Management Discussion

Mohit Kumar - Analyst, ICICI Securities
Thanks, Ryan. Good morning. On behalf of ICICI Securities, I welcome you all to the Q1 FY27 earnings webinar of Power Grid Corporation of India Limited. We will start with detailed presentation Which will be followed by Q&A. I would like to thank the management for giving us the opportunity to host the webinar. Without much delay, now hand over the call to Mrs. Anjana Anutra, Company Secretary and Compliance Officer of Powergrid. Thank you, and over to you, ma'am.

Anjana Luthra - Company Secretary & Compliance Officer, Power Grid Corporation of India Limite
Thank you, Mohit. Good morning. I am pleased to welcome you all. I am pleased to welcome you all. The webinar for investor and analyst organized by Power Grid Corporation of India Limited. Today, our functional directors and senior management team will discuss company business and share performance company's performance outlook based on Q1 FY26-27 financial results recently announced on 5th of August 2026. Now I would like this privilege to introduce our functional directors, Shri Bura Vamsi Ramamohan, Chairman a nd Managing Director. He is also holding additional charge of Director Projects. Doctor Hrithindra Devevi, Director Personnel. He is also holding additional charge of Director Finance. The Naveen Srivastava, Director Operations. We also have with us Sri Venkata Subramanyam Galiuri, Chief Financial Officer. We also have with us Shri Venkata Subrahamanayam Vallurie, Chief Financial Officer And other senior officials with us. Now I request Chairman and Managing Director for the presentation to the investors.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Good morning, all. Thank you for joining this webinar on the earnings update of Power Grid Corporation of India Limited for the Q1 ending 30th June 2026. We have a standard disclaimer before the presentation. This is available on the screen. For the Q1 ending 30th June 2026. We have the standard disclaimer before the presentation, which is visible on the screens. Presentation outline would be in the manner like we start with the highlights and overview, execution and operations, competition, The order pipeline and the outlook of the sector, financial performance of the company, sustainability and recognitions. As far as the highlights and overview, pleased to inform that the gross fixed assets stand about INR3.25 lakh crore plus the transmission lines in terms of circuit kilometers are about 1,86,000 circuit kilometers. The transformation capacity is 6,34,516 MVA with about 291 substations and compasses. The system availability continues to be one of the highest in terms of 99.8%. The market position, the shareholding of Government of India continues to about 51.34%. The market cap, INR2.66 lakh crore. And the FII shareholding, DI shareholding at 24.33% and 20.70% respectively. The credit profile continues to be one of the finest in terms of the domestic as well as international.

All these figures are as on 30th June 2026. The major elements which have been commissioned in the quarter FY27, about 1,635 circuit kilometers And which is almost 35% of the last year's achievement. In the first quarter of Q1, we achieved almost 35% of what we achieved the last year. The transformation capacity stands about 10,500 MVA. The transmission lines, important transmission lines which have been commissioned during this period are Kadnum 3 Maheshwaram, Dausa Deewar in Rajasthan, a new Navsari in Kala, Kadapa and Anantapuram, again in Andhra Pradesh. The transformation capacity has been added in Bikaner 3 substations, KPS 3, Fatehgarh 3, Pardge, and the 400 kV systems include Jabalpur, Satna, Anantapuram, and Fatehgarh. Added to this, after June 26th, the major systems which have been completed are Raichur-Koppal in the state

of Karnataka, Gadag-Koppal, and that also is in the state of Karnataka, and Vikanet 2 and Vikanet 3 in the state of Rajasthan. These projects are by and large associated with the RE generation in the respective states. Substation and new substation and couple has also been completed.

The guidance what was given as INR37,000 crore, we are pleased to inform that compared to last year, we have the CapEx is more than 10% what we have achieved in this quarter, in Q1 itself. And on the capitalization front, the guidance standing at INR30,000 crore, it is, um, 3 point almost 3.13 times than what we have achieved in the last quarter. So as against 1683, we stand about 5,277 as far as capitalization. Availability and the tripping for line continues to be one of the finest in the sector. We used to inform that Powergrid, as far as you are aware of, Powergrid had this emergency restoration systems tower, which proved very beneficial during emergency situations. And Powergrid has also been inching towards bringing in such similar systems on the substation front. If you all are aware, the 220 kV mobile GIS bay was successfully indigenously developed in association with Powergrid. And now we have also got the 132 kV mobile GIS bay, and 400 kV GIS bay is shortly on the end. So basically, we are well armed with trying to deal with the urgent situations whichever are going to arise during the construction phase and the operational phase.

PBCB, friends, their competition, if you're talking about the success till July 2026 in interstate as well as intrastate, 6 transmission projects, Power Grid has been successfully in these projects over there with a total gross annual tariff about INR2,200 crore. The performance stands at about 47% cumulative as well as the ISDS scores. And including both interstate and intrastate, total 19 projects were bid during this period, of which Powergrid was successful in 6 projects. It also includes an intrastate project. And a new element added to the asset class in the country, and Powergrid was the first in securing this project, that is the synchronous condenser, the first of its kind in the country itself. So Powergrid's maiden foray, I should say, into the new asset class. It's a 400 kV level system base are also associated with it. 2 such synchronous condensers in Fatehgarh 2, and this is expected to improve the system strength, that is the short circuit ratio, reactive power support during faults, increasing increased grid inertia and damping of the low frequency oscillations.

Which are the characteristics of the synchronous condenser. So all these benefits would be accruing once these systems are positioned so as to bring better integration of the RE into the grid. Total outlook for the sector looks very vibrant in terms of INR1.75 lakh crore, which are the works in hand for Powergrid, which includes both PVPC and upstream and others. The bidding pipeline is also very strong in terms of INR1.19 lakh crore, and the long-term outlook is also very secure, about more than INR15 lakh crore which is there. Getting into the details of each of this, the INR1.75 lakh crore which work in hand, the TBCP amounts naturally having a lion's share, about INR1.46 lakh crore. RTM stands about INR25,000 crore, and the other business smart metering, data center, And all of that include about INR4,200 crore, coming up to a total works in hand about INR1.75 lakh crore, of which INR50,000 crore is CWIP. Bidding pipeline, under bidding INR73,875 crore, and which are floated, to be floated, about INR45,000 crore. And with the total projects which are to be under bidding, in the pipeline about INR1.1 lakh crore.

And the major projects which are there on the system are the Rajasthan Barmer Complex, HODC, the Jhankambalia-Jhanknagar-Lakhadia project, EARES Naudad-Urgapur, the pump storage associated transmission system, Lakhadia and Jhankambalia-Jhanknagar system, and Bikaner, Rajasthan. So all these things put together, about INR1.1 lakh crore available in the market. The strategic drivers powering up the transmission system investment cycle, as you are aware, is the plans of the CEA and the ministry, the National Electricity Plan, the anchored program of 900+ gigawatts by 2035-36,

7.9 lakh crore, and the hydro potential in the northeast portion of Brahmaputra Basin, about 6.4 lakh crore, and the data centers emerging to be one of the strongest intake for the transmission systems to evolve, about 71 gigawatts.

Added to that, the global one sun, one world, one grid. This is also getting active traction in terms of the increasing challenges owing to HOMOS. So the need for integration is much more visible now. So we expect that the neighboring countries get associated in strengthening the grid beyond the borders. Powergrid has signed a loan agreement with JBIC, Salama Green loan agreement of Japanese yen 80 billion, riding on the subsidy towards hedging which the Government of India has announced. And their robust collections continue to be there in the sector, with the billing standing at about INR10,963 crore. And the realization, about 104%, is INR11,404 crore. A comparison with the previous quarter and the current quarter visibly indicates that the number of receivable days comes down from 19.41 to about 12 days. The financial performance on the consolidated front, which I would be focusing upon, The transmission charges, there's a 3% increase, standing from INR10,620 to INR10,905, and the total income, from INR11,444 to INR11,697. The PAT stands at about INR3,598 compared to INR3,631 in the previous quarter.

And, I would like to state over here that The total increase in the transmission charges is about INR790 crore owing to the new assets which have been commissioned. If you appreciate that we are under the regulatory tariff regime, which the major of the assets continue to be there, so the regulatory characteristics or the trajectory, I should say, have the revenue reduction in terms of the depreciation and interest, which are but natural in the regulated regime, about INR330 crore. And INR230 crore is owing to the interest because of the difference between the petitions filed and the orders issued by the regulator. So this amounts to INR560 crore was the downside owing to the regulatory nature of revenue. While the transmission charges continues to boost forward and move forward, the regulatory characteristic of the asset class which we are on has an impact on the financial figures over here. So while the effective PAT would have been +247, but for the regulatory characteristic, it stands about -33 crores, reduction of about 100%. The standalone figures, financial figures also reflect the similar kind of a trend over here.

The financial performance continues to be strong in terms of the The gross fixed assets continue to move upwards from INR2,92,000 crore to INR3,25,000 crore. The capital work in progress from INR41,000 crore to INR50,000 crore. And the increase in debt, an obvious indication of the growth path of the company. The net worth improving from INR96,482 crore to INR1,04,028 crore. And the ratios accordingly, owing to the increased net worth, having an impact of earnings per share standing at 3.87 and book value per share about 111.85. Other key information: the income from previous periods Q1 there was +8 and Q1 of '27 is -22. The interest in the differential tariff, which I was saying, so was from 257 stands at 22. Interest from subsidiaries continue to be up, and the incentive as a consolidated figure is also growing. The dividends from the JV subsidiaries is less owing to the status of held on sale of Torrent, Sikkim Power, and Parvati Coal Dam. So the figures reflect the situation over there, and the CSR expenses continue to be steady.

All the other ratios including the equity in TBCB and equity in TBCB both in operation and construction continue to improve owing to the nature of projects what Powergrid is On the consultancy and telecom front, the Q1 of FY27 stands at INR252 crore and INR391 crore respectively. And the telecom front, the connectivity to Andaman and Nicobar has also been provided by Powergrid's subsidiary, that is PowerTel. The first international long-distance communication established to Nepal, so adding up more business to the telecom division. Bulk

orders from NIC and MKN project continue to move it forward. 100% backbone availability is the hallmark of the telecom systems. On the consultancy front, the domestic front, we had 16 orders, and on the international, 3 orders. And the country footprint is about 25 countries, what the consultancy footprint stands. On the sustained commitment, please be informed that the target for, its target set for 2025 has been already set, achieved in 2025, as far as the 50% electricity from RE is achieved.

And the other targets in terms of achieving zero waste to landfill, more than 90% achieved, and we are close to achieving that by 2030, which is the target date set. Becoming net water positive is also having increasing results with more than 50% achieved, and we should be able to achieve much ahead of the target. Becoming net zero, the target standing at 2047, 20% reduction already achieved, and we are inching forward to that. Date. On the accolades and recognitions, we've been informed that Powergrid has been, um, let's say, awarded owing to the initiative under the CSR scheme, Vidyalakshmi Scholarship Scheme, which Powergrid initiated. And Powergrid has also been conferred with the Macdonald Award. And also the Power Cell has been recognized by the Nixie for its Maximum Traffic User Award. And on the industry front, we have Technology and Innovation Award and FICCI and D&I Award. Thank you, thank you for the patience here. Over to you, Mohan.

Questions & Answers

Operator
Ladies and gentlemen, we will now begin the question and answer session. [Operator Instructions] The first question is from the line of Prasad. Please announce your company name and go ahead with your question. Prasad, please accept the prompt and proceed with your question. Since there is no response, we'll move on to the next question, which is from the line of Apoorva Bahadur. Please announce your company name and go ahead with your question.

Apoorva Bahadur - Analyst, IIFL Capital
Hi sir, I hope I'm audible. This is Apoorva from IIFL Capital. thank you for the opportunity. sir, you touched upon this on, on the drag which is coming from decline in depreciation, normative depreciation, as well as some regulatory differences. would be helpful if quantify this drag in depreciation and its impact on revenue? How much would that be for this quarter?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
For Q1, depreciation interest, it stands about INR330 crore. And owing to the interest, because of the differential between our filing and also the CRC audit date, that stands about INR230 crore. So it should be about INR560 crore. The drag on account of the regulatory characteristic.

Apoorva Bahadur - Analyst, IIFL Capital
Okay, okay, sir. And, and how, how do we, see this, sir, going ahead, especially because I think depreciation, probably will pick a little bit more pace? I recollect in the last cycle we added a lot of capacity, around 2014, '15, '16, that time. So that would be completing 12 years. how should we think about that, sir?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
See, as you rightly said, what, capitalization happened 12 years ago, that will definitely have an impact because that is a characteristic of the industry itself, the transmission industry under the regulated regime. So this is the quantum of capitalization what has happened in the previous 12

years. It would have an impact, but then that is a part of the regulatory characteristics. So that should not be a cause of concern because that is the way how the the revenues and the expenses are taken care of.

Apoorva Bahadur - Analyst, IIFL Capital
Sir, if I'm not wrong, this should be -- this should have been profit neutral, right? Because there's a reduction in revenue and a reduction in the expense as well. Yet I believe it had an impact on profitability. Could you help us sort of reconcile that? Because despite the INR28,000 crore capitalization last year, profits have remained largely flat.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Yes, one is that certain components which otherwise were, available in the previous quarters, some couldn't have been available. Like for example, the interest owing to the differential between the CRC orders standing at INR230 crore is no longer available now. And also the write-back on account of a particular asset class which was there in the previous quarter is not available over here. So this has an effect of bringing it down. Added to that, the, depreciation what is being accounted for as well as the tariff which is there, there would be always a differential in that. Yes, that's always having a marginal difference in depreciation and interest. Yes, because it will not match that what is the notional what has taken in the regulation.

Venkata S.V. - Chief Financial Officer, Power Grid Corporation of India Limite
Yes sir, that also is having a marginal difference in depreciation and interest because it will not match what is the notional what has taken in the regulation. Because of that, there is a marginal impact, marginal impact. But by and large, the impact is because of the interest on differential between provisional and final.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Major impact is basically interest on the differential between the CERC's orders and also the write-back on account of one of the projects last year which has happened. So, that differential is actually what is visible on the financials

Apoorva Bahadur - Analyst, IIFL Capital
Understood, sir. Just one last question, if you can share of the INR13,000 crore of equity which we have invested in the TBCD business so far for both operational and under-construction projects, how much of that would have been funded by taking debt at the standalone or parent level, or is it all of it is through, through equity itself or cash?

Venkata S.V. - Chief Financial Officer, Power Grid Corporation of India Limite
All of it is through equity, right? Through equity. All of it is done through equity. Yeah. IR. Okay. Powergrid has a strong internal revenue mechanism and it is capable enough to take care of the quantum of growth what we are foreseeing.

Apoorva Bahadur - Analyst, IIFL Capital
Sure, sir, understood. Thanks a lot. All the best.

Operator
Thank you. We take the next question from the line of Bharanidhar. Please accept the prompt and announce your company name and go ahead with your question.

Bharani Dara - Analyst, Avendus Spark
Am I audible?

Operator
Yes, please go ahead.

Bharani Dara - Analyst, Avendus Spark
Great. Yeah, I'm Bharani from Avenda Spark. My first question is on the INR7.9 lakh crore of estimated CapEx by 2036. By the government in the transmission space to augment non-fossil fuel-based capacity additions in the country. So my question is, in how many years, in your opinion, you think that would be bidded out?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
The INR7.9 lakh crore? Yeah. This one, I should say, that is kind of a medium part. Immediately it's standing as INR1.19 lakh crore and INR7.9 lakh crore is to be immediately bid out. Based upon the traction what we are receiving, there is going to be continuous inflow of projects into the system. So the INR7.9 lakh crore will be spread across maybe another 3 years or so because we need these systems by '35-'36. The next 3 to 4 years this will have to be spread across so that these systems will have to be available in '35-'36.

So considering about 2 to 3 years as the construction period, so these projects should be visible should be on par in the next 3 to 4 years. But having said that, it will be by and large dependent upon the others also, because transmission is an offshoot of generation. The quantum of generation coming up, not only generation, understand, here it could be the data centers, the green hydrogen. These are new, new set of requirements where it is going to push the transmission system, not limited to merely a generator. It also has new specific loads which are coming in terms of green hydrogen, data center, green ammonia, and you already see a few of the projects already taking position in terms of the eastern and western parts of the country. So this is going to give further boost and it could be that much faster as well.

Bharani Dara - Analyst, Avendus Spark
Understood. Related to the same thing, is inflation and other cost escalation built in this estimate by the government or is there a scope for increase in this total INR7.9 lakh crore in the future?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
These are general estimates. Obviously, it would be difficult to factor in the quantum of escalations what would be happening during this period of time. So should there be a massive escalation, it obviously would get reflected in these costs.

Bharani Dara - Analyst, Avendus Spark
So there is a scope for increase in this number. Okay. And, again related to the same INR7.9 lakh crore number, just to clarify, this will also include the cost of acquiring land, right? And if so, whether the new land rates, according to the new guidelines by Ministry of Power in the last 1 year, 2 years, is it, being incorporated, or you think that will also, you know, result in some scope increase? Increase in the cost because it may not have been included?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
That's quite an interesting question, I should say. you see, the guidelines which have been notified by the Government of India regarding the land compensation in terms of the right-of-way

challenges, what we have witnessed in the transmission line, few of the states initially it was Delhi and Haryana who have adopted it. You see, recently Gujarat also adopting it and other states following suit. So obviously this has not been factored while working upon the estimates. And it is presently not possible to actually even factor in the quantum because that would be emerging only once the MRT rate has been finalized. So as we move forward, we get more clarity as to what extent of compensation could be included in these systems. It could be project-specific depending upon the location, high urban areas and rural areas, that would have a different impact. As we move forward, we get more clarity on this, but these are the quantum of systems which would be coming up, keeping in view kind of the growth practically achieving 900 gigawatt non-fossil capacity by 2035.

Bharani Dara - Analyst, Avendus Spark
Understood. So essentially, essentially even the land compensation, which can be higher, is not in this number. It can be higher. Okay. My final question is on basically the general execution delays that the transmission space is facing, including us. As it stands now, is there anything you would like to highlight on status of these reasons why delays are happening? Meaning, is there still delays due to equipment availability? What is your view on delays in acquiring land, or labour shortage, or the entire process of finding out the land rate based on new circle rates or market rates to give compensation for right of way? So, it would be good to hear your views on the execution delays and the status.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Sir, earlier, as you recall, the timeline taken for a transmission line was about 36 to 40 months. Subsequently, there was a lot of demand from the private parties that they would be implementing these systems in much tighter timelines, and it has gone to the extent of 18 months was the timeline given to a 765 kV double circuit line. It's quite a challenging timeline. So over a period of time, it has been now recognized and realized that these timelines are not practical in terms of implementing transmission systems.

So now the Government of India has revisited these timelines and have adequately revisited these timelines and improved upon, which now stands about 26 to 30 months plus. So this is going to make sure that whatever projects are there are having adequate timeline for them to implement. So as far as the policy goes, yes, it has been recognized that transmission lines do take time in terms of implementing them. The second part of it is the land compensation. With the guidelines coming in and with the states taking over, a few of the states taking over, there has to be there will be some settlement, settling time for them to actually arrive at the mechanism for the MRC.

There could be nuances in each of the states as to how they would be dealing with it. So as and when this particular issue is overcome, I'm sure it will be that much faster rather than we finding it difficult in building up transmission systems. If these guidelines are well accepted and it's translating into reality with the compensation duly being paid to the landowner, I'm sure it would be bringing that ease in implementing of the transmission systems. Having said that, the challenges of ROW is there, cannot be wished away. With more increased urbanization, increased other infrastructure coming into the picture, So we will have to coexist and build these systems to ensure adequate evacuation in the country.

Bharani Dara - Analyst, Avendus Spark
Sure, that answers, except if you can highlight if there is any challenge due to equipment also. That

will be my last question. Thank you. Equipment supply.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Equipment supply. Equipment supply. Equipment supply with the high-intensity growth in the sector, obviously the existing capacities at times have a challenge in trying to provide these supplies. And looking into the power, Powergrid has taken an initiative of trying to give much more visibility to the manufacturers in terms of procuring it in bulk rather than project-specific procurements. This has given the confidence to the OEMs, so they started establishing a good amount of capacities, which I'm sure is now reflecting in terms of better discovery of prices and also better timelines. And eventually it is going to be doing good to the sector, so the stress on the equipment supplies which was there some time back should not be as much what it was before. So that is going to ease.

Bharani Dara - Analyst, Avendus Spark
So, so you're telling that the equipment supply challenge we had in, high-capacity transformers or GIS substations is significantly lesser now?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
This will be -- yeah, it would not be as bad as what it was before because the, the manufacturers are also now ready to take on the additional capacity requirements. So there are -- there is ramping up capacity in the country as well. So That is going to do a lot of good to the sector in terms of timely availability of the equipment.

Bharani Dara - Analyst, Avendus Spark
And obviously, because government has recently allowed a few Chinese companies also to be able to bid, that will also probably ease the equipment supply process, right?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
It should, it should. With more capacity, obviously more players in the field will definitely ease the situation.

Bharani Dara - Analyst, Avendus Spark
Thank you so much, sir. I enjoyed my conversation.

Operator
Thank you. Participants, in the interest of time and fairness to others, we request you to restrict to 2 questions per participant. We take the next question from the line of Kethan Jain. Please accept the prompt, announce your company name, and go ahead with your question.

Kethan Jain - Analyst, Avendus Spark
Hi, good morning, sir. My name is Kethan. I'm from Avendis Park. Just wanted to double-click on a follow-up question from previous participant on the difference in tariff from CERC and our filing. What is the reason behind this? Is it that CERC has not approved some of our expenses?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
No, I think I should put some clarity over here. The trajectory of the tariff of the regulator is that they recognize the tariff towards the cost of loan, that is the cost of debt, they are recognized as depreciation and they unwind that particular cost in 12 years. That's the nature of the tariff what the regulator gives. After 12 years, the entire debt is supposed to be done away with and then it's only the equity portion. So the characteristic of the tariff in itself will fall down after 12 years because the

component towards the repayment of the loan is to be addressed within that time.

So that is the way how the tariff has been governing. So that is one part, the trajectory of the tariff of the regulator. The second part of it is, as we file a petition towards the for the tariff, and if there is a delay in the issuance of the order by the regulator, then during the intervening period there is an interest which is accrued to the company Powergrid. SBI MCLR plus 100 basis points is what we are what we are, what we are entitled to receive during the period because the order has not come into position by the regulator. So all of that is also an additional revenue which comes into Powergrid. As and when the orders are issued by CRC, that particular component obviously wouldn't exist. Such component was significantly available for us in Q1 in the previous year. And as, as the year progressed, the order started being issued by the regulator, so that particular component dwindled.

So presently that component is not significant. So you find a variance between the Q1 of the previous year and Q1 of the current year to the extent of INR230 crores for the Q1 of '26 and '27. So this is the nature of the regulatory regime which we are bound with. There is no other concern in terms of regulator not allowing any tariff under absolutely, there is no such issue. The time taken by the regulator, because he's also stressed with a good number of petitions and he has a cycle to dispose them off, but during that period he makes sure that the, that the developer is not at a loss.

So there is a component of interest which is accrued to the developer. In this case, as what I was saying, INR230 crores was the quantum which was available to us in Q1. Last year. But as, as the year progressed, CRC started giving the orders because their cycle will have to come through. So presently that particular revenue provision is naturally not available. Now we get the orders, the final orders are already on the, on the, on the board. So we understood,

Kethan Jain - Analyst, Avendus Spark
Understood. that's very thanks for an elaborate answer. just so if I understand, if I have to calculate the adjusted profit, I need to add INR230 crores To the Q1 FY27 profit and also adjust the base for the writing back of any liability. What was that amount, sir?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Yes, write-in. There was a write-in. How much was that amount? 33 crores. 33 crores which was available in the last quarter is not available. There was one provision of write-in of a particular company. KSK Mahanadhi. KSK Mahanadhi. That's not available.

Kethan Jain - Analyst, Avendus Spark
So to write the adjusted profit, I should reduce the base profit by 33 crores and increase the current profit by 230 crores. Yes. Yes, that's it. Those are my questions. Thank you. Thank you.

Operator
Thank you. We take the next question from the line of Atul Tibari. Please accept the prompt to announce your company name and go ahead with your question.

Atul Tiwari - Analyst, JPMorgan Chase & Co.
Yes, sir. So this is Atul here from JPMorgan. So my question is on, again, on equipment supply status. So especially for some equipment like transformers, You know, the industry has seen quite a bit of increase in price rise over the past few years because of a lot of ordering. But now, has the situation started to normalize and are the prices stable and are they coming down? Because we gather that a lot of capacity is being added by vendors, which you also alluded to. And does it have

a scope for reducing, at least to some extent, the cost of implementing the projects?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Yes, as far as the increased capacity, as the nature of the law goes, with more players, more capacity in supplies, obviously it would have it will have a reducing impact on both the price as well as the timelines, availability of the systems. But having said that, the raw material which is required for the transformers and all, that is the factor which will continue to impress upon the costing of these equipment over here. The combination of increased price and the combination and the raw material costs would have an eventual impact on the price line of those equipment. So we see that the prices are quite stabilized over here, and in the days or the months to come, we should see much better progress as far as the price goes. While we would be and definitely, obviously, the price is coming down, it will have a much better impact in terms of sweetening the revenues of Powergrid. In terms of the earnings of Powergrid, it will be that much sweeter as we move forward.

Atul Tiwari - Analyst, JPMorgan Chase & Co.
And sir, what is the status of the award of Rajasthan Phase 4 Barmer Complex HVDC project? What are the timelines here?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
The timelines are that these bids have been submitted, the initial offers have been submitted, they are being evaluated by the bid process coordinator. And, the next steps as what the BPC will have to take will have to be announced. So the bids have been submitted. That's it.

Atul Tiwari - Analyst, JPMorgan Chase & Co.
Is there a date for announcing out yet, or the date is still not out?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
This date is still not out. The date is known just before the date of ERA, one day before. So it is not known.

Atul Tiwari - Analyst, JPMorgan Chase & Co.
Okay, thank you, thanks,

Operator
Thank you. We take the next question from the line of Janesh Karya. Please accept the prompt, announce your company name, and go ahead with your question.

Jinesh Karia - Analyst
Hello, am I audible? Yes. Oh yeah, thank you for the opportunity, sir. So you have mentioned a very strong pipeline going ahead from the Brahmaputra Basin region. Requirement, data center, GH2 opportunity. Any thoughts on, how can we see the HUDC pipeline for the next 3 to 5 years? And any thoughts on whether we can have preponement of any of the CAPEX that we have mentioned beyond '35? Any thoughts on that front? That is the first question.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
See, as you're aware, one of the projects of HUDC is already in the pipeline. And by '27, there's traction for another project to come into the pipeline out there. We look forward for that. And having said that, almost 21 HVDC projects are there depending upon the evolution of the generation and the load centers, because we need both the points for us to identify the projects. So the 900 gigawatt

report of CA has about 14 HVDC projects, and the Brahmaputra Basin has about 6 HVDC projects. And the international HVDC projects linking Sri Lanka and Andaman and Myanmar, they also are actively under consideration.

Depending upon the evolution of the technology, the ease and availability of these systems and the costing of the systems will have an impact in the planner deciding to go towards the HVDC. To tilt towards HVDC, we need to have the availability of it because they have a long gestation period, these HVDC projects. And also they have significant costs. So the planner will have to carefully examine the availability of these projects on their requisite timelines and accordingly plan these systems. So there is good traction as far as the HVDC projects which are within the midterm.

Jinesh Karia - Analyst
Got it, sir. So like you mentioned, cost overruns would be one of the factors that could determine the timing and quantum of HVDC projects. Any thoughts on how BESS as a system would play a role in the upcoming 5 years given Pricing side pressure from OEM capacity coming in might go down, but commodity inflation for the OEMs' raw materials will still drive up can still drive up the pricing. So any thoughts on HGDC being complemented with BESS or getting converted through BESS to some other technology? Any thoughts on that front? And just to follow up on that, what kind of equipment would VE or any other transmission players would be procuring from Chinese OEMs who have received, approvals from the government? So yeah, those were the last 2 questions.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Yeah, multiple questions. So here I should say the replacement of HVDC with the BESS, I don't think so it will be exactly so in that manner. BESS has its own utility and HVDC comes with its own utility part. So these 2 components in the planner planning part will be taken by the planner and CA put together. They will be seeing because it is not a static scenario. What we need to appreciate is that the power sector is not a static scenario. With more generation coming in different locations, more data centers, or more loads having in different positions, this is continuously dynamic in nature.

So given the situation, given the costing of these systems, best HVDC and other alternative systems including 1200 kV HVAC systems, all these things are actively considered before finalizing upon that component which will have to be taken up, which is most suitable at that point of time. So this, the planner will evolve, and I'm sure that they are looking at it. Having said that, on the west front, the regulator also has recently come up with an amendment to the terms and tariff regulations under which he's expecting that the integrated storage systems, that is the batteries or such kind of systems, are given a provision that even the transmission developer like Powergrid also can develop. So Powergrid is also working upon this very clearly. I mean, very intensely, and we also filed petitions before the regulator after obtaining the consent from the Northern and the Western Region RPCs. So this is another opportunity for Powergrid also to work into the best storage systems under the regulatory portion, that is under Section 62 of the Electricity Act. So we are working on that as well, but this largely depends upon the traction what is being given by the other stakeholders.

Jinesh Karia - Analyst
Thanks, sir. And just if you could just follow up on the Chinese OEMs, the equipment that you plan to purchase the kind of equipment we plan to purchase from the Chinese OEMs who have received approvals?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
See, as you are aware, with the recent notification, 4 of the companies within the country have been allowed by the Government of India. Having said that, Powergrid continues to be in adherence to the guidelines what are notified by the Government of India from time to time, and to the extent whatever we have the opportunity options for procuring these equipment from the neighboring countries, Powergrid will be adhering to that.

Jinesh Karia - Analyst
Got it, sir. Thank you, thank you for patiently answering all my questions and all the best.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Thank you so much, Dinesh.

Operator
Thank you. The next question comes from the line of Sumit Kishore. Please accept the prompt, announce your company name, and go ahead with your question.

Sumit Kishore - Analyst
Thanks for the opportunity. my question is, the equity investment in operational DBCG projects has gone up from INR4,671 crore last year to INR9,965 crore. Could you give us a sense, given DBCG is the main driver of growth, I mean, what is the color that you can provide us on the consolidated performance of TPCB in terms of revenue, EBITDA, and PAT, and also give us a sense on what kind of return on the invested equity in operational TPCB projects you have been able to secure.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
The operational part, as we're seeing, equity in TPCB operational has moved from INR4,671 to INR9,999. The mainstay, as what we are saying, the lion's share of the projects presently are under the TBCP regime, and there is competition in terms of securing the projects. Obviously, we need to tread a path of both growth and profitability, and Power Grid is continuing to make sure that there is both growth and profitability in its endeavors, whatever we are doing. And then the returns are also, um, that's a specific question I should say, returns are also well calibrated to make sure that the investor is comfortable with those returns. Because it's not one single project which will be determining it, the multiple projects each of the project comes with its own nice piece, and after execution, the quantum and the quantum of claims which are there, all of this put together will be giving the effective returns. And Power Grid is well safe and also making sure that all the returns are well within the interests of the shareholders.

Sumit Kishore - Analyst
One request here is that because Your business growth is largely driven by TPCB now. Could you make a separate disclosure in terms of what the consolidated, you know, contribution from TPCB projects is to the P&L? That is the main growth driver for the company. So what is the consolidated revenue, consolidated EBITDA, consolidated profit for TPCB? That will help us analyze the company better. There are periodical, you know, regulatory adjustments which anyway are in a business where the pace of growth has slowed down quite considerably. But we are not able to appreciate your results given the key underlying driver of growth. The transparency on, the disclosures is not allowing us to evaluate how TBCB performance has been.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
I do appreciate the concern. In fact, it is an equal concern from my side as well, but you need to appreciate certain regulatory pulls or pushes actually impacts the Power Grid's financials. I think we will examine that, and with these kind of meets or such other platforms which are there, or maybe better disclosures, we will try to make sure that this is properly reaching out to the analysts and the investors alike, so that they continue to appreciate and have confidence on the company as to how we are moving forward.

So as to the regulator, what we have to disclose, we are already disclosed, and wherein the network we will examine that. We will examine that. Thank you so much for that particular insight. We are also equally concerned that the true reflection of what we are performing should be there with the investors so that he can analyze us that much better. As we have seen during these discussions, the primary concern was, their inability to judge that there is a regulatory drag, which is but very natural and nothing much cause of concern as what is happening there, which I already explained in my previous statements.

Sumit Kishore - Analyst
Just one more question. Given the nature of capacity addition is more leaning towards solar, and could you give us a sense of, are there any major transmission lines of Powergrid which are grossly underutilized at the moment because renewable projects have not come up and Powergrid transmission lines have got commissioned? And in those cases, are you facing any challenges, in terms of, you know, both operationally and recovering your dues from customers?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Okay, I should say yes, to the extent of the transmission charges of Powergrid are not governed by the power flow. so it is not that only power flows, Powergrid starts getting its revenue. So meaning that it is quite safe that once we commission the asset the revenues start flowing, whatever the mechanisms what the regulator has identified. So there are provisions where we continue to get our tariff. This tariff is not rupees per megawatt hour, it is rupees per annum. So be rest assured that the revenue is not linked to the generation. But having said that, definitely it's a cause of concern in case the generator has not come on time, the load is not there on time. So here I need to bifurcate 2 parts. One part is that the And as far as TBCP goes, there is no such need to go to the regulator and it is considered as deemed okay after a specified period. So the revenue starts going. So the generation not coming or being underutilized will not have an impact on the revenues of and the earnings of Powergrid.

Sumit Kishore - Analyst
Thank you so much. Thank you.

Operator
Thank you. We take the next question from the line of Satyadeep. Please accept the prompt, announce your company name, and go ahead with your question.

Satyadeep Jain - Analyst, Ambit Capital
Hi, this is Satyadeep Jain from Ambit Capital. The first question on the in the slide you mentioned new awards which total INR2,200 crore of annual revenues. Maybe can you share corresponding NCT CAPEX estimates for the new awards? This year so far?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
I think we can get that separately. If you're looking into the NCT part, I can get you. But intrastate, that wouldn't be available, the intrastate part of it. But the NCT is not definitely a guidance factor for us to get the tariff over there. We can definitely do share that. I can take the detail and somebody would reach out. But then that's not the one which is doing it.

Satyadeep Jain - Analyst, Ambit Capital
Okay. Because just trying to correlate, INR2,200 crore annual revenue seems large. Given typically historically revenue by gross block numbers. Just, I'll maybe take it offline on the NCT cost estimate. Also, the CRC notification back in March, it suggested that, and which was also one of the things you noted on regulated ROE on transmission projects, or transmission on, sorry, BEST projects. BEST is also now part of transmission element. So when do you, um, realistically expect to get some best projects awarded to you on regulated return basis? Is there any visibility you have that you expect some sizable work in hand from that?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Yes, with the regulator coming up forth with that regulation, the amendment which you are stating, so, so we have already had discussions with the concerned RPCs at both at the northern region and the western region. And having their clearance, we moved forward and we submitted our petitions and also filed before the regulator. So because, see, we have to understand any new system which is coming, there will be a lot of challenges in trying to do it. There will be some settling time for this particular concept.

The battery is not considered as transmission element. That's what you are saying. It is considered as that element whoever is doing it. The generator is doing it, it is considered as a generation element. But the transmission is a transmission element. But this regulation has actually allowed a transmission company to get into the the integrated storage business, that is battery included. So Powergrid has already taken initial actions and we have moved very fast in terms of a couple of months. It has taken 2 to 3 months after the regulation where we could also reach out to the stakeholders in the RPCs and also then file the petition before the regulator.

Having said that, we will have to await the regulator's position, what you would like to look into it, and the other stakeholders. Then it will mature. Once it is so, we will obviously come forward and let you know what is the status. But the present status is we have already moved forward, we have done all the groundwork, all the homework is done, and we lready filed the petitions.

Satyadeep Jain - Analyst, Ambit Capital
Okay, so just, this is as per the procedure of the regulation itself.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
As per the regulation, we'll have to move in this manner, so we already done all of that.

Satyadeep Jain - Analyst, Ambit Capital
Okay, just one, quick question on the profitability for this quarter. So I know previous participant also alluded, you mentioned there was interest accrued, while you're waiting for tariff, about INR200 crore. Now that you've got the tariff, it seems like I'm not sure on a Y-Y basis that should impact your profitability comparison too much, but there is some forex impact also. Just wanted to see, are you able to pass that on? And is there a because we're not able to see plant growth, does that otherwise mean that the TBCP projects you commissioned, which was also what the previous

participant was asking, That in the first year you don't have much part from the entire TBCB projects which commissioned in the last year. Just trying to understand the profitability bridge better. Interest accrued, I know, till the tariff is approved, but now tariff is approved. I don't know if that should have any impact on YOY comparison.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
The tariff continues to accrue the entire year after the CRC order comes over there, but until then there is a revenue stream which comes owing to the interest Because of the differential between the, the DOCO and the CRP. That is the reason there is an upside. Obviously, when we compare with that upside with any other figure, there would be a difference. That is what is visible to the extent of about INR230 crores. On the capitalization which has occurred, the transmission charges could have gone up to INR788 crores as far as the earnings go. On the top line, it could have gone by INR788 crores. Owing to the transmission lines which have been commissioned. And correspondingly, the PAT should have been about INR247 crore. So that should have moved up. But for the regulatory drag, which is inherent and the natural way how the regulators assess all these shares which is moving, that is visible here, which is actually bringing it down to the numbers what you've seen. Otherwise, the transmission lines have increased by INR188 crore over here in this quarter.

Satyadeep Jain - Analyst, Ambit Capital
You're saying INR247 crore additional PAT from all the TBCB projects commissioned in the last one year, is that what you're saying?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Not limited to TBCB. The combination of both TBCB and the trajectory of the RTM projects put together, with the lion's share being that of the TBCB,

Satyadeep Jain - Analyst, Ambit Capital
Okay, so in the FX losses that you had in the regulatory account, what is, are you able to pass that on? Is that also one-off or there was some pass through?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Pass through. Can be passed. It's well taken care of because the regulated regime has that particular comfort which provides to the developers.

Satyadeep Jain - Analyst, Ambit Capital
Thank you so much.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Thank you.

Operator
Thank you. We take the next question from the line of Dhruv. Please accept the prompt, announce your company name, and go ahead with your question.

Dhruv - Analyst, HDFC MF
Hi sir, thank you so much. Dhruv from HDFC MF. So first question, we have started well with five thousand crores capitalization. In 1Q. is this scope for a meaningful, upside to the INR30,000 crore capitalization guidance for the year? Yes, some degree. If you can discuss,

Venkata S.V. - Chief Financial Officer, Power Grid Corporation of India Limite
we are the transmission systems are not coming unlike other businesses which have a cycle of every quarter or every year. The transmission systems do have a cycle based upon the timeline given for implementation over there, taking into account the ROW challenges. So glad to inform, as I was stating in my initial statements also, the quantum of capitalization which has happened in Q1 stands about INR5,277 crore. And we are also looking for a good number of projects, that is the, the copper products and the, these projects also will be on bar apart from other projects which we are implementing there. o as we move forward, the projects come on to capitalization, and I'm sure that this number would be that much more steady and improved.

Dhruv - Analyst, HDFC MF
Sure, sir. So the second thing is I was trying to do a console minus standalone, trying to imply the TPCD numbers largely. And if I look at the cross-block increase difference between console and standalone, the cross-block increase on a YY basis is about 67%. So 1Q this year, 1Q last year. But the increase in depreciation, the same differential increase in depreciation is only 27%. I'm just trying to understand why this gap. Is this because most of the incremental TBCB projects are coming on under lease accounting method, and hence there is no depreciation associated with that. And if that's the case, does it change the way, you know, PAT gets reported for TBCB? I mean, reported PAT for TBCB moves, under the lease accounting method versus your typical, your normalized accounting method?

Venkata S.V. - Chief Financial Officer, Power Grid Corporation of India Limite
Yes, we are now into the new method, right? Yeah, lease method only we are following, sir, wherein the depreciation will not come. It will be taken as amortization of the lease. So that is the reason why comparing the depreciation component in TBCB will not be commensurate with what is the capitalization, because capitalization out of capitalization, lease receivables are also there which are in book mode. So for that, the depreciation component will not be there because that is treated as lease.

Dhruv - Analyst, HDFC MF
Got it. So, does it in any sense have an implication how typically we think of PAT for a TBCB project versus how it moves in a lease accounting method in the say first 3, 4 years.

Venkata S.V. - Chief Financial Officer, Power Grid Corporation of India Limite
No, even with this accounting method, the PAT will not have any impact, the difference between either I go through the PPE method or to the lease. PAT will not have an impa

Dhruv - Analyst, HDFC MF
Got it, sure. And sir, last question is, these regulatory adjustments that you mentioned about, which is happening in the standalone, the reduction of depreciation resulting to reduction of revenue, we understand this has no this is a regulatory process. But probably just to give a better understanding, if this is having any implication of PAT on the PAT number, if you can probably help us understand what is the nominal or normative loan that you have in your regulatory accounts versus what is the actual loan which is sitting in the standalone assets on the operating transmission assets? Because if there is any meaningful gap, that would probably indicate that there will be some drag because of this regulatory adjustment, and if there's no gap, then probably the market understands that there is no implication of this. Basically, the difference between the normative debt and the actual debt on

the operating regulated assets.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
I will check this back and get back to you. Should that be fine?

Dhruv - Analyst, HDFC MF
Yeah, sure, sir. Great. Thank you so much, sir, and all the best. Thank you.

Operator
Thank you. We take the next question from the line of Mohit Pandey. Please accept the prompt, announce your company name, and go ahead with your question.

Mohit Pandey - Analyst
Yeah, good afternoon, sir. Um, my question is on, um, on grid strengthening projects. So I understand, there will be, incremental projects for strengthening the existing grid, as renewables penetration increases, for example, for adding inertia. So in cases where we already have, we are the owners of the assets, will those strengthening projects come to us on regulated mode, or will they typically be, via PVCB? And whether these projects are already a part of the INR7.9 lakh crore pipeline? That would be the first question.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
All projects which have to come are obviously in the pipeline only, whether it is a regular grid strengthening scheme or a generation-associated scheme. All of them are in one particular bracket. And as far as the existing systems, substations, what we have, should there be any extensions which will have to be done there, This is taken care by the NCT. They look forward to the best way of implementing it, and at times it is given to the regulated entity who is already there, or the entity who is already owning that asset class over there. So he is given the opportunity to undertake this under the ATM mode. And sometimes we see that it is also given under the bidding route. It is a combination of both these things. There's no specific mantra or rule as to how it happens. We have seen both these things happen. It's not specific.

Mohit Pandey - Analyst
Understood, sir. And on the One Nation, One Sun, One World, One Grid, when do we realistically see projects or any sense on that?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Yeah. Obviously, we need to, as we have evolved from a state to a region and region to a country, So the more we are integrated, the better we are in terms of utilizing the resources that much more effectively. So going beyond a country, it does have an additional component to tide over. We need to bridge that gap with the diplomatic relations with that country. If that is done, this would be one of the finest ways in terms of integrating the because the telecom network has already been integrated.

As you see, the entire world is now under one internet. So eventually, as we move forward, this should be the answer so that the ups and downs which are there in a typical sector are well taken care of, and it should move forward. This particular concept of one sun, one world, and one grid one nation, one grid, one frequency Powergrid has already achieved that particular objective, and this would be the next extension what we need to reach out. So the moment one or two countries we are able to integrate, which other countries are doing elsewhere in the world, So we are going to stitch

this particular network across the world. It would be in the interest of the human mankind, I should say, if we are getting through this.

Mohit Pandey - Analyst
Okay, sir. Thank you so much and wish you all the best.

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Thank you so much.

Operator
Thank you, ladies and gentlemen. With that, we conclude the question and answer session. I now hand the conference over to Mr. Mohit Kumar from ICICI Securities Limited for closing comments.

Mohit Kumar - Analyst, ICICI Securities
Thanks to the management for the detailed presentation. we would like to thank the management team for giving us an opportunity to host the call. Sir, would you like to make any closing remarks?

Burra Vamsi Rama Moha - Chairman & Managing Director, Power Grid Corporation of India Limite
Yes, yes. thank you so much, Mohit, you and your team for, this particular webinar being conducted so smoothly. And importantly, thanks to all the participants, including the investors and analysts who continue to deposit confidence in Powergrid. And the Q1 results, obviously they do have these kind of queries which are there. We are glad to actually unveil the challenges as far as the regulatory regime looks in terms of the drag, what has happened over the regulatory regime. I'm sure that these clarifications would put them in a better perspective in trying to understand what Powergrid's growth trajectory is. And thank you once again for your time and continued support. We look forward to gain your confidence continuously in this sector. Thank you so much. Thank you. Namaste.

Operator
[Operator Closing Remarks]