

08<sup>th</sup> August, 2025

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

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

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

**Sub: Transcript of Analysts' and Institutional Investors' Meet, held on**  
**01<sup>st</sup> August, 2025.**

Dear Sir,

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith copy of Transcript of Analysts' and Institutional Investors' Meet, held on 01<sup>st</sup> August, 2025 at 11:00 A.M. in Mumbai.

Thanking You.

**Yours faithfully,**

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

Encl.: As above



# **Power Grid Corporation of India Limited**

## **Transcript of Analysts' and Institutional Investors' Meet**

**(For Q1 FY 2025-26)**

**Friday, 01<sup>st</sup> August 2025 at 11:00 A.M. (IST)**

### **Management**

Shri R. K. Tyagi	Chairman & Managing Director
Shri G. Ravisankar	Director (Finance) & CFO
Dr. Yatindra Dwivedi	Director (Personnel)
Shri Naveen Srivastava	Director (Operations)
Shri Vamsi Rama Mohan Burra	Director (Projects)
Shri Satyaprakash Dash	Company Secretary & Compliance Officer

## **Transcript of Analysts' and Institutional Investors' Meet**

– **Moderator:**

- Good morning, ladies and gentlemen. Suprabhat. On behalf of Power Grid Corporation of India Limited, we welcome you to the Analyst and Institutional Investors' Meet organized to discuss the company's business and outlook post the declaration of the unaudited financial results for first quarter that ended 30<sup>th</sup> June, 2025.
- I request Shri. Satyaprakash Dash ji, Company Secretary, to please initiate the proceedings.

– **Mr. Satyaprakash Dash – Company Secretary**

- Thank you, Vakul ji. Good morning, ladies and gentlemen. I am Satyaprakash Dash, Company Secretary, and it's my pleasure to welcome you all on this Analyst and Institutional Investors' Meet of Power Grid Corporation of India Limited. Today, our Functional Directors and Senior Management team are present here to discuss the company's business and share the performance outlook based upon the recently announced financial results.
- So, it's my pleasure to introduce our esteemed Functional Directors –
  - Shri. R. K. Tyagi, our Chairman & Managing Director
  - Shri G. Ravisankar, Director (Finance) & CFO
  - Dr. Yatindra Dwivedi, Director (Personnel)
  - Shri Naveen Srivastava, Director (Operations) and
  - Shri Vamsi Rama Mohan Burra, Director (Projects)
- Before starting the presentation, I would like to request the team to show the corporate presentation, please.

Corporate video. (AV plays 02.14-04.16)

- I would now like to invite our Chairman and Managing Director, Shri R. K. Tyagi, to deliver the opening remark and presentation. Subsequent to that, there will be Q&A session.
- So, over to you, Chairman Sir.

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

- Good Morning, everyone. My colleagues on the dais, all investors, my senior colleagues sitting in front rows and in the audience, first of all, I also welcome all the investors who have shown interest in POWERGRID's Investors Meet. We are driving energy transition as per the mission of Government of India. We have a huge mission for RE development in India, which requires huge transmission system and POWERGRID is one of the largest transmission system developers in India and we are committed for achieving the goal of India, 500GW by 2030. 500GW target cannot be achieved without adequate number of transmission lines and transmission system in India.
- With this comment, I will give the presentation for Q1FY26. This is a disclaimer (refer to 1<sup>st</sup> slide), my presentation today covers what POWERGRID is today, what asset base and other parameters, project execution, in operation management how we are performing, how your company is performing in operations, what is the financial strength of POWERGRID and other businesses like Telecom and Consultancy how they are performing and what is the future outlook of the company and in sustainability, CSR and awards how we have performed.
- As you know that we are a flagship power transmission company with Government of India holding about 51%, foreign investors about 26% and domestic about 18%. Inter-regional capacity, we have about 101GW out of total 120GW inter-regional capacity. POWERGRID since 1993-94 has been rated excellent. Since day one, We are operating about 84%, which is 101GW. That means we are integrating power system of India seamlessly and power transmission or power transfer from one region to another region is seamless. Power generated in Himalayas can be transmitted in southern part of the country. And now RE power mainly concentrated in Rajasthan and Gujarat can be transmitted in north-eastern region or in southern region.
- Our domestic and international credit rating is very good, it is at par with the sovereign rating.
- We have 5 functional directors - 2 Government Nominee Directors, 3 Independent Directors including one-woman Independent Director, Smt. Sajal Jha.
- We have a huge transmission asset base, about 1,80,000 circuit kilometer, 1,500 transmission lines, 5,71,000 MVA, transformation capacity and 286 substations. Our system availability is 99.84%. We have large number of HVDC stations, 18 numbers, which is one of the highest in the world. China may be there but we are among the top. As far as 765 kV stations are there, it is largest in the world by any country, 69 numbers. We have 199, 400 kV and below substations. Then for grid reliability and stability, we have 20 STATCOMs and SVCs, 67 numbers of GIS. Transformers, reactor and transmission line

towers are spread in width and breadth of the country. You go anywhere; POWERGRID transmission line tower will be visible.

- Then how we are executing various projects.
  - If you see here CAPEX, we have CAPEX in Q1FY26, ₹6,981 Crore as compared to ₹4,615 Crore last year.
  - In commissioning, we have done already commissioning of ₹2,800 Crore as against about ₹2,400 Crore last year.
  - We have target of about ₹28,000 Crore of CAPEX and commissioning of about ₹22,000 Crore.
  - Q2, we have ₹3,000 Crore worth commissioning target, Q3 about ₹7,000 and Q4 about ₹8,000 Crore. That makes around ₹22,000 Crore.
- These are some elements which have been commissioned.
  - If you see transformers at Kurnool, Navsari, Khavda-II, Khavda-III. The Khavda-II, Khavda-III, these are very critical stations which were required for evacuation of RE power from Khavda region. So, both have been commissioned now.
  - Then Kurnool III is also commissioned, which is also for RE power.
  - Then New Navsari, Namsai in NER and Gangtok in Sikkim eastern region.
  - Substations, we have Khavda-II, Khavda-III, Ahmedabad and Dausa substation. Dausa substation has been commissioned in about 8 months. The foundation stone was laid by me in December'24 and it was commissioned in July'25. So, it was around 8 months, which is a record. Earlier we had a record of Sikar, which was commissioned in about 9 months. That was also 765 kV/400 kV substation and this is also 765 kV/400 kV station. So, this is also a record, not only in India but outside India also.
- So, we have efficient project management and we are committed for timely completion of the project. These are a few examples I am showing. And even our Namsai - Kathalguri transmission line under TBCB, that line has been commissioned 5 months before target schedule. Target schedule was October'25 whereas it has been commissioned in May'25. So, we are committed for early execution of the projects or timely completion of the projects.
- How we have done in the project execution? We have introduced mechanization, especially use of cranes. Mobile tower cranes are being explored. Our team is presently in China exploring the use of mobile tower cranes, how these can be used for expediting tower erections and expediting transmission line project execution. We are using drone for transportation. We are exploring use of drone for transportation of cement bags and other components. And for stringing, we are using drones for pilot stringing.

- In Operations, we have always maintained one of the best parameters in the world. Availability has been more than 99.75%. Last year it was 99.82% and so far, we have 99.84%, which is one of the best availability or transmission system availability in the world. Tripping per line, we have maintained last year 0.27. That means 1 line trip in almost 4 years, which is also one of the best parameters. And we have been benchmarked in the first quadrant, which means low cost and high efficiency. Reliability is more and cost is less.
- So, how we are achieving?
  - We have Artificial Intelligence based defect detection system.
  - We have online condition monitoring.
  - We have digitized various mechanisms.
  - We have remote operation.
  - And through use of technologies, we are able to reduce outage, we are able to reduce failure rates, and we are able to reduce cost of the operation and maintenance.
- In financials, we have already shared –
  - Total income in Q1, it is ₹11,444 Crore,
  - EBITDA about ₹9,500 Crore.
  - Profit After Tax is about ₹3,600 Crore.
  - Our Net Worth has increased to about ₹96,000 Crore and Gross Fixed Assets about ₹2,92,000 Crore.
  - Our Debt Equity is 58:42 - 58% loan and 42% equity.
- These are financial parameters. Transmission charges, consultancy services, telecom, other income put together, it is 11,444 Crore, EBITDA 9,527 Crore and Profit After Tax as shown earlier, 3,631 Crore.
- On standalone basis, income is ₹11,257 Crore and EBITDA ₹9,623 Crore, Profit After Tax is 3,653 Crore.
- If we see other financial parameters, the Gross Fixed Assets are about ₹2,92,000 Crore, Capital work in progress including advance is about ₹41,000 Crore, we have debt of about ₹1,30,000 Crore, Net Worth of about ₹96,000 Crore, Earnings per share ₹3.9 for Q1. Book value per share is ₹103 per share, Debt/equity 58:42. Return on Net Worth is 3.76% for Q1.
- Other financial parameters. We have shown this income for previous periods. Then interest on differential tariff, incentive, dividend and other parameters. These details have been already shared in presentation.

- Our commercial performance has been good. Billing is ₹8,434 Crore, Realization ₹8,671 Crore, Outstanding in Q1 is ₹3,151 Crore against ₹5,548 Crore Q1 of last year.
- In other business, telecom and consultancy:
  - Income from telecom has increased from ₹246 Crore to ₹289 Crore. We have received 58 Crore worth orders. Customers added 16 numbers. Backbone availability has been 100% as always. Intra-city network is there in 500 cities. First international ILD link of 10G capacity has been commissioned. PowerTel, our telecom company, has been felicitated for its role in project of national importance recently.
  - In consultancy, our income is ₹329 Crore in Q1 which includes new business of smart meters, which we got revenue in FY25-26 of about ₹153 Crore. New orders we got 11 numbers and ongoing orders or projects are about 70.
- Then we are trying to take project in Kenya, and it is likely to be mature in this month and we are likely to sign agreement with Government of Kenya for execution of transmission project in Kenya at 400 kV and 220 kV level. It is almost in the final stages of approval.
- So, what are the growth catalyst or what are the opportunities for POWERGRID in future? India is targeting to be \$10 Trillion economy which will need industrialization, urbanization, energy transition and e-mobility. Clean energy commitments will require more than 600 GW of non-fossil fuel and 71 GW of additional electricity demand on account of green hydrogen. Then energy storage about 47 GW of battery energy storage and pump hydro about 36 GW and global energy integration 'One Sun One World One Grid' which will require interconnection with other countries like UAE, Saudi Arabia, Oman, Singapore and other countries. So, POWERGRID will also have opportunity to execute these projects.
- We have about ₹1,48,000 Crore projects in hand which includes TBCB of about ₹99,000 Crore, RTM projects we have about ₹9,000 Crore, new RTM about ₹37,000 Crore and others about ₹2,600 Crore. So, put together we have projects in hand about ₹1,48,000 Crore.
- Our Capex plan is ₹28,000 Crore and which includes RTM of about ₹3,500 Crore, TBCB about ₹19,000 Crore and other projects ₹5,300 Crore. Next year, about FY27, we will have CAPEX plan of about ₹35,000 Crore and in one year after next year, that means FY28, will be about ₹45,000 Crore. So, these are our pipelines for CAPEX.
- In Sustainability and CSR, you see from here that we have published first Sustainability Report in 2009. We commissioned world's first 400 kV shunt reactor with Natural Ester Oil in 2021-22.

- Then we adopted ESG, water and waste management policies. Greenfield digital substations were commissioned at Chandigarh and one brownfield project was commissioned, digital substation, in Malerkotla in 2022-23. Then first integrated report with BRSR was published in 2022-23. In 2023-24, we have come out with Anti-Bribery Management System ISO 37001 certification by BIS. Then we have focused in reduction of this greenhouse gas, that is SF<sub>6</sub>, for minimizing leakage. So, leakage rate we are maintaining at very low rate, and we have target of achieving it better than the norms.
- Then retro filling of bus reactor in Aizawl, then rainwater harvesting and 4 substations we have all-women substation which we call 'Pink station' at Chandigarh, at Yelahanka, at Tughlakabad and at Misa. We also have plan to make 4 more substations as pink station or all-women substation by October'2025. So, we will have 8 all-women substations. So, we are also committed for empowering women power.
- In 2024-25, we also have commissioned first ICT with Ester oil, natural vegetable oil. Then 85MW solar PV project at Nagda has been commissioned.
- And we are exploring alternatives of SF<sub>6</sub> gas, and we have recently ordered three nos. breakers with the green gas which will be installed at Imphal substation. We have also target of installing rooftop solar in our all POWERGRID buildings and our project is already taken up and which has been awarded. Our target is to complete this by December 2025.
- Then in 2025-26 and beyond, we target sustained efficacy in disclosures and leaping towards our ESG goals. And recently we have purchased one 400 kV by 220 kV natural ester oil supplied by Hitachi. It will be very soon, it will be commissioned, which will be also one of the largest transformer with natural ester oil or vegetable oil which will be commissioned in POWERGRID network.
- We have already committed ourselves for 50% electricity consumption from RE. We will achieve this by 2025 December and Net Water Positive, Zero Waste to Landfill (ZWL) and Net Zero by 2047 and maintain Zero Fatality status. We also have strong ESG ratings by CRISIL, NSE, and S&P Global.
- We are committed for ESG requirements. In CSR, we are committed for social upliftment and our corporate social responsibility. Recently at Navi Mumbai, in Tata Memorial Centre we have installed one CT stimulator system to ACTREC.
- Then second digital lab for women's skill training has been set up in Bangalore, NSTI for women. Then initiatives in health and fitness support have been done. Then for boosting energy health care, in emergency health care in Karnataka an ambulance was donated to the Indian Red Cross Society in Karnataka. Recently, we have got these international awards in CSR. This is International CSR Excellence Gold Award. Then GAISA 2025, AI Excellence in energy sector. Then CII-CWL Gender Parity Business Award, we have got for "Purposeful Intent in Services Sector", Gold Award at Economic Times for HR and Skill



Awards for 2025 for best advance in artificial intelligence and machine learning and Greentech 11<sup>th</sup> CSR India Award 2025 in category of gender equality and empowering women. Thank you very much for your patience hearing. Thank you.

- **Moderator:**

- Thank you, Chairman Sir. That really gave a very good round of overview of what's happening within POWERGRID. We now open the Q&A, question and answer session. Kindly raise your hand. Introduce yourself in the house and then we can take the questions one by one. Thank you.

- **Analyst:**

- Thank you, sir, for a very detailed and insightful presentation. So, my question was around future growth levers. You had mentioned four on the slide. I understand TBCB is the core focus with about ₹100,000 Crore already that you had mentioned. But amongst the various levers that you outlined, such as BESS, Green Hydrogen and other areas. If you could give us some more color. If you look at the next 3, 5, 10 years, which of these amongst could be major growth drivers for you. And what is the organization doing in terms of investment, both in terms of people capability as well as other technical skills to capitalize on these growth levers. Thank you.

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

- Thank you. So, our core area is transmission, and we are in telecom business for last many years and now, we are entering in solar, already 85MW is already commissioned at Nagda. It is a commercial project. Apart from this, we have solar panels, solar system at our stations. As regards to Green Hydrogen and BESS, we have already placed order for Green Hydrogen in our Neemrana substation where we will generate Green Hydrogen by solar panels or solar plant installed in the station itself. And that Green Hydrogen, either it will be used in gas form for various applications or it will also have the facility to generate electricity back to the grid. So, in day time, from solar power, green hydrogen will be generated and in night time, electricity will be generated from Green Hydrogen to electricity.
- And regarding BESS, we are trying to venture in BESS. There is a tender in Rajasthan of about 2000 MW/ 4000 MWh. So, we are likely to participate in that project. It depends how we perform there. But we are committed for BESS also and Green Hydrogen also. So, in next 2-3 years, we want to develop as a big player in these areas.

- **Analyst:**

- Thank you very much for your detailed thoughts, sir and all the best to the entire team.

- **Analyst:**

- Hi, thanks for taking my question, sir. Good to see you plan for BESS as well. My question is on capitalization. That is one area we have lagged since last one year. Last earnings call, you highlighted right of way being a key factor, change in guidelines for right of way, which was impacting it. Could you elaborate on that? Is it getting better or does right of way continue to be a big challenge in meeting our aspiration of ₹22,000 Crore capitalization this year?

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

- Let us agree that RoW is a very big problem in India and making a transmission line is very very challenging. But we are taking required actions for ensuring that RoW issues are resolved. But it is a challenge for all the transmission system developers. We have made women cell especially for resolving RoW apart from the normal men or this ROW cell consisting of men and now we have dedicated women cell for RoW resolution only. We have also taken up with Government of India for ensuring that adequate compensation is paid to the farmers. In 2024 June, we were able to issue guidelines for farmers that from 15% to 30% land compensation for RoW. And for tower base from 85% to 200% compensation is paid for the land between four legs of the tower. That was at circle rate. But now in March 2025, Government of India has issued guideline for that circle rate should be replaced by market rate because farmers are not agreeing for the circle rate because market rate may be almost four times to six times that of the circle rate. So, Government of India has now issued guidelines for paying compensation as per the market rate. And how to decide market rate? That procedure is also mentioned in the guidelines that we have to select one land valuer by POWERGRID and one valuer will be by the farmers or the landowners and the two rates will be given by valuers. Average of these two rates will be paid to the farmers. So that way, we are resolving the RoW issues. We are very successful in resolving issues in Maharashtra, Gujarat and to some extent in Rajasthan. In Delhi and Haryana, we are in the process of resolving RoW issues. But still there are challenges, still issues unresolved especially in Delhi and Haryana. So positive action is on the ground. And we are able to commission transmission line. But there have been some lines which are getting delayed because of RoW.

- **Analyst:**

- Thank you, sir. Just a follow up. Directionally, it is getting better. Am I fair to conclude that?

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

- If you compare last year and this year, yes, it is better but there is a lot required to be done.

- **Analyst:**

- Thank you. If I may have one last question. There was a GIB issue earlier in Rajasthan which was impacting transmission lines. Any change in that or is that thing in the past, no longer an issue?

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

- It is no longer an issue now. Now transmission system planner, they are taking care in advance that transmission line, which is being planned now, that is not entering in GIB area. So whatever transmission lines are being planned, and which are being won by POWERGRID or by transmission system developer, that is outside GIB area. So, whatever we are executing now or which we are going to execute in future, that will be out of GIB area.

- **Analyst:**

- Hi sir! Sir, two questions. Firstly, on the Leh project, any update on that? Is there any discussion on sort of changing the technology over here from HVDC to HVAC? And secondly, what we see is, after many quarters, there is a decline in your work in hand. So, while we appreciate that it is also a sign of pickup in Capex but are we seeing a slowdown in auctioning activity? And if yes, then by when it is expected to pick up again? Because what we understand is, quite a lot of that ₹9 lakh crore is still left to be ordered.

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

- As you have seen that about ₹1,48,000 Crore worth projects are in hand and about ₹41,000 Crore projects are work in progress. So, if you add these two, it will be almost ₹1,90,000 Crore or in that range. So, we are not seeing any decline in this area whereas as far as new projects, about ₹29,000 Crore worth projects are approved which are yet to be floated, bids are yet to come. And about ₹39,000 Crore worth projects are already bid out and which are due for submission of the bid or due for e-RA. So put together, we have about ₹67,000 Crore worth projects which are basically for winning or we can win maybe 50% or 60% of those. Apart from this, there are about ₹75,000 Crore worth projects which have been recently approved in NCT, which will be taken up for bidding in future. So maybe put together, if we see that ₹1,40,000 Crore worth projects are up for grab. Okay, as far as Leh and Ladakh project is there, that yes, there has been delay because it is a very challenging project and only one party is now interested to execute this project which is also having some apprehension because it is a very challenging project working at height of 4,500 metres to 5,000 metres. So, whether any HVDC technology is going to work there or not, so that apprehension is there. But nevertheless, they have already submitted their bid which is under evaluation. They have mentioned number of queries which are being addressed, and queries are likely to be resolved in maybe another two months. After that, we are considering awarding the project to that particular HVDC OEM.

Parallely, we are also considering, suppose we are not able to achieve this HVDC, so parallely we are also exploring possibility whether AC transmission network is feasible or not. Yes, we are trying.

- **Analyst:**

- So, by when will we sort of make that decision or on what does it depend, whether to move this from HVDC to AC?

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

- Yes, it will depend, HVDC is most suitable technology for evacuating power from Leh to Kaithal. Because there is no generation, there is no grid connectivity, transmission network is very, very weak, power system is very, very weak. In that condition, HVDC, VSC based HVDC is the best solution. But suppose we are not able to mature that technology or we are not able to finalize the VSC based HVDC system, then AC network will require number of dynamic compensation, synchronous condenser, STATCOMs. So, number of STATCOMs and condensers will be required, which will add to the cost. So far in India, we have not used synchronous condenser, so that is also going to be a challenge. So, these are the differences between these two technologies.

- **Moderator:**

- Next please.

- **Analyst:**

- Hi Sir, can you please mention the capitalization figure for Q1? What you mentioned here was till July.

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

- Yes, we have mentioned commissioning of about ₹2,800 Crore. So, our capitalization is about ₹1,800 Crore.

- **Analyst:**

- This was Q1?

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

- For Q1 and because there are some projects, they get capitalized when all the elements of that particular project are commissioned. Like for example, KPS-3, which is a project substation is there, 765kV/400kV substation, where three transformers are there, reactor

is there, 400kV reactor is there, then there is a transmission line between Khavda-II to Khavda-III and there are two circuits in that. So, all elements are commissioned except one circuit of Khavda-II to Khavda-III elements, which is likely to be commissioned very shortly. So once this element is also commissioned, then we will capitalize that.

- Similarly, at Khavda-II also, there are four transformers, 765 kV substation, GIS, 400 kV, then transformers and reactors. So, two transformers are already commissioned, power flow is there through that, evacuation from 400 kV generation to 765kV, Lakadia is already happening but since we have not commissioned two numbers of transformers, so we are not able to capitalize that. So, like that, there are some elements which are commissioned, and they are serving the grid, but we are not able to capitalize because project consists of number of elements.

- **Analyst:**

- Thank you, sir. And the capitalization target which you gave for ₹22,000 Crore, this for FY26, can you same provide for FY27-28?

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

- Because now any project takes about 2-3 years for commissioning. So now if we are saying, out of ₹38,000 Crore work in progress, so ₹22,000 Crore worth projects are going to be commissioned this year. And moreover, we will have Capex of about ₹28,000 Crore, out of which almost ₹6,700 Crore capex is already done. So about maybe ₹21,000 crore Capex will be added in that. So again, there will be ₹20,000-₹25,000 Crore worth capitalization in next financial year also, maybe about ₹25,000 Crore.

- **Analyst:**

- Okay. And sir, what we have been seeing in your transmission revenue, if I compare it with last four quarters, it has more or less been stagnant in spite of adding almost 9,000 Crore on the capitalization plus. Any reason for the stagnancy?

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

- If you see that POWERGRID's business model in RTM, because almost so far, our RTM projects are dominant and most of the revenue, maybe almost 90% of revenue comes from RTM projects. In RTM projects, the business model or revenue model is as per CERC, that initial 12 years, the depreciation will be 5.28% and after say 12 years, the depreciation is going to be say 1.8% or so. So, every year, some elements or some projects are completing 12 years, so our depreciation is reducing. Okay. So that is part of the tariff. If depreciation is reducing, our revenue is reducing. So, this is one reason.

- Second reason is our loan also period could be 10 years; period could be 12 years. So, after 12 years, the loan part is almost over. So, interest on loan and that component also reduces. The interest on loan is pass through and we get in terms of revenue. So that part is also reduced. So, like that, every year our revenue from RTM is getting reduced, which is getting compensated by revenue from the TBCB projects. If we commission more and more projects, then only our revenue will become more and more. Otherwise, if we are not able to commission more than ₹20,000 Crore projects in TBCB, our revenue model, it will be almost constant or sometimes it may reduce also.
- **Analyst:**
- Fair enough, sir. Thank you for this.
- **Moderator:**
- Yes please?
- **Mr. Sumit Kishore – Axis Capital:**
- Sumit Kishore from Axis Capital. My first question is, why has consolidated profit for POWERGRID declined by about 2% year on year? Is there any one-off or any other item that you would like to call here? That's my first question.
- **Mr. R.K. Tyagi – Chairman & Managing Director**
- Okay. As far as profit on stand-alone basis, it has increased by about 4%.
- **Mr. Sumit Kishore – Axis Capital:**
- 7%.
- **Mr. R.K. Tyagi – Chairman & Managing Director**
- 7%. And as regards on console basis, it has come down. And main reason for this is, our expenditure in CSR is about ₹70 Crore more as compared to last year in Q1. Second element is our loss from EESL or our joint venture company is more and that has led to depreciation or dent in profit. So, these are major two factors.
- **Mr. Sumit Kishore – Axis Capital:**
- How much was lost from EESL?

**Mr. G. Ravisankar – Director (Finance) & CFO**

- ₹70 Crore.

**Mr. Sumit Kishore – Axis Capital:**

- Okay. And there were some prior period items also which were higher last year as compared to this year?

**Mr. G. Ravisankar - Director (Finance) & CFO**

- Ya, ya.

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

- One-time.

**Mr. G. Ravisankar - Director (Finance) & CFO**

- Actually, that's the one-time orders will be there. But main reason is like, if you say only in console if you compare because this CSR is in standalone also. Standalone to console and mainly the reason is, the ₹70 Crore of the JVs contribution to the loss.

**Mr. Sumit Kishore – Axis Capital:**

- So, you mentioned about ₹670 billion of projects which could get bid out. Is that the target for the remaining financial year? You think this could get bid out or.....?

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

- Yeah. ₹39,000 Crore are already up for grab. And we have already participated like in HVDC from Khavda III to South Olpad, which is having NCT cost of about ₹12,000 Crore and whereas actual project cost may be around ₹18,000-₹20,000 Crore. So that is already there in market. There are some major projects in UP like Roberts Ganj, Vindhyachal and Prayagraj, like that, number of projects are there, and more projects are likely to be..... all ₹67,000 Crore project I think, it will be finalized within this financial year.

**Mr. Sumit Kishore – Axis Capital:**

- So, this South Olpad will be a VSC HVDC project?

- **Mr. R.K. Tyagi – Chairman & Managing Director**
- Ya, VSC project.
- **Mr. Sumit Kishore – Axis Capital:**
- And sir, could you outline what is the pipeline of HVDC projects, both for LCC and VSC separately which could get awarded in the next 3 years and could commence construction on ground?
- **Mr. R.K. Tyagi – Chairman & Managing Director**
- Yeah, there are like Khavda KPS 3 to South Olpad. It is already, bid is already submitted, and it will be anytime, e-RA will be done. Then we have already approved Barmer to South Kalamb which is LCC based conventional HVDC. And it is already approved in NCT and may be another 2, 3 months, it will come for bidding. Then there is a HVDC from Bikaner V to Begunia. Again, it is 6,000MW project. And it is expected commissioning is about 2029-30. Apart from there, there will be India - Sri Lanka HVDC project and Paradeep to Andaman also it is in pipeline. Then there is Imphal to Myanmar, Back to Back HVDC project is there. So as of now these are visible whereas there are number of more projects but visibility is for these projects.
- **Mr. Sumit Kishore – Axis Capital:**
- For the next 2, 3 years.
- **Mr. R.K. Tyagi – Chairman & Managing Director**
- Ya.
- **Mr. Sumit Kishore – Axis Capital:**
- And inter-country HVDC projects would be VSC or LCC?
- **Mr. R.K. Tyagi – Chairman & Managing Director**
- It will be VSC based only because if it is a very long distance, when we are talking about Saudi Arabia or Oman or UAE. So, it is going to be VSC only.
- **Mr. Sumit Kishore – Axis Capital:**
- Just final thing, what would be the rough project cost you think that could be there for the South Kalamb project?



- **Mr. R.K. Tyagi – Chairman & Managing Director**
- South Kalamb to Barmer? May be somewhere about ₹30,000 Crore. Although they have mentioned ₹24,000 Crore NCT cost. But actual project execution cost will be around ₹28,000-₹30,000 Crore.
- **Mr. Sumit Kishore – Axis Capital:**
- Thank you so much.
- **Mr. G. Ravisankar - Director (Finance) & CFO**
- Sumit, to be precise to your question like we have a standalone profit of ₹3,653 Crore and we have a profit of ₹364 Crore in subsidiaries but again in Q1 we took a dividend of ₹342 Crore to POWERGRID. So, that gets eliminated. So, actually we are left with only some ₹20 Crore growth in the consolidated, but because of the JV loss it is coming down.
- **Mr. Sumit Kishore – Axis Capital:**
- Got it. Thank you.
- **Mr. Girish - Morgan Stanley:**
- Sir, Girish from Morgan Stanley. Sir, the numbers that you disclose on work in hand, just a clarification, that is NCT cost or is it your project cost?
- **Mr. R.K. Tyagi – Chairman & Managing Director**
- Mostly it is NCT cost, except our Khavda - Nagpur because NCT cost was only ₹24,000 Crore whereas the project cost is about almost ₹35,000 Crore.
- **Mr. Girish - Morgan Stanley:**
- And if you can give a rough estimate because things are evolving on the cost side. On the TBCB work in hand, what could be the completed project cost for the portfolio that you are sitting on right now?
- **Mr. R.K. Tyagi – Chairman & Managing Director**
- Can you repeat?

- **Mr. Girish - Morgan Stanley:**
- The TBCB work in hand versus....
- **Mr. R.K. Tyagi – Chairman & Managing Director**
- Work in hand we have say ₹99,000 Crore almost.
- **Mr. Girish - Morgan Stanley:**
- Yeah. So, on that what could be your expected project cost that you would actually incur?
- **Mr. R.K. Tyagi – Chairman & Managing Director**
- No. We will target only that only, about ₹99,000 Crore unless until there is some force majeure or change in law. Like suppose there is a government order for compensation of land, more compensation is to be paid to the farmers which has come after we won the project. So that will be covered under change of law. If such force majeure or change in law is there, that is going to be additional.
- **Mr. Girish - Morgan Stanley:**
- And on capital good equipment suppliers, are you seeing more inflation right now versus what you have bid the projects in the last let's say 12 months? And if you could quantify what could be the inflation here?
- **Mr. R.K. Tyagi – Chairman & Managing Director**
- Actually, the supply, if you see any project these days, TBCB or RTM project, about 50% cost is supply cost. About 35%, 30% to 35% is civil and erection cost. About 15% to 20% is about RoW cost. The supply cost is increasing now because demand is more. If you consider transformer, if you consider GIS, if you consider breaker, if you consider maybe insulator or even tower parts also. So, the normal inflation which could be 5% to 6%, maybe 7%, 8%. So, every year we are seeing increase in transformer cost, maybe 15%, sometimes 10%. So, it is varying from 10% to 20%. So, transformer cost in last 7 years has gone more than 2 times, with the cost which was about ₹14 Crore, it is almost now ₹30 Crore. And it is the case for almost all element, if you talk of breaker, if you talk of GIS. So, where GIS bay, suppose which was about ₹6 crore per bay, now cost is about ₹14 to ₹15 Crore per bay.

– **Mr. Girish - Morgan Stanley:**

- Sir, last two questions, how much have you already ordered out and how much is pending to be ordered from your works in hand?

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

- That figure, I am not having ready, that value. But almost whatever we win the project, within 3 months, we award all the projects. So that is our standard condition that at the time of e-RA, all costs are in our hand and within 1 month or 2 months, we award all the packages.

– **Mr. Girish - Morgan Stanley:**

- Okay, and last question on commissioning, when you are referring to ₹22,000 Crore and ₹25,000 Crore, if you can help us with the split between RTM and TBCB, what could be the numbers there?

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

- We don't have many RTM projects, so maybe I can say in percentage only, maybe about 85% TBCB and 15% of RTM. Maybe in 2025-2026, we have a major project of Navsari, Padghe, and Kurnool, Maheshwaram, that is under RTM. Otherwise, next year, it will be almost 90% TBCB and maybe 10% RTM only.

– **Moderator:**

- Last couple of questions, later on you can meet one on one.

– **Mr. Chirag - New Asset Management:**

- Hi, sir. Chirag here from New Asset Management. So, in terms of, if you look at the project size you have won and ₹1,48,000 Crore of opportunities, so are you seeing any significant bottlenecks in terms of the value chain for let's say transformers or the transformer components over the next 3-5 years?

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

- Yes, it is a very big challenge. Like whenever we are coming out with any bid, we are hardly getting 2 manufacturers or 2 suppliers for each tender and because everybody's hands are full and whatever cost they are asking, we have to give that cost. So, it is a very big challenge, and it is going to be a very big risk for every one of us. But what we are doing, we are procuring transformers and major components well in advance without when a project is also not in our hand, we are procuring the critical equipment well in advance.

Like we are procuring 30 transformers in one package and maybe one project may be having say 6 transformers or 9 transformers. So, once we have 30 transformers in hand, so it will be sufficient for 2-3 projects. So, we are taking care by advance procurement action for meeting this challenge.

– **Mr. Chirag - New Asset Management:**

- And if you look at the EPC players, there are quite a few numbers of EPC players in transmission projects. So, do you find any companies better than others or any execution challenges on that part and what criteria you follow?

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

- Like challenges are almost same, like being a government company, we have more regulations, we have more audits, we have more these things. So, whereas at the same time, we also have better, financial cost is better. So, we have plus minus both ways.

– **Mr. Chirag - New Asset Management:**

- But do you find any particular companies better than others?

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

- Can you repeat?

– **Mr. Chirag - New Asset Management:**

- Do you find any particular companies better than others when you are dealing with them?

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

- I cannot comment on that. *(Laughing)*

– **Mr. Atul – J.P. Morgan:**

- Sir, this is Atul here from J P Morgan.

– **Moderator:**

- It's a right way to ask you about your competition sir.

- **Mr. Atul – J.P. Morgan:**
- Yes sir. Hello sir. Yeah sir, I have a question on the future market opportunity. Yes sir, this is Atul here from J P Morgan. Beyond this ₹1.5 lakh crore that you are in the free for, ₹75,000 Crore approved by NCT and the other part, how much more could be awarded over next 3 to 4 years as per the plan?
- **Mr. R.K. Tyagi – Chairman & Managing Director**
- If you have seen this NEP plan 2032, which says about ₹9 lakh worth transmission system by 2032. That means all should be awarded by 2030. And out of ₹9 Lakh Crore, about ₹3 lakh Crore only have been now awarded. So almost ₹5.5 to ₹6 lakh crore projects are yet to be awarded in next 5 years. So, you can say that maybe ₹1 lakh crore per year should be the target at least.
- **Mr. G. Ravisankar - Director (Finance) & CFO**
- And it includes intrastate also?
- **Mr. R.K. Tyagi – Chairman & Managing Director,**
- That includes intrastate, yes.
- **Mr. Atul – J.P. Morgan:**
- And are we seeing some kind of traction on intrastate right now or it is?
- **Mr. R.K. Tyagi – Chairman & Managing Director**
- Intrastate, many states have come out with TBCB transmission line, especially MP, Maharashtra, now Karnataka is also showing interest. They have fixed some threshold level, maybe ₹100 Crore. Like Karnataka has threshold level of ₹250 Crore. Then Maharashtra is having ₹500 Crore, MP is having ₹250 Crore. That means above this threshold level, all the projects will be under TBCB. So, we will have opportunity there in these states also.
- **Mr. Atul – J.P. Morgan:**
- Okay, thank you. Thanks a lot.
- **Analyst:**

- Thank you, sir, for all the detailed answers. I have just two final small questions. One is on your financing strategy. You talked about the annual Capex of about ₹30,000 Crore. But if you look at over the next three years, it is about ₹1,05,000 Crore, of which maybe about ₹55,000 Crore may be debt. But if you could also tell us on the two InvITs, and equity raising plans, etc., to finance the ₹1,05,000 Crore Capex over the next 3 years? Thank you.
- **Mr. R.K. Tyagi – Chairman & Managing Director**
- Yes. There is no challenge in raising finance. Like normally for TBCB project, we have requirement of about 20%, we normally invest 20% as equity. So, 20% equity means if we divide it by 3 years, so every year we will have say ₹7,000 to ₹8,000 Crore equity. So, our profit will be about ₹16,000 Crore. So, we can very well manage from our resources, internal resources. And from market, our balance sheet is very strong. So we are able to take one of the best solution or we can have best loan from the market at 6.9% or 6.95%.
- **Analyst:**
- Sure, thank you. And my final bookkeeping question is to Ravisankar Sir. While we are happy to look at on an annual basis, but if you look at this latest quarter, your operating expenses on a consolidated basis, moved from ₹1,462 Crore to ₹1,873 Crore, about 28% growth. If you could give us some more color on that?
- **Mr. G. Ravisankar - Director (Finance) & CFO**
- No, actually, that includes the SCA accounting on account of the smart metering. Like smart metering business which we are doing in Gujarat. So there the model is like even though it's on a consultancy, but we will have to account as income as well as the expenditure. Around ₹135 Crore of an expenditure has been included in the other expenditure. And in addition to that, like ₹79 Crore of an extra CSR compared to the Q1 and other R&M expenditures. That's why it is, plus the FERV always will be there, which is again coming as a net movement. So that's the reason.
- **Analyst:**
- Got it. Thank you for all the detailed answers and all the best to the entire team.
- **Moderator:**
- Ladies and gentlemen, allow me to call this as a day for the Q&A. Of course, the management is available for you. I now invite Shri. L. K. Khajkumar ji, he is the Executive Director, Corporate Planning, to give the vote of thanks.
- **Mr. L. K. Khajkumar - Executive Director - Corporate Planning**

- Thank you, Mr. Vakul. Good afternoon, everyone. As we conclude today's investors' meet, I would like to extend my heartfelt thanks to all of you for joining us.
- At the outset, I would like to thank our investors and analysts. Your interest, questions and the trust in POWERGRID means a lot for us. Your feedback helps us to improve and stay focused on creating long-term value.
- A big thanks to the senior leadership for presenting our performance and future outlook. It's always inspiring to hear how we are driving progress in a rapidly evolving energy landscape. Our special thanks to the Western Region I team. Your dedication and flawless on-ground coordination made today's event possible. We truly appreciate the efforts of the WR-I team. We also thank M/s. AdFactors, M/s. Antique Limited and their professional support. Big thanks to the team of ITC Maratha for the warm hospitality.
- As we move ahead, we remain committed to our goals and core values of transparency, reliability and sustainable growth. We look forward to having more such interactions that help us to learn, improve and strengthen our bond with our stakeholders.
- So, thank you once again and wishing you a good day ahead. Thank you very much.

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