Power Grid Corporation of India Limited
Corporate Presentation (Feb-2012)
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- Conversion rate of 1US$=INR50 has been used throughout the presentation.
Company Overview

Key Highlights

Future Business Plan

Financial Summary & Investment Programme

Appendix
Company Overview

Overview

Largest Transmission Utility in India
- Carrying about ~50% of total power generated in India in FY11
  - 3rd largest transmission utility in the world¹
  - Owned 69.42% by Government of India

Growth linked to India’s Energy Needs
- Increase in regulated asset base driven by:
  - Generation capacity addition
  - Grid strengthening

Stable Returns
- Low operational risk with limited exposure to general business cycles
- Cost plus tariff for the projects in hand enables the Company to recover its entire costs

Strong Execution Track Record
- Extensive experience & expertise in implementing transmission projects
- Rated consistently “EXCELLENT” against GOI MoUs since FY 1994

Other Businesses
- Consulting² in both Domestic and International markets and Telecom broadband businesses experiencing steady growth
- Unlocking value from leasing transmission towers to telecom infrastructure service provider

Key Financials

Income Statement (4)

<table>
<thead>
<tr>
<th>(In US$ mn)</th>
<th>FY11</th>
<th>9m FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,820</td>
<td>1,475</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,552</td>
<td>1,258</td>
</tr>
<tr>
<td>PAT</td>
<td>539</td>
<td>445</td>
</tr>
</tbody>
</table>

Balance Sheet (4)

<table>
<thead>
<tr>
<th>(In US$ mn)</th>
<th>FY11</th>
<th>9m FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Debt</td>
<td>8,177</td>
<td>9,988</td>
</tr>
<tr>
<td>Cash</td>
<td>736</td>
<td>1,176</td>
</tr>
<tr>
<td>Net Debt</td>
<td>7,441</td>
<td>8,812</td>
</tr>
</tbody>
</table>

Market Capitalization of US$10.55 bn as on Feb 24th, 2012(3)

2. Consultancy in relation to Transmission, Load Dispatch & Communication, Distribution & Telecom
3. As per Closing Price on Bombay Stock Exchange
4. Standalone financials and market cap converted at INR/ US$: 50

POWERGRID – One Nation, One Grid
Establishment and Operation of Regional and National Power Grids to facilitate transfer of electric power within and across the regions with reliability, security and economy, on sound commercial principles.

Mission

- FY 2001: Inception
- FY 2002: Initial Public Offering, Lists on BSE & NSE
- FY 2003: Notified as a Navratna Company
- FY 2004: Diversification into Telecom Business
- FY 2005: Secures First International Consultancy Contract
- FY 2006: Inception of its subsidiary - Power System Operation Corporation Ltd
- FY 2007: JV with The Tata Power Company Limited for implementation of transmission system for Tala HEP Project
- FY 2008: FPO – oversubscribed 15 times
- FY 2009: Ventured into Telecom Tower Business
- FY 2010: Notified as The Central Transmission Utility by Government of India
- FY 2011: Notified as a Navratna Company

1. Consultancy and Advisory on Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGYY) in rural areas.
POWERGRID Network

The Central Transmission Utility and National/Regional Grid Operator

1. Through Power System Operation Corporation Limited (POSOCO), a fully owned subsidiary of POWERGRID
Key Business Lines

Development of Central Sector Transmission System
- Associated Transmission System (ATS) for Central Sector linked Generation
- ATS for Ultra Mega Power projects
- Grid Strengthening
- Inter-State, Inter-regional and International links
- Transmission corridors for IPPs

Transmission

Grid Management
- Real-time Grid Operation
- Optimum scheduling & dispatch
- Energy accounting including settlements
- Administering REC² Mechanism

Consultancy (National & International)
- Provides in-house expertise in various facets of Transmission, Sub-transmission, Distribution, Telecom and Load Dispatch Centers
- Provides services both nationally and internationally including SAARC countries

Telecom
- Owns & Operates more than 25,000 kms of telecom network
- Leasing transmission line towers for mounting telecom antennae
- Implementing National Knowledge Network (~ US$0.18bn) and National Optic Fiber Network (~ US$0.8bn)

% of FY11 Revenue: 85%
% of FY11 Revenue: 3.3%
% of FY11 Revenue: 2.1%


POWERGRID – One Nation, One Grid
Key Highlights

1. Indian Power Sector: Poised for Sustained Growth
2. Established execution track record
3. Proven Growth Track Record and Conservative Capital Structure
4. High Operational Efficiency and Effective Project Management
5. Government ownership and Stable returns with low business risk
7. Seasoned Management Team with Extensive Industry Experience
Positioned to Capitalize on India’s Growing Energy Demand

Power generation capacity is expected to grow at a rapid pace to address the massive supply-demand imbalance created by continued economic growth.

Per Capita Consumption in India Remains Low (kWh)

Significant Supply is Needed to Bridge the Imbalance

Major Plans for Capacity Addition (MW)

Driving Investment in Transmission Sector (US$ bn)

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2. Revised target
3. Provisional

POWERGRID – One Nation, One Grid
Generation Trends Expected to Drive Demand for Long Transmission Lines

**Dispersed Energy Capacity…**
- Large pit-head stations concentrated in a few regions
- Hydro projects in North Eastern Region, Himachal Pradesh, Jammu & Kashmir
- Large imported coal based power projects along the coast
- Few load centre-based generation projects

**…Expected to Drive the Need For Transmission…**
- Long Distance inter regional transmission system
- Higher capacity power lines to have economic as well as optimal use of Right-of-Way
- Eleven High Capacity Transmission Corridors have been planned with POWERGRID’s scope of US$13.2 bn

**…With POWERGRID Well Positioned to Address the Demand**
- 400kV established as backbone network
- 765kV network gradually increasing
- ± 800kV HVDC system-under construction
- 1200kV UHVAC under development. 1200kV Class transformer successfully tested – Pioneering effort to introduce the world’s highest voltage

**Legend**
- Generation
- Load-Centre
- Coal
- Hydro
- Lignite
- Coastal
- Nuclear

Note: Map not to scale
2 Strong Execution Track Record

Execution Track Record

- Consistent successful execution of projects
  - 90,100 ckm of transmission lines carrying ~50% of total power generated in the country
  - 145 substations with transformation capacity of 102,100 MVA
  - 25,000 km of telecom network

Accolades and Awards

- Rated consistently “EXCELLENT” against Govt MOUs since FY1994
- Consistent recipient of ‘National Awards for Meritorious Performance”
  - instituted by GoI
- Recognized by Platts, as 8th Fastest Growing Asian Energy Co. and 18th
  - Fastest Growing Global Energy Company during 2010

...Delivering Transmission Network Growth

- Inter-Regional Power Transfer Capacity increased from 14.1GW in FY07 to 23.8GW

Capex Targets Achieved… (US$ bn)

- FY08: Target (RE) Exp 1.3, Actual Exp 1.2, % Target Achieved 101%
- FY09: Target (RE) Exp 1.6, Actual Exp 1.6, % Target Achieved 102%
- FY10: Target (RE) Exp 2.1, Actual Exp 2.1, % Target Achieved 101%
- FY11: Target (RE) Exp 2.38, Actual Exp 2.4, % Target Achieved 101%
- FY12 (till date): Target (RE) Exp 3.54, Actual Exp 2.2

POWERGRID – One Nation, One Grid
Proven Growth Track Record

Revenues (US$ mn)

CAGR: 21.44%

<table>
<thead>
<tr>
<th>Year</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY11 - 9M</th>
<th>FY12 - 9M</th>
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<tbody>
<tr>
<td></td>
<td>$1,016</td>
<td>$1,228</td>
<td>$1,501</td>
<td>$1,820</td>
<td>$1,304</td>
<td>$1,475</td>
</tr>
</tbody>
</table>

EBITDA and ROA (US$ mn)

CAGR: 24.4%

<table>
<thead>
<tr>
<th>Year</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY11 - 9M</th>
<th>FY12 - 9M</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$806</td>
<td>$993</td>
<td>$1,230</td>
<td>$1,552</td>
<td>$1,107</td>
<td>$1,258</td>
</tr>
</tbody>
</table>

Total Assets (US$ mn)

CAGR: 20.55%

<table>
<thead>
<tr>
<th>Year</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY11 - Dec 2010</th>
<th>FY12 - Dec 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$8,645</td>
<td>$10,864</td>
<td>$12,713</td>
<td>$15,146</td>
<td>$14,594</td>
<td>$17,527</td>
</tr>
</tbody>
</table>

Net Income and ROE (US$ mn)

CAGR: 23.0%

<table>
<thead>
<tr>
<th>Year</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY11 - 9M</th>
<th>FY12 - 9M</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$290</td>
<td>$338</td>
<td>$408</td>
<td>$539</td>
<td>$389</td>
<td>$445</td>
</tr>
</tbody>
</table>

- Listed on Indian Stock Exchanges, BSE and NSE with oversubscribed public offers in last 4 years - IPO in 2007 and FPO in 2010
- Highest Domestic Credit Rating
- Amongst the biggest beneficiaries of The World Bank & ADB

... has led to confidence of investors & lenders

Note: Exchange rate of INR/US$: 50 for all fiscal years and items.
Conservative Capital Structure

Total Debt and Networth (US$ mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Debt</th>
<th>Networth</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08</td>
<td>$4,453</td>
<td>$2,700</td>
</tr>
<tr>
<td>FY09</td>
<td>$5,693</td>
<td>$2,924</td>
</tr>
<tr>
<td>FY10</td>
<td>$6,883</td>
<td>$3,183</td>
</tr>
<tr>
<td>FY11</td>
<td>$8,177</td>
<td>$4,270</td>
</tr>
<tr>
<td>FY12</td>
<td>$9,988</td>
<td>$4,715</td>
</tr>
</tbody>
</table>

Operating Cash Flow and Total Cash (US$ mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Cash Flow</th>
<th>Total Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08</td>
<td>$598</td>
<td>$373</td>
</tr>
<tr>
<td>FY09</td>
<td>$1,328</td>
<td>$486</td>
</tr>
<tr>
<td>FY10</td>
<td>$1,324</td>
<td>$656</td>
</tr>
<tr>
<td>FY11</td>
<td>$1,138</td>
<td>$736</td>
</tr>
<tr>
<td>FY12</td>
<td>NA</td>
<td>$1,138</td>
</tr>
</tbody>
</table>

Net Debt / EBITDA

- FY08: 5.1x
- FY09: 5.2x
- FY10: 5.1x
- FY11: 4.8x
- FY12: 7.0x

EBITDA / Interest

- FY08: 3.0x
- FY09: 3.0x
- FY10: 4.0x
- FY11: 4.5x
- FY12: 4.3x

Note: Exchange rate of INR/US$: 50 for all fiscal years and items.
3 Debt Structure and Liquidity position

Sources of Funds (%) 2010-11

- Domestic Bonds 40.35%
- Equity 7.04%
- Advance against depreciation and deferred tax 5.05%
- Short term Loans 2.21%
- Loans from Banks and Fis 1.04%
- Foreign Currency Loan 18.59%
- Reserves 25.46%
- Grants 0.26%

Application of Funds (%) 2010-11

- Fixed Assets (Net Block) 56.62%
- Capital Work in Progress 19.72%
- Construction Stores & Advances 20.78%
- Investments 2.08%
- Net Current Assets 0.80%

Debt maturity Profile (US$ mn)

- over 10Y, 2,522, 29%
- 5-10Y, 3,768, 39%
- 3-5Y, 1,619, 16%
- up to 3Y, 2,078, 21%

Current Lending Base...

- Tapping several onshore sources of debt funding through domestic INR bonds, banks & financial institutions

- Foreign currency borrowings in USD, JPY, CHF, SEK and EUR via multilateral & bilateral agencies like World Banks and Asian Development Bank with undrawn lines of approx. US$ 2.8 billion
  - 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
High Operational Efficiencies

- Rated as one of the best transmission companies in terms of system availability

  *System availability in 2010-11: 99.8%*

- No major grid disturbance since Jan’03

- Establishing a ‘National Transmission Asset Management Center’ for optimal utilization of assets

- Implementing technologically advanced operational techniques
  - Aerial patrolling of transmission lines - Global Tender floated for patrolling 15,000 km
  - Mobile sub-stations
  - Robots for condition monitoring of conductor / earth wire / hardware

### Modern Technology

#### Aerial Patrolling

#### Robotics for condition monitoring

### System Availability

<table>
<thead>
<tr>
<th>Year</th>
<th>System Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08</td>
<td>99.65%</td>
</tr>
<tr>
<td>FY09</td>
<td>99.55%</td>
</tr>
<tr>
<td>FY10</td>
<td>99.77%</td>
</tr>
<tr>
<td>FY11</td>
<td>99.80%</td>
</tr>
<tr>
<td>Apr-Dec 2011</td>
<td>99.93%</td>
</tr>
</tbody>
</table>

1. According to Booz & Company’s comparative benchmarking across global transmission companies.
Successful restoration of power supply in J&K within 48 hours, after a line situated at 2,100m altitude in the Himalayas broke due to extreme snowfall in the region.
Government ownership and Low business risk

**Significant ownership of GoI**
- Government of India owns 69.42% as of 31 Dec 2011
- POWERGRID is The Central Transmission Utility of the country and is responsible for grid management through its wholly owned subsidiary, POSOCO
- Under the administrative control of the Ministry of Power, GoI and has been conferred with “Navratna” status among public sector enterprises in India
  - Status empowers the Company an enhanced autonomy in its operations, investments and decision making vis-à-vis other public sector companies
- Concluded its IPO in September 2007 and FPO in November 2010 which saw overwhelming response

**Strategic importance**
- POWERGRID is strategically important to GoI because of the vital role it plays in the development of India’s power sector
- Currently the largest transmission utility involved in inter-state power transmission in India with near absolute market share
- Expansion of India’s power generation capacity necessitates a substantial expansion of inter-state transmission lines
- Although the transmission sector has been opened up to the private sector, POWERGRID is likely to be able to maintain its predominant position, given its expertise in execution and operational capabilities, largest pool of skilled human capital and the highly capital intensive nature of the business

**Favorable regulatory framework**
- POWERGRID’s tariff structure is set by the regulator, the Central Electricity Regulatory Commission (“CERC”)
- Meeting CERC’s benchmarks enables the Company to recover its entire costs, including debt servicing charges and provides for a fixed return on equity
- Tariff recovery is linked to transmission network availability and not impacted by actual power transmitted
- The regulatory framework is laid out for blocks of five years and tariff norms for POWERGRID are known with certainty upto March 31, 2014 ensuring stable cashflows

**Collection Efficiency & Tariff**
- Present Tariff Regime (Period 2009-2014)
  - ROE : 15.5% (pre-Tax)
  - Other components like interest on Loan and Working capital / Operations and maintenance / Depreciation / Taxes and FERV are passed through to the customer
  - Incentives based on timely execution of projects and availability of system are extra
- Collection Efficiency
  - Through Letters of Credit opened by beneficiaries
  - Rebate to Customers for timely payment

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1. With effect from 5th Jan, 2011, new transmission lines are to be awarded under Tariff Based Competitive Bidding process.
2. -FERV - Foreign Exchange Rate Variation
Growth Potential in Consulting Business

<table>
<thead>
<tr>
<th>Description</th>
<th>Major Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Orders for projects worth ~ US$ 2.02 bn received in the current FY</td>
<td></td>
</tr>
<tr>
<td>- POWERGRID has served &gt;100 clients since beginning by giving consultancy</td>
<td></td>
</tr>
<tr>
<td>- 22 projects worth US$ 3.67 bn in hand</td>
<td></td>
</tr>
</tbody>
</table>

Consultancy Business – Domestic

- Providing Consultancy Services in Afghanistan, Bhutan, Bangladesh, UAE (Dubai), Nepal, Sri Lanka & Nigeria
- Negotiation in advance stage for new assignments from Bangladesh, Nepal and Myanmar
- 19 projects worth US$ 1.80 bn in hand

Consultancy Business - International

Growth of Consultancy Revenue (US$ mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (US$ mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY07</td>
<td>$45</td>
</tr>
<tr>
<td>FY08</td>
<td>$50</td>
</tr>
<tr>
<td>FY09</td>
<td>$43</td>
</tr>
<tr>
<td>FY10</td>
<td>$54</td>
</tr>
<tr>
<td>FY11</td>
<td>$60</td>
</tr>
</tbody>
</table>
Opportunities In Telecom Business

**Telecom: Fiber Optic Business**

- Network Coverage: Presently 25,000 km
- Network Reach: All India; covering about 110 cities (including remote areas of North Eastern Region and Jammu & Kashmir)
- Faster Roll-out (~4 km in 2-3 days) & Live line installation
- Licenses: National Long Distance (NLD) and Internet Service Provider (ISP) and Infrastructure Provider (IP) Category - I
- Customer base: Major Telecoms, MNCs, BPOs, Govt, Corporate & Media
- Partnering GoI in implementation of
  - ‘National Knowledge Network’ (NKN) project to connect knowledge centers:
    - POWERGRID share - US$ 180 mn
  - ‘National Optic Fiber Network’ (NOFN) project to connect Gram Panchayats:
    - POWERGRID scope - US$ 800 mn

**Telecom: Tower Leasing Business**

- 800 transmission towers leased for mounting telecom antennae in North India
- New tenders floated for leasing additional towers in other states of the Country

POWERGRID Broadband Telecom Network

Map not to scale
<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Educational Qualification</th>
<th>Industry Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.N.Nayak</td>
<td>Chairman &amp; Managing Director</td>
<td>First class Bachelor of Electrical Engineering from REC Rourkela</td>
<td>33 years of work experience, primarily in the power sector</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Post Graduation in M.Tech(Electrical) from IIT Kharagpur</td>
<td>More than 19 years in POWERGRID as a founder member and handled multi-disciplinary functions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>He has previously held the positions of Director (Operations), Executive Director (Engineering &amp; QA&amp;I), Executive Director (Human Resource), Executive Director (R&amp;D) at POWERGRID</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>He has also played a pivotal role in the Telecom, Commercial and Procurement functions of the Company</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Prior to joining POWERGRID in 1991, he has worked for about 7 years in NTPC and had a stint with SAIL</td>
</tr>
<tr>
<td>R.T.Agarwal</td>
<td>Director Finance</td>
<td>Chartered Accountant</td>
<td>More than 30 years of experience in multifarious roles</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>He has played a pivotal role in the successful Follow-on Public Offer of POWERGRID in 2010</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Before joining POWERGRID in 1991, he had worked in NTPC Ltd. project sites for 10 years</td>
</tr>
<tr>
<td>V.M.Kaul</td>
<td>Director Personnel</td>
<td>Bachelor of Mechanical Engineering from IIT, Delhi</td>
<td>Over 37 years of work experience primarily in the power sector</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MBA Degree from IGNOU</td>
<td>He has previously held the position of Executive Director (Human Resource), Executive Director in-charge of Private Investment and Business Development and Corporate Planning</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Prior to joining our company Shri Kaul has worked for 23 years in NTPC</td>
</tr>
<tr>
<td>I.S.Jha</td>
<td>Director Projects</td>
<td>Electrical Engineer from NIT, Jamshedpur</td>
<td>Well known Electrical Power System Professional, he has successfully served as Executive Director (Engineering) in the company</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>He has also worked as Executive Director - Corporate Monitoring Group and held the position of Executive Director of North Eastern Region.</td>
</tr>
</tbody>
</table>
The XI and XII Plan capacity addition targets of 62GW and 100GW respectively involving 32% and 57% participation by private sector.

Independent Power Producers (“IPPs”) setting up power generation plants, mainly in resource rich areas.

POWERGRID - Nodal agency for granting Long Term Open Access (“LTOA”) for inter-state transmission of power.

11 High Capacity Power Transmission Corridors (“HCPTC”) (400kV/765kV AC and +/-800kV HVDC transmission highways) being developed in phases.

Estimated cost of corridors - about US$ 13.2 bn (POWERGRID scope)

Regulatory approval from CERC obtained.

IPPs have

- Signed BPTA/ TSA with condition that if some of IPPs fail/delay to execute their projects, balance IPPs shall share transmission charges.
- Provided bank guarantee towards their commitment to LTOA.
Business Plan (contd.)

**Associated Transmission Systems for UMPPs**

- POWERGRID given the responsibility to implement transmission systems associated with Ultra Mega Power Projects ("UMPPs")
- Four UMPPs (namely Sasan, Mundhra, Krishnapatnam and Tilaiyya) awarded
- Transmission System associated with Mundhra commissioned by POWERGRID

**Linkages with neighboring countries**

- India-Bangladesh inter-connection through 500MW HVDC
- Initiated steps to establish
  - High Capacity transmission link with Nepal
  - Additional transmission links with Bhutan
  - Under-sea link to Sri Lanka

**Backward Integration**

- With a view to achieve competitive edge, POWERGRID is exploring joint venture with companies for manufacturing major equipments
Company Overview

Key Highlights

Future Business Plan

Financial Summary & Investment Programme

Appendix
## Financial Summary

### Income Statement

<table>
<thead>
<tr>
<th></th>
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<th>FY11</th>
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<tr>
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</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>806</td>
<td>993</td>
<td>1,230</td>
<td>1,552</td>
<td>1,258</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>79%</td>
<td>81%</td>
<td>82%</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>614</td>
<td>774</td>
<td>834</td>
<td>1,112</td>
<td>887</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>290</td>
<td>338</td>
<td>408</td>
<td>539</td>
<td>445</td>
</tr>
</tbody>
</table>

### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>9m FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td>8,645</td>
<td>10,864</td>
<td>12,713</td>
<td>15,146</td>
<td>17,527</td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td>4,453</td>
<td>5,693</td>
<td>6,883</td>
<td>8,177</td>
<td>9,988</td>
</tr>
<tr>
<td><strong>Cash &amp; Equivalents</strong></td>
<td>373</td>
<td>486</td>
<td>656</td>
<td>736</td>
<td>1,176</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>4,080</td>
<td>5,207</td>
<td>6,228</td>
<td>7,441</td>
<td>8,812</td>
</tr>
<tr>
<td><strong>Net Worth</strong></td>
<td>2,700</td>
<td>2,924</td>
<td>3,183</td>
<td>4,270</td>
<td>4,715</td>
</tr>
</tbody>
</table>

### Cash Flow Statement

<table>
<thead>
<tr>
<th></th>
<th>FY08</th>
<th>FY09</th>
<th>FY11</th>
<th>9m FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Cash Flow</strong></td>
<td>598</td>
<td>1,328</td>
<td>1,324</td>
<td>1,138</td>
</tr>
</tbody>
</table>

Source: Company Annual Reports  
Note: Standalone Financial statements converted at INR/ US$: 50
## Investment Programme

### XI Plan (2007-2012)
- **CAPEX Plan**: US$ 11.0 bn
- **CAPEX made till 9-Feb’12**: US$ 9.68 bn

### XII Plan (2012-2017)
- **Total CAPEX Plan**: US$ 20.0 bn
- **2016–2017**: $4.2
- **2012–2013**: $4.0

### Projects/ Schemes

<table>
<thead>
<tr>
<th>Projects/ Schemes</th>
<th>Capital Outlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Sector Generation</td>
<td>US$ 4.0 bn</td>
</tr>
<tr>
<td>UMPP</td>
<td>US$ 2.8 bn</td>
</tr>
<tr>
<td>IPP</td>
<td>US$ 11.0 bn</td>
</tr>
<tr>
<td>Grid Strengthening</td>
<td>US$ 2.2 bn</td>
</tr>
</tbody>
</table>

### XII Plan – Capital Outlay US$ bn
- 2012–2013: $4.0
- 2013–2014: $3.8
- 2014–2015: $4.0
- 2015–2016: $4.0
- 2016–2017: $4.2

**Investment Approved – US$ 14.0bn**
**Contracts Awarded – US$ 11.2bn**
Funding Requirement for XII Plan

Investment planned in Debt-Equity ratio of 70:30

Equity (US$ 6.0bn)

- Internal Accruals
- FPO proceeds

Debt (US$ 14.0bn)

- US$ 2.8 billion already tied up from Multilateral Agencies, The World Bank & ADB and Supplier’s Credit
- Domestic Bonds/ ECBs
  - Raised as per Annual Investment Plan
Key Competitive Strengths

- Leadership position in the Indian power sector
- One of the world's Leading Power Transmission Utility - 90,100 ckm line with 145 Substations as on Dec 31, 2011
- Strategic position in Indian Power Sector
- Regulated tariff structure and POWERGRID’s superior operating efficiency
- Strong execution track record
- Established revenues off cost plus model generating stable cashflows and ROE
- Strong balance sheet
- Government support
- Competent and committed workforce
- Emphasis on corporate governance
Commitment Towards Green Environment

Environment and Social Policy & Procedure (ESPP) based on principles of Avoidance, Minimization and Mitigation Certified to Social Accountability Standard (SA-8001: 2008)

- Specially designed high-rise towers (75m) to reduce tree cutting
- Application of Multi circuit and Compact towers to reduce corridor requirement
- Total Forest involvement reduced after implementation of ESPP
- Selected by The World Bank for Use of Country System (UCS)

POWERGRID became the first Public Sector Undertaking in Power Sector to come out with a Sustainability Report

Conferred Green Award – 2006 by World Bank

World Bank


POWERGRID – One Nation, One Grid
Besides addressing rehabilitation & resettlement issues and community development through ESPP, POWERGRID has formulated its ‘Corporate Social Responsibility policy’ (CSR Policy) which addresses:

- Community Development in the neighborhood areas around its offices/sub-stations
- Socio-Economic issues at National level like employment, conservation and environment etc.
- CSR Policy primarily showcases POWERGRID’s abiding commitment and concern to pay back to society and environment for benefits it has reaped
- For FY12, 1% of FY11 net profit earmarked for CSR activities
Shareholding pattern as on 31st December 2011

Note: MF - Mutual Funds, FI - Financial Institutions / Banks, IC - Insurance Companies, FII - Foreign Institutional Investors

POWERGRID – One Nation, One Grid
Thank You