

Letter to Shareholders from Chairman & Managing Director

*“Towards creating
enduring value for our
shareholders, we are
committed to delivering
strong, reliable performance
while strategically shaping
opportunities for tomorrow.
At the core of our performance
lies a deeper purpose: to grow
responsibly, act sustainably,
and lead with integrity.”*



Corporate Overview

Sustainability Strategy

Corporate Governance

Value Creation Model

Our Capitals

GR Index

Statutory Reports

Financial Statements

Dear Shareholders,

I am pleased to share that FY 2024-25 was a successful year for POWERGRID marked by strong performance across all business verticals, strategic growth initiatives and sustained value creation for our stakeholders.

During the year, your Company achieved its highest market capitalization of ₹3.4 trillion in September 2024, with the share price touching ₹366.

On a consolidated basis, total income for the financial year rose to ₹47,459 crore, and Profit After Tax (PAT) stood at ₹15,521 crore. The Gross Fixed Assets stood at ₹2,90,715 crore and net worth increased from ₹87,145 crore to ₹92,663 crore, reflecting continued financial strength. A dividend of ₹9 per share was declared for the year.

**‘Excellent’ rating in MoU with
Government of India for FY 23-24**

Continued Operational Excellence

Your Company continues to excel in Operational front maintaining system availability of 99.82% and tripping rate of 0.27 during the year.

I am proud to share that your Company was ranked among top international utilities for its high performance at low cost in the ITOMS 2025 benchmarking study. This valued recognition highlights our growing international competitiveness.

**Commissioned World's largest
Digital Substation at New Navsari**

We commissioned several key projects during the year, including the world's largest Digital Substation at New Navsari and substations at Kurnool-III, Sikar-II and Navi Mumbai. Notably, 765 kV Sikar substation was commissioned within 9-10 months from land acquisition, a noteworthy achievement reflecting efficient execution and project planning. Several major transmission lines were also commissioned, including 765 kV Fatehgarh II-Bhadla II, 765 kV Bhadla II-Sikar II, 765 kV Kurnool III-Kurnool New, and 400 kV Raipur-Dhamtari.

Driving Innovation in Project Execution

With substantial pipeline of transmission projects underway and the need to match with low gestation period of Renewable Energy Generation Projects, your Company has embraced innovative approaches to further strengthen project execution capabilities. A Project Monitoring Control Centre has been set up at the Corporate Centre to facilitate real-time monitoring of construction activities. Further, advanced tower erection and stringing techniques using cranes and drones in Transmission lines

and use of prefabricated materials for substation construction have been introduced. We are using agile engineering and contracting to significantly enhance execution speed, safety and quality.

Further, to address the supply chain concerns we are strengthening our vendor base through bulk procurement strategies and proactive vendor development.

Digital and Technological Leadership

In line with our digital transformation goals, Company has launched several technology pilots viz. Satellite-based e-Vegetation Management at 6 lines of North Eastern Region including 400 kV D/C Silchar- Imphal, 132 kV Alizawl- Tipaimukh; Dynamic Line Loading on the 400 kV Madurai-Tuticorin line and Substation Inspection Robot, developed in collaboration with IIT Kanpur.

During the year we received patent for an invention entitled 'System and method for health assessment of Transformers / Reactors'. This invention relates to centralized monitoring and diagnostics of large fleet of Transformers / Reactors.

We have entered into a master agreement with EPRI, USA for collaboration in cutting edge research in the field of Power Transmission system Construction and Maintenance.

GRIDCON-2025, an international Conference cum exhibition, was organized on the theme, 'Innovations in Grid Resilience'. It saw participation from 32 countries and led towards strengthened collaboration across utilities, academia, and global institutions.

We also signed MoU with ISRO to develop a Spatial Decision Support System for effective tower management.

With a strong focus on cybersecurity, Information Security Advisory Board comprising distinguished experts has been constituted to guide on our cybersecurity initiatives.

Sustainability and ESG Leadership

Environmental sustainability remains central to our strategy. We are committed to achieving Net Zero emissions by 2047 and meeting 50% of electricity consumption from renewable sources by 2025.

- 32.25% reduction in Scope-1 emissions
- 7.82% reduction in Total (Scope-1 and Scope-2) emissions
- 41.59% increase in emission offset
- 41.87% reduction in SF₆ leakage



POWERGRID, through its wholly owned subsidiary, POWERGRID Energy Services Limited (PESL), has developed its 1st Large Scale Solar PV Plant of 85 MW Capacity at Nagda, Madhya Pradesh. A pilot Green Hydrogen project is underway at Neemrana Substation to gain experience on this significant driver of green future. For the first time in India, we have retro-filled 132 kV transformer with natural ester oil at HVDC Pusauli Substation to reduce the environmental footprints of transmission system. We are also exploring eco-friendly alternatives to SF₆ gas. Further we are also phasing out diesel vehicles in favour of electric and hybrid alternatives.

Company has signed a Green Loan Agreement with Sumitomo Mitsui Banking Corporation (SMBC).

Growth Outlook

In FY 2024–25, we achieved capital expenditure (CAPEX) of ₹26,255 crore, surpassing our ₹20,000 crore target, and capitalized assets worth ₹9,014 crore. For FY 2025–26, we are targeting a CAPEX of ₹28,000 crore with expectations for these targets to rise beyond ₹30,000 crore in subsequent years. At present, projects worth over ₹1.5 lakh crore are under execution.

Our business outlook till 2032 anticipates an investment of about ₹3 lakh crore, including ₹2.7 lakh crore in inter-state transmission projects.

Market Expansion

We won 24 TBCB projects during the year, with annual tariff of ₹10,125 crore. Among upcoming milestones are large-scale renewable evacuation projects in Rajasthan, Gujarat, and Andhra Pradesh, Offshore Wind Evacuation Project, multiple HVDC systems including Pang-Kaithal and Company's first TBCB based 6,000 MW HVDC project from Khavda to Nagpur.

In telecom, we achieved ₹1,128 crore in revenue. Projects under implementation include data centres at Manesar and Chennai which are expected to place your company on the path to be a major player in Data Centre Business.

We are actively diversifying into new domains and are collaborating with various CPsUs focusing on Green Hydrogen, Offshore Wind, Data Centre, RE projects etc.

Global Footprint and Cross-Border Connectivity

Our international presence now spans 25 countries, with Oman and Mozambique added recently. We are exploring further opportunities in the USA, Australia, Africa, and the Middle East, including PPP collaborations with Africa50.

Cross-border grid connectivity with Nepal, Bhutan, Bangladesh, and Myanmar is being strengthened. An agreement has been signed with Nepal for implementation of two 400 kV interconnection through formation of JVs.

Empowering Communities

Our responsibility extends to the communities where we serve through impactful CSR Initiatives. In FY 2024–25, we spent ₹360.19 crore across health, education, livelihood, environment, and skill development initiatives. Towards Skill Development, four centres are operational with two new centres underway. These centres will contribute towards enhancing employability, promoting regional growth and addressing the industry needs of skilled workforce.

POWERGRID has been undertaking construction of several Vishram Sadans in premier medical institutions. In FY 2024–25, one Vishram Sadan was inaugurated at Rajendra Institute of Medical Sciences (RIMS), Ranchi and one Vishram Sadan at AIIMS, Gorakhpur was also sanctioned. With these, total eight Vishram Sadans are functional currently and six are under construction.

Governance and People

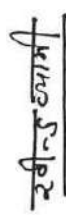
The company is complying with the guidelines issued by the authorities as applicable to public sector undertakings, the details of which are provided in the Corporate Governance Report forming part of the Annual Report.

Our board is diverse comprising 5 functional directors, 2 Government nominee directors, and 3 independent directors, including one woman director.

I extend my heartfelt gratitude to our employees for their unwavering support and cooperation. I extend my heartfelt thanks to our valued stakeholders for continued trust and support.

Let us move forward together, powering India's energy future and enabling a more sustainable world.

Yours sincerely,



(Ravindra Kumar Tyagi)
Chairman & Managing Director

