

POWERGRID

Fastest Growing Electric Utility in the World

Analysts' Meet

February 12, 2015 Mumbai

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- Annual Accounts for FY2013-14 have been approved by the shareholders.*

Recent Highlights

POWERGRID Today

Financial Highlights

Project Execution

Operations Highlights

Other Businesses Highlights

New Initiatives

Investment & Funding Programme

Recent Highlights

Activities commenced for projects beyond XII Plan



- 6000MW HVDC Bipole/ Other schemes between WR & SR
- Trans. System for Solar Parks in 7 States

Tariff Based Competitive Bidding



Secured
‘Trans. System Strengthening for Vindhyachal –V’ under TBCB

Energy Efficiency- Upcoming Opportunity

NEGAWATT MAKES-A-WATT
Energy Efficiency Opportunities
in India

‘Negawatt Makes-A-Watt’
A Report on Energy Efficiency Opportunities in India released by POWERGRID

Recognition



- ‘Star PSU of the Year Award’ by Business Standard Annual Awards 2014
- Award for Excellence in Corporate Governance from ICSI

POWERGRID Today

A 'NAVRATNA'
ENTERPRISE

CENTRAL
TRANSMISSION
UTILITY

LISTED
COMPANY
since 2007

GOVT.
SHAREHOLDING
57.90%

PAYING
DIVIDEND SINCE
1993-94

Vision

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

Tr. Lines (as on 11-2-2015)

113,838 ckm

937 Nos.

MVA & S/S (as on 11-2-2015)

220,394 MVA

189 Nos.

Operating Parameters (Apr-Dec14)

Availability: 99.88%

Reliability(*): 0.41

(*) Trippings/ line

CREDIT RATINGS

Domestic

International

• AAA
• Stable
CRISIL

ICRA
• AAA
• Stable

• AAA
CARE

• BBB (-)
• Stable
Outlook
S&P

Fitch
• BBB (-)
• Stable
Outlook

Financial Performance: Q3 FY14-15



(₹ in crore)					
	Quarter ended		Nine months ended		FY 2013-14
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	
Revenue					
- Transmission Charges	4183	3470	12054	10576	14327
- Consultancy Income: Services	102	63	224	185	333
- Consultancy Revenue: Sale of Products	0	86	0	272	294
- Telecom	69	65	196	211	276
- Other Income	132	115	396	294	491
Total Income	4486	3799	12870	11538	15721
- Operating Expenses(including prior period adjustment)	613	580	1781	1691	2295
EBITDA-Gross Margin	3873	3219	11089	9847	13426
Depreciation	1301	990	3667	2921	3996
Interest	1025	787	2942	2349	3167
Tax	318	400	913	1255	1766
Profit after Tax	1229*	1042	3567*	3322	4497

* Profit After Tax is affected to the tune of ~₹ 70 crore on account of one-time and prior period expenses.

Financial Highlights- Q3FY14-15

	(₹ in crore)			
	As on 31.03.2014	As on 30.06.2014	As on 30.09.2014	As on 31.12.2014
Gross Fixed Assets	96,504	101,382	106,085	113,278
Capital Work-in-Progress	53,330	53,345	54,827	53,925
Debt	80,470	84,685	88,110	91,007
Net Worth	34,413	35,526	36,753	37,978
Earning Per Share (Rs)	9.36	2.17*	4.47*	6.82*
Book Value per Share (Rs)	65.78	67.91	70.25	72.59
Key Financial Ratios				
Debt : Equity	70:30	70:30	70.6:29.4	70.6:29.4
Return on Net Worth	13.07%	3.20%*	6.36%*	9.39%*

* Not Annualised

Billing & Realization

Billing

₹ 11,888 crore

Realization

₹ 11,390 Crore

%age realization

96%

Avg. Monthly Billing: ₹ 1,321 Crore => 2months (60 days) billing = ₹ 2,642 crore

Dues as on 06.02.2015

(A) Due < 60 days (not outstanding as 60 days allowed by CERC) = ₹ 1,262 crore

Description	₹ in Crore
(B) Outstanding > 60 days	417 *
Tied-Up payments (in installments)	55

* Excludes disputes on account of surcharge/bills .

Outstanding equivalent to ~9 days billing

Project Execution: FY 14-15 (Apr-Dec)

Capitalisation
(₹ in crore)

Q1: 4,878 Q2: 4,703 Q3: 7,193 16774

Till date

~ ₹ 17,300 cr.

Capex
(₹ in crore)

Q1: 5,844 Q2: 4,850 Q3: 4,882 15576

~ ₹ 17,700 cr.

X-formation Capacity (MVA)

S/S: 4 Nos. 13156

14,471
(S/S: 5 Nos.)

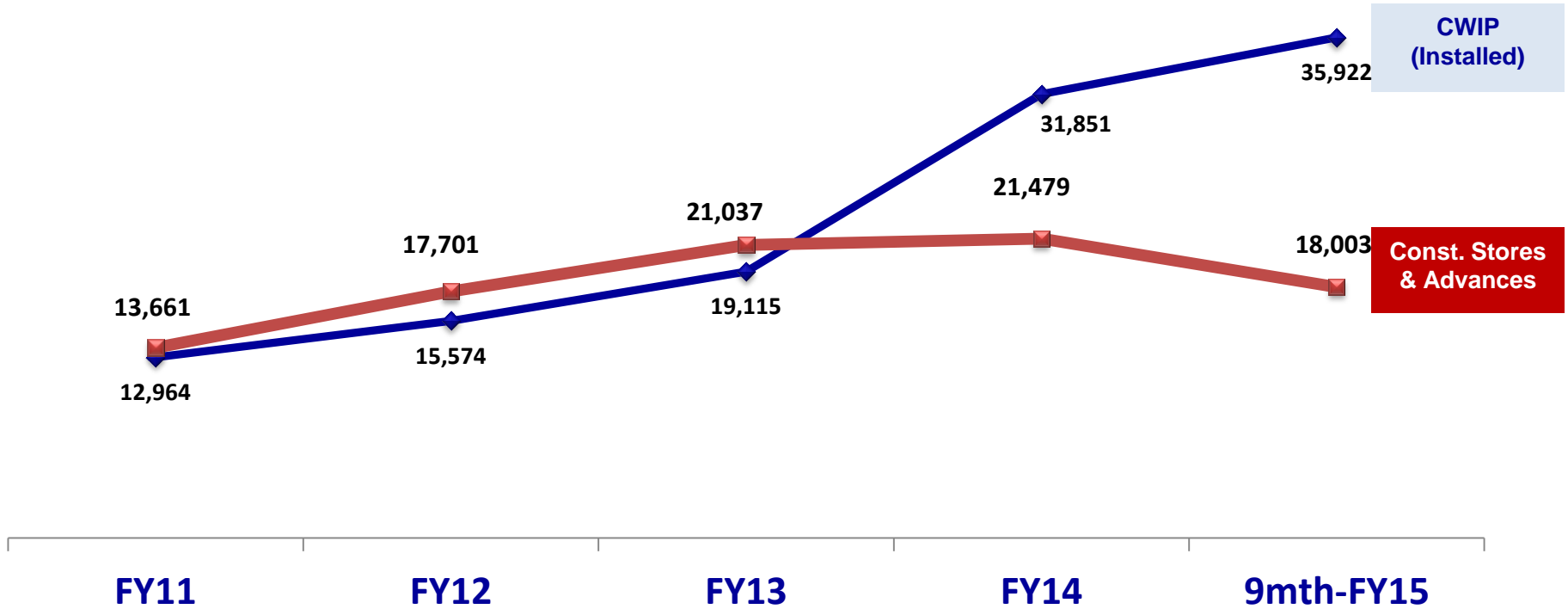
Tr. Line (GW-ckm)

9622

9,719

Project Management Efficiency

(₹ in crore)



Project Execution – 3 years

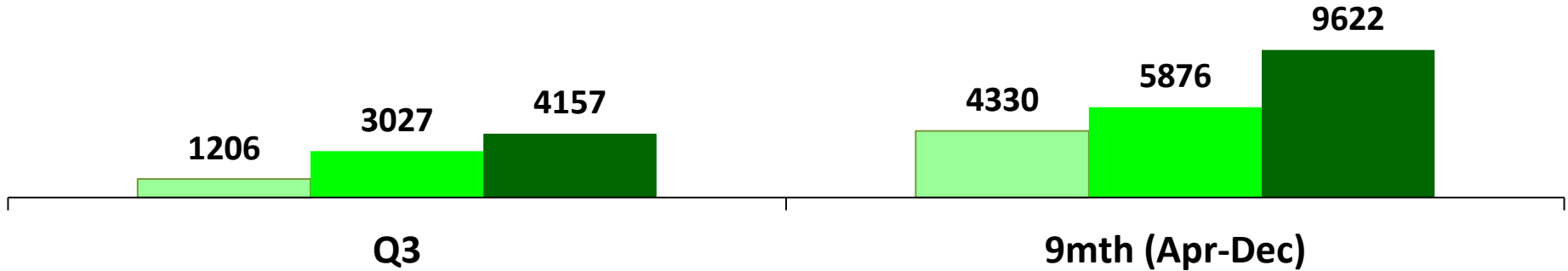
Physical

GW-ckm Addn.

FY12-13

FY13-14

FY14-15

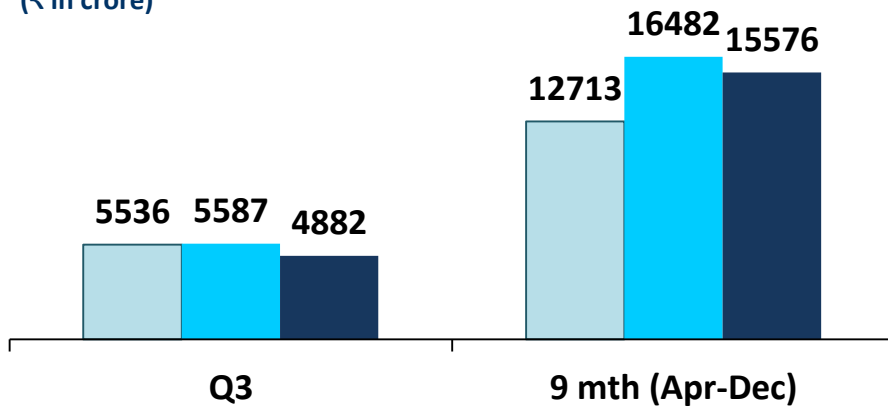


Financial

Capex

(₹ in crore)

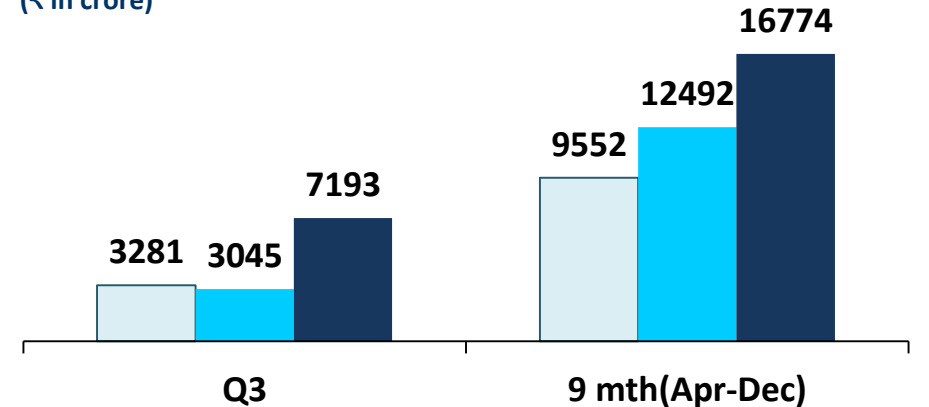
FY12-13 FY13-14 FY14-15



Capitalization

(₹ in crore)

FY12-13 FY13-14 FY14-15



Projects in FY15

Transmission Lines

~ 15,000 GW-ckm



Major Lines

- Nellore-Thiruvalem
- Bina – Gwalior
- Champa-Raipur, Champa-Dharamjaygarh
- Indore - Vadodara
- Raichur – Kurnool, Nellore - Kurnool
- Rihand – V'chal,
- Jharsuguda – Dharamjaygarh
- Thiruvalem – Sholinganallur
- Annupur - Jabalpur
- Balipara - Bongaigaon
- Satna – Gwalior
- Wardha – Aurangabad, Raipur - Wardha
- Kurnool – Thiruvalem, Vijayawada – Nellore
- **Sholapur - Pune**
- **V'chal – Satna**
- **Angul-Jharsuguda**
- Gwalior – Jaipur, **Jaipur – Bhiwani**
- Barh – Gorakhpur
- Raigarh - Champa
- Silchar – Purba Kanchan Bari, **Silchar - Imphal**
- Salem – Madhugiri, Dharmapuri -Somnahalli
- Biswanath Chariyali – Agra (NE-NR/WR Interconnector)
- Meerut - Moga
- Kanpur - Jhatikara

Aggregate ckm: ~10,000 (765kV: >60%)

Sub-Stations

17 Nos.

~ 30,000 MVA



Sub-stations

- Rangpo (GIS)
- Shahjahanpur
- Magarwada (GIS)
- Chaibasa
- Tuticorin
- **Pune (GIS)**
- **V'chal Pooling Stn.**
- Madhugiri
- Salem (Dharmapuri)
- Navi Mumbai (GIS)
- Bareilly
- Vadodara (GIS)
- Champa
- New Melli (GIS)
- Kanpur
- Biswanath Chariyali HVDC
- Agra HVDC

Inter-Regional Capacity

7,300 MW



Inter-Regional

- **Jharsuguda – Dh'jaygarh (4,200MW)**
- Barh - Gorakhpur
- Biswanath Chariyali – Agra (NE-NR/WR Interconnector)

Physical Performance (Apr-Dec14)

(Till date)

Tr. Line: GW-ckm	S/S Nos.	X-fmn. Cap.- MVA:	I-R Cap.- MW:
9,622 (9,719)	4 (5)	13,156 (14,471)	4,200 (4,200)

Red font indicates assets likely to be commissioned shortly

Green font indicates assets commissioned till date

Operations Highlights



Asset Management

Assets

- Network length: 113,389 ckm [765kV(*): 18%]
- 928 no. of lines
- 188 S/S [765kV(*): 21%]
- X-fm capacity: 219,079 MVA

(*) including 765kV, 765kV charged at 400kV & HVDC

Performance (Apr-Dec, 2014)

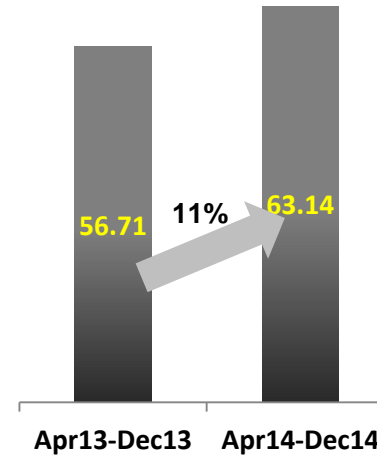
- Availability: 99.88%
- Reliability: 0.41
- ERP Operation commences

New Initiatives

- NTAMC - Operational
- Aerial patrolling by helicopters – begun
- Insulated Bucket Trucks
- TL maintenance using helicopters

Grid Management¹ (POSOCO)

I-R Transfer (BU)



(Apr14-Dec14)

STOA (Transactions)

- Total : 28,231 Nos.
- Bilateral: 9,141 Nos.
- Collective: 19,090 Nos.

STOA Energy

- Total: 61.7BUs
- Bilateral: 40,1BUs
- Collective: 21.6 BUs

REC Trading

Huge accumulation of RECs

Registration

1038 projects; 4,660MW

RECs traded (Q3)

• ₹ 94 crore (Q3FY15) vs ₹152 crore (Q3FY14)

RECs issued till Dec14: 194 lakh

RECs traded till Dec14: 74 lakh

62% RECs unsold

Need for policy intervention

Other Businesses Highlights – Q3FY15

Domestic



Orders Total Nos. : 6
(Govt. Utilities : 5; Dist. works: 1)

Under execution > 125 Assignments;
Projects worth: ~ ₹19,800 cr. (Bal. Cost)
(as on 31-Dec-14)

Orders from DTL for Strengthening of 400kV/ 220kV TS in NCT of Delhi

International



Orders Total Nos. : 4
(incl. 3 orders related to Capacity Building)

Under execution 14 Assignments
(as on 31-Dec-14)

- 2 Proposals submitted in Q3FY15

Order received from Bangladesh for 2nd block of 1x500MW B2B Station at Bheramara (Bangladesh)

Telecom – Q3FY15 Update

Orders **New Clients:** 9 (6 Govt., 3 Pvt)
MPLS: 1 New Order

Income ~ ₹ 69 crore (6% increase over Q3FY14)

NKN Project POWERGRID Scope: ₹ 900 cr.
Project under operation

NOFN

- Execution in 4 States
- Work commenced for ~ 6,000 Gram Panchayats

New Initiatives- Updates

Renewable Energy Integration

Green Energy Corridors

(Inter-State portion: ₹ 13,000 cr.)

Implementation of Green Energy Corridors commences

Euro 500mn sovereign guaranteed loan signed with KfW

Grid Integration of Solar Parks

POWERGRID assigned construction of transmission lines and pooling sub-stations for Solar Parks in 7 States

Smart Grid

Smart Meter manufactured

Patent filed for 'Energy Efficient All Season Roof Screening' process

Chhattisgarh - Proof-of-Concept implementation started

Technology Development

Superconducting cable

Eols invited. Parties shortlisted for further activities

Disaster Management

Dedicated Unit in place

Strategic locations being equipped with advance equipment for quick restoration of transmission lines and sub-stations

Report on 'Building Climate Change Resilient Electricity Infrastructure ' under preparation



Microsoft
Joint 97-2003 Prese

Energy Efficiency- Opportunities ahead

'Negawatt Makes-A-Watt'

Report available on
POWERGRID website

- An Energy Efficiency Industry Report by POWERGRID

India - A Net Importer of Energy

Huge dependence on imported crude and fossil fuel

Energy Security - An important issue in changing geo-political Environment

Gol's Perform-Achieve-Trade (PAT Scheme)

Enablers

Energy Efficiency

One of the most easily attainable options to reduce demand

Estimated Energy Saving 67 lakh toe (by Mar'15)

~ 70% (Thermal Power Plants & Iron & Steel Inds)	~ 26% (Cement, Fertilizer & Aluminum)	Rest 4% in Pulp & Paper, Textile & Chlor-Alkali Inds
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(* toe- tonnes of oil equivalent)

Other Potential Areas: Comm. & Residential Buildings; Municipal Street Lighting; Transportation; Agri pumps; Ceramic Inds; SME Sector; Coal Mining; Power T&D; Sugar

Investment Potential

₹ 12 lakh crore

>50% in Transportation, T&D, Buildings & Agri Pump

Energy Saving potential

Aggregating ~ 10mtoe, 88mtce & ~245 Bus

Effectively ₹ 2.4 lakh crore per year

POWERGRID's readiness to tap EE opportunity

- Grade 1 ESCO
- Large & increasing pool of Qualified Energy Auditors
- Experience in major industries
- Avoided Gen > 1.1GW identified
- Repeat Orders from satisfied clients

Investment & Funding Programme

Capital Outlay

(Rs.110,000 crore)

- FY13: ₹ 20,037 cr
- FY14: ₹ 22,324 cr
- FY15: ₹ 22,450 cr.
- FY16: ₹ 22,500 cr
- FY17: ₹ 22,550 cr

Funding Requirement

- Debt & Equity in the ratio 70:30 as per Tariff guidelines

Projects/ Schemes

- HCPTCs
- Generation linked
- Grid Strengthening
- Green Energy Corridors
- TBCB projects
- JVs with States

Sources of Funds

- **Equity:** Internal Accruals, FPO (2013)
- **Debt:**
 - Domestic Bonds/ Loans
 - Intl: Loans from WB, ADB; Suppliers' Credit; ECB

**INVESTMENT
&
FUNDING
PROGRAMME**

Investment Approvals till Jan'15: ~ ₹ 15,759 crore

Contracts Awarded till Jan'15: ~ ₹ 13,290 crore

Utilization of FPO funds- Update

FPO funds

Funds raised:
₹ 5321 crore

Funds utilized till Dec14:
~ ₹ 4,171 crore

~ 45 elements of 16
identified projects
commissioned during
Dec13 – Oct14

- ✓ TS associated with Rihand-III & V'chal-IV
- ✓ TS for Phase-I Generation Projects in Odisha (Part-C)
- ✓ SRSS – XIX
- ✓ TS strengthening in western part of WR for IPPs in Chhattisgarh
- ✓ TS associated with Krishnapatnam (Part-B)
- ✓ Common System associated with ISGS Projects in Krishnapatnam area of Andhra Pradesh
- ✓ Establishment of Pooling Stations at Champa and Raigarh (near Tamnar) for IPP generation projects in Chhattisgarh
- ✓ Establishment of Pooling Stations at Raigarh (Kotra) and Raipur for IPP generation projects in Chhattisgarh
- ✓ SRSS – XVIII
- ✓ TS for Phase-I generation projects in Odisha (Part-A)
- ✓ TS for IPP generation projects in MP & Chhattisgarh
- ✓ Integration of Pooling Stations in Chhattisgarh with central part of WR for IPP Generation Projects at Chhattisgarh
- ✓ TS for Phase-I generation projects in Odisha (Part-B)
- ✓ NRSS – XXI
- ✓ TS for establishment of 400/220kV GIS sub-station at Magarwada in UT Daman & Diu
- ✓ TS for transfer of power from generation projects in Sikkim to NR/WR – Part B

Thank You