

# POWERGRID Infrastructure Investment Trust



पीजीइन्विट  
PGInvIT

Investor Presentation  
Q4 & FY 2024  
*May 22, 2024*





*By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations:*

- *This document has been prepared for information purposes only and is not an offer or invitation or recommendation to buy or sell any securities of POWERGRID Infrastructure Investment Trust ("PGInvIT"/ "Trust"), nor shall part, or all, of this document form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities of the Trust.*
- *The information in this document is being provided by PGIInvIT and is subject to change without notice. The Trust relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.*
- *This document contains statements about future events and expectations that may be forward-looking statements. These statements typically contain words such as "expects" and "anticipates" and words of similar import. Any statement in this document that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. The Trust assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.*
- *You acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Trust and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Trust.*
- *Neither the delivery of this document nor any further discussions of the Trust with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Trust since that date.*

---

## **PGInvIT Overview**

Trust Structure

---

PGInvIT at a glance

---

## **PGInvIT Performance**

Operational

---

Financial

---

## **Distribution**

---

## **Project Updates**

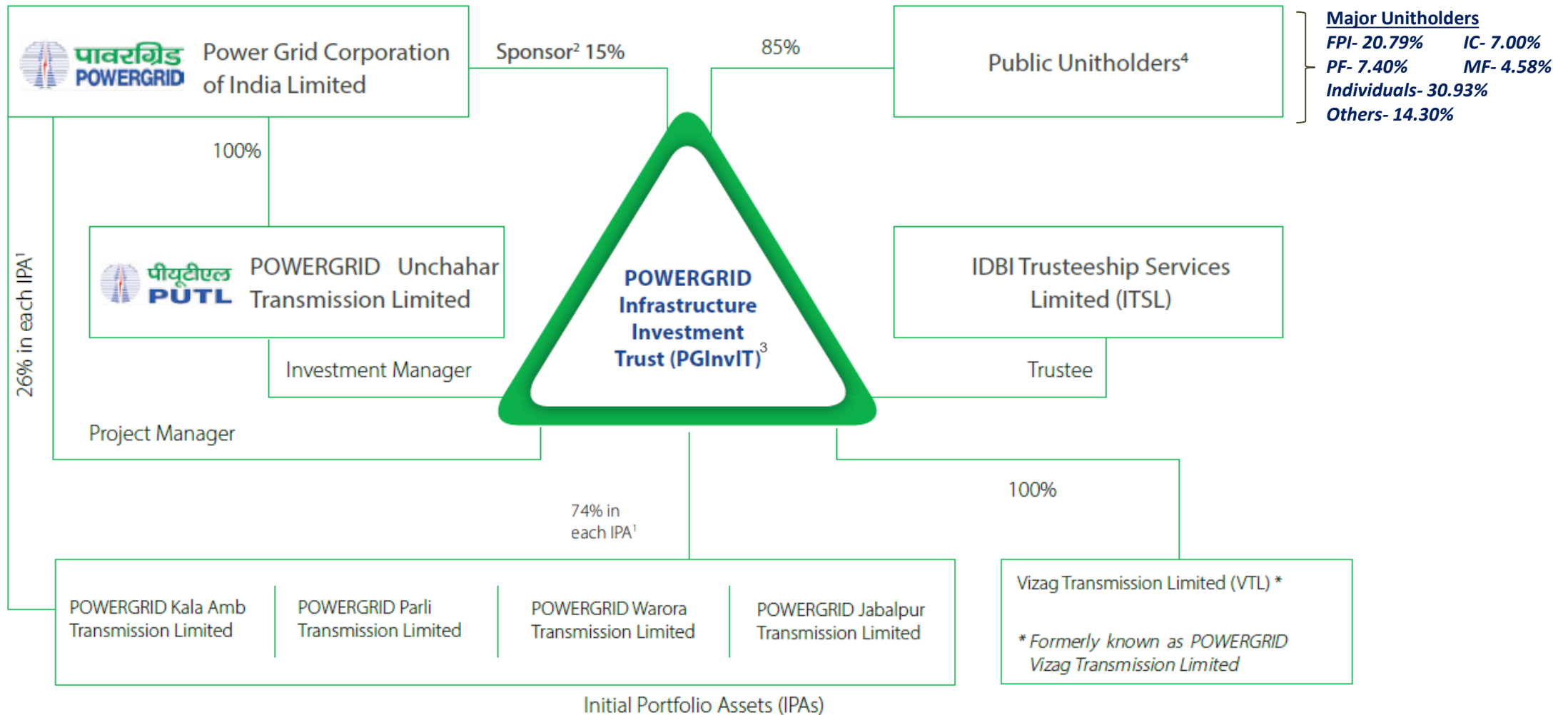
---

## **Business Outlook**

---

## **Glossary**

(as on March 31, 2024)



Notes:

1. Balance 26% stake eligible for acquisition, after expiry of the lock-in conditions under the TSA. i.e. PKATL(Jul'22); PPTL(Jun'23), PWTL(Jul'23) and PJTL(Jan'24)

2. Holds 136.5 mn units

3. Total 910.0 mn units

4. Hold 773.5 mn units

FPI-Foreign Portfolio Investor; IC- Insurance Cos.; PF- Pension Fund/ Provident Fund; MF- Mutual Funds

*India's 1<sup>st</sup> InvIT sponsored by a CPSE.... confidence of marquee investors....  
....powered by AAA – Assets....Assurance....Advantage*

*Sponsor & Project  
Manager- POWERGRID  
a Maharatna CPSE; one of  
the largest transmission  
utilities, globally*

*5 Operational and Revenue  
Generating ISTS TBCB SPVs*

*Perpetual ownership with  
35-year contract period*

*Availability-based Tariff*

*Billing and Collection  
through CTUIL*

**11 Tr. lines; 3,699ckm  
3 substations;  
6,630 MVA**

**>98%  
Availability since  
DOCO**

**28+ yrs  
Avg. TSA Residual Life  
(as on Mar-24)**

**Strong governance  
framework**

**Listed on NSE & BSE  
part of Nifty REITs &  
InvITs Index**

**₹ 84.70 billion  
Enterprise Value  
(as on Mar. 31, 2024)**

**0.26%  
Net Debt/ AUM  
(as on Mar. 31, 2024)**

**AAA  
Credit Ratings**

**₹ 34.50 per  
Unit\*  
DPU since listing  
(\* Incl. Rs.3.00 declared on May 22, 2024)**

**₹ 12 per Unit  
DPU guidance for  
FY25**

**Experienced  
Investment Manager**

**World Class Project  
Manager**

**Vibrant & Growing  
Power Sector**

**Debt funded  
acquisition strategy**

# PGInvIT- Initial Portfolio Assets



| Description                        | VTL                          | PKATL            | PPTL             | PWTL                           | PJTL            |
|------------------------------------|------------------------------|------------------|------------------|--------------------------------|-----------------|
| Location                           | Andhra Pradesh and Telangana | Himachal Pradesh | Maharashtra      | Madhya Pradesh and Maharashtra | Madhya Pradesh  |
| No. of lines & substations         | 2 lines                      | 1 line; 1 S/S    | 3 lines; 1 S/S   | 4 lines; 1 S/S                 | 1 line          |
| Line length (ckm)                  | 956.84                       | 2.47             | 966.12           | 1,028.11                       | 745.05          |
| Transformation capacity (MVA)      | -                            | 630              | 3,000            | 3,000                          | -               |
| Comml. Operation Date              | Feb 2017                     | Jul 2017         | Jun 2018         | Jul 2018                       | Jan 2019        |
| % shareholding acquired by PGINVIT | 74%- IPO<br>26%- Mar22       | 74%- IPO         | 74%- IPO         | 74%- IPO                       | 74%- IPO        |
| Lock-in expiry (for Bal. 26%)      | <b>January 2022</b>          | <b>July 2022</b> | <b>June 2023</b> | <b>July 2023</b>               | <b>Jan 2024</b> |
| Residual Life of TSA (years)       | 27.83                        | 28.28            | 29.18            | 29.28                          | 29.75           |

5 TBCB projects

11 tr. lines  
3,698.59 ckm

3 Sub-stations  
6,630 MVA

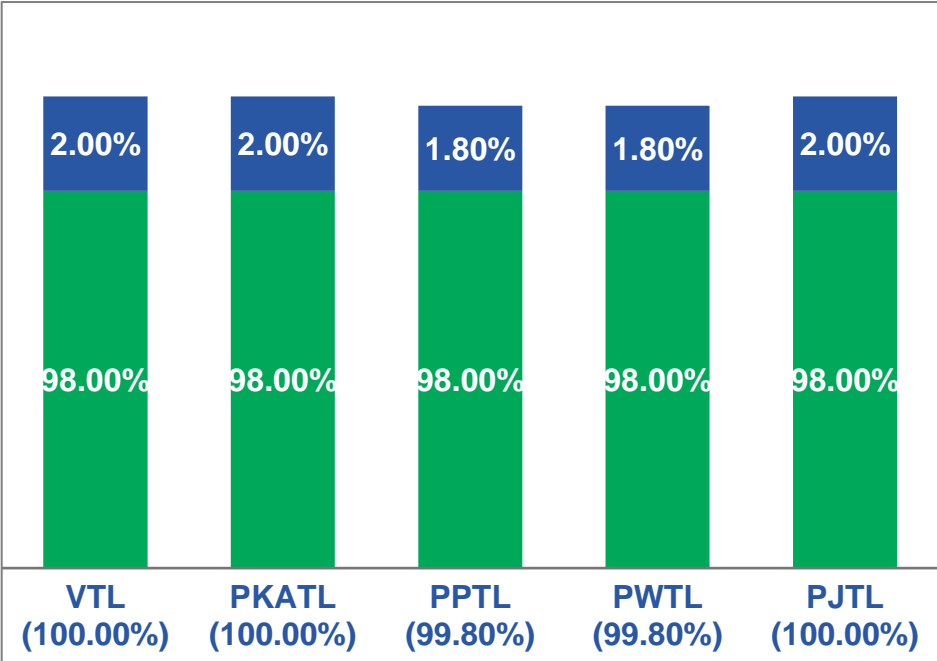
1,955.66 km  
Optical ground wire

28+ years  
Avg. residual life

## Surpassing Availability Goals with POWERGRID’s O&M Management for PGIInvIT

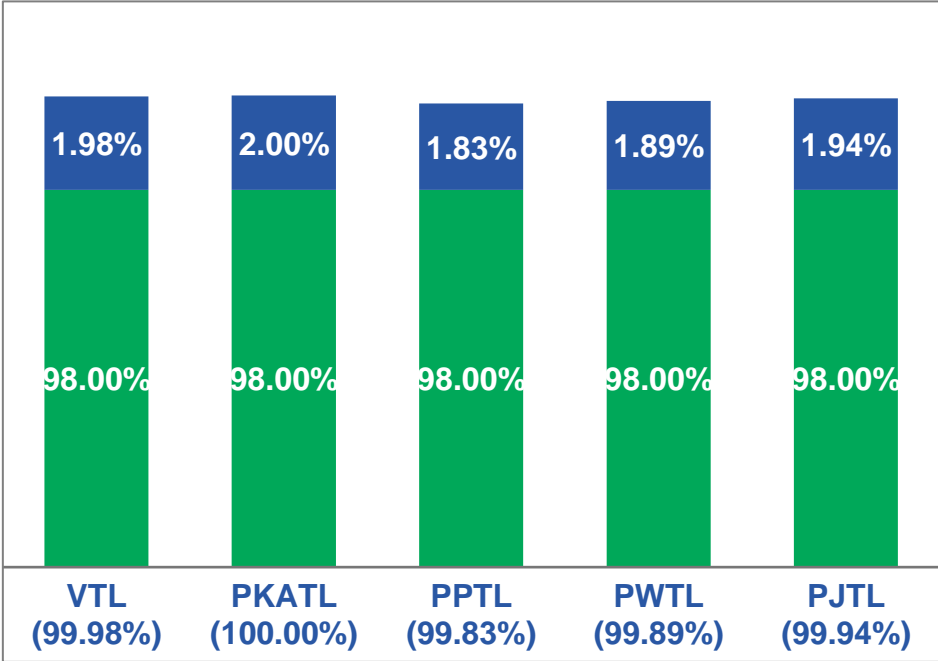
POWERGRID’s expertise helps PGIInvIT to achieve the best in industry availability by taking up preventive maintenance, providing OEM support, safety drills and trainings, drone patrolling of Transmission Lines, etc.

Avg. Availability\* - Q4FY24



■ Target availability ■ Availability above target availability

Avg. Availability\* - FY2024



\* Provisional. Under Approval by RPC

Safe & Efficient Operations

Average Availability since DOCO

>98%

*Financials providing consistent, stable, visible returns for unitholders*

## Financials (Consolidated)

### Total Income

• ₹ 13,027.22 Mn

### Operating Expenses

• ₹ 993.24 Mn

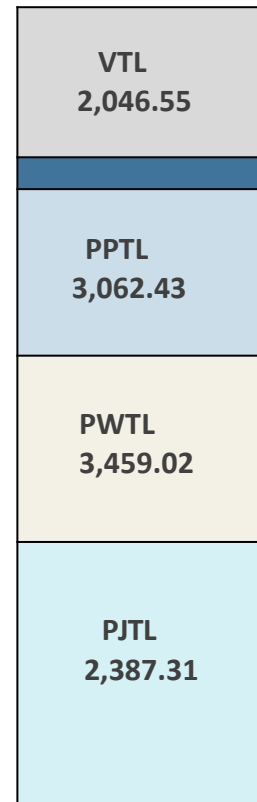
### Total Debt

₹ 5,698 Mn

### Receivable Days

40

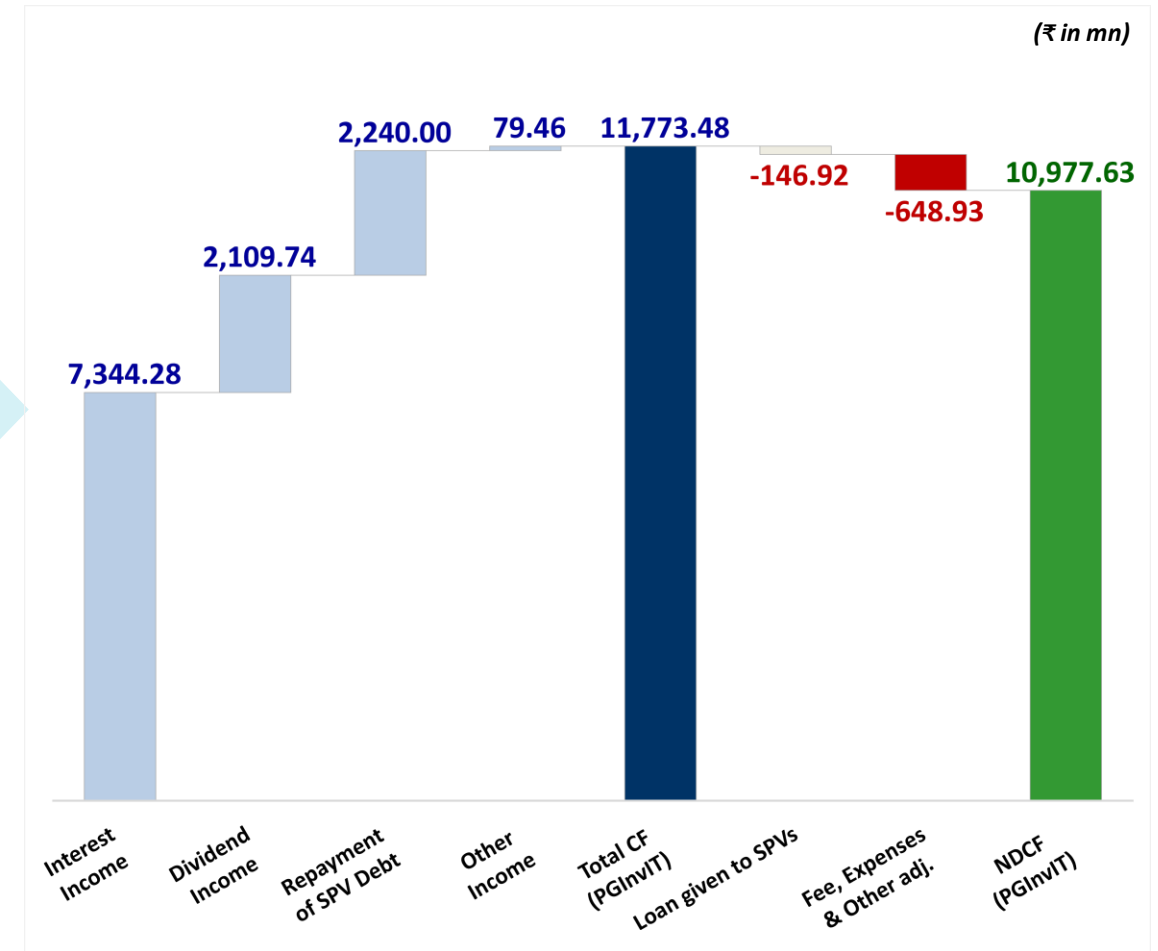
## NDCF at SPVs



PKATL  
468.19

>90%  
upstreamed

## NDCF at PGInvIT ( FY2024 )





*Financials providing consistent, stable, visible returns for unitholders*

## Financials (Consolidated)

### Total Income

• ₹ 3,266.81 Mn

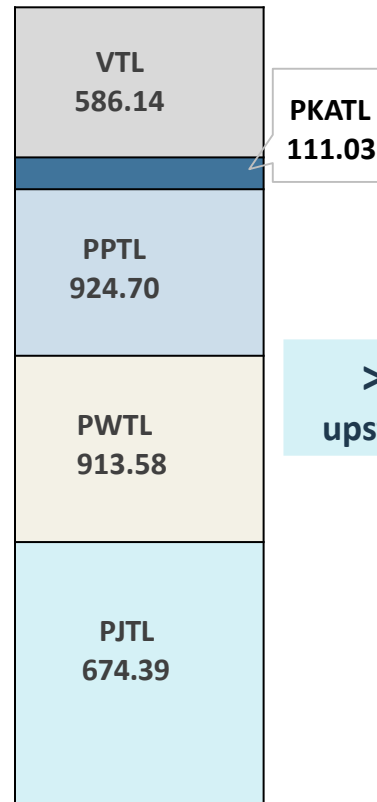
### Operating Expenses

• ₹ 299.95 Mn

**Total Debt**  
₹ 5,698 Mn

**Receivable Days**  
40

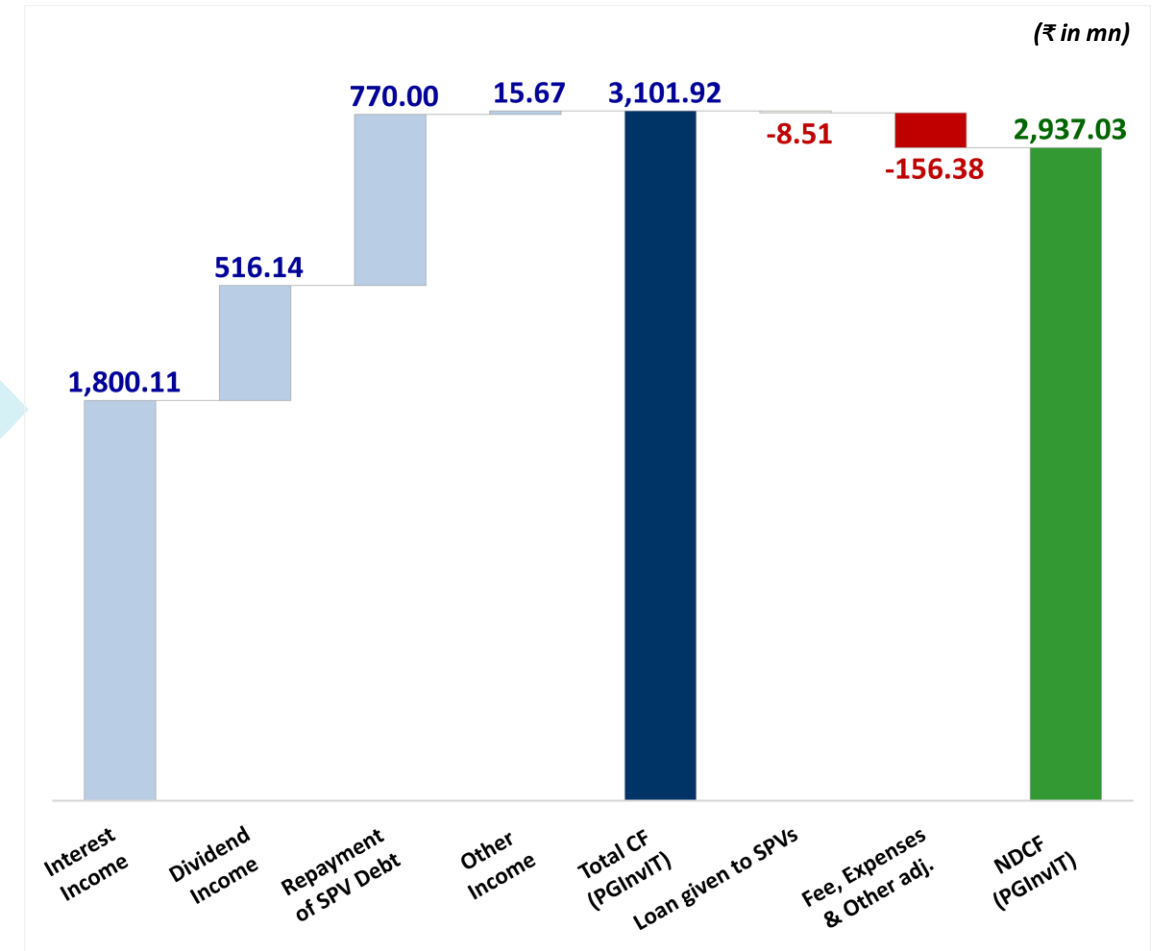
## NDCF at SPVs



**SPVs NDCF**  
(₹ 3,209.84 Mn)

>90%  
upstreamed

## NDCF at PGInvIT (Q4FY2024)



# Consolidated Financial Results



Rs. In million

| Particulars  | FY2024     | FY2023     |
|--|------------|------------|
| Total Revenue  | 13,027.22  | 13,152.91  |
| Operating Cost   | 993.24     | 889.23     |
| Earnings Before Interest Tax Depreciation & Amortisation | 12,033.98  | 12,263.68  |
| Finance Cost   | 468.71     | 414.33     |
| Depreciation & Ammortization                             | 3,154.12   | 3,148.15   |
| PBT Before Impairment                                    | 8,411.15   | 8,701.20   |
| Impairment / (Reversal of Impairment Loss)               | (2,541.43) | 15,098.10  |
| Profit Before Tax  | 10,952.58  | (6,396.90) |
| Tax Expense  | 1,135.26   | (1,932.80) |
| Profit After Tax   | 9,817.32   | (4,464.10) |
| Earnings Per Unit (in Rs.)                               | 10.18      | (2.14)     |

## External Debt

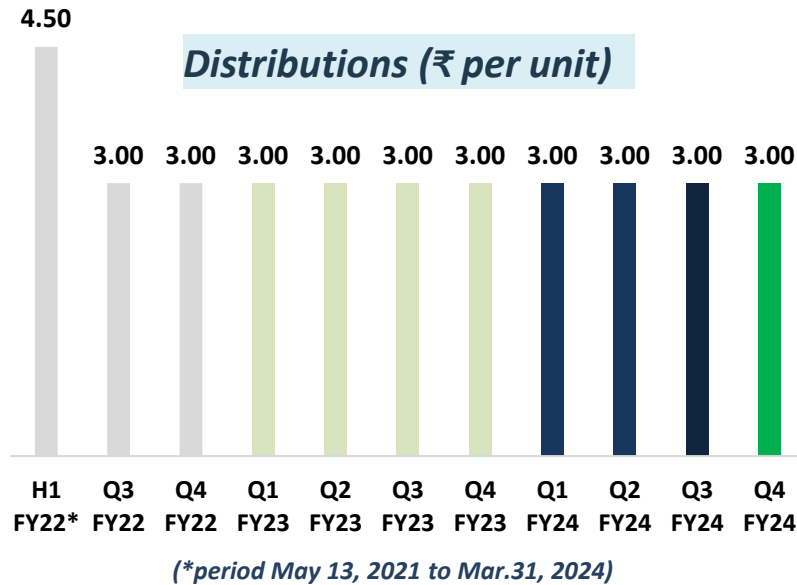
| <u>Bank Loan</u><br>(Drawn in Mar-22) | <u>Rate of Interest</u>                               | <u>Tenor</u> | <u>Loan Outstanding</u><br>(as on March 31, 2024) |
|---------------------------------------|---|--------------|---|
| ~Rs.5,756 mn                          | Linked to 3-month T-bill;<br>Reset on quarterly basis | 16 years     | ~Rs.5,698 mn                                      |

More than 78% of  
outstanding debt  
payable post 10 years

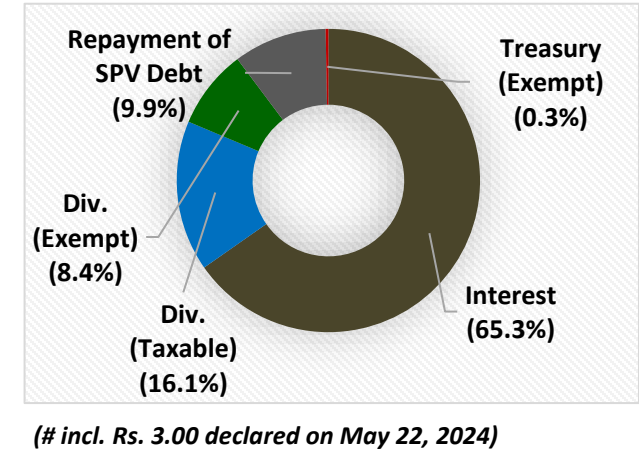
Interest Rate as on 31.03.2024 : 8.21%

**₹ 3.00  
per unit**

- ₹ 1.78 - Interest
- ₹ 0.30 - Dividend (Taxable)
- ₹ 0.15 - Dividend (Exempt)
- ₹ 0.75 - Repayment of SPV Debt
- ₹ 0.02 - Treasury Income (Exempt)



**Total Distribution since IPO  
₹ 34.50 per unit #**



## Distribution Guidance for FY2024-25: ₹ 12 per unit

**PGInvIT  
Distribution  
Policy**  
as on 31.03.2024

- ◆ InvIT Assets to distribute not less than 90% of each of their NDCF to the Trust
- ◆ Trust to distribute at least 90% of the Distributable Income to the Unitholders
- ◆ Distribution to be declared and made not less than once every quarter



**1 X 125 MVA<sub>r</sub>, 420 kV Bus Reactor at Kala Amb Substation along with 2 Nos. associated bays**

- Project allotted to PKATL under RTM
- License from CERC received
- Debt-Equity Ratio - 70:30
- Commissioned on 5<sup>th</sup> February 2024
- Tariff to be determined as per applicable CERC Regulations
- Return on Equity : 15.5% (as per CERC Regulations 2019-24)

**1 x 400 kV line bay at 765/400 kV Parli Substation for RE Interconnection**

- Allotted to POWERGRID Parli Transmission Limited on 02.01.2024
- Implementation by : 31.12 .2025
- Estimated Cost : Rs. 18 Cr.\*
- Tariff to be determined as per applicable CERC Regulations
- Return on Equity : 15.0% (as per Draft CERC Regulations 2024-29)
- Application for Separate Transmission License filed in CERC

\* - Cost Estimated by CTU in their approval.

## Acquisition Opportunities

Targeted through debt

Valuation by Independent Valuer

Corporate Governance Framework of PGInvIT

Policy on Related Party Transactions

Balance 26 % of PKATL, PPTL, PJTL & PWTL

- Matter being taken up with Sponsor in FY25

## Other Acquisition opportunities

### ❑ Asset Sale by Other Developers

- Limited Acquisition opportunities at present, sector to see more assets getting commissioned in 12- 18 months

### ❑ Gol's recommendations to States for monetization

- Policy Advocacy with States

### ❑ Gol's National Monetization Pipeline

- Sponsor presently prefers Securitization over monetization through InvIT

## *Factors driving India's Power Sector*

- Rising demand
- Focus on Energy Transition
- Infrastructure Development in States



## *Enablers for PGInvIT's Debt-funded Acquisition Strategy*

- Ambitious domestic and global investments
- Substantial headroom for debt-funded acquisitions
- Lenders' confidence and strong payment history
- Highest credit rating of 'AAA' from CARE, CRISIL, and ICRA since IPO

| Term            | Description  |
|-----------------|--|
| AUM             | Assets Under Management  |
| ckm             | circuit kilometres   |
| CPSE            | Central Public Sector Enterprise   |
| CTUIL           | Central Transmission Utility of India Ltd  |
| DOCO            | Date of Commercial Operation   |
| Q4FY24/Q4FY2024 | Quarter ended September 30, 2023   |
| PGInvIT         | POWERGRID Infrastructure Investment Trust  |
| IM              | Investment Manager   |
| InvIT           | Infrastructure Investment Trust  |
| IPA             | Initial Portfolio Assets (used interchangeably with SPV)                           |
| IPO             | Initial Public Offer   |
| ISTS            | Inter-State Transmission System  |
| MVA             | Mega Volt Ampere   |
| NDCF            | Net Distributable Cash Flows   |
| OEM             | Original Equipment Manufacturer  |
| PJTL            | POWERGRID Jabalpur Transmission Limited  |
| PKATL           | POWERGRID Kala Amb Transmission Limited  |
| POWERGRID       | Power Grid Corporation of India Limited  |
| PPTL            | POWERGRID Parli Transmission Limited   |
| VTL             | Vizag Transmission Limited (formerly POWERGRID Vizag Transmission Limited, "PVTL") |
| PWTL            | POWERGRID Warora Transmission Limited  |
| RPC             | Regional Power Committee   |
| SPV             | Special Purpose Vehicle (used interchangeably with IPA)                            |
| TBCB            | Tariff Based Competitive Bidding   |
| TSA             | Transmission Service Agreement   |

*Thank you*