

16th February, 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 9th February, 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 9th February, 2024.

Thanking You.

Yours faithfully,

(Mrinal Shrivastava)
Company Secretary &
Compliance Officer

Power Grid Corporation of India Limited

**Transcript of Investors & Analysts' Meet
(Q3 and Nine Months ended 31.12.2023, FY 2023-24)**

February 9, 2024 11:00 AM (IST)

Management Team:

- i) Shri R. K. Tyagi – Chairman & Managing Director
- ii) Shri G. Ravisankar - Director (Finance) & CFO
- iii) Shri Abhay Choudhary - Director (Projects)
- iv) Dr. Yatindra Dwivedi - Director (Personnel)

**Investors & Analysts' Meet of Power Grid Corporation of India
(Q3 and Nine Months ended 31.12.2023, FY 2023-24)**

- Mr. Mrinal Shrivastava – Company Secretary:

- Good morning everyone. I would like to welcome you to the analysts' conference of Power Grid Corporation of India Ltd to discuss the recently announced quarterly results.

Today, on the dais we have with us Mr. Ravindra Kumar Tyagi, Chairman & Managing Director, Mr. Abhay Choudhary, Director (Projects), Mr. G Ravisankar, Director (Finance) and Dr. Yatindra Dwivedi, Director (Personnel).

I would now request the management to address the gathering, please. Thank you.

- Mr. Ravindra Kumar Tyagi – CMD:

- Very good morning, friends. On behalf of Power Grid, I would like to welcome all the analysts, all the investors, my colleagues. Thank you for coming here and showing faith in Power Grid. We are committed for the growth of the company and the way we have been working for the last 30 years, we will continue to grow like that for the service of the nation. It is my first Investors Meet, so I can assure you that the way things were progressing in Power Grid, it will continue with the same momentum and even we will try to do better.
- Regarding this result for Quarter 3, FY24, I will give brief on the highlights of our financial performance. My presentation will cover Power Grid overview, Major Highlights, Performance Highlights, Growth Outlook and Awards & Recognition what we have earned in FY24; in last 10 months.
- As you know friends, we are a 'Maharatna' company, third largest CPSE Gross Block wise. We have Pan India presence. Our interconnection with our international borders like Bangladesh, Bhutan and Nepal, we have connected transmission network of about 4,000 Megawatt. We have footprints in 23 countries. We have 45 subsidiaries in terms of SPVs mainly for TBCB companies and 12 joint venture companies with various companies like NETC, Sikkim Urja and other companies, 4 associates that includes PGInvIT companies. Then our credit rating has been very good. As per Standard & Poor, it is BBB minus and domestic also it is one of the best. We have huge transmission network. Our network is one of the largest in the world. Almost 1,490 transmission lines are there. We have 276 substations and transformation capacity is over 5,00,000 MVA. Interregional capacity is 97,000 Megawatt; that means power generated anywhere in the country, be it Arunachal Pradesh or be it Kerala, it can be transmitted to any other part of the country and we have been maintaining our transmission system availability

over 99.75%. This year so far it is 99.86% and our availability and reliability is one of the best in the world. We have been continuously benchmarked by international agencies in operations and maintenance in first quadrant and we are comparable with best utilities in the world. We have 18 HVDC substations, 62 AC Substation of 765 kV, 165 numbers of 400 kV, STATCOM and SVC, which are mainly for stabilization of the grid, we have 20 numbers. Because of lot of renewables are there, we need some stabilizing elements to take care of voltage frequency and other parameters. GIS substations, especially in urban areas, we have 62 numbers and transmission line towers, it is close to 300,000 towers we have all over the country. Transformers and Reactors numbers are 3,600.

- Regarding our recent performance in TBCB projects, we are successful in 6 ISTS TBCB projects recently in Quarter 3, like Vataman in Gujarat, Kopal-II to Gadag-II in Karnataka, Bikaner 3 Neemrana in Rajasthan then Neemrana to Bareilly between Rajasthan and U.P., Sikar-Khetri, Bidar Transmission Limited and NCT cost for this was about 20,000 crore and annual tariff is 1,636. In FY24 in the last nine months, we have won projects worth 26,000 crore with annual tariff of 2,340 crore. Our percentage of winnability is almost 67% tariff wise. So, in last one year we have won many projects and in days to come this will continue.
- Especially in ESG, that is the focus of Government of India and worldwide, transition to low carbon operations. We have successfully commissioned 132 kV 20 MVAR bus reactor from the synthetic oil to natural oil and it was commissioned for the first time in India on December 1st, 2023. So, it is a great initiative towards Net Zero or Low Carbon operations. We are committed to take more initiatives, especially for replacement of SF6 gas in switch gears in GIS so that our ecological footprints are increased.
- As far as automation and better control of our grid, our lab at Manesar, a PARTeC Lab, it has been internationally recognized recently and we are the second company to be accredited for this IEC 61850. It will play a key role in identifying and eliminating interoperability issues among various devices. Like we have n number of devices of different makes, so all devices should communicate from one device to another device so that controls are better. So, this lab will help in a big way to test all the devices whether they are communicating with the different devices or not. So, it is a very good step in successful or in reliable operation of the grid.
- There has been continuous demand or requirement for integration of various communication protocols of different makes. So, we have successfully implemented UNMS, which covers almost 1 lakh kilometer of fiber network. It is very critical for controlling and monitoring our transmission assets of ISTS and Intrastate.
- We have signed recently agreement with Ladakh for loss reduction under RDSS for Leh and Kargil. Creation of distribution system in border areas of Ladakh. Our project cost, which has been signed with Ladakh in last quarter, is 862 crore.

- On Project execution front, we have added 3,100 MVA transformation capacity. One number Fatehgarh III Polling station has been commissioned and 834 circuit kilometer of transmission line has been added in the network. Transformers at Fatehgarh II and 6 ICTs at Fatehgarh II, Fatehgarh III, Palakkad, Tuticorin and Kurukshetra have been added. We have added very important transmission link in northeastern region i.e., Lower Subansiri to Biswanath Chariali. So, once the Lower Subansiri project is commissioned, so it can be successfully evacuated from Arunachal Pradesh to the rest of the country because it will come to Biswanath Chariali and from Biswanath Chariali power can be transmitted through HVDC BNC Agra to Agra and then from Agra it can come to Delhi, NCR and other areas.
- Our CapEx in Q3, on Consol. basis is 3,444 crore and for nine months it is 7,690 crore and capitalization is 5,780 crore and for Q3 it is 1,784 crore. We are hopeful that this CapEx will be almost 10,000 crore plus in next two months and the capitalization will be of the order of 8,000-8,500 crore.
- As I was telling that operational performance is one of the best in the world, we have been maintaining 99.86% in this financial year. Last year nine months, it was 99.81. And our tripping is continuously decreasing. Last time we had 0.27 tripping per line, in this FY24, so far we are 0.22 tripping per line. That means almost out of four lines only one line trips in a year. So, which is a very good indication of the reliability and availability of our transmission network.
- Without digital technologies, without digitization of our system, we will not be able to maintain such huge system, transmission network in various parts of the country. So, we have taken steps for digitization of data, digitization of the process and digital transformation. So, three areas we have covered. Like if we talk about digitization, so we are using SAP for Enterprise Asset Management, then remote acquisition of the data for NTAMC. We have PMU and WAMS. Then PG-DARPAN is the data capturing app for transmission line monitoring. We are now starting QR based Data Management System of our assets. In Digitization, the PALMS, Asset Health Indexing, Drone Based Patrolling then Amrit for Transmission Asset Management, Augmented Reality for Substation Maintenance. We are having Augmented Reality based head gears. Then development of business dashboards for various applications and Predictive Outage Management. We have artificial based Defect Identification Application for transmission line, like through drone we capture the data of transmission line tower, the transmission line hardware and automatically the data is fed in the software and through Artificial Intelligence we are able to detect the defects in the transmission line towers and various parts of the network. We have created digital substations at Malerkotla, Chandigarh. We are in the process of digitization of Navsari station from Day 1. And a brownfield project of Kanpur, we are going to convert that station to digital substation. Then Digital Worker has been implemented for maintenance of various equipments. Then deployment of Asset Health Management and Digital Twins for transmission line and transformers are

being developed so that data and process of various applications can be maximized and the requirement of human being or human efforts can be minimized.

- As I was telling that we have almost 290,000 towers, 3,600 transformers, almost 10,000 circuit breakers, 20,000 CTs, almost 14,000 CVTs, 12,000 surge arresters. So, put together we have almost 400,000 equipment and for monitoring of each equipment we require almost 30-40 data points. If we had to monitor each and every equipment, so the data points will be in millions and so manually it is not possible. So, we had to go for digitization for which your company is taking proactive actions so that the efficiency and reliability of system can be further improved.
- As I was telling that we are using drones, remote operations of all the stations is being done. Digital substations, UDAAN, Asset Management dashboards. The management can see where the critical assets are there, which assets are out of service. So, those details are available on the dashboard. The Center of Excellence, the relays or IDs are being controlled and monitored from a centralized Control Center at Manesar. We have recently developed Center of Excellence for cyber security at IISc-Bangalore. So, we are taking various actions using various technologies.
- The Financial Performance. Income in Q3 is 11,468 crore as compared to 11,281 crore last year. PAT is 3,970 crore as compared to 3,702 crore. On Consol. basis, income is 11,820 crore and PAT is 4,028 crore. For 9 months FY24, it is 33,562 crore on standalone basis and PAT is 11,347 crore. On Consol. basis, 34,608 crore and PAT is 11,407 crore.
- These are the details of various heads like Transmission Charges, Consultancy Charges. This is the breakup of our income and the profit details.
- This is on Consol. basis. Revenue for nine months 34,000 crore and expenses are 4,000 crore. So, we are able to maintain EBITDA 80% plus and Profit After Tax 11,407 crore and for Q3 4,028 crore.
- We have a total Gross Fixed Assets almost 2,74,000 crore, Capital Work-in-Progress almost 16,600 crore. We have Loan/Debt of Rs. 1,19,000 crore, which has reduced from Rs. 1,28,000 crore to Rs. 1,19,000 crore. Net Worth is Rs. 87,194 crore as against Rs. 82,226 crore last year and Earning Per Share, for 9-months it is Rs. 12.26 as compared to Rs. 11.93 as on 31-12-22 last year. Debt Equity Ratio has improved 58:42 as compared to 61:39 last year. Return on Net Worth is maintained at 13.08% as compared to 13.50% last year.
- These are some key financial information. Like income for previous periods in Q3FY24 is 237, interest on differential tariff and these details are there because of that there is a change in our Revenue and Profit.

- In consultancy, we have earned domestic and international clients; almost 116 crore income we have earned. One international assignment in Uganda, additional scope for Consultancy or Project Management. And we have 17 ongoing international assignments, 4 new domestic assignments have been won. There are 78 ongoing domestic assignments, especially in Transmission, Sub Transmission, Rural Electrification, Load Dispatch & Communication, Smart Grid, Energy Efficiency and Sustainable Development. These are the areas where we are working.
- The PowerTel, Our Telecom business has been hived off. We have now separate subsidiary called PowerTel and from 1st October'23 it is working separately. Now, the first quarter income is 201 crore. We have added 17 new customers, 362 crore multiple year order received. Then 3,000 locations Pan India network we have in Telecom. The fiber network is more than 100,000 kilometers. Our backbone availability of our fiber is almost 100%.
- These are the commercial performance. We have more than 45 days is 4,181 crore in Q3FY24. These are details of our Receivables. Main State is basically TNEB and TANGEDCO. We have almost 2,200 crore and then J&K, M.P. and U.P. The BHAVINI issue is resolved and now they are ready to pay all arrears in installments. So, we will get this revenues very shortly.
- As far as our outlook for next few years, we have work in hand as on today Rs. 77,770 crore, out of which we have ongoing 11,450 crore RTM and new RTM 24,800 crore, which includes Leh-Kaithal HVDC link of 20,000 plus and other projects won through TBCB Rs. 41,450 crore. So, put together we have Rs. 77,770 crore work in hand. The projects other than HVDC are to be executed in next 2-2.5 years. So, that means almost 55,000 crores CapEx has to be added in the next 2-2.5 years. So, our outlook is bright. We are considering that we had target of CapEx Rs. 8,800 crore, so by January'24 we have already achieved almost Rs. 8,700 crore. So, in FY24 we are hopeful that we will achieve 10,000 crore plus CapEx and in next financial FY25 we are hopeful that we will achieve 15,000 crore plus. We will be close to \$2 billion next year. So, the outlook is good. Maybe in FY26 still CapEx will be 20,000 plus. It will be close to \$3 billion.
- If we look at this outlook upto 2032, we have interstate intrastate cross border. If we add all the sectors and possible capex, so we are touching somewhere 200,000+ capex in the next 7-8 years. So every year, there will be at least 20,000-25,000 crore capex will be there on an average. So sometimes it may be 15,000 and sometimes it may be 30,000 crore, depending on the project timeline.
- Regarding this greener tomorrow, we have already committed, last time also we told that 50% electricity we will be consuming from renewable sources by 2025, net water positive by 2030 and then zero waste to landfill status by 2030, net zero we are targeting by 2047 and for this 50% electricity, we have already started constructing 85 megawatt Nagda Solar Plant which is expected to come in 3rd quarter of the year, maybe

sometime in August or September and after that it will start generating renewable power which can be consumed as a captive use for Power Grid.

- Awards and accolades - we got this Corporate Impact Targeted Program Award for improving rural livelihoods and protecting environment through farmer centric integrating water shed management in Orissa, Kalahandi. In CSR again, this was on Vishram Sadan, we got these awards in 2023. Then for digital initiatives especially in Pugalur-Thrissur, we got this award SKOCH Gold Award 2023.

- Thank you very much. Thank you for your kind attention.

- **Mr. Mrinal Shrivastava – Company Secretary:**

- We express our sincere thanks to CMD for sharing the progress and performance of the company in preceding quarter and the 9 months. His commitments to take the company to newer heights by way of presenting the outlook and the future path and not only that, he has also expressed his commitment towards the inclusive growth and taking the society along with the mission to achieve the commercial growth as well. So thank you so much Sir. Now I request my guests, the session is open for interactive, session with our management. Please!

- **Moderator:**

- Hello, hi! One small announcement over here. Please introduce yourself and your company so that we could register that.

- **Mr. Mohit Kumar – ICICI Securities:**

- Sir, I am Mohit Kumar from ICICI Securities. My question is on Sir on total industry capex. According to NEP, the number is 4.8 trillion for FY22 to FY27 which comprises of 3.1 trillion of inter-state capex and 1.7 trillion of intra-state capex and our numbers are at 10,000 crore. which we are talking about in FY24. So my question is, are we under investing in the inter-state, intra-state in the past and do you think, especially the intra-state numbers will go up substantially and the question is, how do you reconcile these expenditures?

- **Mr. Ravindra Kumar Tyagi – CMD:**

- Ok, thank you. As I have shown that we have almost Rs. 77,000 crore worth projects in hand. Almost Rs. 16,000 crore work in progress is there. So as per the earlier plan of CEA, Rs. 2,44,000 crore ISTS network is to be built out of which almost 96,000 crore. worth projects have been already awarded. Almost 84,000 crore worth of projects are in pipeline. They are under bidding and the balance 64,000 crore projects are yet to be bid.

They are yet to be floated. So in ISTS, definitely the roadmap is there. as you rightly mentioned, now NEP is mentioning about 3,10,000 crore projects. So that means ISTS portion will further improve and accordingly our share will also increase. So now we are showing say 200,000 plus crore upto 2032. So, it will further improve.

- As regards to intra-state, your concern is, yes, we also agree with you that more focus is required unless or until intra-state transmission network is not there, so power to the consumer, there will be challenges. But I am sure that Government of India and governments of various states are taking necessary action. To ensure that once ISTS is ready, in the same timeline, intra-state transmission network will also be ready. As far as you are mentioning about how we are going to achieve, like if we talk about 15,000 or 20,000 capex, our profit is say about 14,000-15,000 crore and after dividend, we have 5,000-6,000 crore in hand for capex and considering 80:20 ratio of loan and equity, so we can very well execute projects worth 30,000.....25-30 thousand crore projects each year. So there will not be any problem in capex for Power Grid.

- **Mr. Mohit Kumar – ICICI Securities:**

- My 2nd question is, is there any risk to upside on the capex number which you have said 15,000 crore and 20,000 crore given that the transmission bidding pipeline is 84,000 crore and is likely to close in the next 12-18 months. The other question is that, what is the status of Leh Ladakh?

- **Mr. Ravindra Kumar Tyagi – CMD:**

- Leh Ladakh is a very strategic project, very important project and we have been given on nomination basis by Government of India considering various challenges in this project because it is for the 1st time, this project is being executed at a height of 4500mtrs or almost 5000mtrs. So we are going for front end engineering and design studies. We have already placed the order. It is almost getting over or getting completed by March 24. Based on this, we have to finalize the detailed parameters of each and every equipment. So based on that, we are going to place orders for FEED2 and FEED2 is likely to take maybe 7-8 months, maximum by December 24, we will get outcome of studies and by that time, we will have all the documents ready for tendering. So NIT should come in January 25 and by end of March, we should be able to place the order. And from placing the order, may be 5 years is the timeline, so by FY 25 maybe, I am hopeful that by FY30, the project should be a reality.

- **Mr. Mohit Kumar – ICICI Securities:**

- Upside risk to the capex numbers?

- **Mr. Ravindra Kumar Tyagi – CMD:**
- Capex is almost 22,000 crore.
- **Mr. Mohit Kumar – ICICI Securities:**
- My question again, given the transmission pipeline which is very high and we need to complete most of the projects within 2 years.
- **Mr. Ravindra Kumar Tyagi – CMD:**
- Ya.
- **Mr. Mohit Kumar – ICICI Securities:**
- So do you think the upside risk to the numbers which you have given to us – 20,000 crore in FY26?
- **Mr. Ravindra Kumar Tyagi – CMD:**
- Ya, so this is the visibility as of now because we have to complete these projects, whatever we have in hand other than Leh Ladakh which is 5 years timeline. Balance projects we have to complete in about a maximum of 30 months. So next year we are considering say Rs. 15,000 crore as of now, visibility depending on the progress but definitely we are committed to complete these projects within 30 months. So accordingly capex will be increased in a phased manner.
- **Mr. Mohit Kumar – ICICI Securities:**
- Thank you Sir for answering.
- **Mr. Subhadip – Nuvama Group:**
- Good morning Sir. This is Subhadip from Nuvama. So Sir, firstly with regards to the NEP numbers that you just mentioned, the 3,10,000 crore of the inter-state target. Now that would also include money spent over FY22 and FY23.
- **Mr. Ravindra Kumar Tyagi – CMD:**
- Ya.

- **Mr. Subhadip – Nuvama Group:**

- So am I to understand that the overall numbers still remain at that Rs. 2.4 lakh crore, the earlier CEA guidance for the renewable capex which we had got last year. So the numbers are roughly the same?

- **Mr. Ravindra Kumar Tyagi – CMD:**

- Ya. The earlier 2,44,000 crore if I am correct, it included the projects, this 22-23 projects also were there. So maybe these are the additional like....what was happening – earlier we were considering storage as one of the options so that transmission evacuation network can be delayed. Now you know that battery storage has not come up the way we expected. So, for evacuation of 500 gigawatt, we have to plan additional transmission network. So it is because of those reasons, the transmission network or ISTS network needs to increase. So it is considering those additional transmission network required for evacuation of 500 gigawatts, otherwise we were thinking that battery storage will be there and we may not require this much of transmission network.

- **Mr. Subhadip – Nuvama Group:**

- Understood! And secondly, with regard to the current ongoing TBCBs which are under bidding, I understand there are 2 projects under bidding. Now in your opinion, these would enter the capex phase by FY26 assuming that these get ordered out by FY25?

- **Mr. Ravindra Kumar Tyagi – CMD:**

- You are talking about if I am correct – Fatehpur Badla and Khavda to Nagpur?

- **Mr. Subhadip – Nuvama Group:**

- Correct!

- **Mr. Ravindra Kumar Tyagi – CMD:**

- Ya, like especially for Fatehpur to Badla should be awarded within this financial year, FY24, so maybe you consider 6 months for engineering and other activities, maybe in last quarter of FY25, we should start real capex, when equipments start coming and work at ground starts getting executed, execution.

- **Mr. Subhadip – Nuvama Group:**

- Understood! But these HVDC projects would again take more than 3-4 years to execute?

- **Mr. Ravindra Kumar Tyagi – CMD:**

- It will not be similar to Leh and Kaithal project but considering constraints and limitations worldwide in supply chain especially for HVDC project, the timeline which has been considered for these projects is 48 months for bi-pole1 and 54 months for bi-pole2. So, may be 4.5 years, total completion.

- **Mr. Subhadip – Nuvama Group:**

- Understood! So that would imply that we will see probably faster commissioning of projects that we are doing capex over the next couple of years which are non HVDC and once we start executing the HVDC, let's say starting FY25 or 26, those will be slightly longer gestation in terms of the capitalization.

- **Mr. Ravindra Kumar Tyagi – CMD:**

- Ya.

- **Mr. Subhadip – Nuvama Group:**

- Perfect Sir. That's it from my side. Thank you.

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

- Sumit Kishore from Axis Capital. If we take your works in hand of 777 billion and you mentioned that 550 billion would be executed in 24-30 months and if I take your guidance for FY25-26 capex put together is 350bn rupees versus 550bn, so once again I think it's a bit of a follow-up but it seems that your numbers, there are 26 months to go for FY26 to end and you will still be at 350 versus 550 that you need to do.

- **Mr. Ravindra Kumar Tyagi – CMD:**

- Ok, you are right that as of now the visibility which we are seeing for the next FY25 or FY26, definitely we have to complete in maybe maximum by FY27, mid FY27 so maybe after 6 months, once the projects are better visible, we can accordingly true up our estimation.

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

- When you say visibility, you mean the pre-engineering works and the designs and which would take more time as per your estimation?

- **Mr. Ravindra Kumar Tyagi – CMD:**

- Ya, supply and progress at site, so if I am talking about 2bn dollar next year, maybe it increases to 2.5bn dollar, depending on the progress and ground reality.

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

- And on a related note, what would be your capitalization guidance for FY25 and 26 given the bunching up that will happen in CWIP?

- **Mr. Ravindra Kumar Tyagi – CMD:**

- As I told, FY24, it is somewhere about 8,500 crore and FY25, it should be about 16-17 thousand crore.

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

- Ok. 3rd question would be, with a 3.1 lakh crore ISTS capex over 22 to 27, just a math, as 24 is ending, 3 year period in this block is already ending. I think you will have to award projects first and then execute them, so for the country as a whole, the ISTS target appears a bit aggressive. Then including the InSTS it is 4.75 lakh crore. So it appears to be a very aggressive target because you will have to award probably in the next few months to complete that over the next 3 years. Right?

- **Mr. Ravindra Kumar Tyagi – CMD:**

- As you know, we have already experience of executing projects worth 25-30 thousand crore projects maybe 5 years back or 6 years back. So execution should not be a challenge. There can be challenges may be for supply of transformer, supply of GIS for which Government of India is taking necessary actions. We are in the process of developing more vendors like at 220KV level transformers, at 400KV level transformers, so supply chain should not be a problem. If we take these actions in future and we go for vendor development of more vendors are there in the market so the vendors will be able to meet these requirements. But as of now, yes you are right, there can be some challenges unless or until we don't take any action for ensuring the problem whether it is resolved or not.

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

- Thank you so much for answering my question.

- **Mr. Atul – Citi Research:**

- Sir, this is Atul here from Citi Research. Sir, my question is on CERC draft regulations which have been proposed. What is your comment on the impact on Power Grid specifically with respect to the O&M norms which have been proposed, what could be the impact if these go through in the current form?

- **Mr. Ravindra Kumar Tyagi – CMD:**

- Yes, draft regulation is out and we are discussing with CERC. There are changes especially if I talk of operation and maintenance charges, O&M charges, earlier what was the distribution that 75% was towards sub-station and 25% O&M cost was towards transmission lines. So based on the actual data, now it has changed 65% for transmission line and 35% for sub-station..... Sorry, 65% for sub-station and 35% for transmission line. So accordingly transmission line charges have increased and sub-station bay charges have reduced. But overall impact is not there. total we have calculated, our O&M charges what we were getting before this regulation 24-29, in 19-24 how much we were getting, they have added one more element 'reactor', earlier we were not getting any O&M charge for reactors. So reactor charges have been added per MVAR similar to transformer per MVA capacity like say 20 lakhs or so per MVA. So those have been added. So net impact is not there. Net impact is almost zero or we are going to get the same O&M charges which we were getting earlier.
- As regards to ROE yes, they have been grandfathered at 15.5% for the old assets and new assets, 15% is indicated for the new projects commissioned after 1st April 24 but still we are discussing with the CERC. Discussions are going on and we are hopeful that whatever regulations and norms were there, they will continue. So there will not be any impact on Power Grid, revenue or profitability.

- **Mr. Atul – Citi Research:**

- Sir, my 2nd question is on the TBCB projects. So your market share has gone up to almost 60-65%+ recently versus your long term average of 40%. What is driving this very sharp increase in your market share in the recent bids? Have you changed your bidding strategy or the competition has just vacated their space so could you comment on that?

- **Mr. Ravindra Kumar Tyagi – CMD:**

- Yes, you are right that in between 2 years or 3 years, our percentages were less but still on total capex basis, we have a share of almost 67% in the last FY23. Now we are more aggressive because we had to compete. If we have to survive, if we have to take care of the interest of our investors, so definitely we had to....growth has to be maintained. So

we want that growth should be at 7-8% or 9%, so for achieving that.....but still we are maintaining that our IRR should not be.....we are targeting about 14% but we are ensuring that it is 11% or 12%.

- **Mr. Atul – Citi Research:**

- Ok, thank you Sir. Thanks a lot.

- **Mr. Vinod – BOB Capital:**

- Hi Sir, this is Vinod from BOB Capital. Given the strong capex pipeline that you have, do you also have a parallel asset monetization program in place because the kind of equity requirement you need for these projects or would we see a reduction in dividend pay-out so that you can bolster your own cash flows?

- **Mr. Ravindra Kumar Tyagi – CMD:**

- Asset monetization as you know that, we had targets in the last 2-3 years but after this new NMP guidelines, we are not able to transfer ownership, only rights transfer is possible. So depending on our capex requirement, we are doing securitization of our assets. In this year we have done Rs. 5,700 crore, the loan we have taken through securitization. Last year we had taken Rs. 3,400 crore. So in future also depending on our capex requirement through securitization, we will be able to match our requirements and balance will be from our profit.

- **Mr. Vinod – BOB Capital:**

- So you plan to maintain dividend pay-out where it is today?

- **Mr. Ravindra Kumar Tyagi – CMD:**

- Dividend pay-out, yes, we plan to maintain at the same level.

- **Mr. Vinod – BOB Capital:**

- The 2nd thing I observed was your CWIP in consol is almost twice your standalone but your entire debt is on the standalone books. So, are you not taking any debt on the books of JV?

- **Mr. Ravindra Kumar Tyagi – CMD:**

- I would request Director Finance to please.....

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

- Ya, normally we take the loan in the books of Power Grid and then we give the debts to the SPVs and then we have separate terms with them. Normally we don't raise in the books of SPVs because the rate will be very good if we raise in the name of Power Grid. So that's why if you see, always in the Consol and standalone, the same loans will be there. Almost all the loans will be in the name of Power Grid and from here we will on lend to SPVs.

- **Mr. Vinod – BOB Capital:**

- Thanks, that answers my question.

Moderator:

- Last couple of questions, if any? Alright, I think we have had a very interactive session. Thank you everybody for coming over here. Please do contact the Power Grid Corporation if you have any further questions. The email id is investors@powergrid.in and you can also reach out to my colleagues from Adfactors PR for any further queries. We will try our level best to address them within the next 48 hours. The management of Power Grid is also available over here for interaction. I take this opportunity to once again thank you for taking out time, for being here and coming up in such large numbers. I also thank the entire management of Power Grid Corporation for organizing this investor meet, for you and for the analyst meet and also the fact that, they have addressed, they have shared all the details about the projects, about the outlay, about the capex, about the vision and the mission. And if you have got any further queries, you could connect with them one on one and thank you for that. There is lunch being served. It might take another 5-10 mins to lay it out. Until then, thank you once again. Thank you Sirs.

****END OF TRANSCRIPTION****