



**Analysts' Meet 25 July, 2012**


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- *Annual Accounts for FY2011-12 are yet to be approved by the shareholders.*

- Q1FY12-13: Financial Highlights
- Q1 FY12-13: Performance Highlights
- XII Plan: Investment Programme
- XIII Plan: Power Sector Overview
- Updates on Upcoming Business Opportunities



## Q1FY12-13: Financial Results

## Financial Performance- Q1 FY12-13

Income up by  
27% in  
Q1(FY'13) as  
against 9% in  
Q1(FY'12)

Gross Margin  
up by 31% in  
Q1(FY'13) as  
against 8% in  
Q1(FY'12)

PAT up by  
23% in  
Q1(FY'13) as  
against 0.28%  
in Q1(FY'12)

	(₹ in crore)		
	FY 2011-12	QTR -I (FY2011-12)	QTR-I (FY 2012-13)
<b>Income</b>			
* Transmission Charges	9544	2101	2774
* Consultancy	290	56	60
* Telecom	201	45	54
* Other Income	750	139	92
<b>Total Income</b>	<b>10785</b>	<b>2341</b>	<b>2980</b>
Operating Expenses	1653	382	424
<b>EBITDA-Gross Margin</b>	<b>9132</b>	<b>1959</b>	<b>2556</b>
Prior Period Expenditure	18	1	0
Depreciation	2573	579	756
Interest	1943	415	646
Tax	1343	259	284
<b>Profit after Tax</b>	<b>3255</b>	<b>705</b>	<b>870</b>

## Financial Performance- Q1 FY12-13

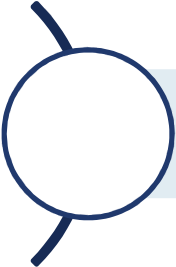
Gross Block up by 9% in Q1(FY'13) as against 3% in Q1(FY'12)

Assets Commissioned ₹ 4073 Cr in Q1(FY13) against ₹ 802 Cr in Q1(FY'12)

Assets commissioned ₹ 4073 Cr in Q1(FY'13) surpassed Capex of ₹ 3007 Cr in Q1(FY13)

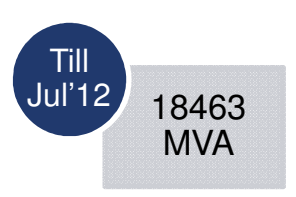
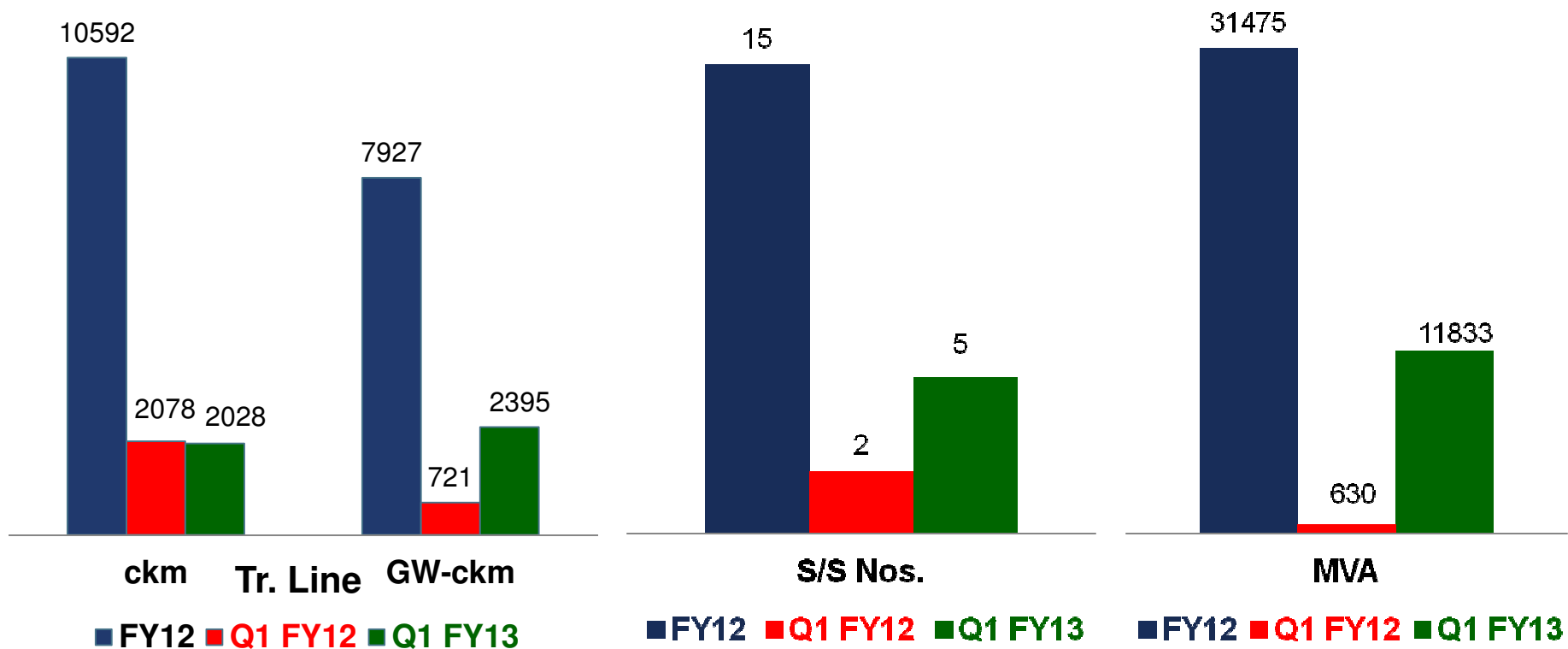
	(₹ in crore)		
	As on 31.03.2012	As on 30.06.2011	As on 30.06.2012
Gross Fixed Assets	63387	51979	68876
Debt	51752	41447	57987
Net Worth	23487	22057	24358
Earning Per Share (Rs)	7.03	1.52*	1.88*
Book Value per Share (Rs)	50.73	47.64	52.61
<b>Key Financial Ratios</b>			
Debt : Equity	69:31	65:35	70:30
Return on Net Worth	13.86%	3.20% *	3.57%*

\* Not Annualized



# Q1 FY12-13: Performance Highlights

# Project Execution

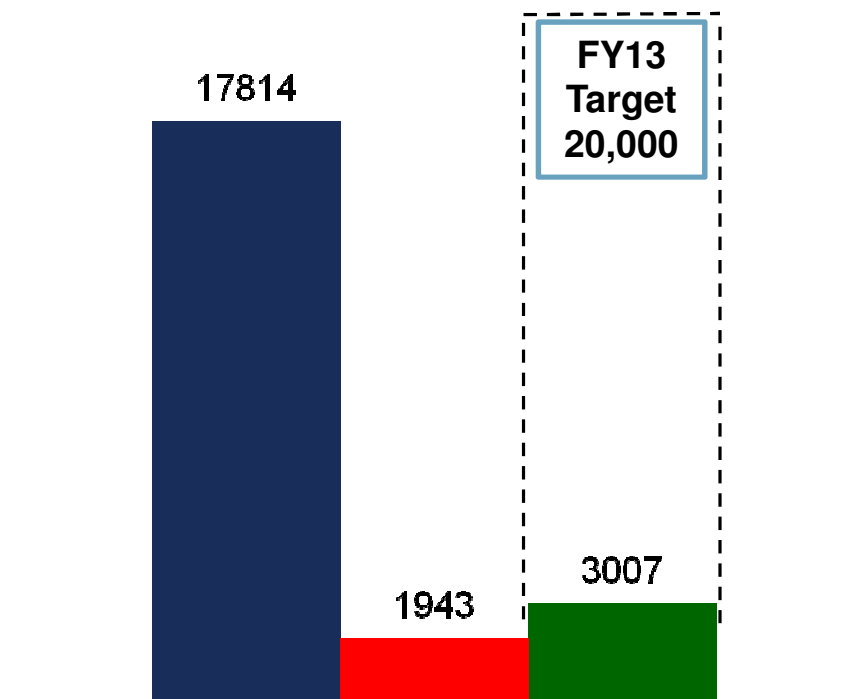






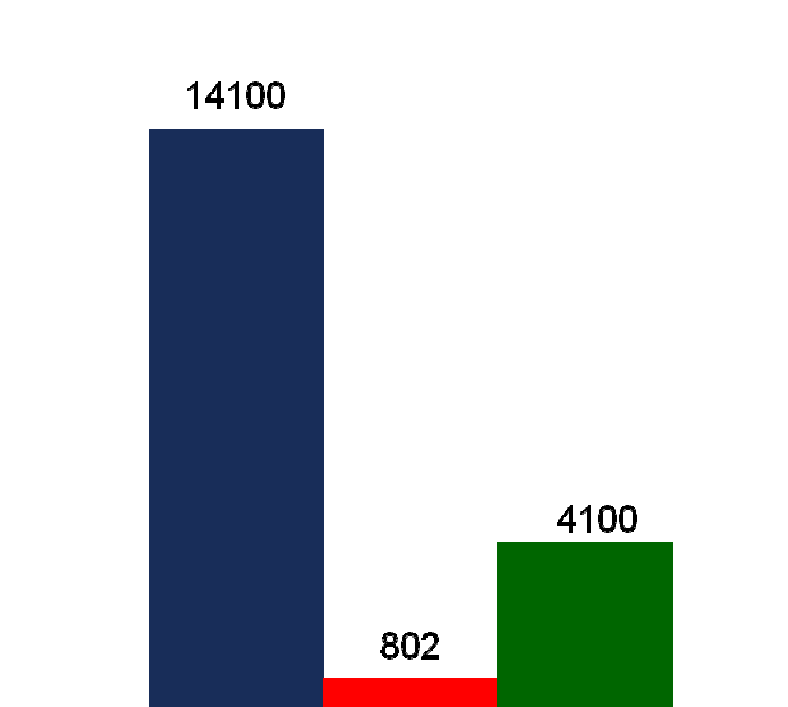
# Project Execution

(₹ in crore)



capex

■ FY12 ■ Q1 FY12 ■ Q1 FY13



commissioning/ capitalization

■ FY12 ■ Q1 FY12 ■ Q1 FY13

FY13

Till date

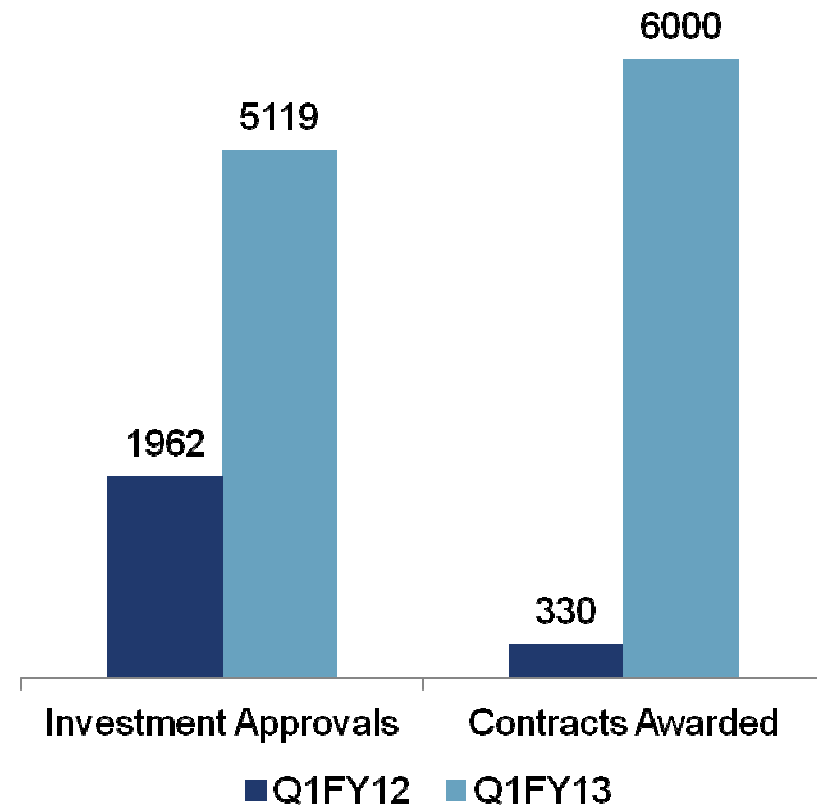
3752

Till Jul'12

5000

# Major Projects Commissioned

- Balia-Bhiwadi HVDC (Pole-II)
- System Strengthening for Sasan
- Supplementary DVC
- Other System Strengthening lines in various regions



## Other Initiatives & Opportunities

### Efficiency Enhancement Initiatives

- **Capex Efficiency**



Established dedicated transportation/ logistics cell for facilitating delivery of major equipment/ material at site

- **Opex Efficiency**



Under Implementation  
Project RUPANTAR (ERP)  
NTAMC

### Emerging Opportunity

Perform-Achieve-Trade  
Scheme by GoI



- Aims to improve energy efficiency in energy intensive industries
- Targeted industries: Thermal Plants, Iron & Steel, Cement, Fertiliser, Textiles, Paper etc.



**Dedicated Energy Efficiency Group established to capitalise on the opportunity arising out of PAT Scheme**

# Operations

## Asset Management

**Lines** 730 Nos.  
95,072 ckm

**Sub-Stations** 155 Nos.  
136,358 MVA  
~ 1100 Nos.  
Transformers &  
Reactors

**Availability** 99.92%  
**Reliability** 0.16 trippings/ line

## New Initiatives

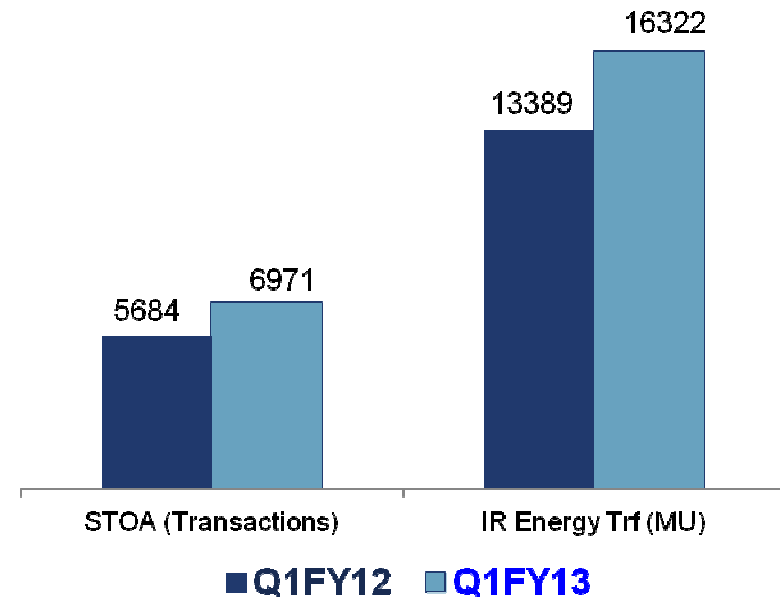


### Aerial Patrolling of Transmission Lines

- 800km stretch being undertaken
- Tender in process for another 15,000 km

## Grid Management (POSOCO)

IR Transfer increases by 22%



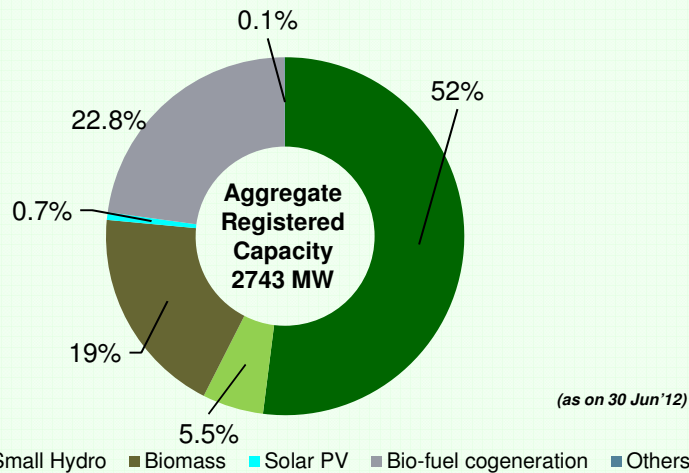
Sub-Hourly Market introduced

# Operations (REC Mechanism) & Telecom

## REC Mechanism

	Q1FY12	Q1FY13	
Registered Capacity (MW)	240	514	> 2x
REC Issued (Nos.)	59,863	612,191	> 10x
REC Traded (₹ in crore)	5.27	113.31	> 21x

**Cumulative RECs traded: ₹ 400 crore**



- Monthly Solar REC trading starts in May12
- Solar RECs worth ₹ 45 lakh traded in 2 sessions

## Telecom

### Q1 Highlights

- **9 new clients added**
  - 6 from Govt sector (incl. UIDAI, Ministry of Tourism)
  - 3 from Private Sector
- **1 new city (Gangtok)** added to the existing network

### NKN

Major part of allotment completed

### NOFN

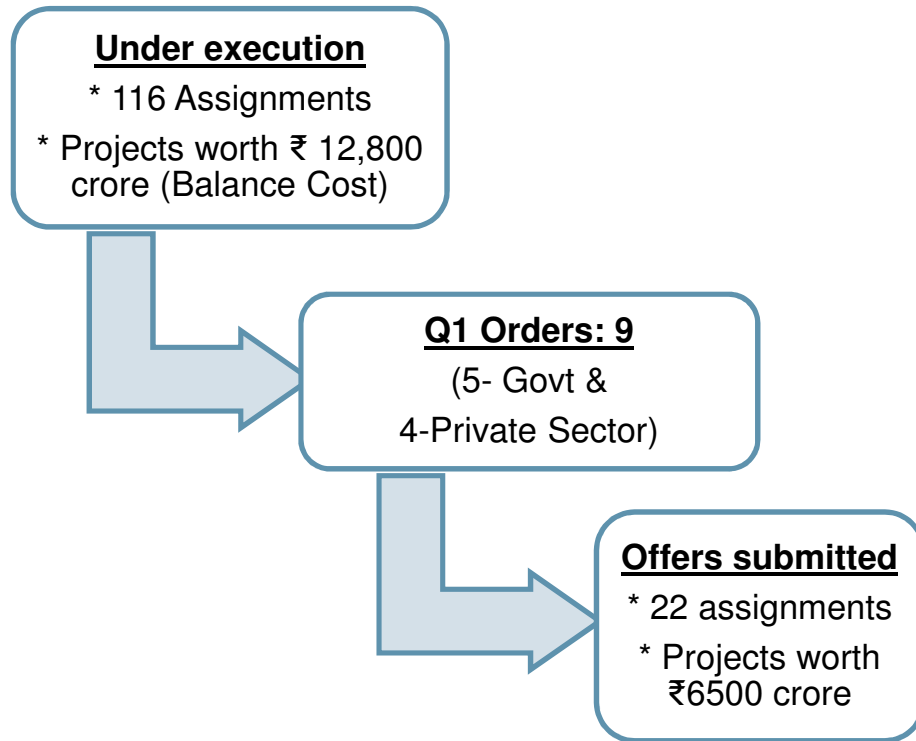
Implementation arrangements being worked out with Gol

Pilot undertaken in Vizag

**MPLS-VPN under implementation**

# Consultancy

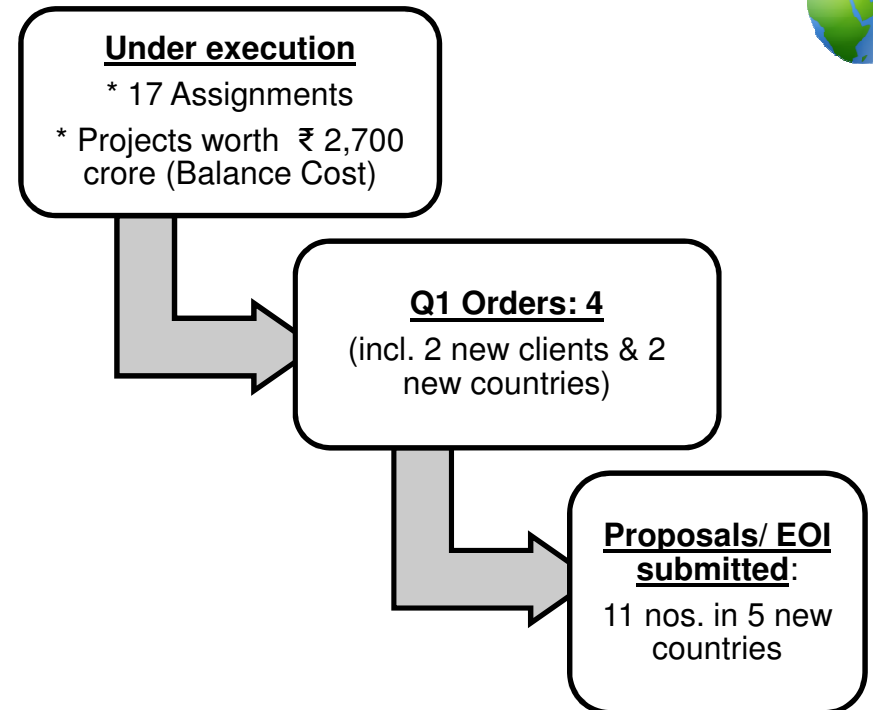
## Domestic



**Major Clients include:**

- Utilities in States/ Uts; Central PSUs
- Central Govt. Organizations (Indian Navy, Railways); Private Utilities; Companies in Private Sector

## International



**1<sup>st</sup> International JV formed- Power Transmission Company Nepal Ltd.**

- |            |            |            |         |
|------------|------------|------------|---------|
| Afganistan | Bangladesh | Nepal      | Bhutan  |
| Sri Lanka  | Kenya      | Ethiopia   | Nigeria |
|            | Myanmar    | Tajikistan | UAE     |

# Revenue Collection Efficiency


(₹ in crore)

## Outstanding as on date

Monthly Billing	950
Outstanding > 60 days	529
Being paid in installments	285
Balance Outstanding > 60 days	244

**Equivalent to 8  
days of billing**

**Petition filed with CERC to facilitate Regulation of Power Supply by  
Generation Company**



## XII Plan: Investment Programme



# Power Sector Overview – XII Plan



## Generation

- Peak Demand 198GW
- Capacity Addition 88 GW
- Capacity Addition RE 30 GW



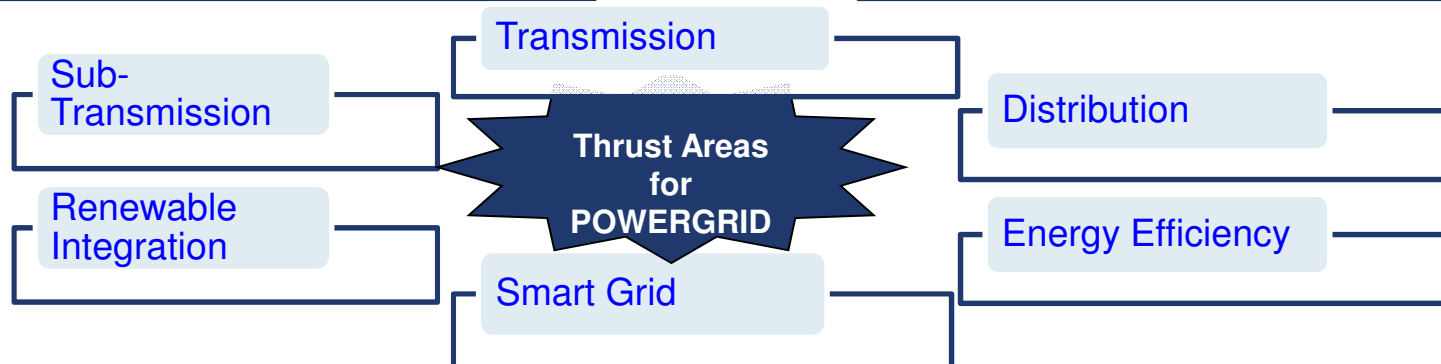
Transmission

- Fund Reqt. (₹ 180,000 crore)
  - inter-State (incl. Pvt) ₹ 125,000 crore
  - intra-State ₹ 55,000 crore
- ckm addition 109,440
- MVA addition 270,000



Distribution

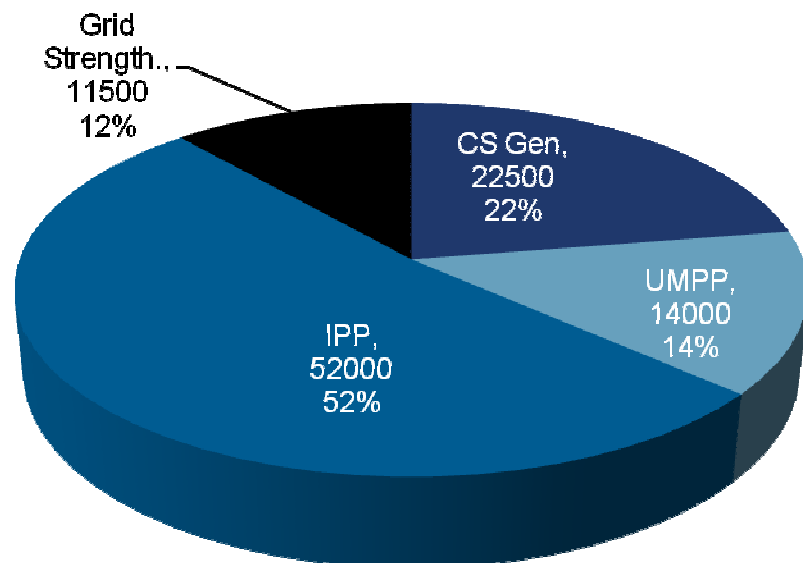
- Fund Reqt. ₹ 306,235 crore
  - incl. ₹ 9500 crore for Smart Grid
- ckm addn. (< 33kV) 13,05,000
- MVA addn. (33/11kV) 138,000 MVA



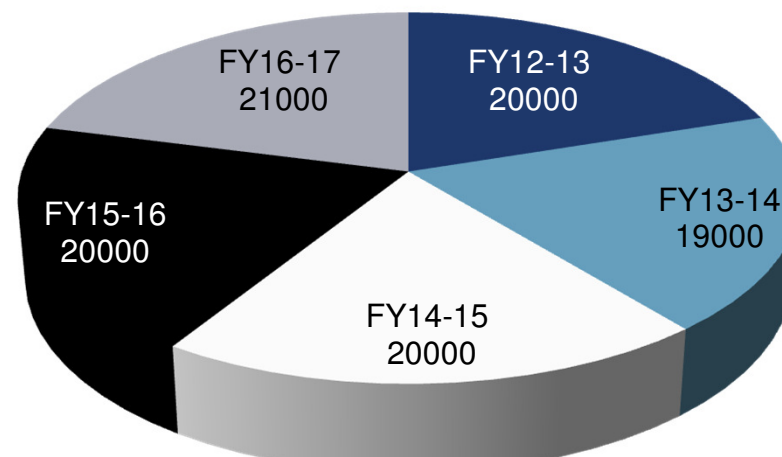
Source: Report of XII Plan Working Group on Power

# Investment Programme

(₹ in crore)



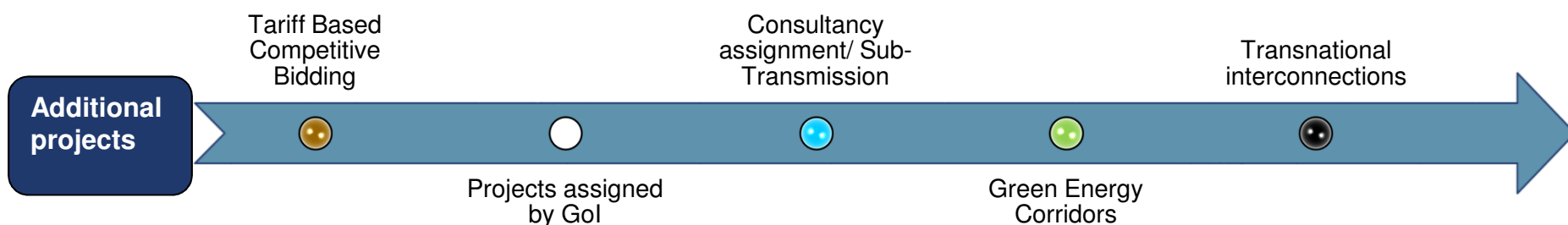
**Projects/ Schemes**



**Capital Outlay**

**Investment Approved - ₹ 84,000 crore**

**Contracts awarded for Project Cost: ₹ 70,000 crore**



# Funding Programme

**Investment planned in Debt-Equity ratio of 70:30**

## Requirement

**Equity**  
 ₹ 28,000-30,000 cr  
 through  
 Internal  
 Accruals



**Total  
 Investment  
 Programme of  
 ₹ 100,000  
 crore**

**Debt**  
 ₹ 23,500 cr tied  
 up.  
 ₹ 46,500 –  
 48,500 cr to be  
 raised

## Sources

### Domestic Market

- Bonds
- Line of Credit from SBI

### Foreign Currency

- Govt. guaranteed funds from IFIs like World Bank & ADB
- ECB including loans from ADB, IFC, Supplier's Credit

## Mobilised during the year

- Bonds from Domestic Market ₹ 4,000 crore - coupon 9.3%
- Foreign Currency Commercial Loan from IFC: US\$ 270 million



## Debt Profile

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## XI Plan Investments

(₹ in crore)

Investment	FY08	FY09	FY10	FY11	FY12	Total
Capex	6,656	8,167	10,617	12,077	17,814	55,331
Debt	4,365	5,504	7,941	8,046	12,714	38,570
i) Domestic	2,769	3,695	5,351	6,348	10,698	28,861
ii) Foreign	1,596	1,809	2,590	1,698	2,016	9,709
Domestic: Foreign	63:37	67:33	68:32	79:21	84:16	75:25

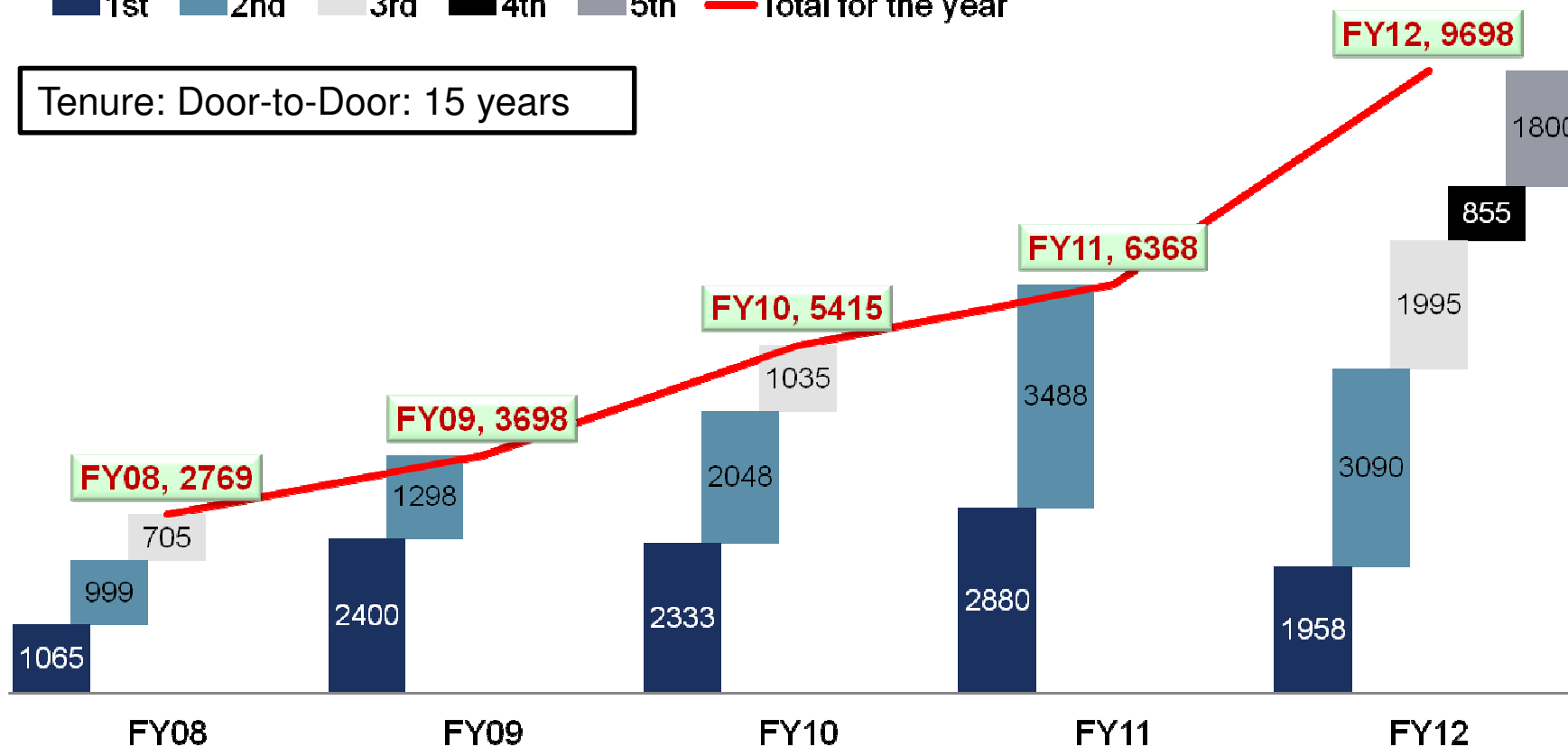
# Domestic Borrowings – Bonds

## Bonds issued during last 5 years

(₹ in crore)

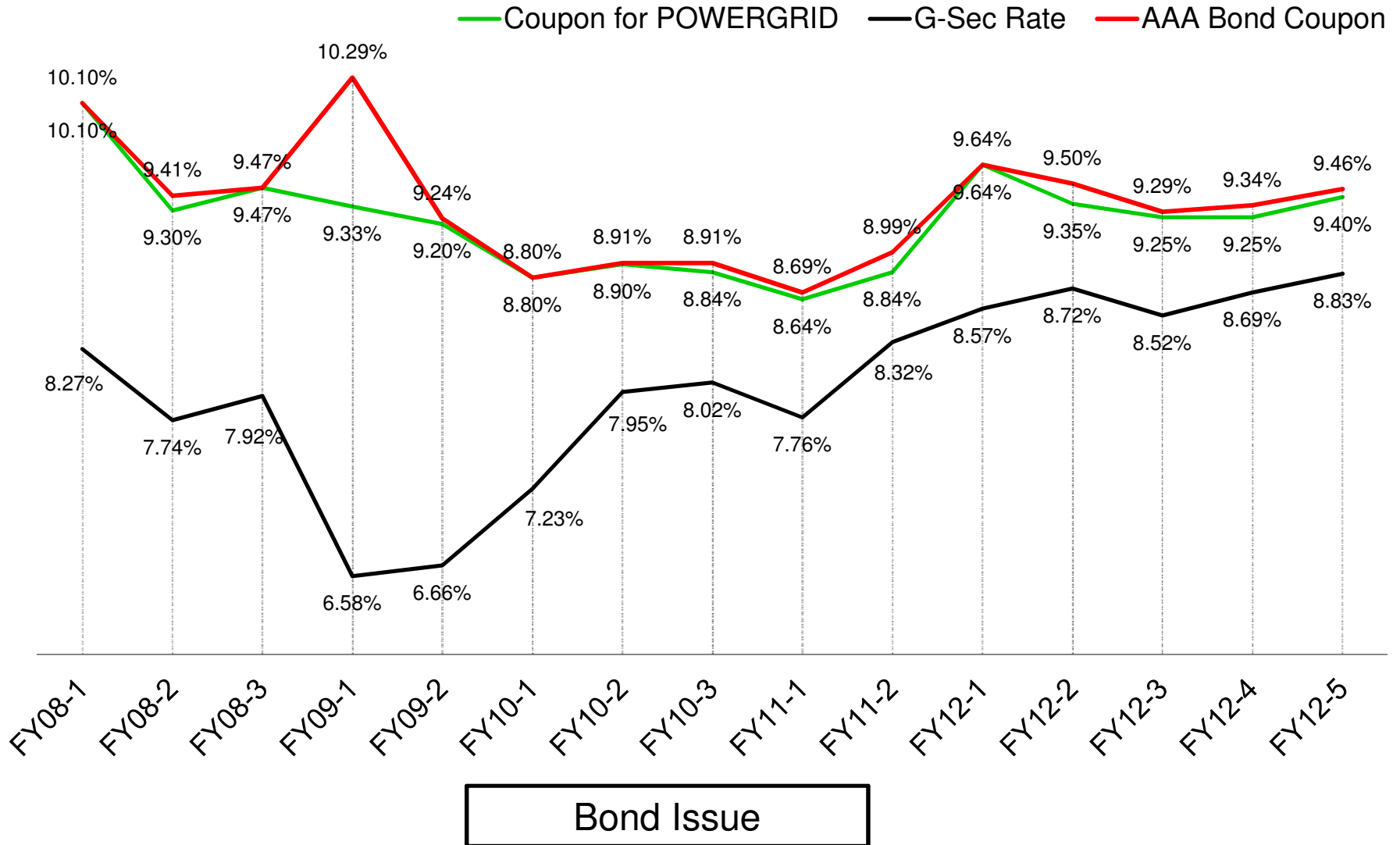
■ 1st ■ 2nd ■ 3rd ■ 4th ■ 5th — Total for the year

Tenure: Door-to-Door: 15 years



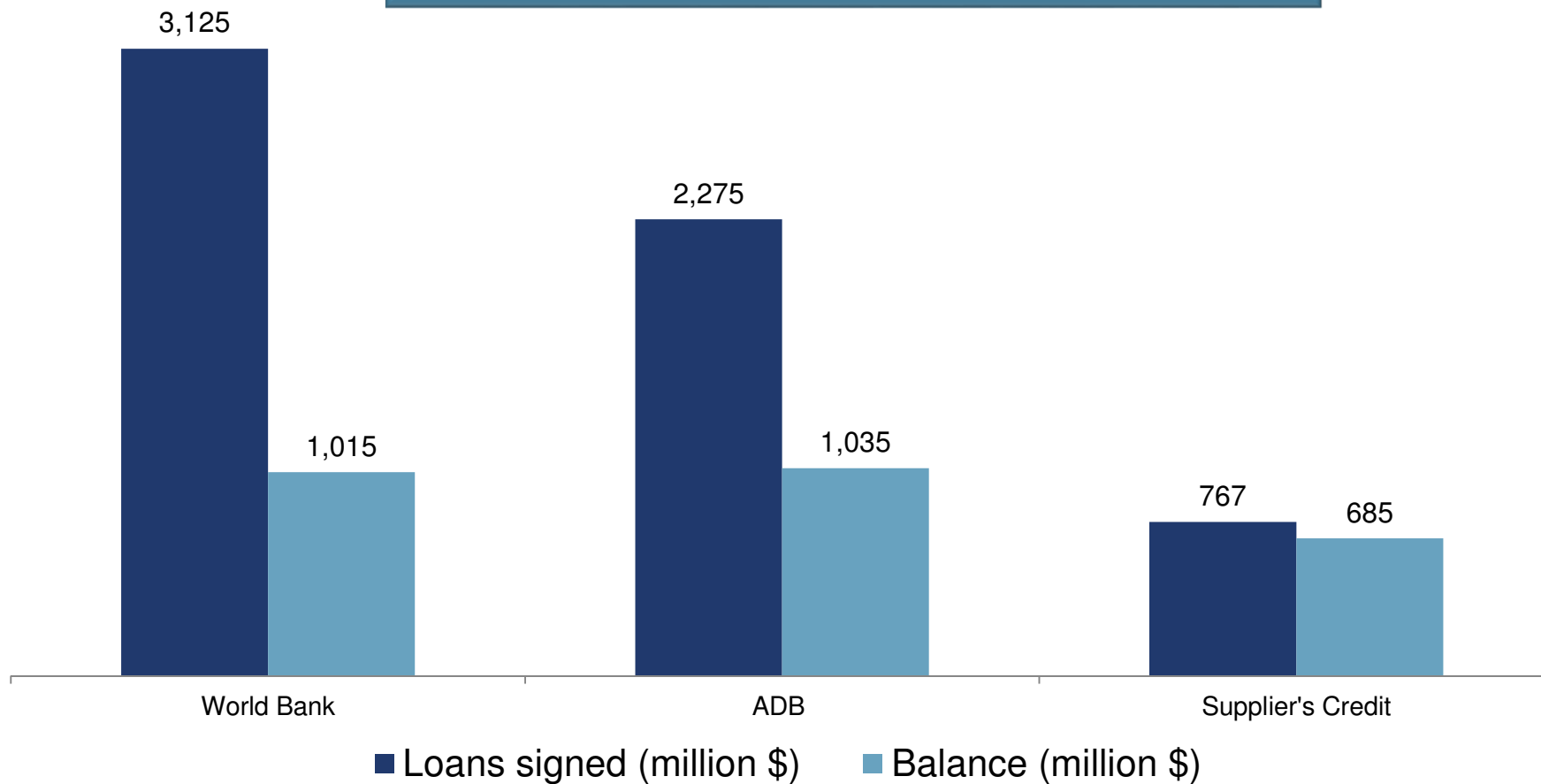
- FY13: 1<sup>st</sup> Bond Issue in June 2012: ₹ 4000 crore @ 9.30%
- SBI Line of Credit for ₹ 5000 crore tied up

# Domestic Borrowings – Bonds (Coupon)



# Foreign Currency Borrowings

Balance Loans to be utilized during XII Plan  
₹ 14,000 crore<sup>1</sup>

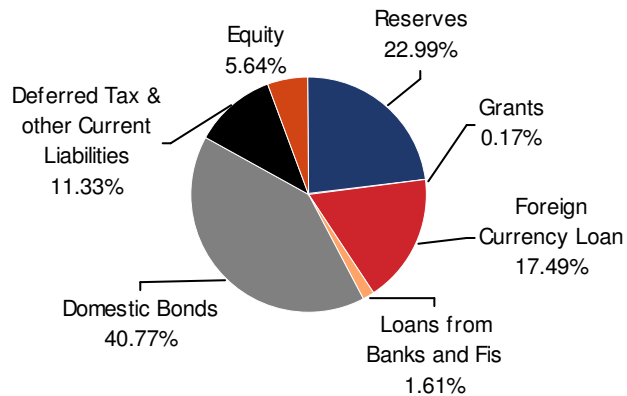


1- Balance Loans as on 31<sup>st</sup> Mar, 2012 (Exchange Rates as on 31-Mar-2012)

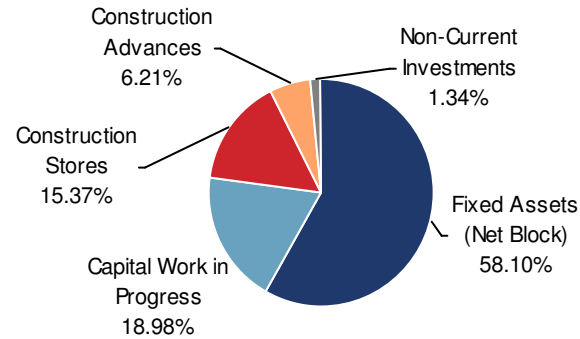


# Debt Structure & Liquidity Position

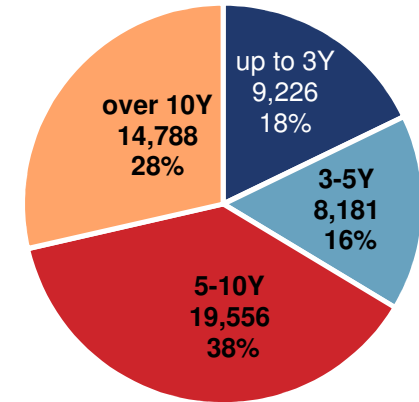
Sources of Funds(%) FY12



Application of Funds (%) FY12



Debt maturity Profile (₹ in crore)



## Current Lending Base...



Several onshore sources of debt funding through domestic ₹ bonds, banks & financial institutions



Foreign currency debt in USD, JPY, CHF, SEK and EUR via multilateral & bilateral agencies like World Banks, Asian Development Bank, Suppliers' Credit (undrawn lines of approx. ₹ 14,000 crore)

– CERC Tariff Regulations permit recovery of hedging cost or exchange rate fluctuations for interest payment and repayment of foreign currency loans corresponding to debt component admitted in capital cost

.... that POWERGRID is looking to diversify given its growth plans




## XII Plan Investment

(₹ in crore)

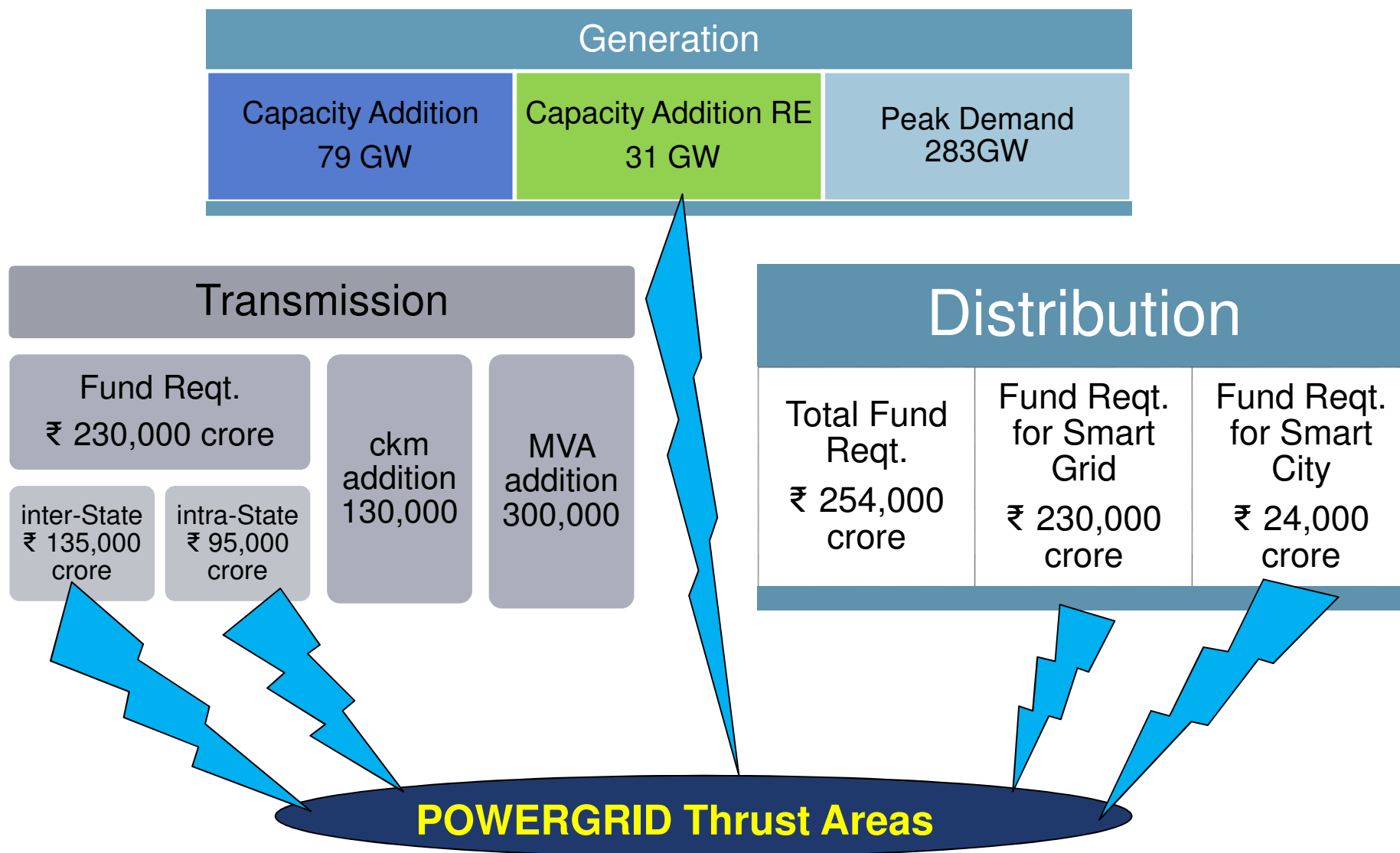
Investment	FY13	FY14	FY15	FY16	FY17	Total
Capex	20,000	19,000	20,000	20,000	21,000	100,000
Debt Requirement	14,000	13,300	14,000	14,000	14,700	70,000
<b>Already Tied Up</b>	<b>8,000</b>	<b>5,200</b>	<b>3,600</b>	<b>2,800</b>	<b>2,400</b>	<b>22,000</b>
Domestic	5,000	1,000	1,000	1,000		8,000
Foreign	3,000	4,200	2,600	1,800	2,400	14,000
<b>Balance to be tied up through Domestic/ ECB (*)</b>	<b>6,000</b>	<b>8,100</b>	<b>10,400</b>	<b>11,200</b>	<b>12,300</b>	<b>48,000</b>

(\*) The above figures are indicative and will depend on project execution, company's strategy for funding and market conditions.




## XIII Plan: Power Sector Overview

# XIII Plan: Power Sector Overview



Source: Draft National Electricity Plan, CEA, Feb-12, 18<sup>th</sup> EPS and POWERGRID Estimates



## Updates on Upcoming Business Opportunities

# Smart Grid/ City

## Smart City (Puducherry)

- Work to commence in Aug'12 (interim arrangement)
- Phase-I expected by Sep'12 to demonstrate in limited area:
  - ✓ Advance Metering Infrastructure
  - ✓ Peak Load Management
  - ✓ Outage Management System

## DPRs submitted

Firozabad (UP)/ Katra (J&K)

## Pre-Feasibility Studies

Chitradurga (Karnataka)/ Tuticorin (TN)/ Gandhinagar (Jammu)/ Charar-e-Sharif , Gulmarg, Pahalgaoon (J&K)/ Bidhuna & Shikohabad (UP)/ Puri (Odisha)/ District/cities of Tripura, Chhatisgarh, Haryana, Punjab

CPSUs

**CPSUs in Steel & Coal Sector** have evinced interest for converting their establishments into **Smart establishments**



## Smart Grid

- Unified Real Time Dynamic State Measurement (URTDMS) Techniques for efficient Grid Operation and Management integrating State Grid, ISTS, IPPs system

# Green Energy Corridors- Grid Integration of Renewable Energy



## GREEN ENERGY CORRIDORS Transmission Plan for Envisaged Renewable Capacity

₹ 42,000 crore investment in transmission for 40 GW

- ❖ Planning of intra-State/inter-State Transmission requirements
- ❖ Provide Mechanism to address Wind/Solar generation uncertainty
  - Forecasting of generation
  - Provision of flexible generations, reserves
  - Demand side Management
  - Energy Storage
  - Policy and Regulatory Framework

- ❖ Study Report on Green Energy Corridors
  - ❑ Submitted to MNRE/ CERC/ CEA/ Planning Commission/ MoP/ MoF
  - ❑ Inputs from- MNRE, Forum of Regulators, State Nodal Agencies, State Transmission Utilities and CERC
  - ❑ Transmission System classified into:
    - Connectivity Transmission System
    - Intra-State Strengthening
    - Inter-State Transmission System

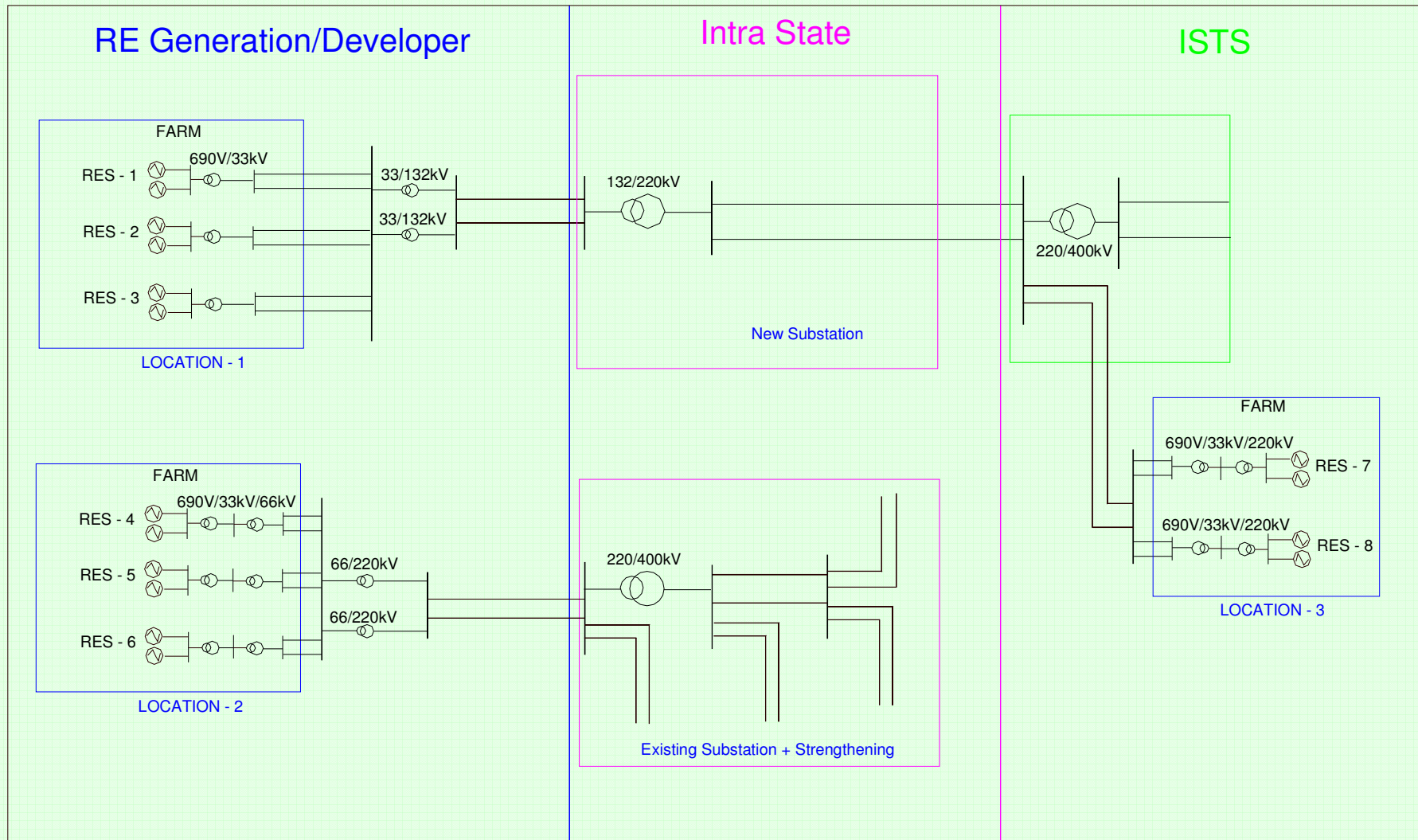
Intra-State TS Strengthening: ₹ 20,000 crore

Inter-State TS Strengthening: ₹ 22,000 crore

includes

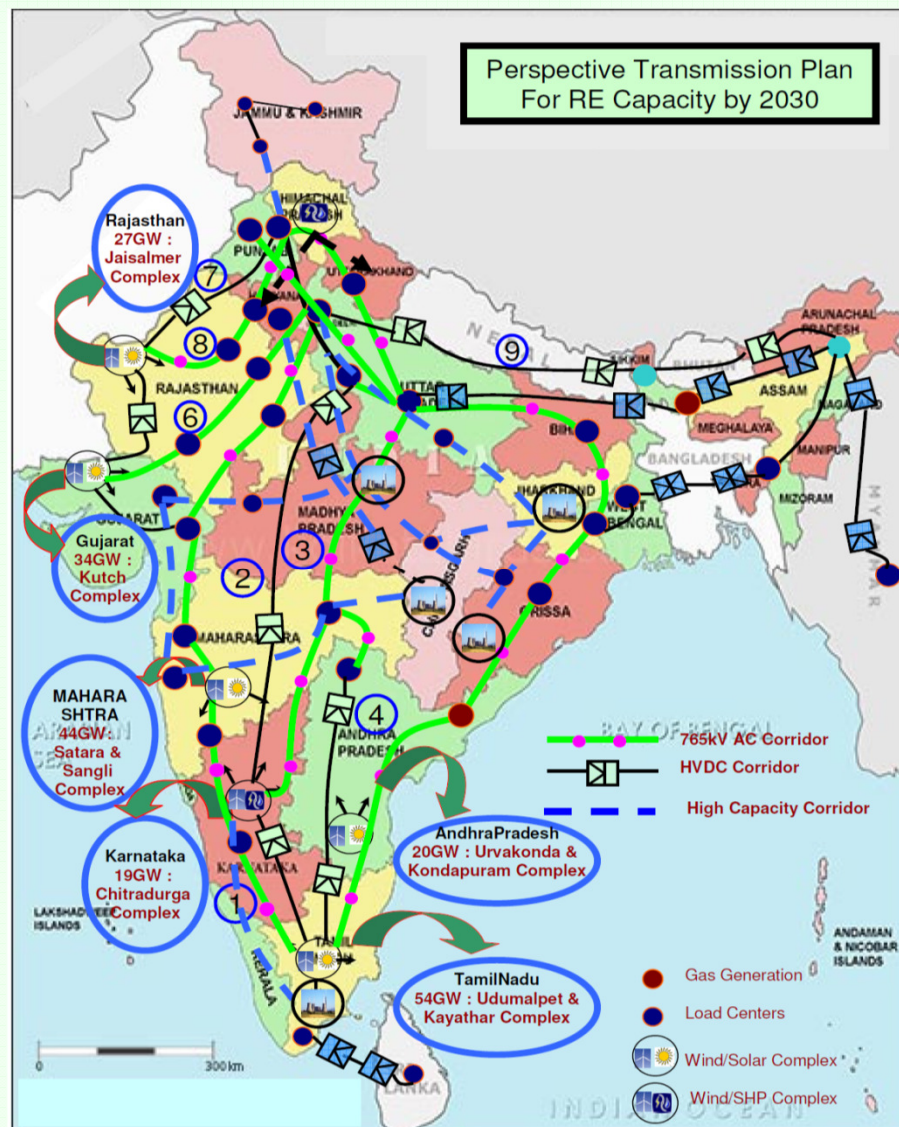
- Other associated works like Energy Storage, Real Time Monitoring System etc.
- Establishment of Renewable Energy Management Center

# Typical Connection Arrangement of RE Generation Farm with Grid





# Green Energy Corridors- Grid Integration of Renewable Energy



## Business Opportunities



### Backward Integration

- Joint venture companies contemplated for manufacturing of material and equipment



### JVs with States for intra-State Transmission

- Discussions under way with Bihar, Odisha, Jharkhand, Chhatisgarh, Manipur, UP, MP, Tamil Nadu, Karantaka

### Distribution

- RGGVY and APDRP projects under XII Plan
- Management Control of DISCOMs



### Energy Efficiency

- To tap Energy Efficiency Scheme spearheaded by BEE



### R&M of T&D activities of CPSUs

- T&D activities : a non-core area for most CPSUs
- Dialogue initiated with CPSUs in Coal/Steel/Mining Sector
- Future Opportunities in Fertilizer & Petroleum Sectors, both for R&M and Project Consultancy for Sub-Station

# Our Motivation - Your Confidence



**ET Investor's Guide 23-Apr-2012**  
**Cover Story- The Fading Jewels**

*"PowerGrid is the only Navratna company which is doing well....."*

## Analysts' Recommendations<sup>1</sup>

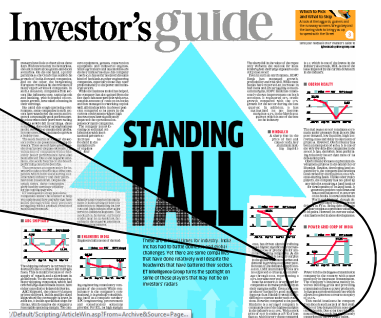
	Current	1mth	2mths	3mths
Buy	18	18	16	16
Outperform	14	13	12	11
Hold	3	3	3	3
Underperform	1	1	1	1
Sell	0	0	1	1

1- As per Reuters website (24-Jul-2012)

**ET Investor's Guide 11-Jun-2012**  
**Cover Story – Standing Tall**

*"These are difficult times for industry..... Yet there are some companies that have done relatively well despite the headwinds that have battered their sectors....."*

*..... Due to its low-risk business model, it's stock has significantly outperformed the ET Power index..... Its earning per share has more than doubled in the last five years. The company is expected to continue reporting a steady performance in future....."*



**Thank You**



## Annexure: POWERGRID Today



# POWERGRID Today

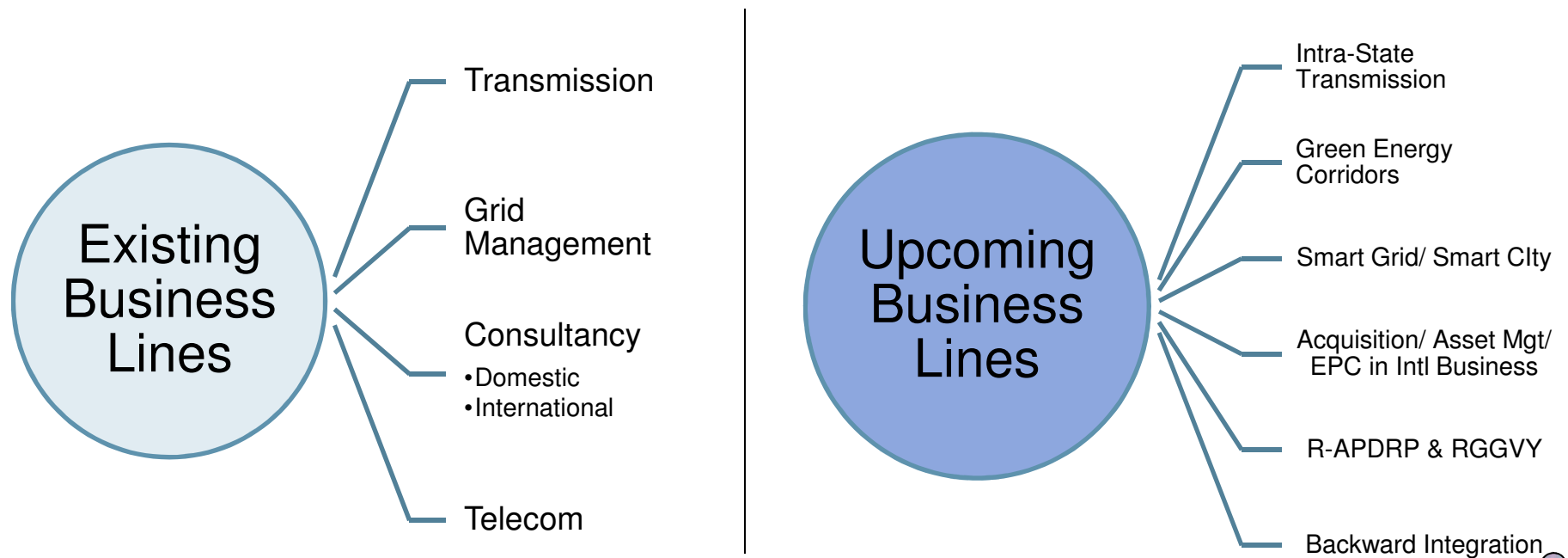
A NAVRATNA  
ENTERPRISE

CENTRAL  
TRANSMISSION  
UTILITY

LISTED COMPANY  
with Govt  
shareholding 69.42%

DIVIDEND PAYING  
SINCE 1993-94

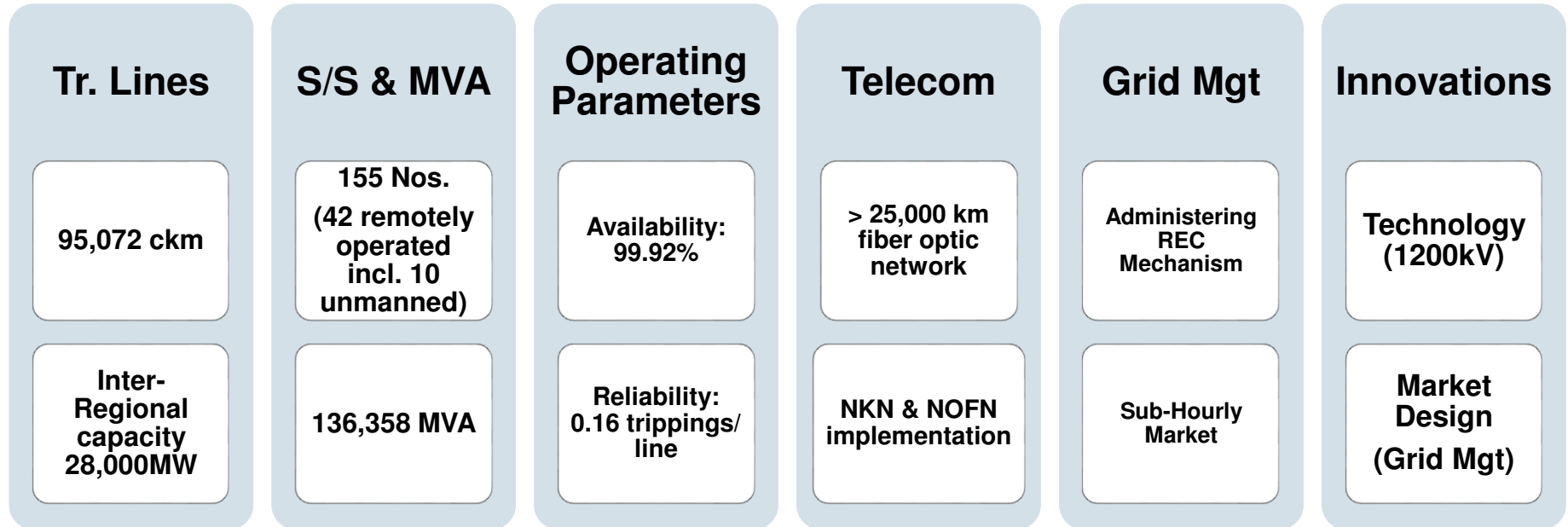
CONSISTENTLY RATED  
'EXCELLENT' BY Govt



## **Vision**

**World Class, Integrated, Global Transmission Company With Dominant Leadership in Emerging Power Markets Ensuring Reliability, Safety and Economy**

# POWERGRID Today



Data as on 30 Jun 2012/ for the period Q1FY12-13

## Upcoming Technology Initiative: Pilot Project for superconductivity



Financials for FY11-12