactors more than 3,800 numbers.

During Q3, we have won the seven ISTS TBCB projects with levelized tariff of ₹2,077 crores. It includes transmission system for the evacuation of power for Rajasthan REZ Phase IV Part 3 or Part A and Part B. Then transmission system for power evacuation from Kudankulam Unit 3 and 4 in Southern region. Then transmission system for power evacuation in Rajasthan, Phase IV, Part 4, Part A. Then system strengthening at Koppal-II and Gadag-II for integration of RE power in the grid. Sixth one is augmentation of transformation capacity at Khavda area KPS1 and KPS2, Phase V Part B1 and Part B2. Then augmentation of transformation capacity 3x500 MVA transformers and 1x1,500 MVA transformer at Bidar substations.

Up to Q3, we have share of 50% in annual tariff in TBCB projects, 58% in terms of NCT cost and 57% in terms of number of projects won. Next.

In asset management, for the first time in India, we have implemented dynamic line loading for controlling power flow in transmission line depending on temperature, wind speed and other ambient conditions. Also, we are implementing e-vegetation management programme for our six transmission lines in Northeastern region, which will assist us in inspection and maintenance by mapping of transmission lines, managing vegetation and avoiding tripping of transmission lines. This is being done for the first time in India.

Then other highlights. We have secured our first Green Loan Agreement of \$200 million was signed with Sumitomo Mitsui Banking Corporation, Japan, for funding RE projects of Power Grid. Next.

We also collaborated with EPRI; it is a research institute in USA. We have signed a 10-year master agreement with EPRI USA, a non-profit energy research and development organisation. It will help us in transmission system construction, operation, and maintenance, and promoting energy transition and sustainability.

Also, Power Grid has been granted patent for system and method for health assessment of transformers and reactors. We are remotely operating 281 substations from our control centre at Manesar, as on 31 December 2024.

The performance highlights about project execution, operational performance, financial performance, other business, and commercial performance are as below.

We have commissioned 1,399 circuit kilometre of transmission lines in Q3 and also 9,185 MVA capacity of transformers. It includes two numbers of transformers at Sikar, 1 ICT at Banaskantha, one ICT at Kotra, three number ICT at Bikaner-II station, two number ICT at Banka, and one ICT at Bahadurgarh. Then upgradation of 315 MVA ICT at Rengali substation.

In transmission line, 765 kV Sikar-II Aligarh, circuit 1 and circuit 2; Bhadla-II to Sikar-II, circuit 1 and circuit 2; 400 kV Sikar-II to Neemrana, circuit 1 and circuit 2; and LILO of 220 kV Jhusi Phulpur at 400 kV Jaunpur UPPTCL substation. During Q3, new station at Sikar-II was commissioned in October.

Then in project execution, our performance in Q3 we have done expenditure of ₹7,649 crores as against ₹3,444 crores in last year, FY '24. And during last nine months, our CapEx has been ₹17,651 crores as against ₹7,690 crores last year. In capitalisation also in Q3, we have capitalised assets worth ₹3,417 crores as against ₹1,784 crores asset in last year. And in the last nine months, we have commissioned ₹7,423 crores worth assets as compared to ₹5,780 crores last year.

In operational performance, we have been maintaining availability more than 99.75%. For last nine months, it has been 99.81%. And in reliability, trippings per line is 0.24 trippings per line during the last nine months.

As regards financial performance. On a standalone basis, our income in Q3 has been ₹11,609 crores and profit after tax ₹3,894 crores. On a consol basis, income is ₹11,743 crores and PAT ₹3,862 crores. For the last nine months, on a standalone basis, total income is ₹33,843 crores and PAT ₹11,017 crores. On consol basis, total income for last nine months was ₹34,869 crores and the profit after tax ₹11,379 crores.

The financial performance in details in nine months for FY '25, transmission charges, ₹32,368 crores. Consultancy services about ₹427 crores, telecom ₹722 crores. Other income, ₹1,352 crores. Total income, ₹34,869 crores and EBITDA ₹30,148 crores and profit after tax is ₹11,379 crores. On a standalone basis, for nine months, transmission charges, ₹30,092 crores; consultancy, ₹357 crores; other income, ₹3,394 crores and total income ₹33,843 crores. And on a standalone basis, profit after tax ₹11,017 crores.

Other financial parameters, our gross fixed assets as on 31st December 2024 is ₹2,88,801 crores. CWIP, capital work-in-progress, ₹29,603 crores. Debt ₹1,29,288 crores. Net worth ₹91,620 crores. Earnings per share, ₹12.23 per share. Book value per share, ₹98.51. Debt-equity ratio 59:41 and return on net worth in nine months is 12.42%. The key financial parameters, the income for previous periods, ₹63 crores as against the last year in Q3, ₹237 crores.

Interest on differential tariff is ₹102 crores as against ₹184 crores during Q3 quarter of '24. Interest from subsidiaries, ₹560 crores as against ₹371 crores last year. Incentive from transmission assets, ₹150 crores as against ₹151 crores. Dividend from JVs, ₹3 crores as against ₹1 crore. Dividend from subsidiaries, ₹423 crores as against ₹149 crores, and dividend from associates and others, ₹32 crores as against ₹20 crores. CSR expenses, ₹161 crores as against ₹23 crores last year.

FERV, because of foreign exchange, ₹238 crores as against ₹77 crores last year. Equity in TBCB operations, ₹4,390 crores as against ₹3,763 crores. Equity in TBCB under construction, ₹302 crores as against ₹504 crores last year. We have a short-term loan of ₹1,960 crores as against ₹1,279 crores last year. Average cost of borrowing is 7.54% in Q3 financial year '25. In our telecom subsidiary, in Q3, our income has been ₹236 crores and up to Q3 in last nine months, it has increased from ₹594 crores to ₹722 crores. There is an increase of 22%.

In Q3, we have added 12 numbers of new customers and our backbone availability of telecom network has been 100%. We have received first International Long Distance business order in Q3. And PowerTel also

enabled fibre to home broadband for providing reliable Internet for the end users in Tura town of Meghalaya in Northeastern region. Then land has been procured from SIPCOT in Chennai for Disaster Recovery Zone-2 Data Centre at Chennai.

In commercial performance. We have done billing of ₹27,989 crores with realisation of ₹28,404 crores; realisation efficiency has been 101.48%. Our outstanding up to Q3 of '24 was ₹6,633 crores. In Q2, it was ₹4,735 crores. And at the end of quarter 3, it has become ₹4,380 crores with major dues from Tamil Nadu, UP, Telangana and Madhya Pradesh.

As far as growth outlook is there, sectoral outlook, works in hand and what is CapEx plan of Power Grid, the details are given. As far as sectoral outlook concerns, our growth drivers are that India is committed to become a \$5 trillion economy. This will lead to rapid industrialisation, urbanisation, and e-mobility. Then there is a non-fossil capacity addition target by Government of India to add 500 gigawatts RE power as installed capacity. The green hydrogen mission requires about 125 gigawatts RE power for producing green hydrogen up to 2030. Then energy storage target BESS is about 47-gigawatt, pumped hydro about 36 gigawatts up to 2032.

Then international interconnections under One Sun, One World, One Grid also, there are possibilities that there will be international interconnections. So that will also lead to growth of transmission sector in India also. And as per National Electricity Plan, the CapEx summary, the interstate transmission system from '22 to '27, about ₹2,69,150 crores worth transmission systems are to be added. From '27 to '32, ₹3,91,624 crores. And put together in Interstate, it will be ₹6,60,774 crores. Then in various states for intrastate transmission system, as per NEP, about ₹2,55,368 crores worth transmission assets are going to be added. And total CapEx summary for transmission system will be ₹9,16,142 crores up to 2032.

For Power Grid, we have today ₹1,43,749 crores worth transmission works in our hand. And today only we have won one more project about ₹3,500 crores transmission project in Karnataka. So, with this, it will become about ₹1,47,000 crores works in hand. This includes RTM projects, TBCB projects and other works going on like metering and solar generation. Next?

For financial year '25, our CapEx plan is now ₹23,000 crores, which includes RTM projects worth ₹3,914 crores, then TBCB projects about ₹14,209 crores and other works ₹4,877 crores. Till 31st January, our

CapEx has been ₹19,480 crores and capitalisation till 31st January '25 ₹7,906 crores. Regarding sustainability and awards. We have a target of 50% of renewable energy consumption by 2025. We are now tying up with various states for green tariff for our substations to offer the facility of green power.

For RoW resolution, we have formed a women cell and RoW cell for resolution of RoW in construction of transmission line. Four numbers of substations, one at Yelahanka, Tughlakabad in Delhi, Mariani in Assam and Chandigarh has been declared as pink stations which will be managed by all women employees. So, this is being done for the first time for women empowerment in Power Grid.

Next. Our Director Finance has been conferred with prestigious role model recognition at CMA Achievers meet: Vision 2030. Also, Power Grid has been conferred with World Congress on Disaster Management-Disaster Risk Reduction 2024 Award in category "Response during disaster and emergencies."

Power Grid received appreciation of support from Honourable Union Jal Shakti Minister, Shri C.R. Patil for CSR contribution as highest donor to National Mission of Clean Ganga. We have also received a Special Jury Commendation in FICCI Women Empowerment Awards '23-'24 under the category Impactful Care Ecosystem for Employees under Public Sector Companies category.

Our Executive Director, Dr. Sunita Chohan has been awarded with NPSC Woman Engineer Award 2024 for her contribution to the India's Energy Sector during the 23rd National Power System Conference held at IIT Indore. Then appreciation plaque in FICCI Women Empowerment Awards '23-'24 under category Career Development, Skill Development & Mentorship was also received by our women employees.

Thank you very much.

### **Question-and-Answer Session**

**Mohit Kumar:**

I re-iterate the mistake earlier note that Shri Vamsi Ramamohan Burra, Director (Projects) joined us through VC separately. We will now start with Q&A. Please raise your hand and ask your question is scheduled one by one. Sumit, please go ahead. Sumit, you can unmute your line.

**Sumit Kishore:**

Good morning and thanks for the opportunity. My first question is, if we look at the capitalisation in the nine-month period, there appears to



be a steep increase implied for the fourth quarter to meet the target of about ₹180 billion that you had spelt out for FY '25, are we on track? And if I look at the works in hand position mentioned in your presentation. It's similar to what we had heard in the November '24 analyst meet at about ₹1.43 lakh crore. So, what has been the fresh wins that we have seen in the last couple of months? Has that been equal to recapitalisation roughly? Thanks. That's the first question.

**Ravisankar:** Okay. Sumit, what we have shown in the last quarter, actually, this is the works in hand which are to be executed, that is excluding the CWIP. If you see that last quarter, we have done a CapEx of maybe around ₹10,000 crores. So, whatever we have added to that extent, whatever we have done the CapEx, it will come down. That's why it's looking like as if it stands still, but it's not so.

**Sumit Kishore:** Fair point. And for the fourth quarter, are we on track for capitalisation for the full year?

**R.K. Tyagi:** Yeah. So, we are targeting in the same range about that ₹18,000 crores. That range we are targeting.

**Sumit Kishore:** Okay. My second question is that what is the impact in Q3 and nine months results of the FY '25-'29 CERC tariff regulations pertaining to O&M and what has been the performance of PGCIL JV EESL in nine-month FY '25? There were losses in 1H, if I remember.

**Ravisankar:** This impact of CERC tariff regulations, the O&M portion is around ₹140 crores in Q3. If you compare the same with the Q3 of FY '24. And regarding EESL, yes, we have not put any equity in the last almost a year, so whatever we have put the equity, it was in the two years back. So we are not putting further equity in that.

**Sumit Kishore:** Was there any loss contribution from EESL in nine months?

**Ravisankar:** Yes. For the nine months, it is around ₹140 crores, it is included in the consol, our portion, 39% of our stake amounts to ₹140 crores for nine months.

**Sumit Kishore:** Okay. So, the third quarter will be about ₹40 crores.

**Ravisankar:** Yes. It is cumulatively ₹140 crores.

**Sumit Kishore:** Yes. Just last quick one to check on the large contract that was won by Khavda by your competitor, what was the difference in bid for Power Grid versus L1? And could you give us -- this had first come to Power

Grid, so what was the sequence of events? It's a reasonably large contract?

**Ravisankar:** No, it's not Khavda. Khavda, we won.

**R.K. Tyagi:** Yeah, Khavda was only like, bid was being given by our competitor, and finally, we won. So there were a difference of only 0.25%. Between us, we were the winner in Khavda and between the other party.

**Sumit Kishore:** I'm referring to the ₹25,000-odd crore project that was won by Adani Transmission.

**R.K. Tyagi:** Yeah that was Fatehpur to Bhadla-III. So, they have won in about ₹3,500 crores and considering the land policy in Rajasthan after this 14th June 2024 and earlier, we won this project in ₹3,700 crores. So, we have revised our bids, and for us the parameters what we decided that we will not go beyond the L1 limit. So that was our stand on the project because it was not coming in our range.

**Sumit Kishore:** Thank you so much. Wish you all the best.

**Nidhi Shah:** We request attendees to please stick to two questions per participant. We may be moving on to the person when I unmute, I request the participant asking the question to also unmute on their end before they ask a question. The next question is from Subhadip Mitra [ph] [0:41:18] you may unmute. Since we have no response from their end, we will move to Ketan Jain. Ketan Jain you may unmute your line.

**Ketan Jain:** Thank you for the opportunity. Good morning. My first question is on the number of projects won in nine months and 3Q? If you could tell us the cost of the projects won in nine months and 3Q?

**R.K. Tyagi:** Up to December '24, it is ₹63,909 crores. And for Q3, it is ₹19,828 crores.

**Ketan Jain:** What is your outlook on the awarding of projects for FY '26? Do you expect like around ₹1 lakh crores worth of projects were awarded this fiscal year. What is your outlook on FY '26? Do you think it will take a pause or do you think it will continue?

**R.K. Tyagi:** Like I have mentioned that as per NEP plan, total for interstate is about ₹6 lakhs. So FY '26 also, it will be similar to FY '25. So we will also have similar figures for FY '26 also. Already, there are about projects worth ₹52,000 crores under bidding.

**Ketan Jain:** Understood. My last question is on the same number which you gave for cost. Can you give for tariff, award of projects?

**Ravisankar:** Q3, it is already in the presentation.

**Ketan Jain:** Yeah, ₹2,077 crores for nine months.

**R.K. Tyagi:** For nine months tariff is ₹8,027 crores.

**Ketan Jain:** Understood. Thank you. Those are my questions.

**Nidhi Shah:** The next question is from the line of Ketan Jain. You may please unmute your mike.

**Ketan Jain:** My questions are done. I just spoke.

**Nidhi Shah:** The next question is from Akhsay Malhotra. You may unmute your line.

**Akhsay Malhotra:** Thanks for the opportunity. I wanted to first of all understand the progress on the intrastate bidding side. And concurrent to that, I wanted to understand that on the intrastate project that we have with Rajasthan, has the work started on that? That's my first question.

**R.K. Tyagi:** Okay. The intrastate projects are being executed by various states like UP and MP and we are also participating wherever opportunity is there. As far as the JV for intrastate with Rajasthan, we have already formed the joint venture company. Our MDs also joined there, and projects are being identified by the Government of Rajasthan. As soon as projects are identified, then they will be taken up for execution.

**Akhsay Malhotra:** Okay. Thank you. Also, quickly on the CapEx and capitalisation side. I think you've helped us with the number for FY '25. Could you also, in a similar manner, tell us the expected CapEx and capitalisation for FY '26 and '27?

**R.K. Tyagi:** FY '26 because whatever projects like we have projects about say, ₹147,000 crores in hand and about ₹29,000 crores in progress. So put together, we have almost ₹1,76,000 crores projects which are to be commissioned in next five years, because this includes HVDC Leh to Pang which is to be commissioned in the next five years.

And similarly, our Khavda to Nagpur that is also to be commissioned in next 4.5 years. And then we have offshore project also, that is also to be

commissioned. So, if we subtract these costs, so AC section will be about ₹1,08,000 crores projects are to be commissioned in the next three years. So, every year, that means next year, we will have target about ₹25,000 crore projects, which will be required to be commissioned. And next year, may be about ₹35,000 crores and maybe next year another ₹35,000 crores. So, it will be in that range.

**Akhsay Malhotra:** Okay. So, this is the capitalisation number, right?

**R.K. Tyagi:** Yes, capitalisation.

**Akhsay Malhotra:** And similar to that on the CapEx side?

**R.K. Tyagi:** CapEx, like this year, we are telling it is about ₹23,000 crores up to March. And for FY '26, it will be in the range of about ₹28,000 crores to ₹30,000 crores. And for next FY '27, it will be again ₹35,000 crores.

**Akhsay Malhotra:** Okay. That would be very helpful. Thank you.

**Nidhi Shah:** The next question is from the line of Bharanidhar Vijayakumar. You may unmute your mike.

**Bharanidhar Vijayakumar:** So, I want to ask the regulated equity in the RTM projects as at end of December '24 that we have been investing?

**Ravisankar:** Regulated equity, see, we have given you that our net worth is like ₹91,000 crores and then we have put ₹4,390 crores, plus another ₹400 crores in the TBCB companies. If you deduct that and then you deduct another around ₹2,000 crores to ₹3,000 crores, which we have put in another JVs and in telecoms, roughly, you take out around ₹10,000 crores. So maybe in the range of ₹80,000 crores to ₹83,000 crores will be the regulated equity.

It's very simple mathematics. Just you see the net worth and then remove the JV's investment and TBCB, SPV investment and then you get the regulated equity. Plus, we don't have any other business in the standalone.

**Bharanidhar Vijayakumar:** Understood. So related question to that is how much of equity would be required to be invested in the upcoming projects over the next three years?

**Ravisankar:** Normally, we put 80-20 for the TBCB projects and all the regulated projects, we stick to 30% at least to the equity, because we get the 15% return. If we reduce less than 30%, it's loss for us. So, we put maximum

threshold of 30% in regulated projects. And TBCB, it's free for us to put any equity, but so far, we are almost maintaining 20%.

**R.K. Tyagi:**

So, if you consider say ₹25,000 crores CapEx next year, so maybe between ₹5,000 crores to ₹6,000 crores will be required including TBCB and RTM projects.

**Bharanidhar Vijayakumar:** Got it. My second question is on the execution challenges in developing transmission projects. Some of the equipment manufacturers and other developers are highlighting challenges in land acquisition and equipment supply, say be it high voltage transformers or some conductors. So, what is your view on it? And would we be able to execute and commission our pipeline of projects within time? Or in your assessment, what could be a conservative estimate of risks? And how much can project get delayed on an average?

**R.K. Tyagi:**

Yeah. The challenge of the procurement of these high-value items, especially transformer and GIS it is a real challenge. So, we are mitigating this challenge by procuring under bulk procurement, transformers we are procuring irrespective of the projects in hand. So, we are ensuring that we have adequate number of transformers and reactors with us for meeting the requirement of future projects.

And as far as GIS is concerned, so there are challenges, especially for GIB part. So, we are discussing with GIS suppliers so that they can start manufacturing in India. And now they are also ramping up their manufacturing capacity, GIS as well as transformers and reactors.

**Bharanidhar Vijayakumar:** Sure. Okay. That answers. But if you could give some estimate of would project, be delayed? Meaning if project timeline is say 1.5 years to two years, in the best case scenario, would you expect for our projects on an average, the project commissioning would be say 2.5 years, three years? In reality, would that be the case?

**R.K. Tyagi:**

Yeah. Normally, whatever two years' time period, we are trying to achieve, especially for any substation wherever transformers or reactors are to be commissioned. So, we are ensuring that all the equipments are commissioned on time, but especially for transmission line where RoW issues are being encountered.

In some cases, there are challenges. So, some delays are happening because of RoW issues. But still, we are taking up with the Ministry of Power and the state administration to minimise the delays but let me accept that there are challenges in completion of these transmission projects within two years.

**Bharanidhar Vijayakumar:** Thank you so much. All the best.

**Nidhi Shah:** The next question is from the line of Tanveer [indiscernible] [0:54:25]. You may now unmute your line.

**Unidentified Analyst:** Yeah. So actually, I am a shareholder in Power Grid and the Power Grid InvIT as well. I had a simple question. This Power Grid InvIT was set up with the vision of monetisation of Power Grid assets, but that plan seems to have been dropped. So there are a lot of shareholders, including our parents and senior citizens who have put their hard earned money in Power Grid InvIT. And if you see it raised funds at IPO around ₹100. Today, the share price is nearing ₹80, primarily because it is unable to get any assets and raise its DPO. Now I understand that Power Grid is the sponsor there. So I just wanted to understand, so much faith we are putting in the government and Power Grid, doesn't Power Grid have any plans to monetise assets via this trust?

**R.K. Tyagi:** Yeah. When we came out with this PG InvIT, as per that guideline existing at that time, we were planning to disinvest some assets in PG InvIT. But after new NMP guidelines, now we are not able to disinvest our assets in this PG InvIT, so we don't have plan in near future to disinvest our Power Grid assets because of NMP guidelines.

**Unidentified Analyst:** Then what will be the entire purpose of that trust? I mean the sponsor of parent is itself is going to just abandon this particular trust and how is it supposed to function?

**Ravisankar:** No, see, the initial InvIT was found to monetise the commissioned assets and subsequently, when you see in the August '21, the National Monetisation Pipeline guideline says that the asset of the shareholding is not to be transferred permanently, it is only permitted to transfer the revenue rights. So, when we examine the revenue, rights are to be transferred to the InvIT or any other entity, it attracts a GST of 18%, which is, again, not lucrative to the shareholders of Power Grid, because ultimately in the transmission charges, if you get after discounting 18% GST, it's not value decreative. So that is why this process could not be carried out. So that is the reason that Power Grid has started doing the securitisation of the SPVs. So, it is because of the guidelines.

**Unidentified Analyst:** Yes, I understand that. But then in that case, the purpose of that InvIT itself, I mean, there's no purpose of it, right? I mean how will it grow?

**Ravisankar:** I think we should have to take out this in the Investor Meet of the other listed entity because this is a separate listed entity. I think this will have a conflict of interest of answering the questions of the PG InvIT here.

**Unidentified Analyst:** Yes, with that management...

**Nidhi Shah:** I request you to please join the queue again if you have further questions.

**Unidentified Analyst:** Okay. Thank you.

**Nidhi Shah:** The next question is from the line of Bhalchandra Vasant Shinde. You may please unmute your mike and go.

**Bhalchandra Vasant Shinde:** Hello, good morning. Can you provide HVDC pipeline over the next two years with value worth where we see traction, which where we can add up in our CapEx?

**R.K. Tyagi:** We have already two projects in our hand, one is Khavda to Nagpur, which is almost worth ₹35,000 crores, although NCT cost wise ₹24,000 crores, but as per the market conditions that cost is going to be about ₹35,000 worth crores.

Second one is Pang to Leh, which is, again, more than ₹20,000 crore project, which will be executed in the next five years. Already it is under bidding. And other than these two projects, one project had been won by Adani, which is Bhadla to Fatehpur. Then two more projects are coming under bidding. One is already under bidding from KPS3 Khavda to South Olpad, with NCT cost of about ₹12,000 crores. Then there will be two or three more HVDC project, one from Rajasthan to Maharashtra and then one in Andhra Pradesh. In near future, these projects are visible, which will be under bidding shortly.

**Bhalchandra Vasant Shinde:** Got it. And the figures which we have mentioned in our NEP plan framework, when we add up based on your guidance, overall CapEx for next two years translates to around something around ₹3 lakh crore. Is it fair to assume that ₹3 lakh crore kind of a CapEx will happen as per the plans in NEP?

**R.K. Tyagi:** For Power Grid or for total?

**Bhalchandra Vasant Shinde:** For total.

**R.K. Tyagi:** Yeah. Definitely.

**Bhalchandra Vasant Shinde:** Got it. Thank you. I'll come back in the queue.

**Nidhi Shah:** The next question is from the line Aman Jain. You may now unmute your line.

**Aman Jain:** Hi, thank you for taking my question. So, my first question is regarding the Bhadla-Fatehpur HVDC line where bid was annulled. So, A, what was the reason for cancellation? And B, in the rebid another player won the project for like ₹25,000 crores, while we had secured it earlier for ₹12,700 crores. So, like was there any change in the scope of work? And if not, what led to a significant lower bid compared to the final awarded amount, which was almost twice? So, if you could give some colour?

**R.K. Tyagi:** You're talking about Fatehpur-Bhadla?

**Aman Jain:** Yes.

**R.K. Tyagi:** Like NCT cost in case of Khavda-Nagpur was ₹24,000 crores, whereas actual cost when we go to market, it is depending on various factors. Now I'm saying that total executed cost will be somewhere ₹35,000 crores. So similarly, in the case of Fatehpur-Bhadla also, although NCT cost was ₹12,000 crores, but the executed cost may be about ₹24,000 crores, ₹25,000 crores. But now we are not executing that project. So exact figures can be given by the transmission developer, which is Adani. So, we cannot comment on that.

**Aman Jain:** Okay. Thank you. Got it. My second question is regarding revenue from operations declined 3% Y-o-Y. So, any reason for that?

**Ravisankar:** See, the structure of the regulated tariff income means that it will decrease every year because of the interest on loan, which will be reducing based on the depreciation recovery. So, if I recover around ₹12,000 crores, ₹13,000 crores of a depreciation, to that extent, if you say a thumb rule like 7.5%, 8% at the interest, so naturally around ₹700 crores to ₹800 crores, ₹900 crores for transmission income is bound to come down every year.

But the fact remains that the PAT will remain same because that is based on the return on equity. So, the transmission income of the regulated business is bound to come down. This is what the structure, the one-time expenditure will increase, whereas the interest on loan will come down, but the PAT will remain same.



So that is why the reason that it will come down. But when we commission new assets, it is again added. That is why it's not reducing to that extent. So, when I say that when the revenue is supposed to come down by like ₹800 crores, ₹900 crores in a year and if you compare for the nine months, maybe around ₹600 crores, ₹650 crores, it is bound to come down, but it is not coming down because we are adding more assets.

**Aman Jain:** Got it. Thank you.

**Nidhi Shah:** The next question is from the line of Satya. You may unmute your line. Since we have no response from Satya, we will move on to Mayank Bora. You may unmute your mike.

**Mayank Bora:** Thank you for the opportunity. I just wanted to know what was the borrowing cost of this \$200 million from Sumitomo?

**Ravisankar:** It is based on the TONA is the reference rate and the borrowing interest rate is around 1%, including the spread. We'll have a foreign exchange rate variation. Whatever is depends on the movement of the Japanese currency.

**Mayank Bora:** Okay. So, we have any plans to reduce our domestic debt and replace it with the foreign debt?

**Ravisankar:** No, not required to be replaced. But since we have a huge pipeline of CapEx and we have to raise more and more debts, we can explore further debt through other markets instead of domestic. We should have a mix, so we can mix something as to the other currencies instead of sticking to only to INR because last four, five years when this SOFR was trading at close to 5 or 4.5, so we refrained from going to the other markets for the last four, five years.

Now since the TONA is almost at a very competitive rate, we are exploring the other markets. So maybe since this comes up with a greenshoe of another 150 million, so this is 200 million plus another \$150 million will be close to ₹3,000 crores, if you convert it into Indian rupees. So further, we will explore the same similar type of markets.

**Mayank Bora:** Okay. Thank you for the opportunity.

**Nidhi Shah:** We have the next question from the line of Swati Jhunjhunwala. You may unmute your line.

- Swati Jhunjunwala:** Thanks. It's kind of a follow-up to the previous question. So, I just wanted to understand that by taking these green loans, is there any material change in your cost of debt that you're expecting going forward?
- Ravisankar:** Yeah. Naturally, the other markets, whoever the lenders, encourage the green loan, and we expect that there should be a benefit in the rate of at least for a few bps.
- Swati Jhunjunwala:** Got it. And just secondly, could you highlight your CapEx and capitalisation numbers for the standalone company?
- Ravisankar:** As our chairman has already told that we have a pipeline of almost ₹1 lakh crore of our projects, excluding the HVDC and offshore projects, which have a time line of another three years for commissioning. So maybe in the range of ₹25,000 crores to ₹30,000 crores, the commissioning will happen for the next three to four years.
- Swati Jhunjunwala:** Understood. Just wanted to understand because the RTM projects would be in the standalone company if I'm not wrong. So, for that, I just wanted to understand the broad kind of CapEx.
- Ravisankar:** RTM, we have offshore and Pang-Kaithal, which is around ₹22,700 crores plus another ₹13,600 crores. If you add this, this will be around ₹36,000 crores. And then few bays extension, the others will be there. Around ₹40,000 crores to ₹45,000 crores you can assume we'll be adding up in the regulatory business also.
- Swati Jhunjunwala:** Sure. Thanks.
- Nidhi Shah:** Due to the paucity of time, we would like each participant to stick to one question please. We will now move on to Anuj Upadhyay. You may unmute your mic.
- Anuj Upadhyay:** Okay. So, majority of the questions have been answered. Just to get one sense, you mentioned that the current year capitalisation target is ₹18,000 crores. We are already halfway mark of the Q4 quarter. You said until Jan, the capitalisation number had been closer to ₹8,000 crores. So, could you elaborate further on which are the big-ticket size project and at which stage that gives us the confidence that in the next 45 or 50 days, you'll be adding ₹10,000 crores of project?
- R.K. Tyagi:** Yeah. I will give the names of the projects. One is Narela project. Narela station is almost ready. Station is ready to be commissioned. But because the connecting transmission line because of RoW issues are yet

to be completed. So, we are expecting that at least one or two lines will be completed by March. So, with this transmission line and substation at least ₹1,500 crore assets will be added here. Then Khavda-II and Khavda-III, KPS2 and KPS3, these are two GIS stations. Each will be in the range of about ₹1,000 crores. We have GIS, transformer, then transmission line between Khavda-II to Khavda-III.

Similarly, Khavda-III is also GIS, where transformers, reactors and the GIS station is there. So, each will be ₹1,000 crores and ₹1,000 crores, so put together ₹3,500 crores. Then we have Ahmedabad, Ahmedabad-Banaskantha transmission line, then Navsari station; Navsari, again, GIS station. Then Navsari to Magarwada, this line is almost getting ready by February, and we are hopeful that this project will also be commissioned by February, this will again be in the range of about ₹1,500 crores.

And one more project in Kurnool, Andhra Pradesh. Kurnool station is getting ready in another 20 days and transmission line from Kurnool to Kurnool from existing we have Kurnool-II station. And from there to new Kurnool-III station transmission line is almost in advanced stage of completion. So that will also be commissioned. So that, again it is going to be in the range of about ₹1,500 crores. And similarly, we have projects in Northeastern region like Namsai to Kathalguri, GIS at Kathalguri and Namsai both and transmission line and some projects in NER and Eastern region reconductoring projects and in Odisha. So, if these are all projects are in advanced stage of completion.

One more project in Rajasthan is Bhadla to Sikar-II, which we are trying to complete, but it is very difficult, but we are trying to complete this project also. So put together, we are expecting that around ₹10,000 crore assets are likely to be completed by March because all are in advanced stage of completion.

**Anuj Upadhyay:**

This is super helpful. Thank you. And if I just ask one more question on the smart meter update on the Gujarat contract and any new states where we are in advanced stage of getting an opportunity?

**R.K. Tyagi:**

For smart meters, we have this order of about 67 lakhs meters to be installed in Uttar Gujarat and Madhya Gujarat. And what we are planning that, once we have experienced with these meters in Gujarat, then only we will consider next state. But so far, we are not considering any other state other than, we are focusing on completion of this project.

**Anuj Upadhyay:**

Thank you and wish you good luck.

- Nidhi Shah:** The next question is from the line of Apoorva Bahadur. If you may unmute your mic and go ahead.
- Apoorva Bahadur:** Thank you for the opportunity. We noted there was a reduction in the interim dividend per share, right, for the nine months so far. Can you throw some light on that, why it was a requirement for this?
- R.K. Tyagi:** Like, as you understand that last year, our CapEx was ₹12,500 crores. This year, it is going to be ₹23,000 crores. And in FY '26, it will be still more. So, we require more and more equity to be infused for our CapEx requirements. So that is the reason we are slowly, slowly, we may go further down. Today, we have ₹4.5 was the first dividend, and this is a second interim dividend, ₹3.25, so put together ₹7.75. So, we are hoping that we will be somewhere in the range of about ₹9 in this financial year. So, it is because of the CapEx requirement.
- Apoorva Bahadur:** Understood. And when I see your CapEx guidance for the next two to three years, it seems like we plan to do almost ₹60,000 crores, ₹65,000 crores of CapEx for FY '26-'27 maybe around a similar number for '28 as well. But the work in hand is still higher, right? So, in case even if it is spread out over four to five years, do you think that there is a possibility of further upgrading the CapEx number, especially for '27?
- R.K. Tyagi:** '27, there are possibilities because there are a number of projects which are under pipeline. So, considering those projects, maybe FY '27, it may go more than ₹35,000 crores also.
- Apoorva Bahadur:** Okay. And lastly, on the HVDC project orderings, when do we expect to see those for both the projects in which year?
- R.K. Tyagi:** HVDC project Khavda-Nagpur is already ordered, it is ordered on Hitachi. And work has already started, our design engineering work is going on. And at site also, we have already done Bhoomi Puja. So now execution will start very shortly. As far as this second project of Pang-Kaithal because it is a very challenging project, still there are queries being raised by prospective bidders like Hitachi and Siemens. And we are expecting that queries will be clarified to these bidders and then we will get that bid. And maybe in the first quarter of FY '26, it is likely to be awarded.
- Apoorva Bahadur:** Sure. Thank you so much. All the best.
- Nidhi Shah:** The next question is from the line of Naishi Shah. If you may please unmute your mic and go ahead.

- Naishi Shah:** Hello everyone. Thank you for this opportunity. I just have one question. Could you please elaborate a little more on the regulations around the National Monetisation Pipeline and clarify more on the asset transfer and revenue transfers?
- Ravisankar:** You see, National Monetisation Pipeline guidelines was published in the month of August 2021, and it envisaged that the assets of the central CPSEs are not to be transferred permanently and only the revenue rights are to be given. And that is the reason that we have not further added the assets because once we have to add the assets means, we will have to transfer the shares, which is not permitted in the National Monetisation Pipeline guidelines.
- So, of our monetisation, we have adopted the route of securitisation of the cash flows and through which we raised the bonds and then we opened TRA account where we used to put the money for servicing the debts.
- Naishi Shah:** Okay. And could you clarify about the GST payment in case of a revenue transfer, please?
- Ravisankar:** Yeah. In case of, if you transfer the revenue rights, so that is not treated as a transmission charges. These are all considered as a lease charge for which GST is to be paid. So, the reason that if I transfer the revenue rights, so whatever money I get as the NPV, I will have to pay 18% as the GST. So that is not a lucrative transfer.
- Naishi Shah:** Okay, thank you so much.
- Nidhi Shah:** The next question is from the line of Vikram Datwani. You can please unmute and ask your question.
- Vikram Datwani:** Thank you for the opportunity. Just one bookkeeping question for me. Could you please share the nine-month impact of the CERC tariff on O&M? You alluded to the Q3 figure at ₹140 crores, but could we get the nine-month figure as well?
- Ravisankar:** You can multiply by 3, it will be in the range of around ₹450 crores.
- Vikram Datwani:** Okay, thank you.
- Nidhi Shah:** The next question is from the line of Koundinya. You may unmute.

**Koundinya Nimmagadda:** I just wanted to check. You indicated about ₹52,000 crores of projects under bidding. So just trying to understand, what is the potential pipeline of projects, which can be added to this, A? And B, you also spoke about potential HVDC projects in Rajasthan and AP. What is the potential size of these projects? Also, there is a news flow of this Andaman HVDC project on a RTM basis, right? So is it safe to assume that Power Grid will be executing this project? And what could be the tentative timelines over here? If you can provide some colour on that, please?

**Ravisankar:** Okay. Yeah, this ₹52,000 crores when you say that we have a traditional strike rate of 50%, you can say that when this bidding happens may be we'll be able to add another maybe ₹25,000 crores to ₹27,000 crores. So, when I say today, ₹1,43,000 crores, you add another ₹27,000 crores, so this will become around ₹1,70,000 crore. And your follow-up question is on the RTM project of Andaman. It is not in a mature stage. So as of now, there is no concrete development or we got any intimation of getting that through RTM. Once it comes, we will naturally inform.

**Koundinya Nimmagadda:** Sure. and lastly, I mean, what explains the fall in consolidated profit in this quarter despite the rising capitalisation. Is it largely driven by the O&M expenses? Or is there something else or if you can help us understand it better, please?

**Ravisankar:** You see, only if you see in Q3 to Q3, there will be a reduction between consol and standalone, that is because the dividends which we have taken from the SPVs is more than the Q3 profits of the consolidation of all SPVs put together. That is the reason. And as far as consol of nine months is concerned, you see there is an increase from standalone to consol.

**Koundinya Nimmagadda:** I was looking at consol to consol only, Q3 to Q3, there's a reduction in profit.

**Ravisankar:** That is because actually, we have a loss of some of the JVs like we have one JV EESL, which was our share of loss is ₹140 crores. So that has slightly pulled down in the consol because that's not figuring in the standalone.

**R.K. Tyagi:** This is in addition to one-time effect. Like per CERC, we are saying that of the order of ₹140 crores. It is also hitting our profit also by almost ₹140 crores each quarter.

- Ravisankar:** And in addition to that, if you see, there are one-off items in the previous years, like we have one-time CERC order impact and interest and differential the orders between the doco date and the order dates, these are all normally to some extent, it will contribute more to the bottom line, so which is lesser in the current year. That is also the reason that your PAT has come down compared to last year.
- Koundinya Nimmagadda:** Sure. Lastly, if I may, how should we look at the dividend flow from here in view of the rising CapEx? To understand what the outlook is on this? If you can provide some colour?
- Ravisankar:** Dividend, we have a policy that we will give the dividend, we will not keep the idle cash as well as we will, part of our CapEx also. So we will strike a balance between these two. And going forward, when we commission more and more projects, naturally, the revenue as well as PAT also will increase. So that also will add to maintain the dividend to some extent. It's not going to fall very steeply to like ₹2 or ₹3 something like that. It's not even permitted as per the DIPAM guidance also.
- Koundinya Nimmagadda:** Sure, got it. Thank you very much and all the best.
- Nidhi Shah:** We have our last question of the day from Mohit Pandey. You may unmute your mic and go ahead.
- Mohit Pandey:** Just one question. So, for the Leh-Kaithal project, has the technology been decided whether it will be LCC or VSC?
- R.K. Tyagi:** No. From the start itself that we are executing this project at VSC only, not LCC.
- Mohit Pandey:** Understood, thank you. Thank you so much.
- Mohit Kumar:** With that, we'll conclude this meeting. I would like to thank the senior management of the Power Grid for taking the time out for this analyst meet and addressing all the queries. I also would like to thank all the investors and analysts for attending the meeting. Thanks, everyone. So, would you like to conclude if you need to make any concluding comments?
- R.K. Tyagi:** So, thank you, everyone for your time and sparing your time and having interest in Power Grid. So, I can assure all the investors and our shareholders that Power Grid outlook is very bright. And we have many projects in hand, and our project capitalisation and CapEx is going to

increase. So that will lead to increase in revenue and profit. So, our Power Grid future is bright. So, rest assured, you are in safe hands.

**Mohit Kumar:**

Thank you. Thank you, everyone. Thank you. With this we will conclude. Thank you.