

# Power Grid Corp

23 March 2026

**Operator:** Good morning, everyone. On behalf of PL Capital, I welcome you all to the webinar on the business update of Power Grid Corporation of India Ltd. We have a full board present, and we will start with a detailed presentation followed by a Q&A session. I would like to thank the management for giving us this opportunity. Without much delay, I will hand over the call to Shri Satyaprakash Dash, who is the Company Secretary and Compliance Officer. Thank you, and over to you, sir.

**Shri Satyaprakash Dash – Company Secretary:** Thank you, Vishal. Good morning, ladies and gentlemen. It is my pleasure to welcome you to this webinar of Power Grid Corporation of India Ltd., convened to interact with analysts and investors and to share an update on the company's business performance.

I would like to introduce our esteemed senior management team present with us today: Dr. R.K. Tyagi, Chairman and Managing Director; Dr. Yatendra Dwivedi, Director of Personnel; Shri Naveen Srivastava, Director of Operations; and Shri Bhura Bansi Rammohan, Director of Projects. Our Director of Finance, Shri G. Ravishankar, will join us shortly through video conferencing. Now, I would invite our Chairman and Managing Director, Dr. Tyagi, to deliver his opening remarks, which will be followed by a question and answer session. Over to you, sir.

**Dr. R.K. Tyagi – Chairman and Managing Director:** Good morning, dear investors. Thank you for showing confidence in PowerGrid. We are committed to the trust investors have placed in us. For this financial year, we have already achieved what we committed, and we are on track to exceed those targets.

Regarding future plans, we want to share how we are going to contribute toward the growth of the nation by investing in and constructing transmission systems in India and abroad, supporting India's goal of becoming a developed nation by 2047. Our agenda today covers our growth outlook, execution and operational excellence, revised capex and capitalization guidance, and our multi-year capex runway for the next 9 to 10 years.

PowerGrid represents a foundation of long-term value creation. We are India's largest and system-critical power transmission utility. We have a predominantly regulated asset base with a growing share of competitive bidding transmission systems where revenues are on an annuity basis. We are the non-substitutable backbone of India's energy transition, which is vital for energy security. Our earnings visibility is supported by India's transmission capex cycle and a strong balance sheet.

The opportunity for PowerGrid is expanding. Electricity demand is set to increase significantly as we move toward 2047, driven by data centers, artificial intelligence, electric vehicles, and industrial electrification. Renewable energy expansion, as per the 2035 CEA guidelines, suggests we will have 786 gigawatt of renewable capacity, with a total capacity of approximately 1,100 gigawatt. This will require long-distance green evacuation transmission systems.

Grid complexity is increasing due to renewable energy penetration. Balancing mechanisms like synchronous condensers and 1,200 kV networks will be essential. New demand centers like green hydrogen ecosystems will further drive power demand. PowerGrid is positioned as one of the largest transmission network owners in the world. Today, we have 290 substations with 612,000

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MVA capacity, contributing significantly to the country's total capacity.

Our reliability remains excellent, with an availability of 99.84%. We have implemented digital and predictive maintenance, AI-based defect detection, and drone-based patrolling. Over the last 5 years, we have completed capex of more than 100,000 crores and capitalized over 90,000 crore worth of projects. Our gross fixed assets are now more than 300,000 crores.

For FY25, I am happy to announce that we have revised our capex guideline to 35,000 plus crores, and we have already achieved this. Similarly, in capitalization, while we initially guided for 22,000 crores, we have achieved 22,749 crores with the commissioning of projects like Khetri-Narela, Bhadla-III Sikar-II, and Navsari-Ahmedabad. By the end of this month, with the expected commissioning of Navsari-Vadhade, our capitalization will exceed 25,000 crores.

This year, we added 4,239 circuit kilometers of transmission lines. While our transformation capacity is currently listed at 52,555 MVA, it will reach 62,000 MVA by the end of this month as final elements are commissioned. We have added 8 substations this year, with a 9th likely at Bikaner-III.

Looking ahead, our capex for next year is committed at 37,000 crores, though it will likely be higher. For FY27, it will reach 45,000 crores, and by FY28, it is projected to be more than 82,000 crores. Similarly, our capitalization will be 30,000 crores next year and 35,000 crores in FY28.

In terms of value creation, our market cap has grown 2.5 times from FY21 to FY26. Over the last 5 years, we have paid dividends totaling more than 50,000 crores. We are among India's top 35 companies by market capitalization, with 45% institutional ownership.

The 10-year visibility for transmission projects is approximately 8 trillion rupees based on peak demand projections of 459 gigawatt by 2035. If we include international interconnections with countries like Sri Lanka, UAE, Saudi Arabia, and Singapore, plus the Brahmaputra basin projects, the total visibility increases to approximately 15 trillion rupees. PowerGrid will play a major role in building this infrastructure.

We currently have works in hand totaling 148,000 crores, and our capital work-in-progress is more than 49,000 crores. We have visibility of 900,000 crore worth of projects up to 2035. Even at a 60% capture rate, we expect to execute 600,000 crores in projects by 2035, averaging 60,000 crores per year.

Regarding governance, we have received approval to merge 19 SPVs into two. We are also pursuing the merger of 28 wholly-owned subsidiaries into two further entities. This will reduce administrative complexity and improve management. Thank you for your continued support.

**Vishal - PL Capital:** Thank you, sir. We will now open the floor for Q&A. Attendees, please raise your hand to ask a question. Please introduce yourself and your company. First, we have Mr. Raj Gandhi.

**Raj Gandhi:** Thank you for the opportunity. We are in an inflationary period. For TBCB projects where revenue is fixed, how are we positioned regarding cost escalations? Do you expect any hit to estimated IRRs?

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**Management:** We have very efficient project management and do not expect price escalations. In cases of certain force majeure conditions or compensation related to land value, we claim extra tariffs through the CERC, which are typically approved. Therefore, we expect to maintain our guided returns.

**Raj Gandhi:** So, even for bid-out TBCB projects, land compensation costs are a pass-through?

**Management:** Yes. Any guidelines issued by the government after the bidding stage are normally treated as pass-through, and we are granted additional tariffs accordingly.

**Operator:** Next, we have Siddharth Gupta.

**Siddharth Gupta:** Good morning. You mentioned meeting your FY26 capex targets already. Why is there no upward revision for the subsequent years? Also, what is our current operational capacity for participating in the large pipeline of projects alongside private players?

**Management:** We typically set targets and then strive to surpass them. We may revise our guidance mid-year based on ground-level progress. Regarding funding, we have sufficient resources to compete for all upcoming projects in the coming years. We see no challenge there.

**Siddharth Gupta:** What about execution abilities? Will we be able to handle additional projects without delays?

**Management:** We have addressed the three main historical challenges: Right of Way (ROW), skilled manpower, and equipment supply. The government has issued new guidelines for land compensation, providing market rates and clear procedures, which significantly eases ROW issues. We have also established five skill development centers, with two more coming, to train 1,500 technicians annually. This will provide over 100 additional erection gangs each year. Finally, equipment manufacturers are augmenting their capacities to stay ahead of demand. We do not foresee major execution challenges in the next 3 years.

**Siddharth Gupta:** So, to clarify, you may revise capex guidance upward, you don't anticipate execution hurdles, and you are ready for additional orders. Correct?

**Management:** Yes. Our current visibility of 37,000 crores and beyond is based on projects currently in hand. If we win more projects tomorrow, those figures will naturally increase.

**Operator:** Next is Mohit Kumar.

**Management:** Please proceed.

**Mohit Kumar:** Good morning. What are the expected savings from the new corporate structure? Also, why two new SPVs instead of one? Will new assets be built within these SPVs to avoid separate licensing?

**Management:** Under DIPAM guidelines, the equity limit for project mergers was initially 5,000 crores per project. This limit was recently increased to 7,500 crores. We are currently discussing increasing this to 10,000 or 15,000 crores. If that happens, we will merge even more SPVs into a single entity. The primary focus is administrative control and governance rather than direct cost

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savings. Each line will still function independently for technical purposes, but having fewer entities simplifies management.

**Mohit Kumar:** Regarding the 7.9 trillion rupee requirement for RE evacuation, what is the annual investment required?

**Management:** Over the next 10 years, we anticipate an average annual requirement of 60,000 to 70,000 crores. Assuming 20% equity, that is about 12,000 to 14,000 crores in equity annually. Our current profit is over 15,000 crores and is projected to reach up to 20,000 crores. Even after dividends, we will have enough to cover the equity requirements for a 70,000 crore annual capex.

**Analyst:** My first question is regarding the Brahmaputra scheme investments of 4 trillion and the OSOWOG projects. When will awarding and tendering start for these?

**Management:** For the Brahmaputra basin, one project for the Niglo station in Arunachal Pradesh is already available for bidding. Total visibility for that basin is 6 lakh crore, of which we expect 4 lakh crore by 2035. For OSOWOG (One Sun One World One Grid), discussions are ongoing at the government level with countries like Oman, UAE, and Saudi Arabia. We expect these to materialize within the next 2 to 3 years.

**Analyst:** Regarding the Leh-Kaithal project, it represents a significant portion of your work in hand. What is the execution timeline and the capex assumed for FY27 and FY28?

**Management:** The 148,000 crore figure for projects in hand includes the Khavda-Nagpur HVDC project, which costs 35,000 crores. However, we have excluded the Leh-Kaithal project from that 148,000 crore figure for now due to ongoing discussions regarding whether it will remain HVDC or change to an AC network.

**Christopher James – Audi Infrastructure:** What is your true execution capacity? You have moved from 8,000 crores to 35,000 crores in capex in 3 years. If you win more than 50% of upcoming bids, can your balance sheet and procurement handle it?

**Management:** Our capacity is continuously increasing alongside demand. Moving from 8,000 crores to 35,000 crores in three years—a fourfold increase—demonstrates our scalability. We are developing more vendors and training more manpower. Whatever the requirement, we are confident in our ability to achieve it. We intend to maintain our TBCB winning rate of over 50%.

**S. Praveen Vishesh – KPS:** We saw a slowdown in project tendering last year. Was this on the ISTS or intra-state side?

**Management:** There were issues finalizing evacuation plans for Rajasthan. While 115 gigawatt was planned, only 73 gigawatt has been tendered so far. There were challenges in identifying demand-side landing points for the necessary HVDC lines. However, CTUIL and the CEA have now identified new projects, including AC networks toward Haryana, Punjab, and Uttar Pradesh, as well as 1,100 kV and 1,200 kV projects for Maharashtra and Chhattisgarh. Tendering should accelerate now.

**S. Praveen Vishesh:** How are things progressing with Right of Way (ROW)?

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**Management:** It remains a challenge, but with the new methodology and clear government guidelines, our teams are now well-trained to handle it. We have strong support from the Ministry of Power, and issues are being resolved quickly.

**Raj Gandhi:** You previously mentioned participating in intra-state and battery storage projects. How does the emergence of Battery Energy Storage Systems (BESS) change transmission planning?

**Management:** We are participating in intra-state projects but are selective, as smaller projects require the same administrative effort as larger ones. In BESS, competition is high from smaller players. We are refining our methodology and seeking tie-ups with battery suppliers to optimize costs. While storage helps utilization, the overall demand for transmission continues to grow, as reflected in the CEA's 9.1 trillion rupee requirement plan through 2035.

**Satyadeep Jain:** What was the impact of the Supreme Court ruling on the Great Indian Bustard (GIB) area? Did it clear pending projects like Ramgarh-Bhadla?

**Management:** Our projects were mostly located outside the designated GIB area, so we faced no direct impact. CTUIL and the CEA are ensuring all future projects are planned outside that area.

**Satyadeep Jain:** Recent projects have taken 3 to 4 years to commission. Will new projects have a 2-year timeline, or are we moving toward 30-36 months?

**Management:** We have advised the government that 18-24 months is often not feasible due to ROW and supply chain issues. Most new projects are now being tendered with 30-36 month timelines, which we believe are realistic and achievable.

**Parth Nanavati:** With temperatures rising and potential power deficits from hydro and gas, how is the grid prepared for the summer peak?

**Management:** The Ministry of Power and the Prime Minister have reviewed the situation. Peak demand is expected to reach 270-275 gigawatt in May and June. We have sufficient resources and the grid is prepared to meet this requirement.

**Shirom Kapoor:** Regarding the revised 7.9 trillion plan, how much of the original 9.1 trillion plan has been bid out? Does the new CEA plan change your outlook for the next 4 years?

**Management:** The 148,000 crore work-in-progress figure currently excludes the Leh-Kaithal project because its technical configuration is still being finalized. Excluding capital work-in-progress, we have about 100,000 crore in projects for capex. We will wait for CTUIL and the CEA to finalize the additional identified projects before updating our specific bid pipeline figures. For now, our guidance from the February investor meet remains unchanged.

**Shirom Kapoor:** Thank you, sir. That was a very detailed presentation. We have come to the end of this webinar.

**Dr. R.K. Tyagi – Chairman and Managing Director:** Thank you to all our investors and partners for sharing your concerns. We are committed to meeting your expectations and delivering as one of the best companies in India.

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**Shirom Kapoor:** Thank you. This concludes the webinar. You may now disconnect.

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