

02nd August, 2024

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 Investors & Analysts' Meet held on 29th July, 2024.

Dear Sir,

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the copy of Transcript of Investors & Analysts' Meet held on 29th July, 2024.

Thanking You.

Yours faithfully,

(Satyaprakash Dash)
Company Secretary &
Compliance Officer

Power Grid Corporation of India Limited

**Transcript of Investors & Analysts' Meet
(Q1 ended 30.06.2024 - FY 2024-25)**

29th July, 2024 1:30 PM (IST)

Investors & Analysts' Meet of Power Grid Corporation of India Ltd.
(Q1 ended 30.06.2024 - FY 2024-25)

- **Moderator:**

- Good afternoon, ladies and gentlemen. We welcome you all. Thank you for taking out your time from your busy schedule and being here. On behalf of Power Grid Corporation of India Limited ("POWERGRID"), we welcome you to the Analyst's Meet to discuss the company's performance and the way forward. On the dais we have with us –

- Shri. R.K. Tyagi ji. He is the Chairman and Managing Director;
- Shri. G. Ravisankar. He's the Director (Finance);
- Shri. Chetan Bansilal Kankariya. He's the Independent Director;
- Dr. Yatindra Dwivedi, Director (Personnel);
- Shri. Ram Naresh Tiwari ji. He is the Independent Director;
- Shri. Naveen Srivastava ji. He is the OSD (Operations);
- Shri. Burra Vamsi Rama Mohan, OSD (Projects).

- To begin the proceedings, I request my team to start the company film, the video, and please if you can switch off the lights.

(AV being played 01.00-03.30)

- I now invite Shri. R.K. Tyagi ji to initiate the proceedings and to share the company's performance and the way forward.

- **Mr. R.K. Tyagi – Chairman & Managing Director:**

- Thank you, Sir. Good afternoon, everyone. I'll be giving brief about Power Grid's various operations. So, my presentation will include agenda on overview, major highlights, performance highlights, growth outlook, then awards and recognition what we have won.

- As you know that India's largest power transmission utility Power Grid, a Maharatna company under Ministry of Power. We have been ranked first in Profit After Tax in Service sector (CPSEs) by PE (Public Enterprises) and DPE. Also, first position in Net Worth in Service sector.
- Then cross border interconnection 4,750 megawatt with Nepal, Bhutan, Bangladesh and Myanmar.
- In 23 countries we have footprints and market cap is about ₹3.2 lakhs crore or ₹3.2 trillion.

- Our international credit rating and domestic credit ratings are good.
- Our transmission network is one of the largest in the world. Our transmission line is located in various parts of the country whether it is Leh, Ladakh, Himachal Pradesh or Arunachal Pradesh or deserts of Rajasthan, Gujarat, South India, North India, Northeast where a lot of floods and landslides are there.
- We have put together 1,507 transmission lines, 1,77,000 circuit kilometers.
- Substations we have 278 numbers and for carrying this huge power we have transformers with capacity of 5,28,000 MVA.
- Interregional capacity is 99,580 megawatt with 84% of the total interregional capacity of 1,18,740 megawatt. Interregional capacity means power generated in one corner of the country can be transmitted to any other part of the country, that is the power, hydro power generated in Arunachal Pradesh can be transmitted to Kerala or to Leh by our transmission network. So, there is no constraints in transmission of power across the country. So, it is the strongest grid 'One Frequency, One Nation, One Grid'. The power generated in Rajasthan, Gujarat or anywhere can be transmitted to other parts of the country.
- Our dedicated team of engineers and workmen are working day and night to maintain transmission system with the availability of more than 99.80%.
- Our reliability and system availability has been benchmarked by UMS, U.S. and we are identified or we have been classified in quadrant one which says that our efficiency is good and cost is optimized. So, we are in quadrant one and we are comparable with best utilities in the world.
- We are transmitting more than 45% of India's electrical energy with 18 HVDC station, 62 numbers of 765 kV substations and 400 kV 167 numbers.
- For grid stability like voltage variations, if there is a fault, there is a disturbance in the system, so for controlling those dynamic constraints or dynamic disturbances we have SVCs and STATCOMs at 20 locations. Wherever there is a constraint of land or land scarcity is there, we have GIS Station to mitigate that requirement. And as of today, we have 63 numbers of GIS Station at 765 kV level, 400 kV level and 220 kV level.
- We have more than 2,90,000 towers with transformers and reactors 3800 numbers and we are transmitting power from Central Generating Stations of thermal, hydro,

nuclear or renewable energy. And we are transmitting this power to various states - to Delhi, Metro cities and this power is further distributed by respective States.

- In this financial year Q1, we have emerged L1 bidders in three ISTS TCB projects up to June with levelized tariff of ₹4,172 crores. These include Rajasthan RE Power projects in Jaisalmer and Barmer area, Phase IV, Part B and Phase IV, Part D. This is another project. Then Fatehpur-Badla HVDC project Phase III, Part I.
- In terms of annual tariff, it is 69% and in terms of NCT cost it is 65% of the total project cost and in terms of numbers it is 50%.
- In July, till date, we have another three projects which we won.
 - One is a Dynamic Reactive Power Compensation in KPS 1 and KPS 3 with NCT cost of ₹501 crores and tariff ₹107 crores.
 - Then transmission system for interconnection of various RE parks in Badla III and Bikaner III in Rajasthan with NCT cost of ₹1,382 crores, tariff ₹97 crores.
 - Then we have RE Evacuation in Khavda area of Gujarat, Phase IV, Part B. That includes 765 kV/400 kV station at South Olpad and South Olpad to Ahmedabad and South Olpad to Baroda 765 kV transmission line. And the connection at 400 kV with Gandhar transmission line of GETCO.
- So, put together, out of 10 projects we have won 6 projects. And total tariff of ₹7,045 crores, Power Grid has won ₹4,935 crores with percentage share of 70%.
- Other Highlights. This MoU was signed with ISRO to create a spatial decision support system for Transmission Tower Management, especially on hills, on riverside where landslides are there or river course is getting changed or forest trees growth is very high. So, to manage these transmission lines, we are having this MoU. So, by use of satellite an application is being developed especially for monitoring of our transmission system. This project is going to help us in a big way.
- With the help of IIT-Kanpur we have developed Substation Inspection Robot, presently being used at Kanpur for inspection of transformers, breakers, CT, CVTs. And with this monitoring system, with Artificial Intelligence and Machine Learning the efficiency of our transmission system will be improved in future and based on this we will be using these similar robots at other stations also.
- Then in Performance Highlights, I will give you a brief about project execution, operational performance, then financial performance, other businesses and commercial performance.

- In CapEx, in Q1 we have on consol basis ₹4,615 crores, standalone, that is RTM, it is ₹1,711 crores. In capitalization put together on consol basis, it is ₹2,320 crores and standalone ₹1,348 crores.
 - Our operational performance is good. We are maintaining availability more than 99.80%. At 99.75%, our incentive as per CERC Regulation is capped. So, we have been maintaining transmission system availability better than 99.75%. In Q1, this is 99.80%. And in last five years it has been 99.85%, 99.82%, 99.83%, 99.82%. So, it has been pretty good and we have been receiving incentive at maximum level.
 - Reliability of our transmission network is also good. It is one of the best. As I told initially that our systems, our operational performance is being benchmarked by UMS, U.S. And we are in quadrant one, that means our reliability and availability is also good and cost is also optimized by use of various technological use like various techniques we have.
 - In Q1, tripping per line is 0.09 and in last financial year it was 0.28 and before that it was 0.27 tripping per line. That means one line trips in four years. So, that is a pretty good reliability of a transmission system.
 - In Q1 FY25, our revenue income is ₹11,280 crores and Profit After Tax is ₹3,724 crores.
- These are the details of our financial performance.
- Total Income has increased from ₹11,258 crores to ₹11,280 crores.
 - And profit has increased from 3,597 to 3,724 with increase of about 4% in profits.
 - On a standalone basis, these are the figures for various areas like transmission charges, consultancy and other income and expenditure in various heads.
- If we talk about our Gross Fixed Asset or Gross Block, today on 30th June we have 2,77,000 Gross Fixed Assets. Work in Progress is around ₹21,758 crores. We have debt of 1,23,465 and net worth is 90,913. Earnings Per Share, ₹4 per share. Book value of share is about 97.75. Debt/Equity ratio is 58:42 against 59:41 last year. Return on Net worth is 4.10 considering only for Q1.
- These are some other key financial information on income for previous periods, ~~in~~ interest on differential tariff and these are various details - equity in TCB, short term loan, comparison with respect to Q1 of FY24 and Q1 of FY25.
- Average cost of borrowing is 7.76% in Q1 of FY25.

- In Telecom, we have added about 35 numbers new customers in Q1 of FY25. As always, our backbone availability of telecom link is 100% and network capacity enhancement we have added 1.8 terabyte per second.
 - In terms of income, it is for Q1, 219 crore, against 191 crore in the Q1 of last financial year. We got some appreciation letters from NIT Bhopal, ITDM Jabalpur and Narmada Control Authority for providing satisfactory telecom services to these customers.
 - Our commercial performance realization with 91.87pc with a billing of 9262 and realization of 8509. Outstanding is about, last year in Q1, it was 7140 crore This year it is 5548 crore. Then sectoral outlook, business outlook and works in hand, I will briefly touch upon on these areas.
- The sectoral outlook, what are the growth drivers, as you know that India is poised to become 5 trillion US\$ economy by year 2030 and that requires rapid industrialization, urbanization and e-mobility etc. Then we are committed for non-fossil fuel capacity addition of 500 gigawatts by 2030. Green hydrogen mission of Government of India that requires transmission capacity for evacuation of about 125 gigawatts for producing green hydrogen. Then energy storage to meet the peak demand or the demand during evening hours, battery storage, pump storage, so they are also connected through transmission system. Then international connection for one sun, one world, one grid, that requires interconnection between various countries. So India is also getting ready for international connection with various countries like Sri Lanka, Myanmar, then Gulf countries and Bangladesh and Nepal and other countries. So One-Sun, One-World, One Grid, also it is one of the major driver for growth for POWERGRID also.
 - If we see business outlook of POWERGRID, as of now, what we see that, Rs. 207500 crores. It will be still more but as of now, what we are seeing, is that it will be around Rs. 2,07,500 crore. Out of which, Rs. 1,90,500 crore will be mainly in transmission business with inter-state transmission system, intra-state, cross-border and international projects put together, we will have Rs. 1,90,500 crore and on other business, areas like smart metering, data centre and solar generation, we will have around 17000 crore.
 - As on today, we have about 1,14,139 crore work in hand. Out of which, 10,318 crore worth RTM projects are ongoing and new RTM projects like Leh to Kaithal HVDC 5 gigawatts HVDC link and offshore wind projects in Gujarat and Tamil Nadu and other TBCB projects and other projects like smart meter, solar generation and data centre put together, we have about 66,811 crore. For this financial year, we have capex plan of 18,000 crore against what we discussed last time, 15,000 crore. So we now see about 18,000 crore capex plan for FY25. With RTM, 5,000 crore and other projects as 13,000 crore.

- In sustainability, CSR and awards, so sustainability, what are the aspirations of POWERGRID Then how we are working for corporate social responsibility area? What awards and recognition POWERGRID has won? So we are committed towards sustainability with 50% electricity consumption from RE generation by 2025. Net water positive organization by 2030. Zero waste to landfill status by 2030 and net zero by 2047. We have main challenge of replacing SF6 gas by green gas so there are innovations going on worldwide. So, once we get some alternative to SF6 gas, so our journey towards net zero will become simpler. So today we have challenge of replacing SF6 gas because SF6 gas is almost 23,000 times harmful as compared to CO₂. That means 1kg of SF6 gas, if it goes to atmosphere, it is equivalent to 23,000 times of CO₂ and it remains in the environment for almost 3,000 yrs. So it is very harmful gas for environment. So we have to look for alternatives to this SF6 gas.

- In CSR, we have this, our flagship projects of Vishram Sadans adjacent to various hospitals. Recently one Vishram Sadan of Ranchi was dedicated by our Honorable Union Minister of Power & Housing on 9th July 2024 at RIMS Ranchi. This is a 5 floor, 310 bedded Vishram Sadan with cost of about 16.8917.82 crore. Similar to this, we have also established Vishram Sadan at AIIMS New Delhi with 302 beds, 32 crores project cost. It was handed over on 18th January 2018. Then Vishram Sadan at Darbhanga, 260 beds, completion cost was around 14 crores. It was handed over on 20th October 2022. Then Vishram Sadan at Guwahati, 15353 beds, completion cost 14.40 crores. It was handed over on ~~31.8~~ or 31st August 2022. Then Vishram Sadan at Bengaluru, Vishram Sadan at Lucknow, Vishram Sadan at Patna and around 7 projects of Vishram Sadan at Banaras, Gorakhpur, then Jhansi, then Behrampur in Orissa. So around 6-7 projects are going on for development of this Vishram Sadan, adjacent to various hospitals which are very useful for patients and relatives of patients who are coming from various villages from remote areas. So, these are very useful for various local areas or villagers.

- We have supplied some cancer treatment equipments to various hospitals in Navi Mumbai, modular operation theatre complex we have developed. Then operation theatre at Navi Mumbai in Tata Memorial. Then linear accelerator, we have given to Thiruvananthapuram in Kerala. So like that, we are giving services for health areas to poor and needy people so that our social responsibilities are taken care and we are trying to help each and every needy person. Then we have participated in Namami Gange, an integrated river conservation mission of 7 crore. Then construction of boulder development on the right bank of Mahananda River at Barmasia Village, Kanchandham Block, Kishanganj Bihar, then integrated watershed management in Kurnool, Kudgi and Kudgi is in Karnataka and Kala Handi in Orissa. Then rejuvenation of pond at village Daulatabad in Haryana. Then works for rural development and revitalization of water bodies, the farmer centric integrated water shed management. Then at villages near Power Grid Kurnool and Kudgi substation through M/s. ICRISAT at a cost of about 18 crore. This has improved rural livelihood through integrated water shed management at Jaipatna block, Kala Handi District and cost of project was 4.02 crore.

- We have won projects.....awards and recognitions, silver award in adoption of artificial intelligence, data analytics and predictive technologies and skilled development and capacity building. Categories at ET Government PSU leadership and excellence awards 2024. The artificial intelligence as I was referring, that for robot, through use of robot, through use of drones, through use of helicopters, we are taking readings or we are taking the details of transmission system and automatically through our engine, artificial intelligence and machine learning engine, these details are getting analyzed automatically through artificial intelligence logic. And we are getting the maintenance report prepared automatically and which is sent to maintenance engineer for taking corrective and rectification action. So, we got the award for this particular application by ET Government PSU Leadership and Excellence Awards. Then we were conferred outlook business Editor's Choice Sustainability Champion for sustainable development initiatives. POWERGRID has been honored with prestigious Platts Global Energy Awards 2023 in corporate impact, targeted program category for flagship, CSR projects in Orissa. thank you very much.

- **Moderator:**

- Thank you, Sir. That was a very nice round-up of things that are happening at POWERGRID. We now open the session for questions and answers. A general reminder to kindly identify yourself and the company that you represent and then you could raise your hand. In the interest of time, we are going to not repeat the questions that have already been answered. Ya, we will start.

- **Mr. Sharad Chandra – Participant:**

- I can start?

- **Moderator:**

- Ya, you can.

- **Mr. Sharad Chandra – Participant:**

- My name is Sharad Chandra. I am an investment advisor. I have a couple of questions but I will ask only one now. It is slightly long question. The question which comes to my mind is, that in our country, there are huge opportunities in the power sector, whether it is renewable, whether it is distribution, whether its generation. The question is, that your profitability is about 15,000 crore. Your capex is only about 18,000 crore. Why can't this be double? Your payout ratio is very high. In a growth industry, why do you have to pay out? Obviously there are some government regulations but I think you are beyond that and you are paying more than what is required. So you know, I see in tier 2 and tier 3 cities, there are inverters which are used because power is not available 24X7.

I have also seen in so many places that there is fuel based generators which cost Rs. 50 per unit. So obviously there is a problem. If this problem cannot be fixed by big companies like you which have such high profitability and such dividend payout and you can also increase your debt equity. You are only 1.5 times. You are in a very stable business and there is not much competition. So you can go 2 times debt equity. So that's the question that comes to my mind. I have seen power sector reforms since Enron times and I think, some of the things have still not been fixed and that's part of my 2nd question, to which I will come later on. Thank you.

- **Mr. R.K. Tyagi – Chairman & Managing Director:**

- I will request Director Finance to take...

- **Mr. G. Ravisankar – Director Finance:**

- Thank you. Regarding payout, yes, we have a profit of 15,000 crore but if you see the minimum requirement is only 30pc of the PAT or 5pc of the net worth whichever is higher. So we almost, 30% of the PAT is almost equivalent to 5pc of our networth. Now it's almost matching. Why we pay 67pc, 2/3rd as dividend is that, the balance 5000 crores is sufficient to fund the capex because we put like 18-20K in the TBCB projects and regulated, we used to put mandatorily 30pc because we can get a return of 15pc. Still we are able to fund the capex of something in the range of 20,000 very easily. We have a shareholder's approval of 1.8 trillion as the debt but still we are sitting at only 1.2T because the debt has come down primarily because of the lower capex in the previous years. If you see in the last 2-3 years, the capex was only 9,200, 9,000, 8,000 and last year, somehow it has gone to 12,200 but still we had a schedule of repayments in the range of like 12K, 13K. That's why it has come down otherwise once the capex picks up then naturally the repayment will be lesser than what we are going to borrow. So again there is a chance of again going up, this debt equity ratio will go up. I think I have answered this.

- **Moderator:**

- Ya, next one.

- **Mr. Apurva Bahadur – Goldman Sachs:**

- Hi Sir, this is Apurva Bahadur from Goldman Sachs. Sir, my question is regarding the recent offshore wind order which has been given to us on a cost plus basis. I think that's a large order, 13,000 crore for 1 GW of capacity. So just wanted to understand whether this includes only, I mean the capacity to be built only for this 1 gigawatt or does this include like future planning for more evacuation?

- **Mr. R.K. Tyagi – Chairman & Managing Director:**

- It includes only 1000 megawatts, 500 MW for that Gujarat and 500 for Tamil Nadu. So one is around 6,900 crore and the other is 6,200 crore.

- **Mr. Apurva Bahadur – Goldman Sachs:**

- So in that case, if we, sort of the country proceeds with offshore wind, do you see the cost benchmark over here holds true for future projects as well?

- **Mr. R.K. Tyagi – Chairman & Managing Director:**

- Actually in India, this offshore power evacuation system is yet to be developed. So this will be the 1st project of its kind. So based on this, we will have benchmark for cost and technology. So further cost can be optimized later on. So first project may be, it may have more cost as compared to the routine projects.

- **Mr. Sumit Kishore – Axis Capital Ltd.:**

- Sir, this is Sumit Kishore from Axis Capital. Sir, in your opening remarks, you spoke about the wins that had happened in TBCB in Q1 and in July. Could you please specify, what is the total NCT project cost of wins in Q1 and in July so far? The other part of the question is, what is the ratio of NCT project cost to levelize tariff for projects that were in Q1 and in July and how does this compare to FY24?

- **Mr. R.K. Tyagi – Chairman & Managing Director:**

- So in terms of Q1, as I told that levelised tariff is 4,172 crore and these 3 projects which we have won, NCT cost of one project was 3,279 crore. Other projects of part D, it was 2227 crore. Then HVDC, it was 12,700 crore. And the projects which we have won in July, dynamic reactive compensation at Khavda with a NCT cost 501 crores, tariff of 107 crore and Bhadla III and Bikaner III with a NCT cost of 1,382 crore and tariff 97.97 crore. Then part B which includes South Olpad stations of 765kV voltage level, NCT cost of 4,766 and tariff of 556 crores. So as I told that, put together NCT cost is 37,064 crore, POWERGRID share is 24,855 crore. In terms of tariff, it is out of 7,045 crore, POWERGRID share is 4,935 which makes it 70%.

- **Mr. Sumit Kishore – Axis Capital Ltd.:**

- Has the ratio of NCT project costs to the tariff gone....

- **Mr. G. Ravisankar – Director Finance:**

- No, no. Yeah, I got your question. Actually Sumit, we can't have a, like NCT cost is only a guidance. So, we have another cost which naturally you will come to know once we commission, we are publishing it. So, at least I think you can hold on for a year or two. It

will come into the public domain. And you are also aware of that. That is the only thing which we keep with us. So, let us keep that.

- **Mr. Sumit Kishore – Axis Capital Ltd.:**

- Because that invariably feeds into the IRR of the project, as you execute it.

- **Mr. G. Ravisankar – Director Finance:**

- IRR will be good. Otherwise, I can win all the 100%. So, be sure that we have an internal hurdle rate within the board and then we take a call cautiously. We don't play blind and then win all the projects.

- **Mr. Sumit Kishore – Axis Capital Ltd.:**

- Sure. The second question is, how should we think about dividend distribution by TBCB subsidiaries to the standalone? Because see, what has happened is this quarter you had consolidated profit growth of 3.5% and because of prior period items and the dividend distribution, there was a decline in the standalone profit. I don't know the right ways to look at the consolidated, but still, if you could tell us how the distribution works?

- **Mr. G. Ravisankar – Director Finance:**

- That's what.... naturally, like last time what happened is like in FY23, in the last quarter, we didn't draw everything so we could draw something in FY24 in the first quarter. So, if you compare that, that's why you are showing a declining trend of a dividend, which we have drawn in FY25 in the first quarter. Ultimately, that's lying in another pocket only. So, it's on a consolidated basis only as you say, we have to see that. And then maybe after that, since the board meetings will be over by the SPVs, we will draw the amount and before Q2, I think all this, again it will be. There is no purpose of like keeping any money in SPVs.

- **Mr. Sumit Kishore – Axis Capital Ltd.:**

- Fair enough. This last question, the 5-million-ton green hydrogen plan requires 125 GW RE. What proportion of this 125 GW would be grid connected, RE capacity? What is the plan now?

- **Mr. R.K. Tyagi – Chairman & Managing Director:**

- It will be mostly connected to the grid, maybe whether it is ISTS or intra state. So far, I don't think we have planned for this,

- **Mr. G. Ravisankar – Director Finance:**

- No.
- **Mr. R.K. Tyagi – Chairman & Managing Director:**
- Yeah.
- **Mr. Sumit Kishore – Axis Capital Ltd.:**
- Because the NEP-CEA plan did not include.....
- **Mr. R.K. Tyagi – Chairman & Managing Director:**
- Yeah, it was not....
- **Mr. Sumit Kishore – Axis Capital Ltd.:**
- the grid requirement for 125. Can this be, like a number over and above the NEP-CEA plan till 2030 whatever 2027 was specified?
- **Mr. R.K. Tyagi – Chairman & Managing Director:**
- NEP-CEA plan was not there. So, we can get you the details. I think as of now, we are not having the details, we can share with you later.
- **Mr. Sumit Kishore – Axis Capital Ltd.:**
- Thank you so much, sir. Wish you all the best.
- **Moderator:**
- Thank you. Yeah. Go ahead.
- **Mr. Manish Ostwal – Nirmal Bang Securites:**
- This is Manish Ostwal from Nirmal Bang securities. Hi, this is Manish Ostwal from Nirmal Bang securities. Sir, my question on your comment for the upgrade from 15,000 crores to 18,000 crore of Capex. So, the reason for the upgrade and the second is your comment of the reliability of utility. So, 99.75 we have, so can you share your experience with respect to the how's our performance vis-a-vis the largest utilities companies operating in China, Europe and US? That will be grateful to us.
- **Mr. R.K. Tyagi – Chairman & Managing Director:**
- Yeah. Last time we told that our CapEx plan is, say, 15,000 crores but in between, we got more projects, like when we are saying these projects, six projects which we have won. So, the completion schedule for these projects is 18 months to 21 months. So, in this

financial year, we had to spend money. So, automatically CapEx of these new projects will be added into the CapEx plan, which was there earlier when we discussed 15,000 crore. So, that makes 18,000 crore as of now. So, maybe if we win more projects in this financial year, 18,000 crore also can become more because we have to spend some money in this financial year. So, that is a reply to your question of 18,000 crore.

- As far as our transmission system availability and reliability and performance is concerned as I told that our transmission system is being benchmarked internationally with various world utilities since 2010. So 2010, every two years, we get our transmission system performance benchmarked by independent agency in US, and our availability of 99.80 is best as compared to other utilities, whether it is SGC China or it is AEP USA or Furnas Brazil or Eskom South Africa or NGC UK. The best one is US, NERC, US. It is 99.50, NGC UK 95% and like that other countries. So, 99.80 is one of the best basically, the data shared by the International Benchmarking Agency. It says that POWERGRID transmission system availability is best. And as far as other performance, like if you consider transformer failure rate, our transformer failure rate is 0.46% as compared to international average of 1%. Our breaker failure rate is about 0.05% as compared to 0.2% internationally. Our instrument transformer failure rate is also very low as compared to the international average, as per the data published by various agencies. So, that is why we say our random performance or random benchmarking is one of the best in the world.

- **Mr. Manish Ostwal – Nirmal Bang Seucirites:**

- Thank you, sir and all the best for the coming quarters.

- **Mr. R.K. Tyagi – Chairman & Managing Director:**

- Thank you. Yeah.

- **Participant:**

- Hi. So, my.... Hello, am I audible?

- **Mr. R.K. Tyagi – Chairman & Managing Director:**

- Yeah. Yeah, please.

- **Participant:**

- So, my first question is, how do you think about the Capex and commissioning in FY26, given the current pipeline, current pipeline of projects we have?

- **Mr. R.K. Tyagi – Chairman & Managing Director:**

- Yeah. So, FY25, as we are mentioning that it is as of now, 18,000 crore, and of FY26 and '27, let me just give the details. If we say that total works in hand is 1,14,000 as of now, which will further increase when more projects are under bidding. So, out of 1,14,000, if you minus HVDC project of Leh and Kaithal, which is costing around, say 20,000 crore, then Fatehpur, Bhadla around 12,000, 13,000. So, that makes this 25 plus 12, 37,000 if you minus from 1,14,000 crore, so balance becomes around 70 to 80,000. So, that is to be commissioned or to be completed in the next 24 months to 30 months. So, that makes that around 70 to 80,000 minus 18,000. So, we have to complete in two years after this financial year 25. So, we are targeting next year maybe 25,000 plus and maybe in FY27 around 30,000 plus.

- **Participant:**

- Understood sir. My second question is on the green hydrogen. I think Sumit asked it, but my question is, in your opinion and discussion, do you think that the government is moving on the green hydrogen transmission capacity, especially in the committee's meetings?

- **Mr. R.K. Tyagi – Chairman & Managing Director:**

- Yeah, like there are projects in Odisha and Odisha like Gopalpur and one more place is there in

- **Management:**

- Paradeep.

- **Mr. R.K. Tyagi – Chairman & Managing Director:**

- Paradeep and Gopalpur, two places already this green hydrogen hubs are being developed. Similarly in this one area in Andhra Pradesh that the Kakinada, then this Khandala and Gujarat two green hydrogen hubs are being developed and in one in Tuticorin in Tamil Nadu.

- **Participant:**

- My last question on the bidding pipeline, how is the bidding pipeline looking like? And what is your expectation of the bids, which can be closed in this fiscal year?

- **Mr. R.K. Tyagi – Chairman & Managing Director:**

- Can you repeat?

- **Participant:**

- My question is on the bidding pipeline.....

- **Mr. R.K. Tyagi – Chairman & Managing Director:**
- Bidding pipeline.

- **Participant:**

- To get a pipeline, how it is and like, how much do you think we can we have by the end of this fiscal year?

- **Mr. R.K. Tyagi – Chairman & Managing Director:**
- We have about more than one lakh crore transmission projects in pipeline. Maybe more than that, but at least one lakh crore projects are in sight. So, most of them, maybe 70 to 80% will be clear in this financial year as of now.

- **Participant:**

- Understood. Thank you, sir. Thank you.

- **Moderator:**

- Over here. Yeah, yeah. Continue.

- **Mr. Girish – Morgan Stanley:**

- Girish from Morgan Stanley. Sir, my question firstly is on equipment availability, you had recent strong order book right now of one lakh plus crore of orders in hand. What visibility do you provide right now for transformers and substations and transmission towers. Can you quantify that for us?

- **Mr. R.K. Tyagi – Chairman & Managing Director:**
- Yeah, like there is a challenge for supply of mainly two items. Circuit breaker, current transformers, surge arrester, tower structure, there is no challenge. So, everyone will get these equipment but GIS and transformers and reactors, supply is a big challenge. So, what we are doing, we are going for advanced procurement or bulk procurement of these equipment in advance. We are like considering that so many projects are in pipeline. So, what could be the requirement of transformers and reactors and GIS? So, in advance we are taking procurement action so that when the project execution will be there and these equipments will be required. So, we will have these transformers and reactors well in advance with us. Especially for GIS the equipment part is availability is there in India, but GIB part is a challenge which we are taking up with manufacturers. So that GIB equipment is also taken care, or this challenge is also mitigated.

- **Mr. Girish – Morgan Stanley:**

- And typically, what is the inflation that you see right now for equipment which is in slightly more tight supply. Is it like 10%...?
- **Mr. R.K. Tyagi – Chairman & Managing Director:**
- Like, especially transformers and reactors and GIS, if you compare with 2017 – 18, cost has become almost 70 to 80% more. So, every year you are right, that may be 10%. If we keep supply schedule of say, 15 months or 18 months for these equipment, so cost is coming more. So, what we are doing, we are procuring, giving a time schedule of 24 months or 30 months so that that supply challenge is not there because they have to procure, they have to purchase copper. They have to purchase core; they have to purchase paper insulation. So, that cycle can be easily managed.
- **Mr. Girish – Morgan Stanley:**
- My last question is on data centers. So, can you talk about your current project that is in hand and any outlook for this business? What role you expect you know, how much capacity can you create on that side?
- **Mr. R.K. Tyagi – Chairman & Managing Director:**
- Yeah, this project is being developed at our Manesar 400 kV station and this is of about 1000 racks. In phase one, it will be about 700 plus crore rupees and in phase two, it will be around 2,000 crore. We are also considering Bangalore, Hyderabad, Chennai and other metro cities for data centers. So, we want to play a big role in data centers. In terms of other details, I request my colleague, Mr. Vamsi, he can give more details.
- **Mr. Burra Vamsi Rama Mohan –OSD (Projects):**
- Yeah, as already informed about 1000 rack commercially available data center is being implemented as we speak. So, we expect that to be in the Quarter 4 of this financial year. And we basically look forward for trying to fill in the gap of government owned data centers, because we find a lot of dearth in that. We would like to position over there, apart from meeting the other needs of the private sector, with the increasing boom and digitalization, we find that this is a good opportunity since data centers being measured in terms of power and also it has a typical characteristic of what we otherwise implement in the substations. And we have a good strong backbone of telecom as well. So, we find that this is a natural progression for us to put in the data centers. We find a good amount of traction in this. So, presently the first data center as what you said is in NCR, which is coming up over there apart from other different seismological locations. That's what we are working on.
- **Mr. Girish – Morgan Stanley:**

- Thank you.
- **Moderator:**
- Over there. Yeah.
- **Mr. Subhadip – Nuvama:**
- Good afternoon. This is Subhadip from Nuvama. Sir, you did spell out the estimated CapEx over the next 2 to 3 years, but can you also tell us about the capitalization expected in FY25, '26 and '27?
- **Mr. R.K. Tyagi – Chairman & Managing Director:**
- As I told that, this around 70,000 crore projects we have to commission in next three years. This year we have target of about 18,000 crores and balance maybe around 60,000 or 55,000 crore projects in next two years. Maybe around 25 to 30,000 crore projects capitalization in FY26 and FY27.
- **Mr. Subhadip – Nuvama:**
- And sir, with regard to the HVDC projects, because these are relatively longer gestation, when do you see those getting commissioned? These would be over a 4 year period or longer?
- **Mr. R.K. Tyagi – Chairman & Managing Director:**
- This Leh to Kaithal, it is 5 years because it is to be developed at very high altitude, about 4500 mtr., which is for the first time in the world that this size project is being developed at this altitude. So, this will be 5 years. And this Fatehpur Bhadla is 4 ½ years. First Bipole will be in 48 months and second Bipole in 54 months. So, 4 and 4 ½ years.
- **Mr. Subhadip – Nuvama:**
- Understood. And with regard to the other HVDC project, the Khavda project, is there any estimated timeline by when you can expect an award?
- **Mr. R.K. Tyagi – Chairman & Managing Director:**
- We are expecting bid submission by another 10 days. And after that, it will be.....
- **Mr. G. Ravisankar – Director Finance, Power Grid Corporation of India Limited:**
- Award...first the bid should conclude then only we can award. So, first we should.....
- **Mr. Subhadip – Nuvama:**

- Understood.
- **Mr. G. Ravisankar – Director Finance:**
- So, the bidding is not yet over. Okay.
- **Mr. Subhadip – Nuvama:**
- Understood. And with regard to the equipment ordering for Bhadla and Leh-Ladakh, I presume you would be looking at those awards going out in the current year itself, right?
- **Mr. R.K. Tyagi – Chairman & Managing Director:**
- Yeah. It's like for Leh and Kaithal we have already tendered out on 17th July. So, we expect that because it is two stage bidding, two stage two envelope bidding. And by December, we are expecting that we will get the commercial bids and by maybe January or February, we will award it. And as far as the Fatehpur Bhadla, it is almost ready for award, so anytime we can award it.
- **Mr. Subhadip – Nuvama:**
- Understood. Lastly, with regard to the current quarter's results, at least on the standalone side, the numbers look very flattish. So just wanted to understand that despite the fact that regulatory equity would have gone up over the last one year. Why are we seeing flattish bottom line?
- **Mr. G. Ravisankar – Director Finance:**
- No, you see, it's because like I think Sumit has already asked this question. It's we didn't take much dividend from the SPVs compared to last Q1. And another one is last Q1 we had a one-time order impact of around 150 crore. So, if you add that and then you add that the discontinued operations of telecom also because like last time, telecom was part of our standalone, but now that it was carved out and then we formed a PTSL separate SPV. So, if you take out that discontinued operation of 58 crore, it's hardly 70 crore. And we took I think around 80 crore lesser dividend than the Q1 of FY24. Otherwise, you can always refer to the console for your guidance because going forward, if you see more and more projects will come in the TBCB route. So, you have to look as a console basis, that will help.
- **Mr. Subhadip – Nuvama:**
- Of course. Thank you so much.

- **Moderator:**
- One last question and then sir has to go. That's. Yep. Okay. I think. Thank you very much I now invite Mr. Tandon. Tandon sir. Okay. I think he's gone out. You can come from here, sir.
- **Management:**
- No. Here. Das is there. He can.
- **Moderator:**
- Last question. Okay. You want to give? Okay. Come.
- **Management:**
- Yeah. Thank you. Our investors, we express our sincere thanks to all our esteemed investors for coming here and attending this conference.
- **Management:**
- Analyst.
- **Management:**
- This is a nice interaction with our management. We also express our thanks to chairman, all the directors for sharing the business outlook and performance of POWERGRID. Thank you. Thank you all, everybody.

*****END OF TRANSCRIPT*****