

16th November, 2023

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 09th November,
2023.**

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 09th November, 2023.

Thanking You.

Yours faithfully,

**(Mrinal Shrivastava)
Company Secretary &
Compliance Officer**

Power Grid Corporation of India Limited

Transcript of Investors & Analysts' Meet (Q2 FY 2023-24)

November 9, 2023 10:30 AM IST

Management Team:

- i) Shri G. Ravisankar - Director (Finance) & CFO
- ii) Shri Abhay Choudhary - Director (Projects)
- iii) Shri R. K. Tyagi - Director (Operations)

Investors & Analysts' Meet of Power Grid Corporation of India

Q2 and H1, FY24

– **Mr. Harsh Dole - IIFL (India Infoline Group):**

- Greeting everyone. On behalf of IIFL Securities, I welcome you all to the 2nd Quarter and 1st Half FY24 Investors cum Analysts Meet of PowerGrid to discuss the performance of the company and share performance outlook. We have the senior management team of Powergrid represented by Shri. G. Ravisankar – Director (Finance) and CFO, Shri. Abhay Choudhary – Director (Projects), Shri. R.K. Tyagi – Director (Operations) Director (Operations). I'd request the management to make the presentation, subsequent to which, the floor will be open for Q&A. Over to you sir.

– **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**

- Thank you Harsh. Good morning to everyone. For the post publication of these Q2 results, I welcome you all for this Investor & Analyst meet. We start with a small presentation. We will cover the PowerGrid overview and the major highlights and any performance highlights of this quarter, with the growth outlook and any awards we received in this quarter.
- In the Overview – You know that we are a Schedule-‘A’ Maharatna and the 3rd largest CPSE. We continue to maintain 3rd largest CPSE in terms of gross block. We have a presence pan India. We have a network in almost every state, every district, and we have growing subsidiaries. Now we have 39 subsidiaries with 11 joint ventures and 4 associates. The 4 associates are like..we have a 26% stake in the SPVs which we transferred to InvIT; that is the 4 associates. We have global footprints in almost 23 countries. As far as credit rating goes, yes, we have enjoyed the highest credit rating in domestic. And as far as international is concerned, yes, it is on par with the sovereign rating.
- As far as transmission assets, yes, we have 1,76,000 ckm. We have 1,478 transmission lines. From last quarter we have added one more sub-station, now the account becomes 275 sub-stations. System availability continued to be above 99%. These are just a breakup of how many HVDC stations, 765 kV, 400 kV station, the breakup out of this 275.
- This quarter we have received two TCB companies with an annual tariff of 361 crores. The NCT cost is 3,070. Like, Rajasthan project in Phase-III, Part C1 and Part H two projects we won. So, with that, up to Q2 we won 4 projects in TCB in the current year, with an annual tariff of 703 crores, and the NCT cost is 6,393 crores. This is up to Q2. Subsequent to that, we won one more project in Phase-IV Part A. The NCT cost is something like 4,700 crores, with a tariff of 273 crores. With that, in

the current year we have won projects worth 11,000 crores. This is in addition to what we won in the last financial year in Feb-March which was around 9,000 crores, 11 companies that we won last year. And this year, we won 5. So put together, it's around 16 companies SPVs. May be in another few months we'll acquire these 1-2 SPVs also. And, two more bids we have submitted, for which the ERA is to happen.

- The Major Highlights covers the Leh Ladakh project, where the Cabinet approved the Phase-II 13 GW RE project. It is a line from Pang to Kaithal with a cost of 20,700 crores. It envisages 40% of the financial assistance in the form of grant, and it has a timeline of 5 years for completion. And, being a difficult terrain at a high altitude of 4,700 mts above sea level with sub-zero temperatures, the working conditions there are hardly 5-6 months in a year. So, it takes 5 years to complete. So, this is an evacuation of 13 GW, but the line is a 5 GW line. So may be, the generators may come out with a battery so that the PLF may be little more than the others. So, this is one project which is recently cleared by the Cabinet, and we are yet to get the formal communication from the government regarding the modalities of how the grant would be given to us. Subsequent to that, we will take it up for investment approval. But, we have already started the studies of front-end engineering design. It envisages in two parts to be done, and the 1st stage study started and then two HVDC players have been given the job. They are already undergoing the study. And, then we expect that to be completed by March-April, that they should be able to give the 1st phase report. Subsequent to that, they will undergo the 2nd phase of study, and then we have to take up the bidding. So, this is about the Leh Ladakh project.
- In the Project Execution, yes, we have commissioned one TBCB PowerGrid Bikaner transmission and two STATCOMS at Bhadla and Bikaner have been commissioned. And, 6 nos. of ICT has been commissioned during this quarter. And, this has added 3,100 MW capacity, 1 sub-station and 306 ckm of transmission line.
- About the Capex, the cumulative Capex in the 1st half of the year is 4,246 crores. This is against the yearly target of 8,800 we have envisaged this year. And since we have won some more companies, this is likely to go up, may be touching five-figures this time. So, it should cross 10,000 crores this time. But as of now, up to September, we have achieved 4,246. And capitalisation is also almost equal. We have capitalised 4,000 crores. It was 1,600 crores in Q1, now we have added another 2,400 and then it becomes 4,000 crores up to Q2.
- As far as Operational Performance, yes, we continue to be above 99.75. Now it is 99.85 for the 1st half year. And the tripping also, compared to the previous half year, has come down to 0.16 from 0.20.
- The standalone performance in Q2, our Revenue has slightly gone up from 11,004 to 11,206. And, the PAT has also gone from 3,651 to 3,834. Similarly, Income also in the consolidated accounts has gone from 11,349 to 11,530, around 200 crores more. And even the PAT also grew from 3,650 to 3,781.

- In financial performance for the half year, the Revenue is 22,094 and the PAT 7,377 compared to the previous half year of 7,417. Similarly, in the consolidated also, 22,788 is the Income, whereas the PAT is 7,379 compared to the PAT of 7,452 in the previous year, because last year we had some one-time income which normally directly contribute to the PAT. That is why, the PAT is slightly more of previous half year in the consolidated as well as in the standalone.
- These are some of the figures which are already available in the NSE website. Total income in the quarter rose by 2%, and the PAT rose by 5%. Here, you can see that we are showing as continuing operations, as well as, discontinuing operations. This discontinuing operation signify the telecom services which the Board has decided to carve out, and then we have formed a separate SPV, PowerGrid Teleservices, in which the telecom operations will be taken up from 1st October, 2023. So, as per the requirements of Ind AS, this is to be shown as assets held for sale, and to be shown as profit from discontinuing operations separately. This is of course in the standalone, but in the consolidated, there is no difference. Since it is in the same group, you will not find this line in the consolidated. So, put together, the Profit After Tax is 3,834 against 3,651 of the previous quarter, registering a 5% growth in the quarter-to-quarter comparison in the standalone.
- In the consolidated, we are separately showing the telecom consultancy and transmission charges separately. Telecom income is 202 crores this quarter, and the cumulative half year is 393. Last time also in the investor call, I think, we targeted 800 crores of transmission income in telecom income. For the current year, according to that, we have already reached 393 in the 1st half of the year. And consultancy charges is slightly coming down compared to the previous years, because we have an NERPSIP scheme for the last 2-3 years, and then we have commissioned major elements in that, and then it is slowly coming down. And then, we are looking for other business opportunities in the consultancy, so that it will slowly again improve. And in the consolidated also, you can see that the Profit After Tax is 3,782 against 3,651, registering a 4% growth.
- These are some of the balance sheet figures where Gross Fixed Assets has crossed 2.70. It is 2.73 lakh crores in the consolidated, and 2.57 in the standalone. And we have a Capital Work-in-Progress of 14,900 crore closely 15,000 crores in the consolidated. And, our Debt: Equity is now 58:42. In the last quarter it was 59:41 and last year it was 61:39, now slowly it is touching 58:42. Return on Net Worth continues to be 8.51% and the Book Value is shown as 93 because we have issued bonus shares, so last time it was 114. So, subsequent to the issue of bonus issue, the Book Value is showing as 93.22. Otherwise, there is no decline in the book value because the company continues to be in the profit only.
- There are some other key important information which are of interest to you, like the Income from Previous Periods and Interest on Differential orders, which contributed more in the last quarter, last year, in Q2 as well as last year in Q1, which is lesser in this current year. That is why you can see that the profit in last year was slightly more in the half year compared to the current half year. That's because, last

year we had the tariff orders for Raigarh-Pugalur where we had to account the income of the previous years. So, that's why it was more. As regards the equity inclusion in TBCB, it has increased from 3,600 last year Q2 to now it is 4,100, 500 more has been induced in TBCB in the form of equity. Borrowings cost average is 7.61. The interest rates have slightly hardened. Last quarter we were showing it as 7.59, subsequent to the increase in the domestic rates. Slightly the average rate has gone up, because we have some bonds which are on fixed rates, and then we have some floating interest rates, term loans and other foreign loans, because of which it is slightly increasing. Of course, most of the interest rates in the RTM are pass-through.

- Then, coming to the telecom performance, the Income is 202 crores for the current quarter, and we added 36 customers. We have a presence almost in 3,000 locations pan India. So now, this business has been transferred to PowerGrid Teleservices Limited w.e.f. 1st October, 2023. It is a 100% subsidiary of PowerGrid, and this will be taking up the data center business also by the PowerGrid Teleservices, for which we gave an approval, the PowerGrid board has given an approval of 713 crores as investment approval. We will be setting up one data center in Manesar as a pilot project. So, the award is under progress, and then may be in another 12-15 months it is expected to get completed. And, we are exploring data centers in other areas also.
- As regards consultancy, the income is 155 crores in the current quarter. We got two new international assignments, of course, these are all small assignments at Fiji, one is on some consultancy and another is on training and capacity-building for Fiji. And, there are new domestic assignments in the form of Bay maintenance. And then, we have international businesses, like talks with Kenya. We have submitted our proposal to the Kenyan government in association with Africa 50. And then, we are in talks with Tanzania, and there is a consultancy works 220 KV line in Sri Lanka. So, these are some of the opportunities in international businesses. And one more JV we have from Butwal to Gorakhpur with a cost of 693 crores, with a 50-50 JV with NEA.
- Commercial performance, the realisation has gone up from the last quarter. 92.37 is the percentage realisation. We were getting payments due against the LPS Rules of 2022 notified by MOP. So far we have received 1,383 crores against 2,400. This is the monthly instalment that have been converted against the LPS Rules by the six discoms which we are receiving regularly. There are some major dues from Tamil Nadu, J&K, Telangana and Uttar Pradesh. We expect this to liquidate soon, because the dues of Tamil Nadu is mounting as there was an issue in the tariff of Raigarh-Pugalur which was challenged by them, and recently on 27th October the order has been issued by the CERC for making this Raigarh-Pugalur as 50-50 component compared to the earlier original component of 30-70. So, we expect the dues of Tamil Nadu and Telangana to come down, and there are no alarming dues from J&K or Uttar Pradesh.
- As regards the Work in Hand, it's around 50,500 crores. Of course, this doesn't include some more projects which we have recently won and taken up. You can add

another 8,000-9,000 crores in that. So, somewhere around 60,000 crores-65,000 crores will be there as work in hand. Of course, in the new RTM projects which we show 24,300, this include Leh Ladakh, for which investment approval is yet to be granted, because we are waiting for the formal communication from the government. So, once that formal communication is received, we will take it up with the board for investment approval. So, out of this 24,300, that accounts to around 20,700. And then 16,500 and other projects which we are showing, includes around 13,000 crores as TBCB and 2,800 as smart meters. So, current year Capex guidance is 8,800, which we projected earlier, against 5,000 as RTM and 3,800 as others. Now we see a little upwards in that and it should be somewhere around 10,000 crores.

- The Business Outlook, the same slide which we have shown in the last quarter also, because only this is out of the 2.4 lakh crores which they envisage against the investment of 500 GW of RE generation by 2030. So in that, we envisage a portion of 1,16,500. And intra-state, corresponding, this is only our estimation, like parallel investments in intra-state is somewhere around 70-75% on the 2.4 lakh crores we assumed, and then we assume that some percentage will be coming through TBCB. So that is why on a conservative basis, we are showing it as 37,000 crores. Cross-border we envisage 10,000 crores. Of course, these are all the targets in the next 9 years. On international projects like Kenya, Tanzania and other African countries, Nepal and other countries, we envisage something like 7,500. Solar generation 1,000 crores we estimate, because already there is one plant we are setting up in Nagda, foundation stone of which was recently laid down and then we have awarded the contracts also and we expect it to commission in another, may be by 12 months. It has got an 85 MW of solar generation. And, smart metering infrastructure we project 15,000 crores. This includes the 69 lakh of smart meter contracts which we got from the two discoms of the Government of Gujarat. And the data center business we project 1,000 crores. Of course, this is a target for 10 years. If we are successful in this Manesar, probably this figure has got potential to be in the upward side.
- This is about the outlay in the next 9 years.
- Regarding the sustainability aspirations to comply with the ESG guidelines, we had an internal target of 50% of our electricity consumption through renewable sources by 2025. This is an internal target. Though, we have a target of 2047 as a net zero, but we have an internal target to achieve at least 50% by 2025. Net water positive by 2030, and then zero wastage to landfill by 2030. These are some of the policies that have been adapted by PowerGrid and we hope to achieve this.
- Some of the awards which we got in this quarter is the Certificate of Excellence in Learning and Development at SHRM HR Excellence Awards. Dun & Bradstreet PSU Award in Power Transmission. We have Brandon Hall Group Excellence Awards in the learning & development area. So, these are some of the awards we got in this quarter.
- With that, I will just pause and then we can take up any question and answers from the investors. Thank you very much.

- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- So Nikhil, we'll open the floor for Q&A. I request the participants to raise hands, subsequent to which we'll unmute your lines and you can actually ask questions. Alternatively, you can also type in your questions in the chat box and we can read it out for you, and the management can answer thereafter. So, we'll probably take a couple of minutes to assemble the queue. So we have few of them. Moderator, can you unmute the line of Mohit so that he can ask his question. Mohit, go ahead. Yes Shriya, go ahead.
- **Ms. Shriya – Cogent Capital:**
- This is Shriya from Cogent Capital. I just wanted to understand this Capex target of 10,000 crores. While you've given the breakup of 8,800 crores, could you also give a breakup of these 10,000 crores, which you expect to finally achieve? And then, I have another question on your international projects, where you mentioned there is Kenya and Tanzania as targets. But, we have read reports on the undersea cable lines that India is having with some countries, where PowerGrid will play a main role. Have you considered that also in your Capex for 2032? And, if you could just give a little more details on your data center business that you're planning. So, these are my few questions. Thank you.
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- Regarding data center, I'll go from that. Data center, yes, we are setting up a data center in Manesar as a pilot data center. We will be setting up two floors initially, and then depending upon the business, it can be scaled up to six floors. It is a hyperscale data center which is being set up in Manesar. This will be taken up by PowerGrid Teleservices, which is a 100% subsidiary of PowerGrid.
- And then, your question on international business. Yes, we are doing with Kenya. We have a 40:60 JV with the Africa 50, and then we have submitted our interest to build a line in Kenya. It will be a line owned by an SPV formed for that, and then the project will be executed by that SPV. And on similar lines, we are in talks with Tanzania also to build transmission lines. We will be joining hands with the Africa 50. We are in talks with them as to how the modalities of recovery would be, how the tariff structure will be for that projects. So, this is about the projects of Tanzania and Kenya. As regards this undersea cable, it is in a very preliminary stage. There are talks about connecting Oman or connecting Singapore or connecting Maldives, Sri Lanka. So, there are some inter-country connections, sea cable projects are understudy. As of now, there is no concrete agreement or order from any of the countries. We are only undertaking studies about feasibilities and then we are studying with similar infrastructure available in other continents, and then we can submit a proposal. As far as Sri Lanka is concerned, yes, we were given the job of

preparing the DPR. So, we are in the job of preparing the DPR of the project for connectivity from India to Sri Lanka.

- As regards the Capex of 10,000, you can assume it is 5,000 crores in RTM and then 3,800 is what we have shown. So, you can assume 50:50, like 5,000 in RTM and 5,000 crores as TBCB projects.

– **Mr. Harsh Dole - IIFL (India Infoline Group):**

- Thank you. We'll take the next question from Anuj Upadhyay.

– **Mr. Anuj Upadhyay:**

- Sir, slight confusion regarding the Leh project. In the last call, you mentioned the total project cost was envisaged as 27,000 crores, of which nearly about 9,000-10,000 was a grant from the Central Government, which really led to our Capex target of around 16,000 crores. Now, this figure of 20,500 odd crores, is this the total project cost or is it just a partial cost which has been approved by the Central Government on date? And, how much of this will the grant account for?

– **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**

- It was initially 20,700. Probably you would have heard it as 27,000 crores. But this 20,700 includes the grant of 8,000 crores. As on date, the envisaged project cost is 20,700 crores, which includes the grant of 8,000 crores. As such, our Capex portion would be 13,000 crores as on date in that project. So, this 20,700 includes the grant. It is not 20,700 plus another 8,000 as a grant.

– **Mr. Anuj Upadhyay:**

- Sure. Thank you, sir.

– **Mr. Harsh Dole - IIFL (India Infoline Group):**

- Anuj, are you done, or do you have a follow up? We'll take the next question from Mohit.

– **Mr. Mohit:**

- Good morning sir. I have a few questions. First on the outlays. Speaking about the target, the target is based on how much you'll bid for inter-state and intra-state? Is it the right understanding? Secondly, what is the total opportunity size which you think till 2032 for inter-state and intra-state?

– **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**

- We have given that. Inter-state as 1,16,500 and intra-state as 37,000. Basically, the purpose is like, all inter-states should either come through TBCB or some portion may be on nomination basis depending upon the project importance, if any national importance or others. May be some few bays in my sub-station, may be through

RTM. We have a visibility of almost about 2.4 lakh crores as to how this will come. As far as intra-state is concerned, normally, we consider 80% of this 2.4 lakh crores, and in that only, 33% of the opportunity is offered under TBCB. And, with our strike rate of 50%, we are assuming it something around 30,000-37,000. So, our Capex as of now what we have shown, like 50,000 crores in hand and all, that doesn't include any of this intra-state, because intra-state is supposed to come through bidding or may be through a JV route, which they will have to decide. But, as on date, the projects which we have in hand, that doesn't include any of the projects of intra-state. However, the outlook which we are showing as 1,80,000 crores for the next 9 years, that includes a portion of 30,000-35,000 of intra-state which we foresee. Assuming that some portion will come through TBCB and maintaining a strike rate of 50%, yes we should be able to bag something like 30,000-35,000.

– **Mr. Mohit:**

– Understood. So you are expecting to win 30% or 50% share in the transmission bidding for inter-state, and that's how you arrive at that number. Is that right?

– **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**

– Yeah. The intra-state.

– **Mr. Mohit:**

– Sir, inter-state.

– **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**

– Normally, it's not mandatory that they will have to come through bidding. They may execute on their own or they may even give it on consultancy, they may form a JV, they can give it as an EPC contract. So, there are so many ways of handling the intra-state projects and it may differ from state to state also. Like, UP has now come up with 2-3 projects in TBCB. Some they were executing on their own. In MP we executed one, in UP we executed three. May be other states will follow that and then we may get. So, that's why the assumption is on the little conservative side.

– **Mr. Mohit:**

– Understood. Sir, my second question was why the bidding activity is slow in H1? Are you seeing a strong possibility of culmination of a lot of bids in the H2? And any update on the quantum of bids where tenders have been floated already?

– **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**

– No, I see that the beginning is slow. Now, if you see in this, especially this calendar year 2023, we have won almost around (9+5)=14 projects we won and if you assume this has a 50% strike rate, around 25-26 projects have already been bid out in this calendar year itself. It was slow during COVID like in 2020-2021, there were not much projects coming up through bidding, but now that it has picked up and then

we foresee that the bidding to come and even if you see there are so many projects which have already been identified and then it was in the BPC websites also which for which we will have to submit the bids like already there are around 59,700 crores of projects which are under bidding, which covers the Rajasthan, Khavda and others. So, I don't see that it's very slow. Now, it has picked up compared to last two years, if you see this current year, 2023 yes, it has picked up.

– **Mr. Mohit:**

– Understood. My last question, so when we expect to award Leh Ladakh project and when to expect to commence work? Do you think this will get bid out in FY25? You know you will award it?

– **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**

– FY25, it's a little tough, yes, but we see that how the feed study of phase one and phase two to conclude after that probably when the phase feed two study completes, yes we should have a clear cut vision that how the BOQ should be there and then even the HVDC players will be very clear that how their equipments will perform in that such high altitude sub-zero climatic conditions. So, it should be may be award FY25 in the last quarter we can try in that. So, we are also targeting in the FY25 last quarter or may be in the first quarter of FY26. Your assumption is almost matching, yes.

– **Mr. Mohit:**

– Understood Sir. Thanks, and all the best.

– **Mr. Harsh Dole - IIFL (India Infoline Group):**

– Sir, if you don't mind, I'll take a couple of questions from the chat box. So, first one is actually from Bharlik Dhar. His question is what is the total Capex on the 11 TBCB projects, one in FY23 plus five TBCB projects, one thus far in FY24? Second part is what is the total equity component of this? How much equity has been invested so far? And then what is the total transmission revenue once these 16 projects are fully commercial?

– **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**

– 11 TBCB projects will be something like 8,500 to 9,000 crores as the Capex and then the tariff quoted is 950 crores and for the five TBCB big projects it is something like 11,000 crores and the tariff quoted will be something like 975 crores, so put together, if you see it will be something like 1,800 to 1,900 crores when we Commission all these 16 SPVS. As regards the component, yes, it can be 80:20 or 90:10 depending upon the requirements we can put the equity.

- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- Very helpful, Sir. Thank you. Second part of this question is what is the regulated equity of all the RTM projects as of September 23?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- Regulated equity, return on equity is 15.5% so. Regulatory equity is easy. Suppose we have predominantly all RTM projects and then it is something like 90%-95% is RTM only, so you can assume something like 86,000 crores is my reserves and surplus and then you can assume something like 82,000 crores as a regulated equity in that.
- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- Sure.
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- We don't have many businesses where we put equity, so we are putting equity only in transmission businesses and then consultancy, yes, we don't need to put anything and telecom we are not putting, it's not a very major investment we have done. So, whatever is appearing in our reserves and surplus and we have shown like 4,100 as the equity infused in TBCB and if you deduct that it is 82,000. It is arithmetic I'm just telling you like figure appearing in my balance sheet is 86 and 4,100 I have shown as an equity in TBCB means may be as regulated equity.
- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- Got it. Very clear, Sir. The second question from the chat box is from Vipul Kumar. So, this relates to the balance 26% stake in four assets you transferred to PowerGrid InvIT. When are you going to transfer, you know the balance 26% stake to InvIT?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- Actually, last financial year, only one project completed five years. That is a Kala Amb and the Quantum is hardly something like 20-30 crores and current year so far in balance out of three, two projects have completed five years and one more to complete by December,2023. So, I think we can take a call in the fourth quarter and we can take a decision of how mutually if we are agreeable, we can transfer the balance 26% also. So, as such since these are all small amount and then hardly this involves a stake of hardly 500 to 600 crores, so we thought that yes, we can get the valuation done once all the projects gets completed the period of five year.
- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- Got it, Sir. So, Nikhil will take the question from the audio line. Can you unmute the line for Sarvesh Gupta? Sarvesh go ahead.

- **Mr. Sarvesh Gupta:**
- Yeah, Sir one more question on the previous lines only regarding PowerGrid InvIT. So, at the time of IPO, I think you know it was thought that this will be a vehicle for PowerGrid to monetize their operational assets and it will free up the resources for PowerGrid to probably grow at a faster pace, but what we had seen in the last one year has been a complete U-turn in terms of that policy. So, A - they have not been able to get these stakes from you as per the schedule timeline of all these five assets and B - there is no visibility whatsoever in terms of the additional assets, which could have flowed from PowerGrid either for PowerGrid InvIT specifically or for the world at large. So, Sir then going forward what is the sort of you know, stance of the management on these two issues?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- No, one is about PG InvIT, yes, I won't be able to comment on them because that is a separate listed entity. Last time, yes, there is an agreement where we can, if we are mutually agreeable, we can transfer the balance at 26%. So, I told you that this is a very small amount, which we thought yes, we can see the 4th company also gets completed the period of five years and then we can get the valuations done and then we can do that. This is the one thing. About the other one, these other projects, yes, subsequently because of the NMP guidelines, yes, the transfer of subsequent assets through the earlier mode is not feasible. So that is why we have adopted the method of securitization of the cash flows and then we were monetizing the assets which is as per the NMP guidelines and it complies with the NMP guidelines.
- **Mr. Sarvesh Gupta:**
- So, going forward you will not be down selling any of your assets to PowerGrid InvIT is that the right assumptions Sir?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- No, we can't assume like that. As of now, the NMP guidelines doesn't permit to transfer the shares permanently to an SPV, not only PG InvIT to any anyone. So, this is what the NMP guideline says. So as of now this is the position.
- **Mr. Sarvesh Gupta:**
- Yeah. So, the second question was on the transmission assets. So, there have been a lot of media reports that you know we are seeing a very large pipeline of sort of transmission assets coming into play in terms of because you know the old assets also need to sort of get into newer ones as they come to 50-60 years sort of a life cycle. So, given that Sir, are we seeing a sort of an extraordinary growth opportunity for us in the coming few years or we feel that we will be continuing along the same sort of a growth path that we have been doing in the last few years?

- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- 1,80,000 crores in the next years is a little, I think it's a decent figure. It should normally go up from the present level. So, there are opportunities that is why we have shown in that slide that yes, there are more opportunities and then of course this includes only the RE generation related transmission assets in addition to that also there may be some assets coming up and from the present level of like 9,000 or 8,800 in the future years, yes, there are possibilities of the Capex going up. Like next year we have an initial target of 12,200 as of now. So, this year also when we projected 8,800, now we see that it's going a little upside and then we should touch at least five digit figures this year and then next year it should be 12,500 as of now and of course the HVDC projects are in the cards and then depending upon the outcome, the Capex for next year will be formed of may be in another 3-4 months. But as you say, yes, there are opportunities in the next few years to higher potential Capex.
- **Mr. Sarvesh Gupta:**
- And Sir finally on the data center business, so what exactly is our strategy in this because there are many big players like Reliance, Adani has also entered this sort of a business and then you need some specific capabilities for building the data centers as well as for putting it out on rent. So, what exactly are we planning? Are we planning joint partners - JV partners for building it? Or are we planning to rent it out? So, do we need some JV or do we have existing tenants who would be occupying this? So, how are we thinking about the data center business?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- No, it is like competing with other players only. As of now we didn't think of joining hands with either Reliance or Airtel or somebody. So, we can also since we feel that yes, we have done the communication business for a quite long time last 20 years and we feel that yes, we can get ourselves adopted in this one and being a government entity, we feel that yes, we may have an edge about some of the storage orders, we may get it and then this is the purpose like we can and we have like a piece of land in Manesar, so we thought we can utilize this for the setting up of data center and not only this one, we can even go in for other private lands also where there are the data centers in existence, we can set up and then we can do and then as of now there is no plan to join hands with anybody or joining a JV with any of the players. We thought yes, we can - we feel that we have the capability to do that on our own. If required, we can have some consultants to advise on that expert advice. We can take the experts and then we can carry on. So, this is only a - that's why we are setting up one pilot data center. Depending upon the success, we will have a co-location, there also we can have a storage, we can do a space there and depending upon the success we can escalate that, we can expand that.

- **Mr. Sarvesh Gupta:**
- Sir, this is for how many megawatts?
- **Mr. R.K. Tyagi- Director (Operations), Power Grid Corporation of India:**
- Oh, there's about 10 MW. Initially, about 8 MW and in second phase it will be 14 MW.
- **Mr. Sarvesh Gupta:**
- So, 1,000 crore is for 22 MW?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- 700 crores. So, initial investment is 700 crores. So, 1,000 we have projected of till 2032. Once we are successful in that may be this 1000 crores will be going up.
- **Mr. Sarvesh Gupta:**
- Thank you and all the best.
- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- Moderator, can you take Abhijeet Kanan next? Abhijeet your line is unmuted.
- **Mr. Abhijeet Kanan:**
- Thanks. This 60,000-crore bidding pipeline that we have, what is the timeline for that, Sir?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- You can assume something like 12 to 18 months maximum.
- **Mr. Abhijeet Kanan:**
- And then there will be you know around a two-year execution period for those, right?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- Yeah, it will be like 24 to 30 months, you can assume. Something will be at two years, something will be at two and half, something may be at three years like HVDC will have a little longer period.

- **Mr. Abhijeet Kanan:**
- And just on supply chain, is there some issue around availability of key equipments like transformer and all?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- Yeah, actually since so many projects are coming up suddenly, so there is a challenge in that transformers and other equipments and even the HVDC equipments where the RE integration is in full swing in Europe because of that, yes, there are. Issues in that, but still we are - if the normally, when the timeline is 18 months and above, there are players who can supply the equipment. This is one part and as far as TBCB and most of our contracts are on firm price, we are somewhat insulated from the price escalations and as of now wherever the time schedule is above 18 months, we don't have any issue of supply chain issue. This is one part of our transformers, otherwise predominantly if you see we have a lot of our structures, conductor, insulators, so many parts and then this is one portion.
- **Mr. Abhijeet Kanan:**
- And last one, this apart from the 60,000-crore project which are under bidding for next 12-18 months, I mean what could be a new pipeline that could come from the next one-year perspective?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- Yeah, that will be another 67,000 crores which are to come for bidding, which is already approved in the NCT and then another 45,000 crores for which the planning needs to happen. So, this completes this 2.4 lakh crore. Basically, the transmission envisaged in this 500 GW by 2030 envisaged at 2.4 lakh crore in that when the including things happened and then the bids which are in the RFP stages if you exclude that another 67,000 crores of bidding to come in future and another 45,000 is in the initial stages.
- **Mr. Abhijeet Kanan:**
- Okay, Sir. Those were my questions. Thanks a lot.
- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- Moderator, we will take Koundinya next. Yeah, his line is unmuted. Can you go ahead, your line is unmuted? I think there's an issue with this line. May be we can take Anuj Upadhyay.

- **Mr. Anuj Upadhayay:**
- Yeah, hi. Thanks for the opportunity again. Sir, could you just mention the cumulative equity we have invested till date across the TBCB project and this is excluding those five projects which we have already transferred to InvIT?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- Yeah. Yes. Whatever we have shown like 4,100 crores.
- **Mr. Anuj Upadhayay:**
- Is the equity and the revenue and earnings on the same during the quarter?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- The assets which have already been transferred. May be it has got that – that is excluding that five companies because that equity has already been sold.
- **Mr. Anuj Upadhayay:**
- No, but for certain projects, we do have 26% still retained, Sir. So, does this include those 26% as well?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- That we are actually showing as assets held for sale, so that is not forming part of our PPE as per the standards and there is an intent to sell. We cannot continue to show it as a PPE, so it has to be shown as investments to held for sale.
- **Mr. Anuj Upadhayay:**
- Fair point, Sir. And the revenue and earnings from the same during the quarter? From these assets TBCB?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- Pardon.
- **Mr. Anuj Upadhayay:**
- The revenue and earnings from these TBCB projects for the quarter, if you can share the numbers, it would be helpful, Sir?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- For which TBCB?

- **Mr. Anuj Upadhayay:**
- All TBCB, Sir.
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- Okay. That's a standalone and I'm sorry. We have a half yearly revenue of 1,300 crores in TBCB and the profit is 413 crores.
- **Mr. Anuj Upadhayay:**
- That's helpful, Sir. Lastly, Sir, you referred about 10,000 odd crores of CapEx target, which you are eyeing for the current fiscal, can you provide similar number of target for FY25 and also if you can throw some light on the capitalization target which we are eyeing for FY24 and 25 as well?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- FY-25, from 10,000 it should be on the higher side only. As of now, we are projecting 12,500, but that is the figures as on date, but suppose if we are able to win some bigger projects in the like HVDC and all it should be on the little higher side. Capitalization, current year we are projecting as 10,000 crores out of which 4,000 we have already done. Next year, we are projecting something like above 15,000, something like 17,000 crores we are projecting.
- **Mr. Anuj Upadhayay:**
- That's helpful, Sir. Thank you.
- **Mr. G. Ravisankar - Director (Finance), PowerGrid Corporation of India:**
- This includes the TBCB also.
- **Mr. Anuj Upadhayay:**
- Okay. Definitely, definitely.
- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- So, I will take you know a couple of questions from the chat box. The first one is actually from Vipul Kumar. Sorry, I think we've addressed that. This one is from Shashi. Have you finalized upon the Smart Meter supplier yet? If not, will it be through bidding or otherwise?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- No, smart meters?

- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- That's right. So, have you finalized
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- We have already a tie up with the suppliers. For the two orders which we got from Gujarat, we have a back-to-back tie up with the vendors and then they will be executing.
- **Mr. R.K. Tyagi - Director (Operations), Power Grid Corporation of India:**
- Supply will start by end of December or early January. Technical parameters have been finalized. Now, these are under manufacturing, by end of December or early January, the supply will start.
- **Mr. Anuj Upadhyay:**
- Got Sir. Thank you.
- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- The other question is from Shivam Gupta. Sir, is there any progress on regulated equity draft? I suppose he is referring to the draft tariff regulations by the CERC.
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- Actually, the approach paper has already come out and then we gave our comments and all. Normally, as per the timelines, yes by November and or December the draft regulations are published. Historically, we see in the last block year also. So, may be next month, we expect the draft to get published.
- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- Yeah. Thank you. The other question is from Koundinya. I guess he couldn't speak over the line. Does the 59,700-crore pipeline include three HVDC projects approved in NCT? What is the status of these HVDC projects? That's the first question.
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- which is to come for bidding. 59,700. There is only Bhadla-Fatehpur is included. Other HVDC's which are to come for bidding, now it has not come. So, that will be in the second one which is like I have told you like 67,000 crores in which it was already approved in NCT and to come for bidding in that balance two HVDC's will come.

- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- Okay, got it. Second part of the question is what is the kind of feedback you're getting on CERC towards the tariff control period?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- We don't get any feedback. We only give the feedback. We are giving our comments on the approach paper.
- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- Sure. I think we'll come back to the Q&A queue. Can you unmute Line of Swati Jhunjunwala, please? yeah, Swati go ahead.
- **Ms. Swati Jhunjunwala:**
- I'm audible?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- Yeah.
- **Ms. Swati Jhunjunwala:**
- Yeah. Thank you for taking my question. Most of my questions have been answered. Just one on the surcharge, could you explain the negative 7 crore surcharge for this quarter?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- In consolidated we are showing it as -7 as a surcharge. May be some payments would have been regulated like some collections would have happened and then it might have been regulated. That's why it is negative. We will check it up and then revert to you.
- **Ms. Swati Jhunjunwala:**
- Alright, okay. Thank you.
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- Otherwise, you see that surcharges are coming down because of the regulations in place where like after 75th day the regulations happen. So that is why it has improved. But this negative we will confirm.
- **Ms. Swati Jhunjunwala:**
- okay. That's all. Thank you.

- **Mr. Harsh Dole - IIFL (India Infoline Group):**
- Sir, we have last two questions. Second last on one is basically from Mohit. Mohit go ahead.
- **Mr. Mohit:**
- I am audible? Yes Sir. My question is Sir, do you see any issue in executing the STATCOM project specially and how many equipment suppliers are there for STATCOM as of now in this country who can meet your localization requirement?
- **Mr. Abhay Choudhary - Director (Projects), Power Grid Corporation of India:**
- No. I don't think there has been a major problem in the commissioning of the STATCOM because this is a technology which is not very old. Therefore, the final commissioning takes time and we think there are two or three STATCOM suppliers still like one is Siemens, other is Hitachi, then other players than Hyosung is also there, GE is also trying to come. So, three or four suppliers are there in the market, only this is not a very old technology, that is why the commissioning takes a bit of time.
- **Mr. Mohit:**
- Because I think, our expectation is that STATCOM investment will go up, right. I think there are a lot of numbers of STATCOM put by the CEA NCT, is that understanding correct?
- **Mr. Abhay Choudhary - Director (Projects), Power Grid Corporation of India:**
- Yeah, there because of it provides a very much dynamic compensation because of this intermittency in the renewable generation. Therefore, a lot of STATCOMs have to be set up in the view of this 500 GW of target of non-fossil fuels. So, that understanding is very much alright.
- **Mr. Mohit:**
- My second question is what the due against Raigarh-Pugalur from the Tamil Nadu and Telangana, and how the payments will happen, as we bill the CERC to allow them some kind of leeway for the payment or the payment is due immediately?
- **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**
- It is you see, earlier when the CERC orders came we were billing and then they were paying also and in between they have contested in Madras High Court and then it was referred to APTEL and then APTEL has set aside the orders and remanded back to CERC for reviewing it along with the grid controller and CEA, CTU as well. So, this was and even when we approached the Supreme Court, they have also given a timeline of before 31st October it is to be resolved and then on 27th October, CERC

has already issued orders of making it as a 50% as national component and 50% as regional component. In between, they have adjusted whatever the 1,200 crores of payment they have made against that. So, we have again requested them to make the payment of whatever the adjustment and Telangana will be paying now. So, they have adjusted around 450 crores which they will be paying now and Tamil Nadu also has to pay because we have requested them and the billing of 50:50 will be from the 27th October. That is the date of order of CERC. As of now, we feel that yes, it should see an end.

– **Mr. Mohit:**

– Thank you and all the best.

– **Mr. Harsh Dole - IIFL (India Infoline Group):**

– Thank you. Sir, we have last question from Sonia. Can you unmute your line? Moderator, can you unmute line of Sonia? I think, yeah, there seems to be some issue with her line. I think that we are more or less done with the questions. I sincerely thank the management for giving us an opportunity and wonderfully explaining you know what is the opportunity ahead of PowerGrid. On behalf of IIFL, thank you very much and wish the entire team, wish your a very Happy Diwali for all the participants. In case any of her questions remain unanswered, do let us know. We'll send these to PowerGrid. Alternatively, you can apply to PowerGrid and they will do the needful. Sir, any last remarks you'd like to make?

– **Mr. G. Ravisankar - Director (Finance), Power Grid Corporation of India:**

– Yeah, we will say that yes, one is Happy Diwali to everyone and then company there is no change in the basics and the operational maintenance and the availability continue to be above 99.75 and then the lot of CapEx is on the growing side and we hope that it crosses at least 15,000 next year. This is what is our aspiration and then a lot of outlook is bright and then you have a lot of projects to come in future years. So, this is what we got. I would like to close and once again wishing you a Happy Diwali and Safe Diwali. And I wish that post-Diwali, we lift the World Cup also. Thank you.

– **Mr. Harsh Dole - IIFL (India Infoline Group):**

– Thank you, Sir. Really appreciate. Thank you.
