

# POWERGRID Infrastructure Investment Trust



पीजीइन्विट  
PGInvIT

**Investor Presentation**  
**Q3 FY2024**  
*January 30, 2024*



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## **PGInvIT Overview**

Trust Structure

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PGInvIT at a glance

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## **PGInvIT Performance**

Operational

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Financial

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## **Distribution**

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## **Project Updates**

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## **Business Outlook**

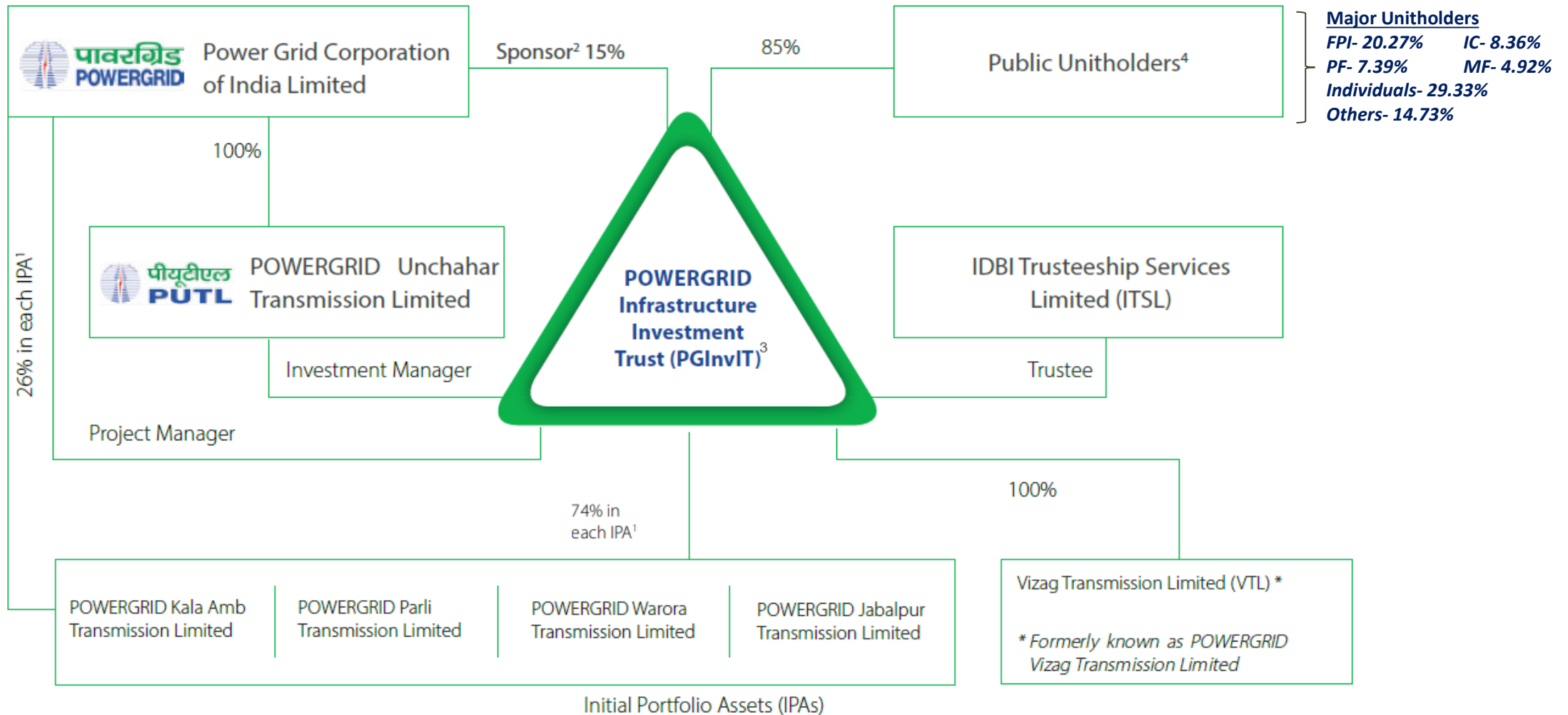
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## **Glossary**

# PGInvIT Structure



(as on December 31, 2023)



**Notes:**

1. Balance 26% stake eligible for acquisition, after expiry of the lock-in conditions under the TSA.

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**

**29+ yrs  
Avg. TSA Residual Life  
*(as on Mar-23)***

**Strong governance  
framework**

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

**₹ 85.90 billion  
Enterprise Value**

*(as on Sept. 30, 2023)*

**1.22%  
Net Debt/ AUM**

*(as on Sep 30, 2023)*

**AAA  
Credit Ratings**

**₹ 31.50 per  
Unit\*  
DPU since listing**

*(\* Incl. Rs.3.00 declared on Jan 24, 2024)*

**₹ 12 per Unit  
DPU guidance for  
FY24**

**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 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) (as on Mar-23)	28.08	28.53	29.43	29.53	30.00

5 TBCB projects

11 tr. lines  
3,698.59 ckm

3 Sub-stations  
6,630 MVA

1,955.66 km  
Optical ground wire

29+ years  
Avg. residual life

# Operational Performance – upto Q3FY24

*Consistently achieving Availability above benchmarks  
with POWERGRID as Project Manager to PGIInvIT*

Routine and Preventive Maintenance

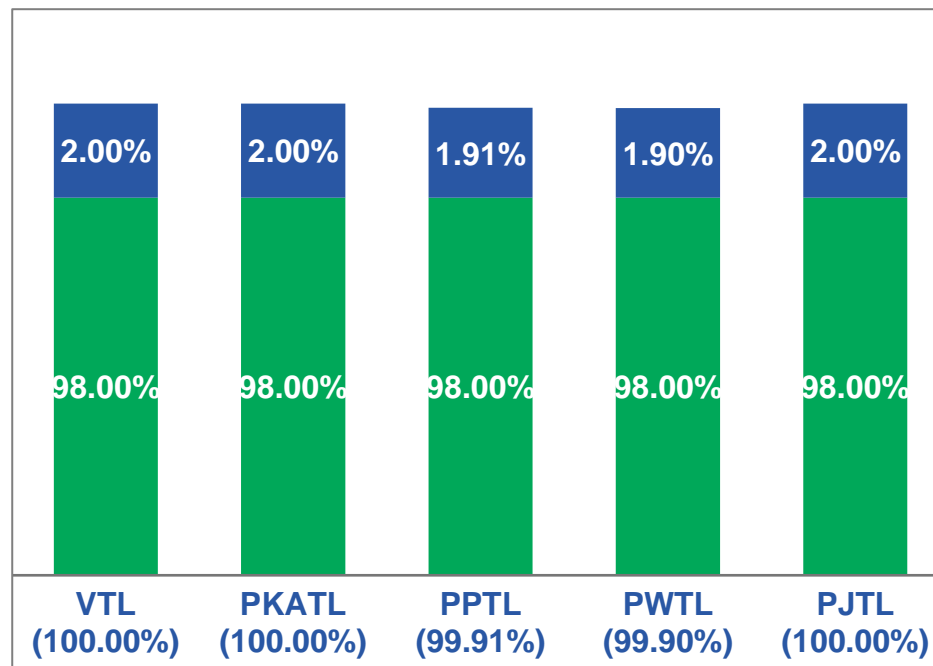
In-house maintenance

OEM Support

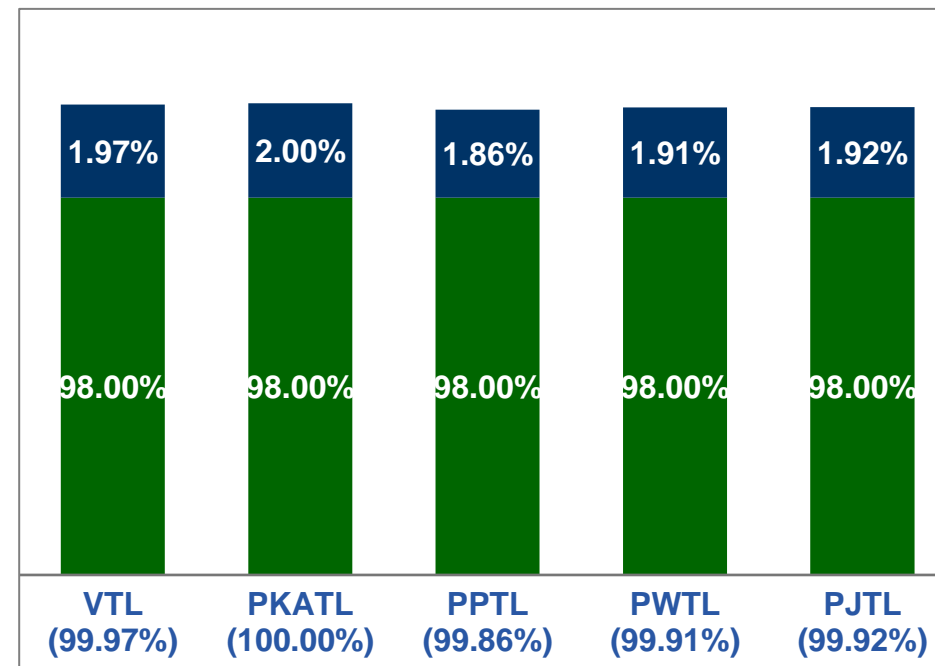
Safety Drills and Trainings for Teams

Aerial Patrolling through drones

**Avg. Availability\* - Q3FY24**



**Avg. Availability\* - upto Q3FY24**



■ Target Availability ■ Availability above Target Availability

\* Provisional. Under Approval by RPC

**Efficient & Accident-Free Operations**

**Average Availability since DOCO**

**>98%**

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

### Financials (Consolidated)

#### Total Income

• ₹ 3,293.48 Mn

#### Operating Expenses

• ₹ 201.07 Mn

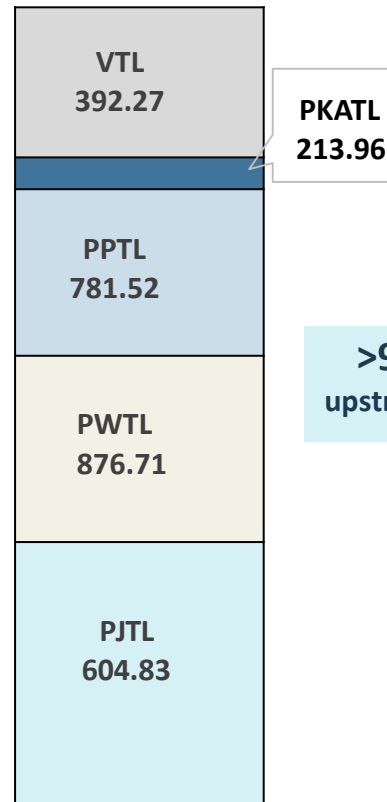
#### Total Debt

₹ 5,706 Mn

#### Receivable Days

59

### NDCF at SPVs

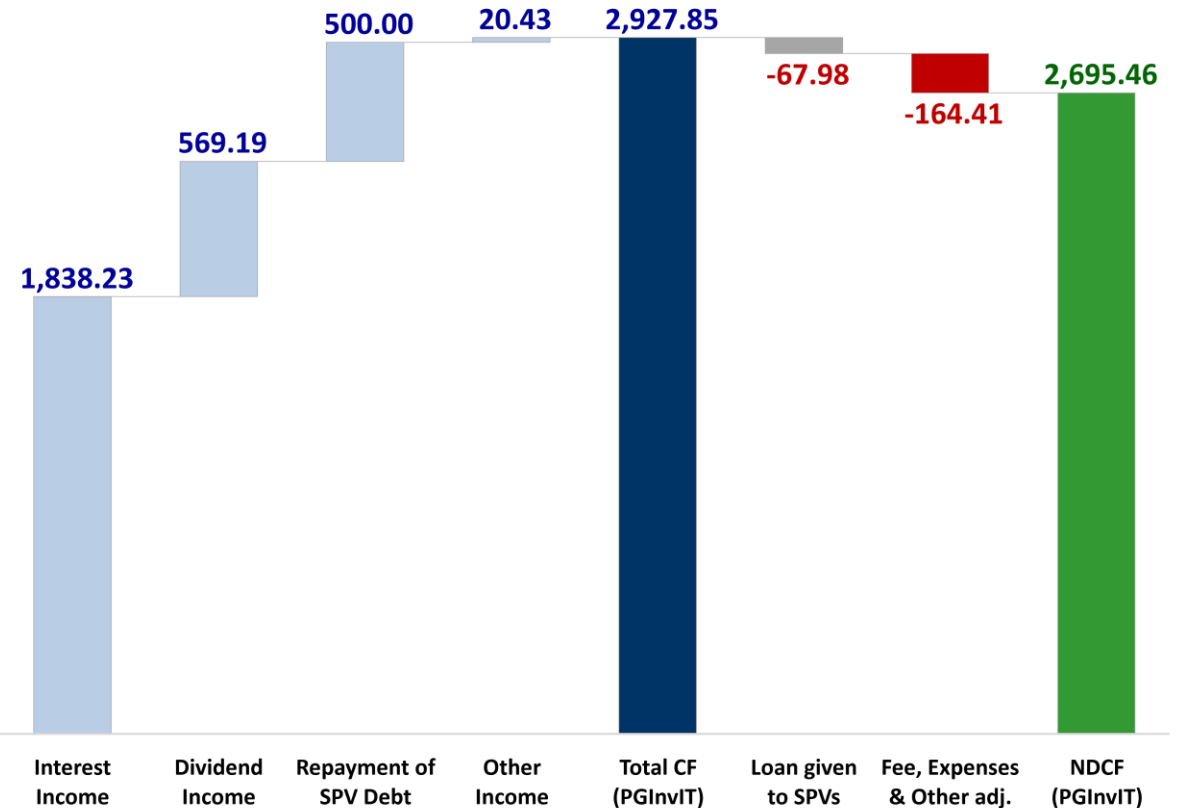


>90%  
upstreamed

SPVs NDCF  
(₹ 2,869.29 Mn)

### NDCF at PGIInvIT (Q3FY24)

(₹ in mn)





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

### Financials (Consolidated)

#### Total Income

• ₹ 9,760.41 Mn

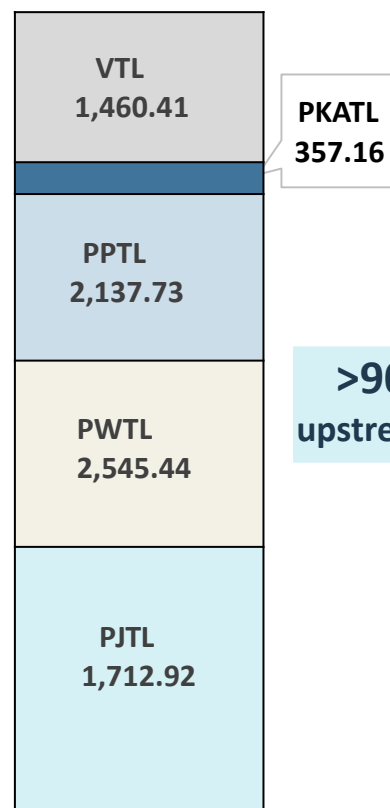
#### Operating Expenses

• ₹ 693.29 Mn

**Total Debt**  
₹ 5,706 Mn

**Receivable Days**  
59

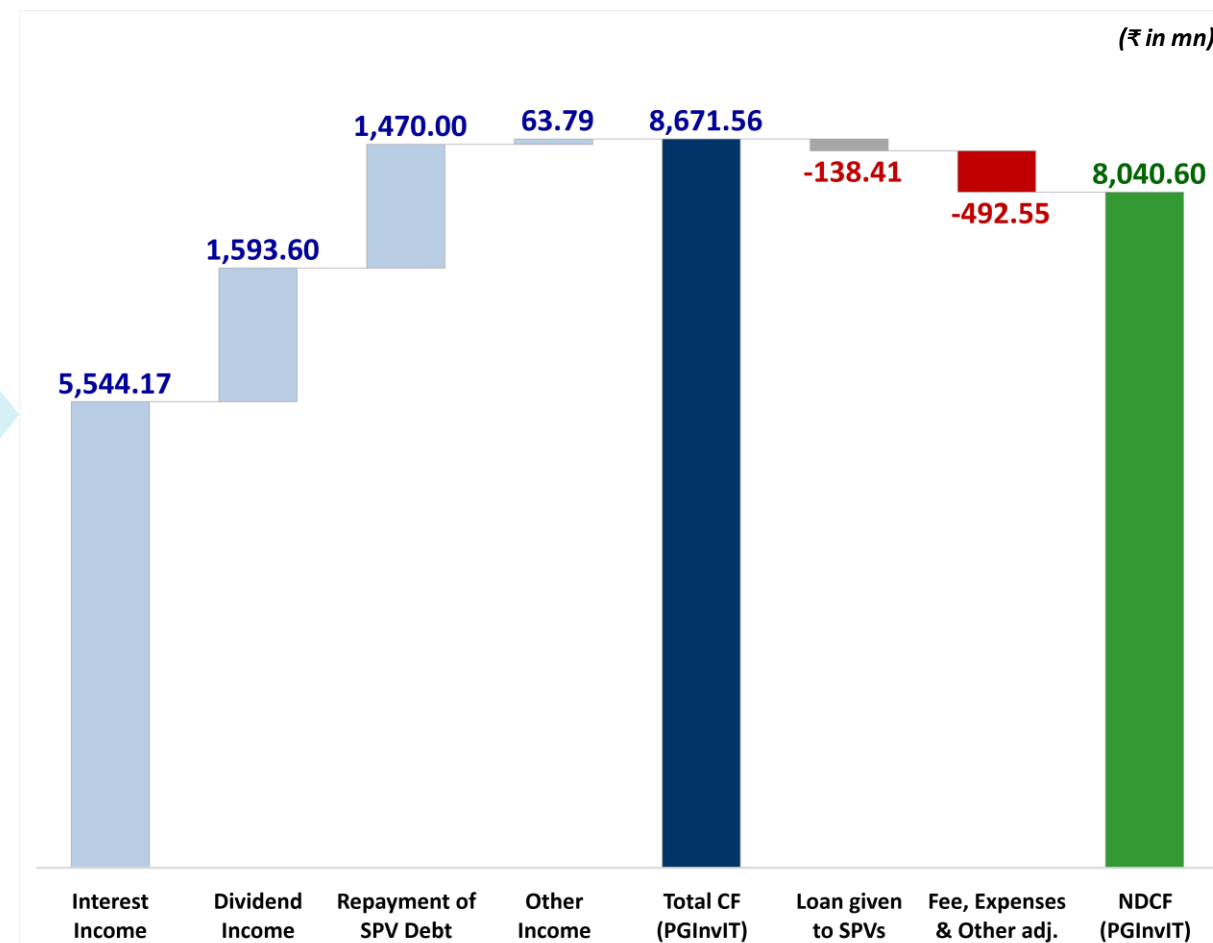
### NDCF at SPVs



>90%  
upstreamed

**SPVs NDCF**  
(₹ 8,213.66 Mn)

### NDCF at PGIInvIT (upto Q3FY24)



## External Debt

<u>Bank Loan</u> (Drawn in Mar-22)	<u>Rate of Interest</u>	<u>Tenor</u>	<u>Loan Outstanding</u> (as on Dec 31, 2023)
~Rs.5,756 mn	Linked to 3-month T-bill; Reset on quarterly basis	16 years	~Rs.5,706 mn

More than 80% Debt repayment post 10 years

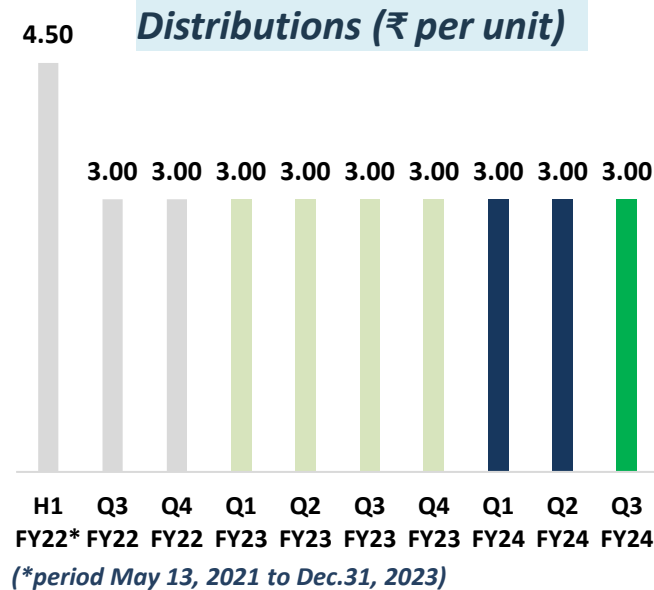
Interest Rate as on 31.12.2023 : 8.13%

## Distribution declared for Q3FY24

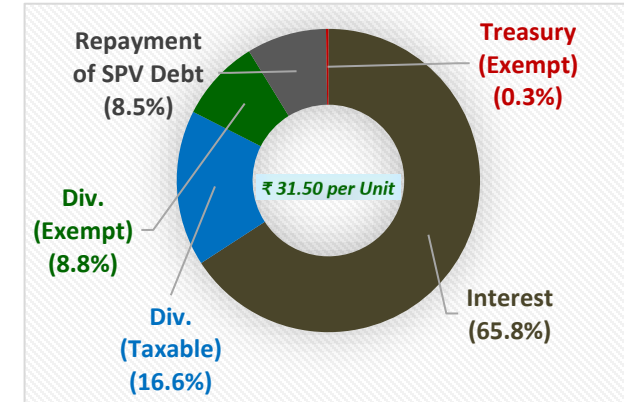
**₹ 3.00 per unit**

- ₹ 1.97 - Interest
- ₹ 0.39 - Dividend (Taxable)
- ₹ 0.16 - Dividend (Exempt)
- ₹ 0.47 - Repayment of SPV Debt
- ₹ 0.01 - Treasury Income (Exempt)

**Record Date for Distribution – January 30, 2024**



## Total Distribution since IPO ₹ 31.50 per unit #



(# incl. Rs.3.00 declared on January 24, 2024)

## Distribution Guidance for FY2023-24: ₹ 12 per unit

### PGInvIT Distribution Policy

- ◆ 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

## **1x125 MVAR, 420 kV Bus Reactor at Kala Amb Substation along with 2 Nos. associated bays**

- Project allotted to PKATL by Ministry of Power, Govt of India under Regulated Tariff Mechanism
- Commissioning expected shortly
- License from CERC received
- Debt-Equity Ratio - 70:30
- Tariff to be determined as per applicable CERC Regulations
- Return on Equity: 15.5% (as per CERC Regulations 2019-24)

## Recent Development post Q3FY24

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

- Allotted to POWERGRID Parli Transmission Limited by CTUIL on Jan. 2, 2024
- 400 kV Line of a RE Generator getting connected at Parli
- Under Regulated Tariff Mechanism
- Implementation timeframe as per CTUIL communication: Dec. 31, 2025
- Estimated Cost: Rs. 18 crore\*
- Tariff to be determined as per applicable CERC Regulations
- Return on Equity : 15.0% (as per Draft CERC Regulations 2024-29)

*\* Cost Estimated by CTU. Actual cost may vary.*

## Acquisition Opportunities

Targeted through debt

Valuation by Independent Valuer

Corporate Governance Framework of PGIInvIT

Policy on Related Party Transactions

Balance 26% of PKATL, PPTL, PJTL & PWTL

- Not envisaged in Fiscal 2024

## Others

- Asset Sale by Other Developers
  - Limited Acquisition opportunities at present- Sector to witness more assets getting commissioned in coming 12- 18 months
- Gol's guidelines to States for monetization of transmission assets
  - Policy Advocacy with States
- Targets under National Monetization Pipeline
  - As and when Sponsor undertakes Monetization through InvIT

### *Factors driving India's Power Sector*

- Rising demand
- Focus on Energy Transition
- Cross-border linkages



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

- Industry witnessing growing investments
- Substantial headroom for debt-funded acquisitions
- Lenders' trust and confidence
- Highest credit rating of 'AAA' from CARE, CRISIL, and ICRA

Term	Description
<b>AUM</b>	Assets Under Management
<b>ckm</b>	circuit kilometres
<b>CPSE</b>	Central Public Sector Enterprise
<b>CTUIL</b>	Central Transmission Utility of India Ltd
<b>DOCO</b>	Date of Commercial Operation
<b>Q3FY24/Q3FY2024</b>	Quarter ended September 30, 2023
<b>PGInvIT</b>	POWERGRID Infrastructure Investment Trust
<b>IM</b>	Investment Manager
<b>InvIT</b>	Infrastructure Investment Trust
<b>IPA</b>	Initial Portfolio Assets (used interchangeably with SPV)
<b>IPO</b>	Initial Public Offer
<b>ISTS</b>	Inter-State Transmission System
<b>MVA</b>	Mega Volt Ampere
<b>NDCF</b>	Net Distributable Cash Flows
<b>OEM</b>	Original Equipment Manufacturer
<b>PJTL</b>	POWERGRID Jabalpur Transmission Limited
<b>PKATL</b>	POWERGRID Kala Amb Transmission Limited
<b>POWERGRID</b>	Power Grid Corporation of India Limited
<b>PPTL</b>	POWERGRID Parli Transmission Limited
<b>VTL</b>	Vizag Transmission Limited (formerly POWERGRID Vizag Transmission Limited, "PVTL")
<b>PWTL</b>	POWERGRID Warora Transmission Limited
<b>RPC</b>	Regional Power Committee
<b>SPV</b>	Special Purpose Vehicle (used interchangeably with IPA)
<b>TBCB</b>	Tariff Based Competitive Bidding
<b>TSA</b>	Transmission Service Agreement

*Thank you*