1200kV AC Sub-station at Bina

POWERGRID

Delivering Smart Grid/ Distribution Solutions

Press Meet 12th February, 2013
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- Annual Accounts for FY2011-12 have been approved by the shareholders.
Contents

- Project Highlights
- Financial Highlights
- Highlights - Other Segments
- Investment Programme
- Updates: New Initiatives
Major Projects Commissioned during Q3 (FY13)

- 765kV Sasan – Satna line associated with Sasan UMPP
- 400kV Mundra – Jetpur line associated with Mundra UMPP
- 400kV Gandhar – Navsari associated with Mundra UMPP
- 400kV Vindhyachal IV – Vindhyachal pooling station
- 400kV Raipur – Wardha line associated with Western Region System Strengthening
- Jhatikara and Bhiwani S/S (extns.)
- Banka S/S
Project Execution

Transmission Lines (GW-ckm)

- Apr-Dec (FY12): 3107
- Apr-Dec (FY13): 4330
- 39% increase

Till 31-Jan-13: 4766 GW-ckm

X-formation Capacity (MVA)

- Apr-Dec (FY12): 7140
- Apr-Dec (FY13): 28783 *
- 303% increase

Till 31-Jan-13: 32,633 MVA

(*) 20,000 MVA pertains to 765kV
Project Execution

Capex

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>4074</td>
<td>5536</td>
</tr>
<tr>
<td>(Apr-Dec)</td>
<td>8685</td>
<td>12713</td>
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</tbody>
</table>

Commissioning

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>2228</td>
<td>2586</td>
</tr>
<tr>
<td>(Apr-Dec)</td>
<td>6285</td>
<td>9352</td>
</tr>
</tbody>
</table>

FY12 (till 9 Feb12)

~10,300

FY13 (till date)

~15,000

FY12 (till 9 Feb12)

~8,200

FY13 (till date)

~10,550
Financial Performance

(Quarterly)

Total Income

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>2341</td>
<td>2980</td>
</tr>
<tr>
<td>Q2</td>
<td>2459</td>
<td>3243</td>
</tr>
<tr>
<td>Q3</td>
<td>2577</td>
<td>3490</td>
</tr>
</tbody>
</table>

Profit After Tax

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>705</td>
<td>870</td>
</tr>
<tr>
<td>Q2</td>
<td>709</td>
<td>1126</td>
</tr>
<tr>
<td>Q3</td>
<td>809</td>
<td>1129</td>
</tr>
</tbody>
</table>
Financial Performance

**Total Income**
- Apr-Dec (FY12): 7376
- Apr-Dec (FY13): 9713

**PAT**
- Apr-Dec (FY12): 2223
- Apr-Dec (FY13): 3125

**Interim Dividend**
- FY12: 8%
- FY13: 16.1%
## Financial Performance

(Q3 FY13)

<table>
<thead>
<tr>
<th></th>
<th>Quarter ended</th>
<th>Nine months ended</th>
<th>FY 2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Transmission Charges</td>
<td>3238</td>
<td>2340</td>
<td>8971</td>
</tr>
<tr>
<td>- Consultancy</td>
<td>66</td>
<td>73</td>
<td>194</td>
</tr>
<tr>
<td>- Telecom</td>
<td>58</td>
<td>54</td>
<td>171</td>
</tr>
<tr>
<td>- Other Income</td>
<td>128</td>
<td>110</td>
<td>377</td>
</tr>
<tr>
<td>Total Income</td>
<td>3490</td>
<td>2577</td>
<td>9713</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(including prior period adjustment)</td>
<td>439</td>
<td>382</td>
<td>1266</td>
</tr>
<tr>
<td>EBITDA-Gross Margin</td>
<td>3051</td>
<td>2195</td>
<td>8447</td>
</tr>
<tr>
<td>Depreciation</td>
<td>865</td>
<td>679</td>
<td>2447</td>
</tr>
<tr>
<td>Interest</td>
<td>685</td>
<td>471</td>
<td>1929</td>
</tr>
<tr>
<td>FERV : Loss / (Gain)</td>
<td>(11)</td>
<td>(69)</td>
<td>53</td>
</tr>
<tr>
<td>Tax</td>
<td>372</td>
<td>247</td>
<td>1015</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td>1129</td>
<td>809</td>
<td>3125</td>
</tr>
</tbody>
</table>
### Financial Performance

#### (Q3 FY13)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Fixed Assets</td>
<td>63387</td>
<td>68866</td>
<td>72598</td>
<td>75879</td>
</tr>
<tr>
<td>Capital Work-in-Progress</td>
<td>33275</td>
<td>32218</td>
<td>33533</td>
<td>37104</td>
</tr>
<tr>
<td>Debt</td>
<td>51752</td>
<td>57987</td>
<td>58158</td>
<td>61667</td>
</tr>
<tr>
<td>Net Worth</td>
<td>23488</td>
<td>24358</td>
<td>25483</td>
<td>26612</td>
</tr>
<tr>
<td>Earning Per Share (₹)</td>
<td>7.03</td>
<td>1.88*</td>
<td>4.31*</td>
<td>6.75*</td>
</tr>
<tr>
<td>Book Value per Share (₹)</td>
<td>50.73</td>
<td>52.61</td>
<td>55.04</td>
<td>57.48</td>
</tr>
</tbody>
</table>

#### Key Financial Ratios

<table>
<thead>
<tr>
<th></th>
<th>As on 31.03.2012</th>
<th>As on 30.06.2012</th>
<th>As on 30.09.2012</th>
<th>As on 31.12.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt : Equity</td>
<td>69:31</td>
<td>70:30</td>
<td>70:30</td>
<td>70:30</td>
</tr>
<tr>
<td>Return on Net Worth</td>
<td>13.86%</td>
<td>3.57%*</td>
<td>7.83%*</td>
<td>11.74%*</td>
</tr>
</tbody>
</table>

* Not Annualized
Operations: Asset Management

**Availability** 99.90%
**Reliability** 0.51 trippings/ line (Apr’12-Jan’13)

**Lines**
- 774 Nos.
- 98,367 ckm

**Sub-Stations**
- 160 Nos.
- 157,158 MVA

(as on 1 Feb’2013)

**Adoption of International best Practices**

**National Transmission Asset Management Center (NTAMC)**

- Under Implementation
- For Centralized Operation, Maintenance & Control of Sub-Stations from remote locations
- Main Control Center at Manesar (near Gurgaon) & Back Up at Bangalore
- Optimal utilization of human resources and improvement of operational efficiency
- Improvement in reliability

POWERGRID implementing Islanding Scheme for Delhi

One Nation, One Grid
Grid Management & REC Mechanism

Grid Management

Consistent increase in STOA Transactions and Inter-Regional Energy Transfer

REC Mechanism: Highlights

<table>
<thead>
<tr>
<th></th>
<th>Apr-Dec (FY12)</th>
<th>Apr-Dec(FY13)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>REC Issued (Nos.)</td>
<td>5,46,808</td>
<td>34,38,083</td>
<td>~6.3x</td>
</tr>
<tr>
<td>REC Traded (₹ in crore)</td>
<td>112.64</td>
<td>330.42</td>
<td>~2.93x</td>
</tr>
</tbody>
</table>

Cumulative RECs traded till Dec’12: ₹ 617 crore

Cumulative Solar RECs worth ₹ 7.92 crore traded till Dec’12

Aggregated Regd. Capacity as on 31-Dec’12

3337 MW

Wind 56.3%
Biomass 16.9%
Small Hydro 4.8%
Solar PV 0.5%
Bio-fuel cogen. 21.6%

Aggregate STOA Transactions and Inter-Regional Energy Transfer

STOA (,000 Transactions)

IR Energy Trf (BU)

1 - carried out through Power System Operation Corporation Limited, a wholly owned subsidiary of POWERGRID

* Including January 2013 trading data

One Nation, One Grid
Other Business Segments

Telecom

Q3 Highlights

• 5 New clients added

National Knowledge Network (NKN)

• Total Value of allocations received for NKN ~₹900 crore for 10 year period starting Oct., 2010

National Optic Fiber Network (NOFN)

• Under implementation
• Allotment Letter received for 4 states covering 89 districts and 1769 blocks
• Cost: ₹3,000 crore

Recent Developments

• 2 Nos. of Orders for 10Gbps capacity received from Private Sector for the first time

Consultancy (Domestic)

Q3 Highlights

• 9 New assignments
• 2 New clients added

Assignments under execution

• 116 assignments
• Projects worth ₹12,300 crore (Balance cost)

Offers/EoI under consideration

• 14 Assignments
• Projects worth ₹5,000 crore

Recent Developments

• 4 new orders received
• Order received, for O&M of more than 650km of transmission line, from North East Transmission Co. (NETC)
International Business

Focus Businesses

• Consultancy
• Asset Management
• EPC
• JV/ Acquisition
• Capacity Building

Q3 Orders
3 Nos.

Proposals/ EoI submitted
• 4 assignments
• 1 new country

Shortlisted for Consultancy
• World Bank project

Under execution
16 Assignments
Projects worth ₹ 2250 crore (Balance Cost)

Recent Developments
• Management Contract from Ethiopia to POWERGRID consortium is under advance stage of finalization
• EOI submitted for 1st BOOT International project

Focus Geographies
SAARC
Africa
Gulf Countries

One Nation, One Grid
Investment Programme

Projects/ Schemes

Investment Approved - ₹ 88,700 crore
Contracts awarded for Project Cost: ₹ 78,000 crore

Capital Outlay

Tariff Based Competitive Bidding
Consultancy assignment/ Sub-Transmission
Transnational interconnections

Additional projects
Projects assigned by GoI
Green Energy Corridors

One Nation, One Grid
Funding Programme

Investment planned in Debt-Equity ratio of 70:30

**Requirement**

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

- **Debt**
  - ₹ 29,000 cr tied up.
  - ₹ 41,000 – 43,000 cr to be raised

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

**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, Foreign Currency Bonds

**Mobilized during FY13**

- **Bonds from Domestic Market:** ₹ 6,850 crore
  - ₹ 4,000 crore @9.3% - Jul’12
  - ₹ 2,850 crore @ 8.85 – Oct’12

- **ECB**
  - US$ 270 million from IFC
  - US$ 500 million from 10 year Foreign Currency Bonds
POWERGRID gets its International Credit Rating

**Fitch**
- POWERGRID Corporate: BBB - (Negative Outlook)
- POWERGRID Standalone Credit Profile: BBB

**S&P**
- POWERGRID Corporate: BBB - (Negative Outlook)
- POWERGRID Standalone Credit Profile: BBB

Corporate Ratings consistent with GoI’s sovereign rating
New Business Initiatives: JV with States

POWERGRID forms 50:50 JVs with States for intra-state works

**Odisha State**

- **Odisha Power Transmission Co. Ltd.**
- **Kalinga Bidyut Prasaran Nigam Pvt. Ltd.**
- **Project Cost: ~ ₹2500 crore**

**Bihar State**

- **Bihar State Power (Holding) Co. Ltd.**
- **Bihar Grid Company Ltd.**
- **Project Cost: ~ ₹6300 crore**
New Business Initiatives: Updates

Energy Efficiency
- New EA and EM added to the existing pool of Qualified EA & EMs
- Conducted Audit for 9 establishments during Q3FY13
- New establishment for Auditing under progress
- Pursuing JV formation for Energy Service businesses

Distribution (Wire Business)
- Applied for Wire Business license for few Districts in Odisha
Thank You