

Power Grid Corporation of India Limited

POWERGRID

Fastest Growing Electric Utility in Asia

Financial Results FY 2016-17

Analyst Meet

Mumbai

May 30, 2017

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- Annual Accounts for FY2016-17 are yet to be approved by the shareholders.*

Major Highlights for FY17

POWERGRID Overview

Sector Overview & Performance

- Financial
 - Operational
-

Performance (FY17)

Journey – XII Plan

Outlook

Major Highlights of FY17

~ ₹ 26,580 crore

- Highest-ever Turnover

~ ₹ 32,000 crore

- Highest-ever assets commissioned in a year (incl. TBCB) – Capitalisation: ~ ₹ 31,000 crore)

₹ 24,429 crore

- Highest-ever assets Capex in a single year

~ ₹ 30,200 crore

- Highest-ever Contracts Awarded in a single year

XII Plan Targets

- All Targets Surpassed

**Completion ahead
of Schedule**

- **Wardha - Nizamabad line, 13 months ahead**

Trans. Project Won

- **Largest Project under TBCB (Medinipur-Jeerat TL [ERSS-XVIII])**
(in terms of Annual Levelised Tariff)

**Fastest Growing
Electric Utility**

- **1st in Asia**
- **3rd, Globally**

(based on Platts Top250 Global Energy Co. Rankings)

₹ 1 lakh crore

- **Market Capitalization crosses ₹ 1 lakh crore benchmark**

POWERGRID Overview

POWERGRID Today

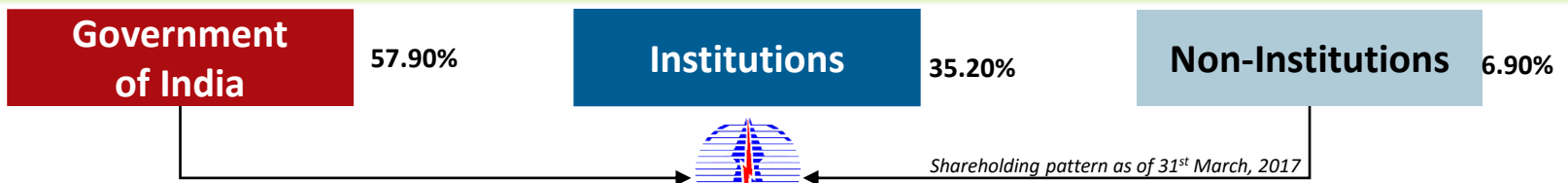
A 'NAVRATNA' ENTERPRISE	CENTRAL TRANSMISSION UTILITY	LISTED COMPANY since 2007	GOVT. SHAREHOLDING 57.90%	PAYING DIVIDEND SINCE 1993-94	Market Capitalization ₹ 109,052 crore ¹
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- ✓ ~ 85% ISTS Transmission Network owned by POWERGRID
 - ✓ Trans. Lines: 1081 Nos. - ~ 139,709 ckm
 - ✓ Sub-stations: 220 Nos. - ~ 292,543 MVA
- } 400kV & above: >90%
- ✓ State-of-the-art technologies like HVDC, SVC, FACTS etc.
 - ✓ >45% power generated in India transmitted through POWERGRID

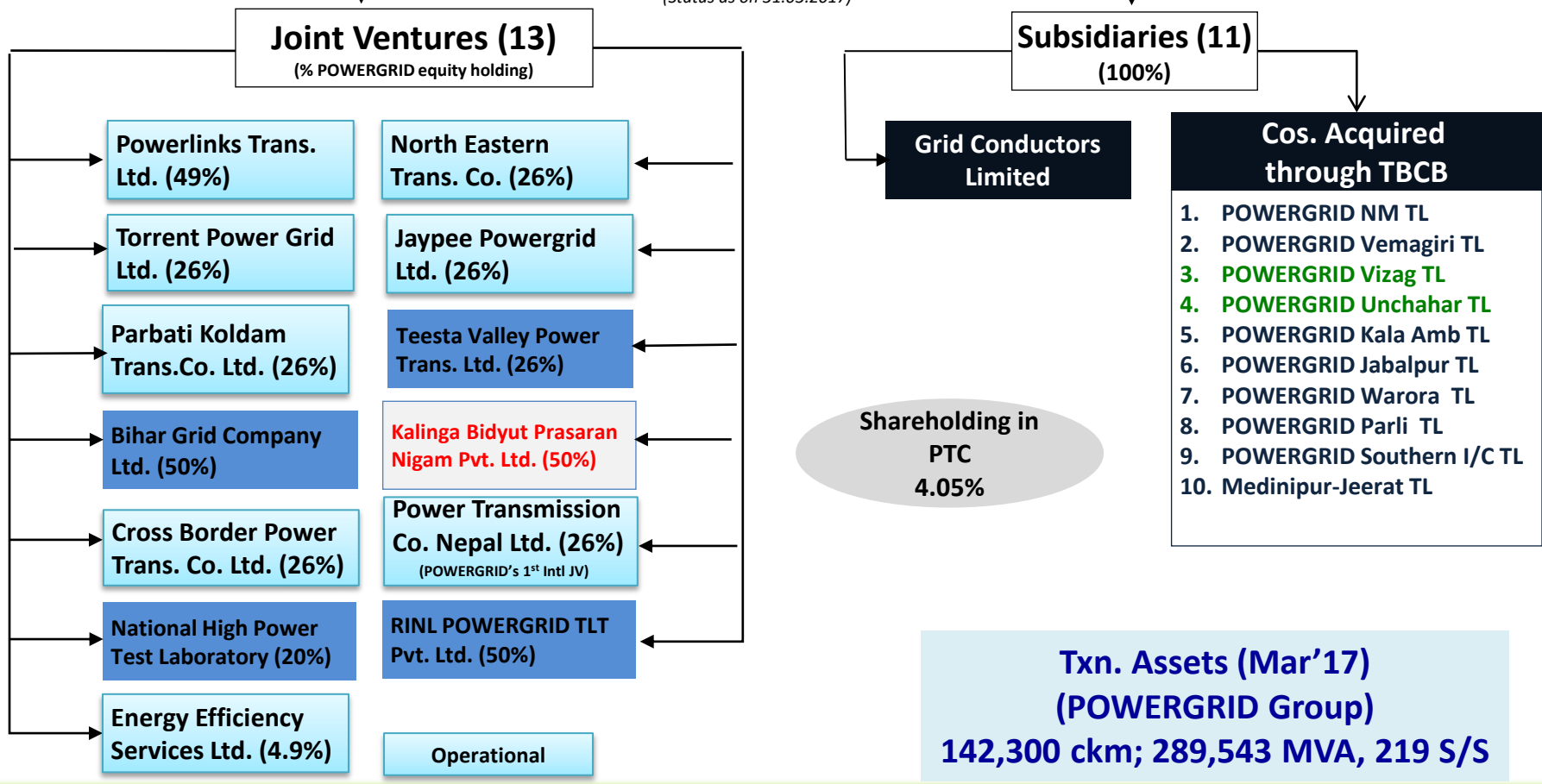
CREDIT RATINGS



POWERGRID Group



(Status as on 31.03.2017)



Txn. Assets (Mar'17)
(POWERGRID Group)
142,300 ckm; 289,543 MVA, 219 S/S

Sector

-

Overview & Performance

Power Sector Performance

Generation & Power Supply

	Installed Capacity incl. RE (GW)	RE Capacity (GW)/ (% of IC)
At the end of XI Plan (Mar-12)	200	24.5 (12.5%)
At the end of FY17 (Mar-17)	327	57.3 (18%)
Addn. in XII Plan (Apr12-Mar17)	127	32.8 (26%)
Addn. in FY17	29	18.5 (64%)

Energy Generated

- FY17: 1,242 BU (incl. 82BU RE)
- **FY12: 877 BU**

Per Capita Consumption:

884 units
FY12

1075
units FY16

Source: CEA website

Power Sector Overview & Performance (contd.)

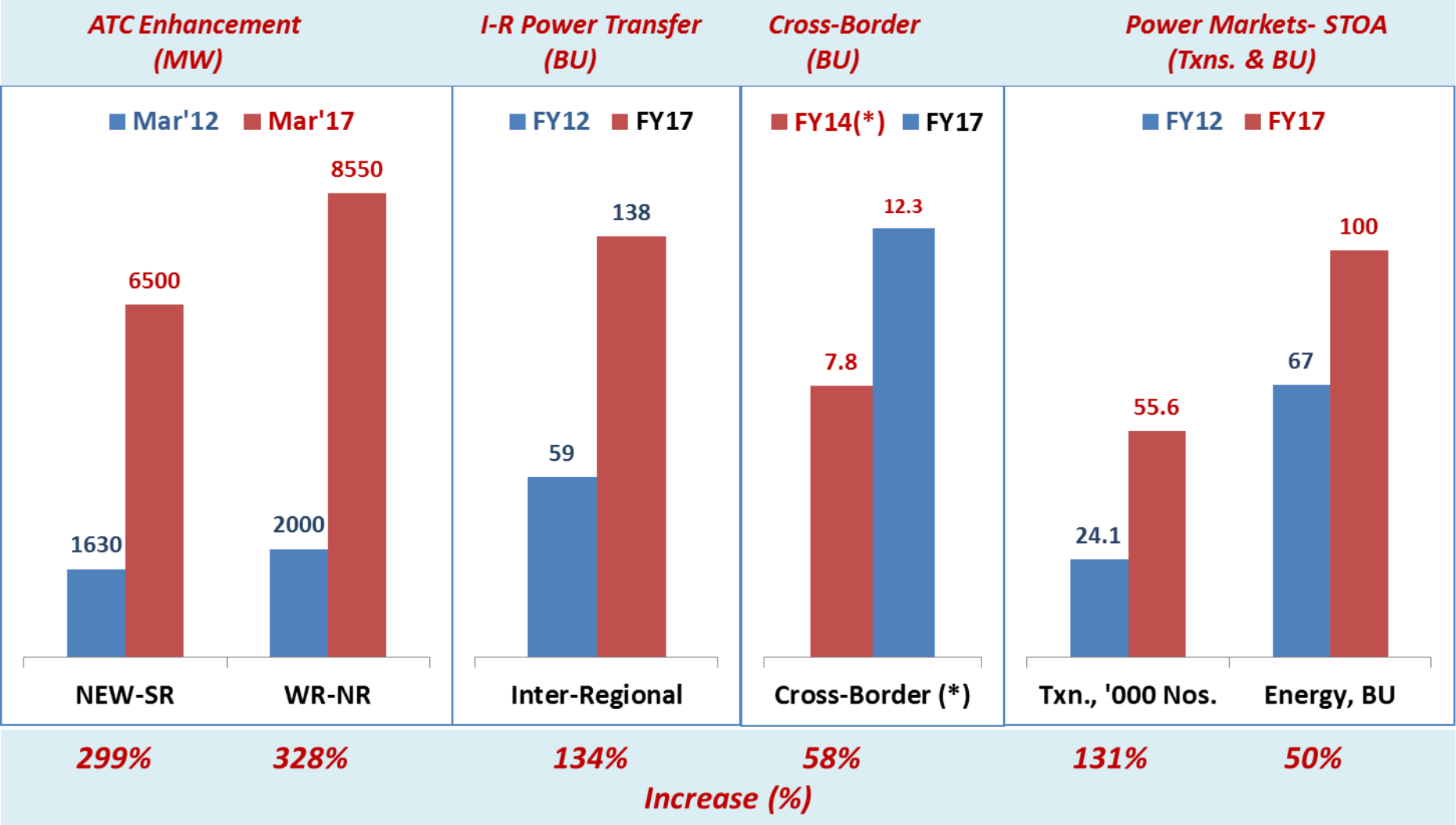
Transmission Infrastructure

	Transmission (ckm)	X-formation Capacity (MVA)	I-R Capacity (MW)
At the end of FY12 (Mar-12)	257,481	409,551	27,750
At the end of FY17 (Mar-17)	367,851	740,765	75,050 [#]
Net Addn. in XII Plan (Apr12-Mar17)	110,370	331,214	47,300
Addn. by POWERGRID in XII Plan	45,933	165,018	40,700
POWERGRID Share in addn. during XII Plan	42%	50%	85%

including Private Sector lines

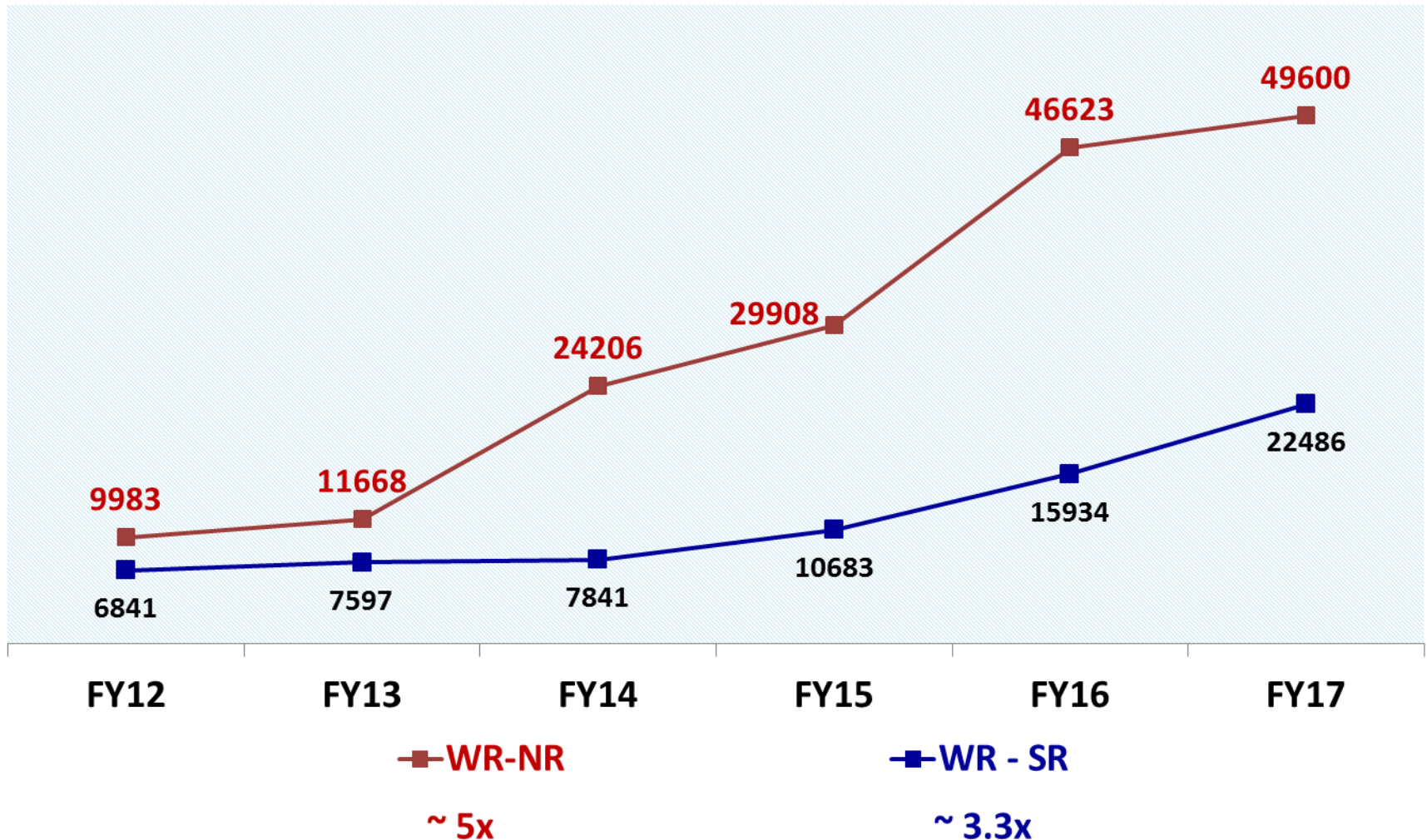
ckm & MVA for voltage levels 220kV & above
Source: CEA website/ POWERGRID/ POSOCO

Transmission: Enabling Seamless Power Movement



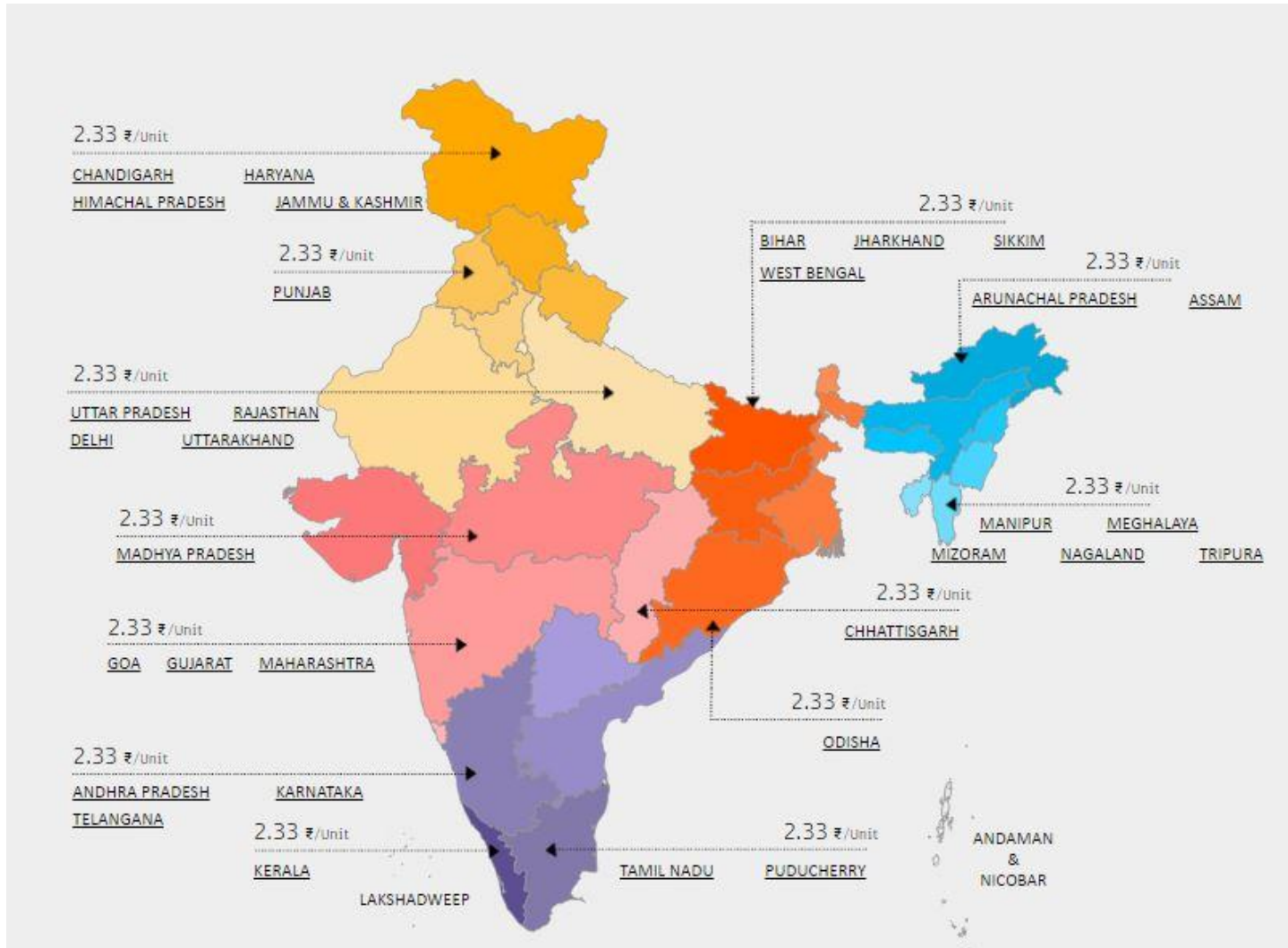
Transmission- Congestion Management

I-R Power flow from WR to NR & WR to SR (MUs)



.... Optimisation of Resources

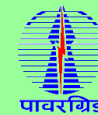
ONE NATION – ONE GRID – ONE FREQUENCY – ONE PRICE



Snapshot from Vidyut Pravah on 26.05.17 (5:45pm)

Performance (FY17)

Financial Highlights for FY17



~ ₹ 32,000 crore

- Highest-ever assets commissioned in a year (incl. TBCB)

~ ₹ 31,000 crore

- Capitalisation (incl. TBCB)

₹ 24,429 crore

- Highest-ever Capex in a single year

~ ₹ 36,500 crore

- Investments Approved

₹ 30,200 crore

- Contracts Awarded (Highest-ever)

Transmission Lines

~ 10,300 ckm



Major Lines

- Gaya-Varanasi
- Varanasi-Kanpur-Jhatikara
- Pachkula-Patiala
- Sikar-Jaipur
- Raipur PS - Wardha(2nd line)
- Dehradun-Baghat
- Roorkee-Saharanpur
- ±800kV Champa-Kurukshetra HVDC
- Ranchi-Chandwa-Gaya
- Tuticorin-Salem-Madhugiri
- Wardha-Nizamabad
- Angul-Srikakulam
- TBCB lines: Srikakulam – Vemagiri; Unchahar-Fatehpur

Sub-Stations

12 Nos.
34,695 MVA



Sub-stations

- NP Kunta
- Salem (Dharmapuri)
- Kanpur (GIS)
- Pandiabil (GIS)
- Saharanpur
- Bagpat (GIS)
- Dehradun
- Chandwa (GIS)
- Vemagiri (GIS)
- Srikakulam (GIS)
- Champa HVDC
- Kurukshetra HVDC

Inter-Regional Capacity

15,000 MW



Inter-Regional

- Gaya-Varanasi
- Champa-Kurukshetra
- Angul-Srikakulam
- Wardha-Nizamabad
- Biswanath-Chariyali - Agra Pole-II & III

■ Performance during FY17

✓ **Availability** : 99.79%

✓ **Reliability** : 0.68 Trippings/ line

Continuous Deployment and Adoption of New Technologies in Asset Management

NTAMC

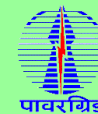
Aerial
Patrolling Using
Helicopters

Use of
Unmanned
Aerial Vehicles
(Drones)

Hot Line
Maintenance

Emergency
Restoration
System

Performance (FY17)- Financial



(₹ in crore)						
Description	Quarter ended		Growth (%)	Year ended		Growth (%)
	Standalone			Standalone		
Income	31.03.2017	31.03.2016		31.03.2017	31.03.2016	
- Transmission Charges	6435	5472	18%	24630	19808	24%
- Consultancy – Services	144	163		582	466	25%
- Telecom	133	105		504	392	29%
- Other Income	342	244		865	577	50%
Total Income	7054	5984	18%	26581	21243	25%
Operating Expenses (including movement in regulatory deferral balance)	1010	692		3045	2388	28%
EBITDA-Gross Margin	6044	5292	14%	23536	18855	25%
Depreciation	2063	1769		7663	6180	24%
Interest	1556	1519		6304	5135	23%
Extraordinary Items (Net of Tax exp.)		-				
Tax	509	435		2049	1592	29%
Profit after Tax	1916	1569	22%	7520	5948	26%

1. Accounts have been prepared in accordance with Ind AS for FY17. Financial Results for FY16 have been restated accordingly to make them comparable.
2. Employee benefit expense includes ₹ 204.51 crore towards Pay Revision of employees w.e.f. 1.1.2017

Performance (FY17) - Financial

(₹ in crore)		
Description	As on 31.03.2017	As on 31.03.2016
Gross Fixed Assets	1,49,730	1,21,337
Capital Work-in-Progress	38,942	46,815
Debt	1,17,198	1,06,255
Net Worth	49,807	43,811
Earning Per Share (₹)	14.37	11.37
Book Value per Share (₹)	95.20	83.74
Key Financial Ratios		
Debt : Equity	70:30	71:29
Return on Net Worth	15.10%	13.58%

Accounts have been prepared in accordance with Ind AS for FY17. Financial Results for FY16 have been restated accordingly to make them comparable.

Performance (FY17) - Financial

Billing & Realization

Billing

₹ 25,709 crore

Realization

₹ 25,548 crore

%age realization

99.4%

As on 31.03.2017

Total Outstanding

~ ₹ 2,771 crore
(39 days billing)

**Transmission Outstanding
(beyond 60 days)**

~ ₹ 457 crore
(9 days billing)

**Billed but not outstanding
(<60 days allowed as per CERC)**

~ ₹ 2,314 crore
(32 days billing)

Tripartite Agreement signed by 25 States; Others in Progress

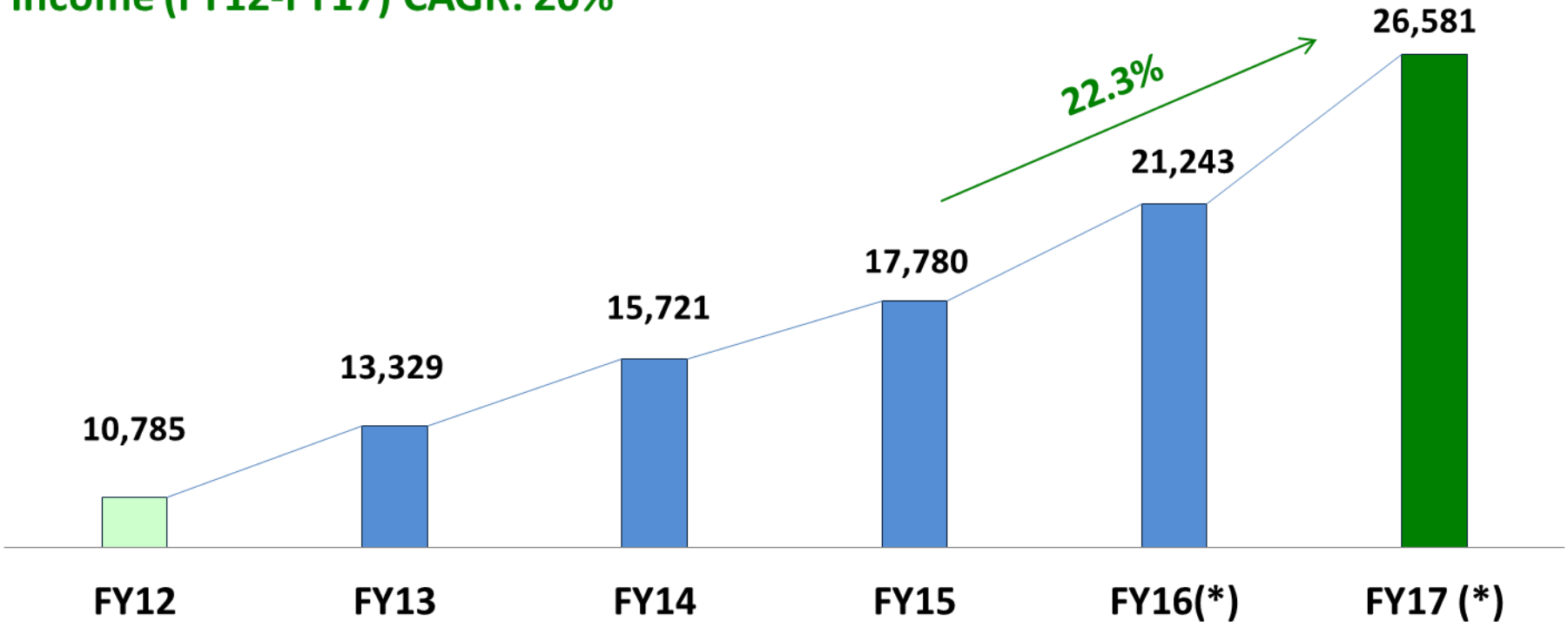
Journey (XII Plan)

Journey (XII Plan): Income

Asset Based Returns.....

(₹ in crore)

Income (FY12-FY17) CAGR: 20%



....making POWERGRID, Fastest Growing Electric Utility in Asia since 2014

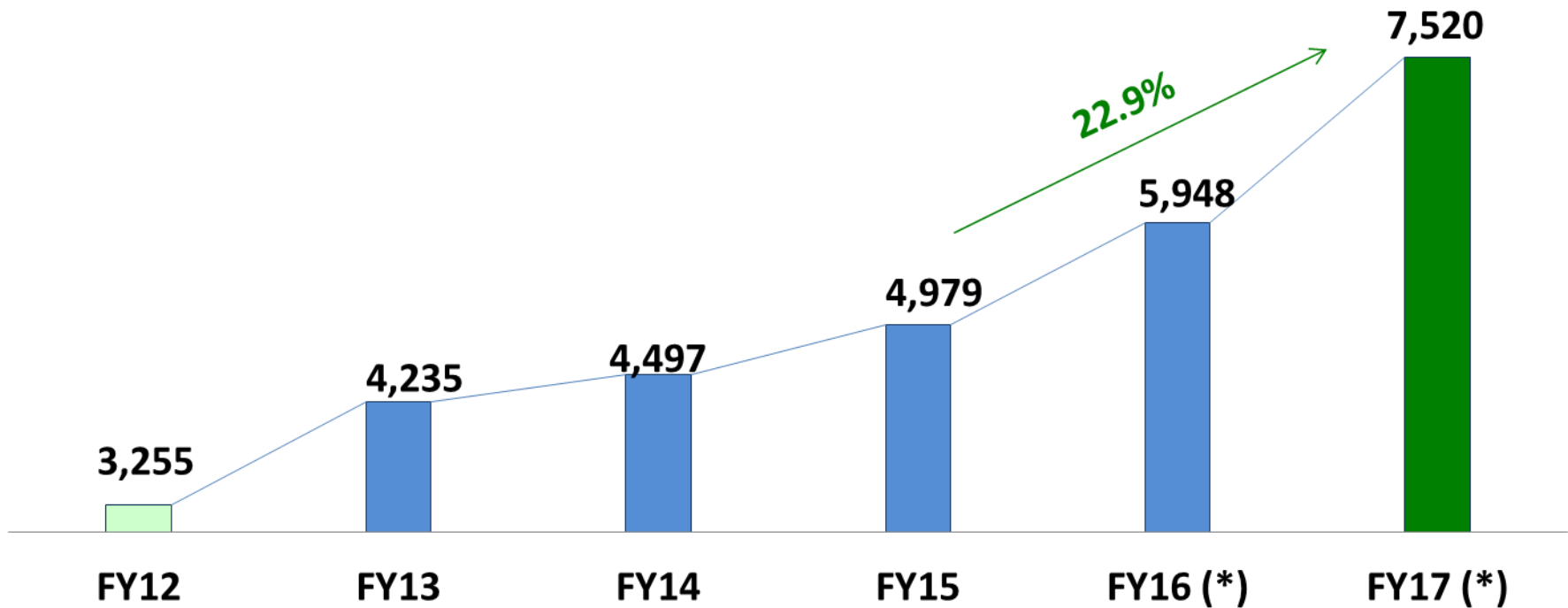
(*) As per Ind AS for FY17. FY16 Income restated.

Journey (XII Plan): Profitability

Sustained Profitability....

(₹ in crore)

Profit After Tax CAGR: 18.2%



....making POWERGRID one of the most profitable CPSEs

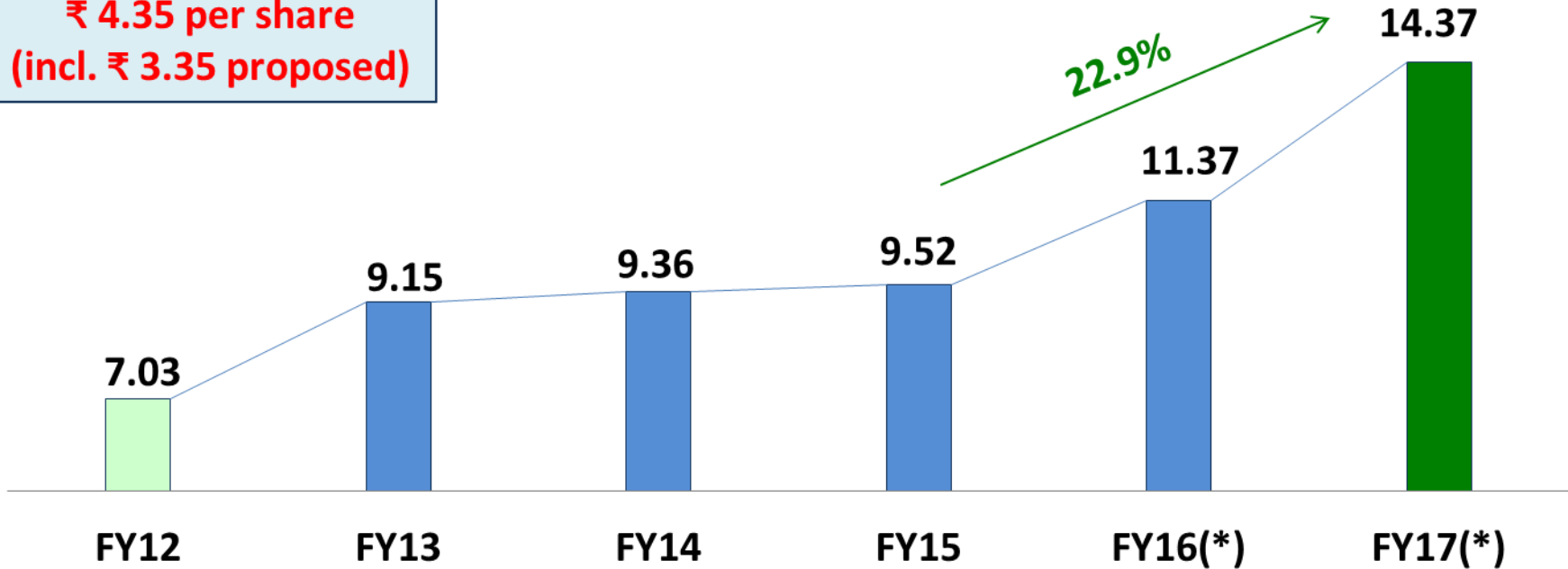
(*) As per Ind AS for FY17. FY16 PAT restated.

Journey (XII Plan): Returns to Stakeholders

.... and enhanced Shareholder returns....

Earning Per Share (₹)

Dividend for FY17:
₹ 4.35 per share
(incl. ₹ 3.35 proposed)



....Shareholder wealth grows nearly 4x from IPO

(* As per Ind AS for FY17. FY16 EPS restated.)

(₹ in crore)

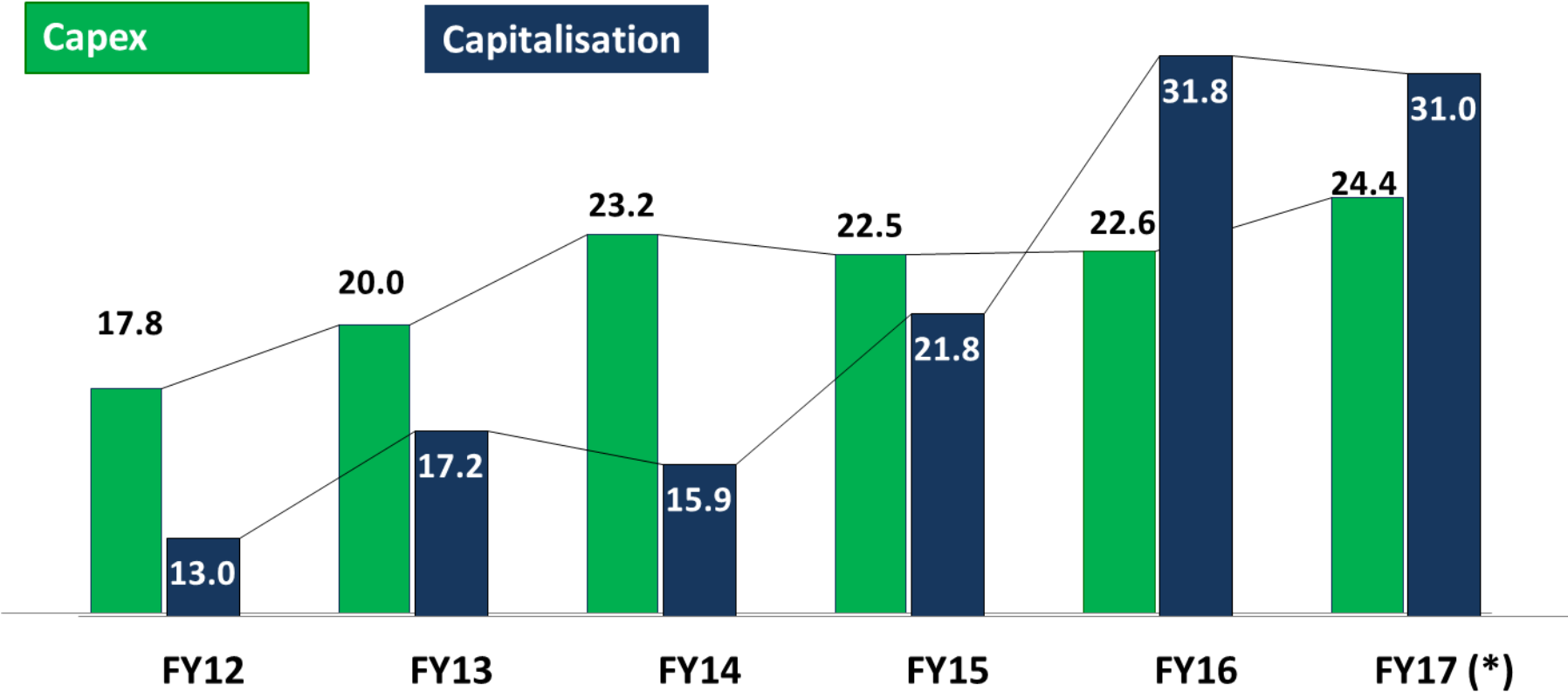
Year	Target (~₹ 110,000 cr.)	Achieved (~₹ 112,664 cr.)
FY12-13	20,000	20,037
FY13-14	22,150	23,158
FY14-15	22,450	22,456
FY15-16	22,500	22,584
FY16-17	22,550	24,429

Total Capitalisation during XII Plan
~ ₹ 1,17,000 crore

Journey (XII Plan): Project Efficiency

Capitalisation-driven Capex

(₹ in '000 crore)

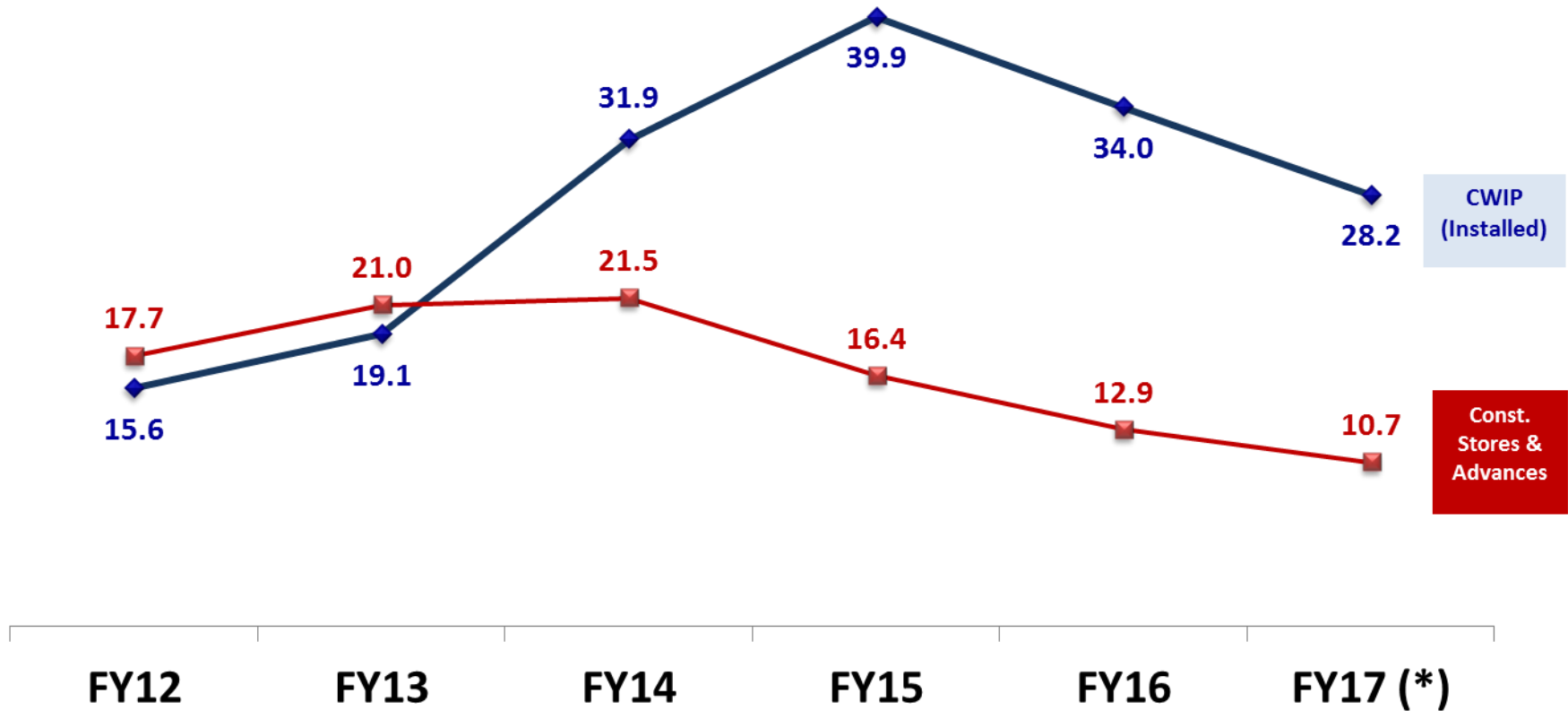


(*) As per Ind AS for FY17
FY17 includes TCB

Journey (XII Plan): Project Efficiency

Efficient CWIP Management

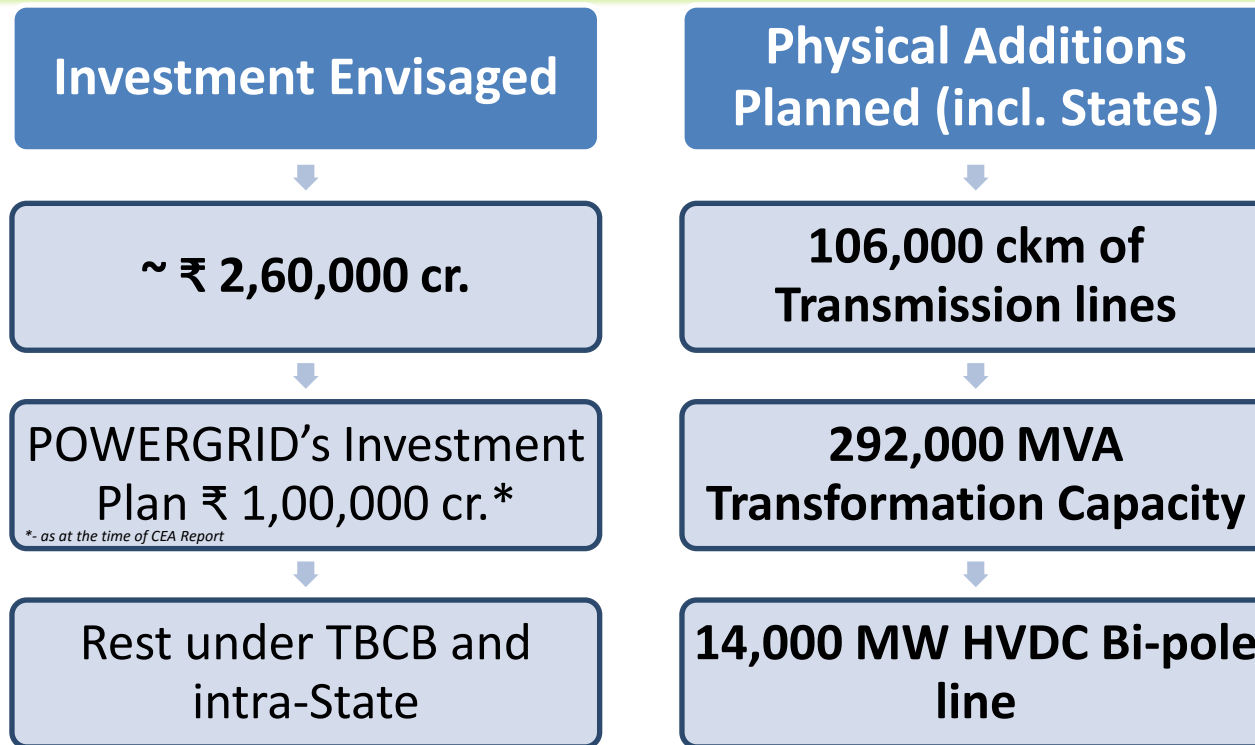
(₹ in '000 crore)



(*) As per Ind AS for FY17.

Outlook & Way Forward

Sectoral Investment Envisaged (2017-2022)



- Interconnections with neighboring countries

- **Bangladesh**- 1 High Capacity link planned (NER-Bangladesh-ER)
- **Nepal**- Likely to have net exportable surplus by 2022. Comprehensive Trans. Plan worked out for Nepal
- **Bhutan** – 2 additional links identified
- **Sri Lanka**- Feasibility being explored

Source: CEA Draft National Electricity Plan(Vol-II) Transmission, 2016

Ongoing Projects	approx. ₹ 1,05,000 crore
New Projects	approx. ₹ 5,000 crore
TBCB Projects	approx. ₹ 20,000 crore (as per Empowered Committee Estimate)
Total Works in Hand	approx. ₹ 1,30,000 crore
Expenditure done (CWIP)	approx. ₹ 39,000 crore
Balance Capex	approx. ₹ 91,000 crore (in next 3-3.5 years)

**Continued Thrust on Trans.
& related Businesses**

**Exploring Opportunities in
Emerging Business Segments**

Continued Thrust on Trans. & related Businesses

Continued Thrust on ISTS

Ongoing Capital works
(>₹ 90,000 cr. worth work)

New Solar Parks of
20,000 MW announced

Wind Power planned
60GW from current
levels of 30GW

7000MW Nuclear Power
Plant approved

Trans National
Interconnections

Intra-State Transmission

~ ₹ 150,000 works
expected

Positive Impact of UDAY
may kick-start
investment in Sub-Trans
& Distribution

Gol's various reform
programs in States

Telecom

Leveraging Tower
Infrastructure

Tapping Existing Clients
for Growth in Volumes
with Growing Demand
for High Speed
Bandwidth

Opportunities in Intl. Business

Consulting
opportunities in
developing countries

EPC opportunities in
other geographies

Driving Forces

- Continued Thrust on Seamless & Flexible Grid Interconnection
- Thrust on RE for Energy Security & Climate Change
- Development of Smart Cities
- Railways & DFC works
- Improving Financial Health of DISCOMs
- Digital India



Battery Storage

- 2 modes in Pilot Project completed. 3rd by Dec'17



eV Charging Infrastructure

- Govt's thrust creating new opportunity



Railway Electrification:

- 24,000 rkm to be electrified by 2021



Smart Grid & Cities

- Riding on Govt.'s thrust



Leveraging Telecom Infrastructure

- Telecom Towers & Data Centres



Wire Business

- An opportunity in waiting

Thank You

Presentation available at www.powergridindia.com