

31st May, 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 24th May, 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 24th May, 2024.

Thanking You.

Yours faithfully,

(Satyaprakash Dash)
Company Secretary &
Compliance Officer

Power Grid Corporation of India Limited

Transcript of Investors & Analysts' Meet (Q4 and Financial Year ended 31.03.2024)

24th May, 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)

Investors & Analysts' Meet of Power Grid Corporation of India Ltd.
(Q4 and Financial Year ended 31.03.2024)

- **Moderator**

- We welcome you to the Investors and Analysts' Meet to discuss the fourth quarter and annual financial statement for the FY 2023-24. I now invite Mr. Satyaprakash Dash, Company Secretary, to initiate the proceedings.

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

- Thank you. Good morning, ladies and gentlemen. On behalf of POWERGRID, I welcome you all to this Investors and Analysts Meet. Today, our senior management is there with us to discuss the company's business performance and financial things based on the recently published financial result. It's my pleasure to welcome the senior management of POWERGRID and introduce them. Mr. R.K. Tyagi - our Chairman & Managing Director, Mr. Abhay Choudhary – Director (Projects), Mr. G. Ravisankar – Director (Finance) & CFO.

- Before proceeding further, we are presenting a short video on POWERGRID.

(Audio-Video plays 01.17-04.37)

- Thank you. I will now request our Chairman & Managing Director address the gathering. Subsequent to this, the floor will be open for question-answers. Chairman Sir, please.

- **Mr. R.K. Tyagi - Chairman and Managing Director:**

- Good morning, everyone. Honorable investors, our partners and colleagues, on behalf of POWERGRID I want to thank everyone for attending this Investors Meet along with my Board colleagues, Mr. Abhay Choudhary, Mr. G. Ravisankar are there. Our Director (personnel) Dr. Yatindra Dwivedi, has gone to U.S. for receiving one of the very prestigious ATD BEST Award 2024 which we have received for the third time. It is a matter of pride for all of us.

(Audience applauds)

- I also want to congratulate each one of us for surpassing market cap of Rs. 3 Lakh crore on 21st May, 2024 and the speed at which it has surpassed 3 Lakh crore from Rs. 2 Lakh crore in first week of December 2023 by 21st May, 2024; almost 5 and half months. So, there are many more achievements, milestones in future to come. I, on behalf of POWERGRID, I assure every one of you that we are committed to achieve many more milestones in future.

- Today, I will cover POWERGRID overview, major highlights, performance of POWERGRID, what is the growth outlook in next 7-8 years and what awards and accolades we have received in recent past. As you know, we are a Maharatna company, Schedule "A". As per DPE, we are third profit making CPSE after ONGC and NTPC. Market cap, as I told that, we have achieved on 21st May, 3 lakhs crore.

- We have our operations throughout India, with neighboring countries like Nepal, Bhutan, Bangladesh. We have cross border interconnection of about 4,000

Megawatt. We also have footprints in 23 countries with 47 subsidiaries, 12 joint venture companies and 4 associates. We are handling huge asset base; one of the largest transmission companies in the world.

- Our operations, our credit rating are excellent. It is at par with sovereign rating/credit rating domestically and international.
- As I told that the widespread transmission asset about 1,77,000 circuit kilometers and 1,503 transmission lines are spread across India. You go to any state, our transmission tower is there with 278 substations, 5,27,000 MVA capacity. Interregional capacity about 99,580 Megawatt, which is almost 83% of interregional capacity. This indicates that more than 100,000 Megawatts can be transmitted from one corner of the country to another corner of the country. Power generated in Tamil Nadu can be transmitted to Leh and Ladakh. Similarly, hydropower generated in Arunachal Pradesh can be fed to Delhi and Haryana.
- We are handling almost 99% system availability. Last year it was over 99.80% availability, which is one of the highest in the world. Our tripping also, it is one of the best in the world. So, our operations are excellent and our experts, technical expert team is working day and night to ensure availability and reliability of power system in India.
- Two years back in '2021, 2022', during COVID period, everyone witnessed that power supply was maintained reliably, and our dedicated manpower worked day and night even in COVID days and ensured that reliability of power be it Leh, be it Arunachal Pradesh, be it Sikkim. So, everywhere it was maintained.
- We have HVDC systems; about 18 stations, 800kV and 500kV, which is one of the highest system voltage. One multipole carries almost 6,000 Megawatts. That means one HVDC line, it can carry 6,000 Megawatts which is more than the requirement of metro cities like Mumbai, Hyderabad, Chennai and other cities except Delhi where power demand is about 8,000 Megawatt. Otherwise, one HVDC can feed one full big city, metro city.
- We have 62 765kV substations, 167 400kV substations and for reliability and dynamic compensation for reactive power management we have dynamic compensation, SVC (Static Var Compensator) and STATCOM 20 numbers, 63 GIS especially where land scarcity is there. We have state-of-the-art technology through GIS up to 765kV and our transmission towers which are spread on hills, mountain top, river; everywhere. Whatever be desert, be it dense forest everywhere our towers are spread across country. We have more than 3,800 transformers and reactors.
- **MAJOR HIGHLIGHTS:**
- We have won 13 ISTS TBCB projects in FY 2024 like -
 - Bidar, which is Bidar substations and Bidar to Maheshwaram transmission line 765kV level.
 - Sikar Khetri Transmission System, that is two transmission line from Sikar to Khetri and Narela.
 - Koppal II and Gadag II transmission Limited which is also two numbers of 765kV lines and one 400kV line with two stations- one 400kV and one 765kV.
 - Vataman Transmission Limited, it is for evacuation of power to be generated in Khavda area. Khavda; huge potential is there over 40,000 Megawatts. So, it is part of their Transmission Evacuation System.

- Neemrana to Bareilly Transmission Limited.
 - Bikaner III to Neemrana, this is for evacuation system of Rajasthan Renewable Power. Bikaner III substation and associated Bikaner III to Neemrana, two transmission line.
 - Ramgarh II Transmission Limited. It is Ramgarh substation plus Ramgarh to Badla-III 765kV transmission line.
 - Then, Beawar Dausa 765 kV.
 - Ananthpuram Kurnool Transmission Limited.
 - Rajasthan; we have Barmer Complex, Jaisalmer and Barmer Complex. It is part of 5.5 Gigawatt Part E and Part C.
 - Then Khavda area of Gujarat-Phase-IV, Part 2, Part E2, which is basically augmentation capacity of Khavda II and Khavda III; KPS II, KPS III.
- In terms of NCT cost, it was about 65% of total project which were bid in FY23-24 and annual tariff is about 64% of the total.

- **OTHER HIGHLIGHTS:**

- The cabinet approved Green Energy Corridor, especially for Ladakh, Pang to Kaithal HVDC and at Pang and Kaithal VSC stations and associated AC transmission line at Pang and Leh. This was approved in FY23-24.
- Then MoU we have signed with RVPNL, Rajasthan for formation of 74:26 JV company for intrastate transmission projects initially for about 10,000 crores transmission system and maybe later on many more will be there. Similarly, we are also in discussion with Andhra Pradesh Transmission company APTRANSCO for formation of JV company similar to Rajasthan and also with Assam and U.P. So, intrastate transmission system also is likely to be developed by POWERGRID through joint venture or through Intrastate TBCB companies.
- We have successfully completed five numbers TBCB projects in financial year. We are not only winning the project but also completing. POWERGRID Ramgarh Transmission Limited, which is execution or setting up of Fatehgarh III substation and Fatehgarh III to Fatehgarh II transmission line. Fatehgarh III to Jaisalmer transmission line at 400KV level.
- POWERGRID Bikaner Transmission System Limited, which is setting up of Bikaner II substation. Then from Bikaner I to Bikaner II 400kV line and then Bikaner II to Khetri 2 numbers of 400kV double circuit line. Then Khetri to Bhiwadi.
- Then POWERGRID Meerut Simbhavali Transmission Limited. It was basically intrastate transmission system, part of U.P. where we have set up Meerut substation 765kV/400kV and Simbhavali 400kV substation with 400kV transmission line between Meerut and Simbhavali and LILO of Hapur-Noida at Meerut.
- Then Muradnagar to Simbhavali 400kV line. So this was commissioned in FY'24.
- Then most prestigious POWERGRID Neemuch Transmission Limited, which was linked with the generation of solar power in Neemuch area. This we have completed in last financial year which involved Neemuch substation at

400kV/220kV and 400kV transmission line from Neemuch to Mandsaur and Neemuch to Chittorgarh.

- Then in another intrastate transmission line, Gomti Yamuna Transmission Limited, which involves setting up of 400kV Mohanlalganj substation, which is close to Lucknow and associated transmission line in U.P. That was also completed last year.
- Then we also signed supplementary agreement with Ladakh Power Development department for setting up of border area works for Ladakh U.T. sanctioned under RDSS scheme of Government of India.
- We also granted patent for Thermal energy storage based air conditioning system and a method to manufacture the same. It is a matter of pride for POWERGRID that our operations have been certified for ISO 55001 for Asset Management System Certification. Only limited companies worldwide have been certified for ISO 55001 in recent past. It ensures that reliability of our system is maintained, all risks be it political, be it financial, be it safety, be it reliability of system are taken care if we have ISO 55001 and our reliability is maintained. There will not be any surprise for the management that something has gone bad. So, if this system is implemented then our systems are in place and all risks are taken care beforehand. So, it is a very prestigious. I want to compliment POWERGRID team for achieving this ISO 55001.

(Audience applauds)

- Your company has also shown transparency. We have been certified by BIS for implementation of Anti-Bribery Management System. ISO 37001: 2016, it was recently certified by BIS. So, the code of Integrity Pact, Transparency and Ethics in POWERGRID will be ensured. They are already there in place but we have been certified also now.

- **PERFORMANCE HIGHLIGHTS:**

- As I told, we have executed the 5 TBCB companies which involved 19,720 MVA capacity, 6 numbers of substations and 4,036 circuit kilometers of transmission line.
- The name of transmission line are, as I told-
 - Bikaner to Khetri, 2 number double circuit lines.
 - Then Lower Subansiri-Biswanath Chariali, which is linked with hydro generation of about 2,000 Megawatt at Lower Subansiri of NHPC.
- So, these have been commissioned before generation. So, one line was commissioned in 2022, second line has been commissioned now; second double circuit line.
 - Then Khetri-Bhiwadi.
 - I had told Neemuch-Chittorgarh.
 - Sitamarhi-Dhalkebar is the international line between Nepal and India.
 - Fatehgarh III to Jaisalmer II. And these are the stations at Meerut, Fatehgarh III, Bikaner II Simbhavali, Mohanlalganj and Neemuch.

- In project execution, we had target of about Rs. 8,800 crore last year in FY24 but with the support of our partners we were able to achieve Rs. 12,500 crore CapEx in FY24, which is over 4% of our Gross Block, which is about Rs. 2,75,000 crore.
- This year we have target of about 6% growth, from 4% to 6%, which will be around \$2 billion; maybe about Rs. 17,000 crore. Or we will try to achieve even better than 17,000 crore.
- Capitalization was Rs. 7,618 crore, this year we will try to double it. We have many projects in pipeline and we are working day and night to achieve our capitalization; double of what we achieved last year. Maybe around 15,000-16,000 crores.
- Our operational efficiency, I told that it is one of the best in the world and continuously we have been achieving. That means our operations are in safe hands. Our experts are working day and night. We were able to achieve 99.85% availability last year and tripping was 0.28 tripping per line. That indicates that out of four lines only one line trips or one line trips in four years; 0.28 tripping per line.
- And this had been possible by adoption of latest technology, intelligent inspection in POWERGRID. We are using headgears to ensure that every activity is monitored by experts sitting at Control Center and person working at site will be transmitting the picture or the details of the work being done at site through headgear to the experts sitting in Control Center.
- Then Reliability Center Maintenance. I told that all assets are being mapped and we are mapping each asset. If we have 290,000 towers or 3,800 transformers and reactors, around 15,000 breakers, about 20,000 current transformers, about 14,000 CVTs, 12,000 about surge arresters. So, put together we have about 400,000 equipment together. So, manually it is not possible to monitor and analyze and map the risk involved in each asset. So, we have mapped each and every asset digitally and we have mapped risks associated with each element digitally and action taken for repair and maintenance, monitoring being done considering the risk involved in each element or each equipment. So, through Reliability Center Maintenance we will be able to ensure that there is no surprise for the management. Everything will appear on the dashboard and all risk will be mitigated before time.
- The, remote operation of substations. As you know that our all substations are being remotely operated from our Control Center at Manesar and Regional Control Center in each region. So, all stations are unmanned, operations are remotely done. So, chances of human error are minimized to ensure that reliability and fatal accidents and everything can be ensured in a better way. Then equipment through PALMS (POWERGRID Asset Life Management System). Digital substations, we have implemented at Malerkotla and Chandigarh. Now we have two more stations, one at Navsari 765kV and Kanpur 400kV. Through patrolling of transmission line, we are using a high zoom camera and drone patrolling is also being done. Once picture is taken through camera, through drone or manually, this picture is transmitted to the software through our internal communication system. Then automatically defects are identified and defects will be identified in each and every tower and automatically through Artificial Intelligence and Machine Learning the data will be transmitted to the Maintenance Engineer or maintenance crew at site and automatically defect will be communicated and defect report will be made so that action can be taken by the concerned Maintenance Engineer. So, without waiting for the report from site, the report is generated automatically so that action and reliability of the system can be maintained.

- We have Center of Excellence for control and protection system at our Control Center in Manesar and PG-DARPAN and other applications are in place to ensure that our transmission network is safe, it is reliable, it is properly maintained.
- I will tell that we are in the process of implementing Asset Management Performance through world renowned vendors like IBM, Accenture, GE, TCS, LTI Mindtree, AREVA and this Asset Performance Management System has been implemented by world best utilities like TERNA Italy, Fingrid Finland, ISA Columbia, National Grid U.K., TenneT Netherland, TNB Malaysia, OETC Oman, then Eirgrid Ireland, DEWA in UAE. Our experts have visited TERNA Italy, ISA Columbia, Fingrid Finland ElectraNet Australia to see their system so that best of these utilities can be implemented in POWERGRID. These utilities claim that the operations cost can be optimized, it can be reduced by 15%-20%. So, after implementation of this Asset Performance Management System we are hopeful that at least 10% operations cost can be reduced in POWERGRID also apart from ensuring reliability and security and risk management.

- **THE FINANCIAL PERFORMANCE:**

- If we talk of Q4 FY24, income was about Rs. 12,254 crore, profit is Rs. 4,128 crore. On consol basis, this was Rs. 12,305 crore and the profit is Rs. 4,166 crore. So, there is a slight dip in Q4 because of one-time order of Raigarh-Pugalur. We got some arrears in the last quarter of FY-23 and there was some arrears pending, there was some CERC order received in the last quarter of FY-23 and we got somewhere about 200 crores for Nagapattinam, our TBCB project, which was pending for some time and we got some one time tariff for these assets. So, that is why last year it was slightly more as compared to this year. If you see the profit, so it is slightly different. So, this is because of that reason.
- If we talk of total financial year, we have achieved about Rs. 45,815 crore income, profit of Rs. 15,475 crore which is slightly higher than the total income we achieved in FY23. On consol basis also, Income is Rs. 46,913 crore, profit is Rs. 15,573 Crore. So, on Q4 to Q4 comparison, we are slightly lower considering our one time order for Raigarh-Pugalur and Nagapattinam but on overall basis for the financial year we are almost 1% higher than the last year FY-23.
- These are the details of our financial performance. In Q4, the total income was Rs. 12,254 crore, for complete year it was Rs. 45,815 crore. EBITDA margin (excluding Telecom) of Q4 was Rs. 10,358 crore and for complete year it was Rs. 40,045 crore. Profit After Tax Rs. 4,128 crore and Rs. 15,475 crore. On consol basis also it is slightly better than last year; almost 1% higher than last year.

If we see our overall financial performance, as I told that, on consol basis we have Rs. 2,75,991 crore gross fixed asset or gross block and we achieved about Rs. 12,500 crore capex. So this year, we are targeting to be more than 6-7%. Work in progress, we have Rs. 19,468 crore projects in progress. Long term debts have decreased from last year. It was earlier Rs. 1,25,000 crore approx. Now it is Rs. 1,20,000 crore approx. Net worth on consolidated basis is Rs. 87,000 crore approx. from Rs. 83,000 crore approx. Earning per share is Rs. 16.74 on consolidated basis. Then book value per share 93.70. Debt equity has improved from 61:39 to 59:41 and return on net worth is 17.87%.

- Other key financial parameters, income for previous periods, consol basis Rs. 826 crore. Interest on differential & final tariff Rs. 966 crore. Interest from subsidiaries and JVs Rs. 1,459 crore. Surcharge (consol) Rs. 146 crore, incentive (consol) Rs. 573 crore, dividend from JVs 68 crore, dividend from subsidiaries Rs. 891 crore, dividend

from associates, PGINVIT & others about Rs. 79 crore. CSR expenses Rs. 312 crore, FERV (Gross Block) Rs. 191 crore, equity in TBCB Operation, we have about Rs. 3,809 crore, equity in TBCB under construction Rs. 598 crore, short term loans about Rs. 2,694 crore.

- If we talk of dividend, so this year, happy to announce that, this financial year 23-24, we are the highest dividend payer company and dividend for current year is Rs. 10,463 crore as compared to Rs. 10,289 crore last year. Last year, it was 67% of PAT and this year it is about 68% of PAT. In September 23, we have given bonus shares, 1 share for every 3 shares. If we consider that, last year we gave dividend of Rs. 14.75 per share. This year we have given, if we don't consider this bonus share, then it will be Rs. 15 per share. If we consider bonus shares, then this year it is 11.25. Last year, it was somewhere about Rs. 11.06 or something like that. So it is better than last year.
- As I told in the starting that, in the last 4 years, our market cap, POWERGRID market cap, your company market cap has increased by 210%. On 17th Nov. 2016, the market cap was about 1 lakh crore. On December 5, 2023, it crossed 2 lakh crores and almost within 5.5 months on 21st May 2024, we achieved more than 3 lakh crores. So future is bright, company is in safe hands and we are committed to achieve many more milestones in future. Highest share price which POWERGRID share has achieved is about 328 on 22nd May.
- In consultancy, current year, we have earned about Rs. 553 crore. We have 9 new international assignments, 19 ongoing international assignments, 21 new domestic assignments and 79 ongoing domestic assignments. We have international assignments from Tanesco, Tanzania, Zambia Transmission Line in Africa, then in Fiji we have transmission line, construction work, then UETCL in Uganda, then Nepal Gorakhpur Butwal, we are executing their transmission line for international cross border interconnection. The telecom performance also has improved from Rs. 729 crore to 822 crore in FY23-24. 121 new customers have been added. Rs. 870 crore multiple year orders have been received. 3,000 locations, pan India locations we have. Our telecom network is spread across the country. We have about 1,00,000 kilometers of OPGW network and our backbone availability is 100%. Business segments, leased lines, MPLS-VPN, data services, infrastructure services, upcoming services like ILD connectivity with neighboring countries like Nepal, Bhutan, Bangladesh and Myanmar.
- In terms of commercial performance, we have billed about Rs. 42,793 crore last year. We have achieved Rs. 42,820 crore have been realized, which is 100.06% of total.
- If we look at the sectorial outlook, energy transition is to happen. We are committed or it is committed to participate and contribute for energy transition which is the vision of country, vision of the world. In this direction for India to be a 5 trillion dollar economy by 2030, so lot of growth is expected, so if growth is there, then transmission sector has to grow. Without electricity, growth is not possible, so if the GDP growth is 6%, so it has to be, the electricity growth has to be more than what GDP growth will be there. Then 50% non fossil fuel capacity by 2030, 500 gigawatt is to be stored by 2030. Then government has announced green hydrogen mission. For that also, about 125 gigawatt power requirement will be there for producing green hydrogen for local consumption and for export. We have intermittent renewable power. So for grid stability and for reliability of our network, energy storage is required in terms of pumped storage or battery storage. So POWERGRID will play a role in connecting these battery storage systems and pump hydro stations. Then international connection, if sun energy has to be utilized by all countries of the world - one sun, one world, one grid, mission of Government of India and international

commitment, we have to have international interconnection like India to Singapore, India to Oman, India to UAE and other countries. Similarly, there will be interconnections from Middle East to Africa, Africa to Europe and many interconnections between European countries so that the concept of One Sun, One World, One Grid can be achieved. So that means many more projects are in pipeline for which also POWERGRID is getting ready and we are hopeful that we will also contribute for One Sun, One World, One Grid. In this concept, the power generated may be in Myanmar, Thailand and other countries it can be transmitted to Europe and once sun is there in Europe, that power can come to various other parts of the country, various other countries. So, One Sun, One World, we are committed and we are seeing potential in this aspect also.

- We see POWERGRID, how it looks like in another 7-8 years. We have mainly outlook in transmission business. Inter-state, we see it is on conservative side. I will say 136,000 or 1 lakh 36 thousand is on conservative side. We are hopeful that it will be much more than 1,36,000 but even if we consider 1,36,000. Then intra-state, transmission stands at Rs. 37,000 crore. Cross border like neighboring countries, about 10,000. International projects like we have one in Kenya, which is getting matured now. We have got the in-principle approval and finer details are being worked out and work will start shortly. The subtotal of transmission system will be about 1,90,500 crore. If we consider other businesses of POWERGRID, solar generation, smart metering, data centre, so put together, this is about 2,07,000 crore by 2032. I will say that it is on the conservative side. We are expecting that to increase.
- Work in hand as on today, as I told that, work in progress was Rs. 19,000 crore, apart from that, we have work in hand about Rs. 86,000 crore. More than 80% towards renewable energy evacuation. Out of which, we have 11,200 crore RTM projects. 24,700 crore new RTM projects, about 50,000 crore other projects. These are RE linked projects. This year, I told that we have, as per our MOU targets with Government, we have 15000 but actually, it will be about 2bn dollars or even more than that. Towards sustainability aspirations, we are committed to reduce our electricity consumption from fossil fuel by 2025, that is more than 50% power will be through renewable for our auxillary consumption and other requirements. We are committed for net water positive organization by 2030, then zero waste to landfill status by 2030, net zero by 2047.
- These are some of the awards. As I told that Platts Global Energy Award, International CSR Award, ATD Best Award 2024, Brandon Hall Group Human Capital Management Award, SKOCH Gold Award and many more awards are expected in future. Our papers, our contributions have been given awards. They have been recognized by ISGF Innovation Awards 2024 in smart technology, energy transition and Gold Award, adoption of artificial intelligence, machine learning and robotics for our transmission line. For human capital excellence and certificate of excellence in learning and development at SHRM HR Excellence Award. Thank you very much. Thank you for your patience & hearing. Thank you.
- **Moderator:**
- Thank you Sir. That was really a comprehensive and very very enriching presentation. I now open the floor for questions and answers. Please put your mobile phones on silent as usual. Also please raise your hand, introduce the company that you represent and you may ask the question. Yes gentlemen!

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

- Sir, I am Sumit Kishore from Axis Capital. My compliments on the year where you have garnered almost 65% share of the TBCB projects. My 1st question on TBCB is, could you outline how the EBITDA and profit contribution of your TBCB portfolio has moved from FY-23 to FY-24, given now the equity base of operation TBCB projects has increased slightly? That's my 1st question. If you could also, in relation to TBCB, touch upon the fact that capex to EBITDA ratios or capex to annuity ratios rather, that you know you have been winning in TBCB over the past few years have shown a deteriorating trend, as in the annuity that you earn for the capex per TBCB project has reduced, if I look at the trend over the past 5-6 yrs. How do you read that as implications for the IRR that you would make for the TBCB projects? That's my first question here.

- **Mr. R.K. Tyagi - Chairman and Managing Director:**

- For TBCB projects, when we bid for any project, we are very particular about IRR and we maintain that by ensuring our timely completion, cost overrun and financial cost is not there and we try to maintain about 10-12%. So we ensure that. Regarding your EBITDA related question, I will request Director Finance to kindly intervene and reply.

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

- EBITDA margin will be almost equivalent to the RTM. It will be something like 85 to 87, that range will be there because the IRR, like if we say like 10-12%, if we maintain and there are some projects, as a package if you see all the, like we have 47 TBCBs mostly in construction once everything gets completed, as a package if you see, EBITDA will be a decent one.

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

- Sure! So if you look at the total consolidated profit, the question was, what is the total consolidated EBITDA and profit to TBCB subs from FY 23 to 24.

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

- As such, we have not worked out separately for this thing but if you see standalone to consol, it's on the higher side. Naturally it means, EBITDA for standalone & consol for Q4 to Q4 is approx. 84% and year on year is approx. 87% with slight variation in decimal points between standalone and consol. It means the EBITDA in the TBCBs are not alarming.

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

- Sure! Only the thing is, total profit of subsidiaries as mentioned in your BSE filing, 43 subsidiaries, the profit that is mentioned has come down on a year on year basis whereas last year, the number of subsidiaries and the profit mentioned there. So I was trying to understand, what is driving the reduction in subsidiary profit?

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

- No, no, you mean to say, profit per subsidiary?

- **Mr. Sumit Kishore - Axis Capital Limited:**
- No, not profit per subsidiary but the total profit of subsidiaries that was mentioned in your FY23 BSE filing for some 37-38 subs versus 43 subs right now was a higher number last year as compared to this year.
- **Mr. G. Ravisankar – Director Finance & CFO:**
- Last time, actually we had a one Nagapattinam transmission system which was the 1st TBCB which was acquired in 2011 and we were actually filing the petitions for a change in law for which we got an income of about 200 crore for all the years together. So that was one of item which we got in the last year. That's why probably if you compare exactly, it may be like that. Otherwise if you see, if you remove that one off item, as such I don't think in this availability transmission tariff process, there is not much of chance of turbulences.
- **Mr. Sumit Kishore - Axis Capital Limited:**
- Thank you. Just a book keeping question. The capitalization that you mentioned for FY24 on a full year basis, there was an asterisk mark there and it mentioned that there were assets capitalized on finance lease basis that were included there.
- **Mr. G. Ravisankar – Director Finance & CFO:**
- That was intra-state.
- **Mr. Sumit Kishore - Axis Capital Limited:**
- Ya, that is how much is the finance lease on asset capitalization on finance lease basis.....
- **Mr. G. Ravisankar – Director Finance & CFO:**
- I think it is something around 1500-1600 Crore.
- **Mr. Sumit Kishore - Axis Capital Limited:**
- Ok. Because when we subtract the net block for FY24 minus FY23 and add back the consolidated depreciation, we got a number below Rs. 60bn So maybe that 1500 – 1600 is explaining this.
- **Mr. G. Ravisankar – Director Finance & CFO:**
- Ya, you may be getting a figure of 5000....
- **Mr. Sumit Kishore - Axis Capital Limited:**
- That's why we thought that the numbers were.....thank you so much and wish you all the best.
- **Mr. G. Ravisankar – Director Finance & CFO:**
- Thank you.

- **Mr. Subhadip Mitra – Nuvama Institutional Equities:**
- Hello, sir. This is Subhadip here from Nuvama Institutional Equities. Firstly, thank you for such a detailed presentation. My first question is with regard to the intrastate model that you mentioned, where the MoUs are getting signed and the JVs are getting signed. What quantum... I remember I think in your slide you are mentioning about 37,000 crore of potential by FY32. But would you see this to be more front-ended or back-ended in terms of winning these projects and execution, etc.?
- **Mr. R.K. Tyagi - Chairman and Managing Director**
- Can you repeat what is front-ended?
- **Mr. Subhadip Mitra – Nuvama Institutional Equities:**
- No, what I mean by that is would this come up in the next couple of years or would this take a longer period of time?
- **Mr. R.K. Tyagi - Chairman and Managing Director:**
- Yeah, okay. So, the model with Rajasthan is, we are going to have about Rs. 10,000 Crore worth transmission projects in next 3-4 years. And they have about 2,000 crore projects, especially from their solar generation. In next 2-3 months they want to give to us about 1,500 to 2,000 crore. So, from 2-3 months to next 3-4 years these 10,000 crore projects are to be executed or started to be executed. And subsequently, many more projects as per them are in pipeline. And the model is that 76-24 i.e. 76% equity will be done by POWERGRID... sorry, 26% by them and 74% by POWERGRID. Similarly for Andhra also, they are also targeting 10,000 crore. Because, if you see, interstate transmission system is coming in a big way. In case interstate transmission system is there and intrastate transmission system is not there, then this power cannot go smoothly to load centres or to the consumer. We require intrastate transmission system. So they cannot wait. Now it is to be done on immediate basis. So that is why we are getting requests from Odisha, we are getting requests from Andhra, we are getting requests from Assam and UP, for setting up JV companies with them.
- **Mr. Subhadip Mitra – Nuvama Institutional Equities:**
- And these would be on regulated ROE basis?
- **Mr. R.K. Tyagi - Chairman and Managing Director:**
- It will be on regulated, but it will be on state level regulation. It will not be through CERC, it will be through SERC.
- **Mr. Subhadip Mitra – Nuvama Institutional Equities:**
- Through the SERC routes. Okay. And the voltage level at which these lines would come up would be what, around 400 or 220?
- **Mr. R.K. Tyagi - Chairman and Managing Director:**
- There will be some 400 also. Even people are talking about 765 kV. But mostly, I will say, it will be at 132 and 220 kV level. There will be some at 400 kV level and 765 kV.
- **Mr. Subhadip Mitra – Nuvama Institutional Equities:**
- So bulk of it is 132 and 220?

- **Mr. R.K. Tyagi - Chairman and Managing Director:**
- 132 and 220.
- **Mr. Subhadip Mitra – Nuvama Institutional Equities:**
- Understood. So second question is with regard to your dividend payout. We have been seeing very healthy dividend payouts given that you were surplus on cash. But as you move towards an annual CapEx which is probably between 25,000 to 30,000 crore, would you see the dividend payouts also probably coming off a little bit, because you will have pressure on cash?
- **Mr. R.K. Tyagi - Chairman and Managing Director:**
- Not really. Like if we see the profit this year, it is Rs. 15,475 crore. And what I was taking that CapEx, it will be about Rs. 17,000 to 20,000 crore. Even if we consider Rs. 20,000, so we require only 4,000 crores. $20,000 \times 20$ so 4,000 crores. So out of say 15,475 even if we take out 4,000, still we have more than what we have paid dividend this year. So we don't see any reduction in dividend in near future. And whatever additional CapEx will be required, we expect that more and more projects will be commissioned, and we will have more profit to take care of that CapEx requirement.
- **Mr. Subhadip Mitra – Nuvama Institutional Equities:**
- And roughly 20% equity contribution is what you are looking at?
- **Mr. R.K. Tyagi - Chairman and Managing Director:**
- Yeah, normally in TBCB projects we are maintaining about 20% equity.
- **Mr. Subhadip Mitra – Nuvama Institutional Equities:**
- Sir, my final question on a bookkeeping basis, can you also help us with what is the regulated equity number that we have as of date?
- **Mr. R.K. Tyagi - Chairman and Managing Director:**
- Regulated equity?
- **Mr. Subhadip Mitra – Nuvama Institutional Equities:**
- Yeah, on which we earn the regulated ROEs for the regulated part of the business.
- **Mr. G. Ravisankar – Director Finance & CFO:**
- No, you see we have like 86,000 we were showing in consol. And then we have shown the equity as... like 3,500 as the amount we have put in TBCBs. You deduct that and then it will be there.
- **Mr. Subhadip Mitra – Nuvama Institutional Equities:**
- So this 86,000 is the consolidated?
- **Mr. G. Ravisankar – Director Finance & CFO:**
- Consolidated.

- **Mr. Subhadip Mitra – Nuvama Institutional Equities:**
- But within that is there something that is also sitting in cash, work in progress etc. So the amount that is actually earning you money?
- **Mr. G. Ravisankar – Director Finance & CFO:**
- Not much, that is rolling, I don't think we don't have much idle cash or something like that.
- **Mr. Subhadip Mitra – Nuvama Institutional Equities:**
- Okay, I understand. Thank you so much for answering my questions.
- **Mr. G. Ravisankar – Director Finance & CFO:**
- And one small correction in that PPT, like it's not 76-24, it is 74-26, RVPN. Just there is a typo.
- **Mr. Atul Tiwari – Citi Research:**
- Sir, I am Atul Tiwari from Citi Research. Sir, just one question on one of the slides where you showed outlook till 2032. So, about 2 lakh crore rupees worth of potential CapEx in the sector. So, it is fair to assume that this is FY25 to FY32, right? And given that now there is a lot of talk about new uses of energy from the data centres, which India is beginning to see in a big way... I mean, can you share your thought process or what government or the CEA is thinking about kind of revising this number? I mean, is there a chance that this number over next 3, 4, 5 years gets revised up? And if it happens, what that number could be?
- **Mr. R.K. Tyagi - Chairman and Managing Director:**
- A very good question. As I told, that these are very conservative figures and we are expecting numbers to increase. As per the requirements, especially for green hydrogen, data centre and other requirements, maybe EV vehicles... so requirement is going to increase. So we are expecting these numbers to be increased. Apart from this, as per the Goldman Sach's report, that say that up to 2050, for energy transition, \$1.68 trillion are to be spent only in transmission system. So \$1.68 trillion, that means maybe around 135 to 140 lakh crore are to be spent by 2050 for energy transition and for transmission system. So that means number will be much higher than what we are projecting now. So, we see a better future as compared to what we have shown.
- **Mr. Atul Tiwari – Citi Research:**
- And sir, my second question is on the smart metering initiative that you were involved in. What is the status of that? How much money has been spent? Or, is it going slow?
- **Mr. R.K. Tyagi - Chairman and Managing Director:**
- Yeah, we have already awarded about 69 lakhs meter for Gujarat, Madhya Gujarat and Uttar Gujarat. And about 30,000 meters have been installed. Because this metering system is prepaid... earlier days it was postpaid basis, now it is on prepaid basis. So, there will be some teething problems. So, we are facing some teething problems which are being taken care, especially in software. And very shortly, this will be taken care and our progress will improve. So yes, so far, we have been going slow comparatively to what we expected earlier.

- **Mr. Atul Tiwari – Citi Research:**
- Any idea about how much money has been spent on that or is that not a big number yet?
- **Mr. G. Ravisankar – Director Finance & CFO:**
- Not a big one.
- **Mr. Atul Tiwari – Citi Research:**
- Okay. Thank you.
- **Host:**
- Sir, a quick guidance. We have five more minutes and I think we'll have to wrap up very quickly. So last two questions, if possible. Mic here please.
- **Participant:**
- Sir, for the first few years, the TBCB projects that Power Grid had won, we had seen an annuity schedule, where for the first 5 years there was a higher number and then it fell to a lower number and remained like that. So given that 4-5 years have now passed and few initial portfolio assets got transferred to the InvIT, so they are not in contention. But for the others, the five-year period might be coming to a close. So, does the EBITDA actually for those projects, as it comes to the new annuity, reduced annuity base... will that have an impact on the EBITDA earned for the gross block?
- **Shri G. Ravisankar, Director Finance & CFO:**
- No, but actually if you see, we have like 47 now. Two more to acquire, 49. The TBCBs you maybe indicating like after if you take out this five which we have given for InvIT. Maybe some 7-8 will be there. On an overall basis, if you see, their contribution will be very less. And also, like there is a method of quoting year on year that there cannot be much variations. Like they have a variation like 1% or something can be only varied between year to year. And I don't see any much big drop because of that. So, the weightage of that will be hardly seen.
- **Participant:**
- One suggestion is that in your presentations, if you can put a consolidated P&L for TBCB subsidiaries, it will be really helpful for us in our analysis.
- **Shri G. Ravisankar, Director Finance & CFO:**
- That is the only thing we have given to you.
- **Participant:**
- Yeah, so that will be really helpful. Thank you.
- **Shri G. Ravisankar, Director Finance & CFO:**
- Okay, well taken.
- **Host:**
- Thank you. One last question over there.

- **Participant – Jefferies Asset Management:**
- Yeah, hi sir. Thanks for the opportunity. This is Koundinya from Jefferies. Sir, just want to understand what does the TBCB bid pipeline look like at the moment? And also, if you can exclude the three HVDC projects in that and comment a little bit on the status of those HVDC projects as well, please?
- **Mr. R.K. Tyagi - Chairman and Managing Director:**
- As you know that almost 1 lakh crore projects are already under bidding, and another 28,000 to 30,000 crore projects, in the near future, they will be ready for bidding. So maybe about 1,30,000 including near future.
- **Participant – Jefferies Asset Management:**
- And the 1 lakh crore includes all the three HVDC projects?
- **Mr. R.K. Tyagi - Chairman and Managing Director:**
- Yeah.
- **Participant – Jefferies Asset Management:**
- And what is the status of the first one? It was supposed to be bid out I think last year and it is getting delayed. Any comments on that?
- **Mr. R.K. Tyagi - Chairman and Managing Director:**
- Yeah, OBD was already done on 7th May. Now very shortly, maybe next week or so, the reverse auction may be there, it may be scheduled. So very shortly it is going to be finalized.
- **Participant – Jefferies Asset Management:**
- Sure sir, thank you very much and all the best.
- **Host:**
- I now invite Mr. Satyaprakash Dash to deliver the vote of thanks.
- **Mr. Satyaprakash Dash – Company Secretary:**
- Thank you. We express our sincerest thanks to all the esteemed investors for coming here and attending this conference. We also express our sincere thanks to Chairman and all the Directors for sharing the business outlook and performance of the POWERGRID. Thank you everybody. Thank you all.

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