POWERGRID

Fastest Growing Electric Utility in Asia for 3rd successive year

An S&P BSE SENSEX Company

Q2 FY 2016-17

Press Meet

New Delhi

November 9, 2016
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- Annual Accounts for FY2015-16 have been approved by the shareholders.
Recent Highlights

Indian Power Sector – Overview & Outlook

POWERGRID Today

Performance (Q2FY17)
- Transmission

Performance (Q2FY17)
- Consultancy
- Telecom

XII Plan Performance

Investment Outlook
Recent Highlights
Recent Highlights

±800kV NER-Agra HVDC

• Pole-II commissioned

TBCB Projects

• POWERGRID Vizag Trans. Ltd. - completed
  • 765kV D/C Srikakulam – Vemagiri Pooling Station TL (~345 ckm)
  • 400kV D/C Khammam – Nagarjunasagar TL (~146 ckm)
• POWERGRID Unchahar Trans. Ltd. - completed
  • 400kV D/C Unchahar-Fatehpur TL (~106 ckm)
• POWERGRID NM Transmission Ltd.
  • 765kV D/C Nagapattinam – Salem TL (~212 ckm) – completed
  • 765kV S/C Salem – Madhugiri TL (~234 ckm) - under constn.

POWERGRID & Railways

• Beginning of a New Journey
• Railway Electrification works of 761 route km assigned on Consultancy basis
Indian Power Sector

Overview & Outlook
Indian Power Sector - Overview

Peak Demand: 157 GW

Installed Capacity: 306 GW
- Thermal: 69%
- Renewables: 15%
- Hydro: 14%
- Nuclear: 2%

Renewables: 46 GW

Growth rate: 7-8% per annum
Transmission growth driven by

- Uneven distribution of energy resources vis-à-vis uneven demand growth
- Need of Long Distance Transmission System
- Continuous momentum in Transmission expansion
  - Sustained GDP growth : 7-8% (Projected > 10%+)
  - Govt. of India focus on Increasing Electricity Access to Rural Area
- Adequate Margin – To Cater Power Market, Reliability
Hydro – In North Eastern & Northern Himalayan region

Coal – In Central India
  - Chhattisgarh, Orissa, Jharkhand, Madhya Pradesh

Coastal based
  - Andhra Pradesh, Tamil Nadu, Gujarat

Renewable Energy - Solar & Wind
  Across the country
  - Major Potential Areas: Tamil Nadu, Andhra Pradesh, Karnataka, Rajasthan, Maharashtra, Gujarat

Energy resources (coal, water etc.) unevenly distributed
National Grid Strengthening – A Continuing Process

- 765kV/400kV lines: ~ 1,80,376 ckm
  - POWERGRID: 1,10,602 ckm
- 220kV lines: ~ 1,60,804 ckm
  - POWERGRID: 8,894 ckm
- HVDC Bipole(±500kV/±800kV): 12,939 ckm. – 6 nos.
  - POWERGRID: 9,454 ckm – 4 nos.
- HVDC Back-to-Back: 7 nos. (3,000MW)
  - POWERGRID: 7 nos. (3,000MW)
- Series Capacitor: 22 nos.; Thyristor Controlled Series Capacitor (TCSC): 6 nos.
  - POWERGRID: 22 nos. (Series Capacitor); 6 nos. (TCSC)
- Inter-Regional Capacity: 62,650MW
  - POWERGRID: 56,450 MW

Source: CEA, POWERGRID Data as on 30.9.2016
Snapshots

- One Nation – One Grid – One Price
- Vidyut PRAVAH
- Electricity Price & Availability Highlights
- 31 Oct'16 at 6.30 pm

Power Market
Bringing Efficiency Into the Sector
Power Sector - Outlook

• 24x7 Affordable Power for All by 2019

• Renewable Integration: 175 GW by 2022

• Per Capita Consumption: about 4000 units by 2030; CAGR: 10%

• Seamless SAARC Power Grid
Major Schemes

• Creation of Energy Highways based on envisaged load growth
  – 11 high capacity corridors - each capacity of about 4000 MW
  – 3 high capacity HVDC system (6000 MW each)

• Green Energy Corridors for Renewable Integration
  – Intermittency, Variability, Balancing, matching trans. development

• Wide Area Measurement System (WAMS)- Making Smart Grid

• Dynamic Compensation- STATCOM, SVC etc.

• Renewable Energy Management Centers equipped with RE forecasting
11 nos. High Capacity Transmission Corridors

Green Energy Corridors for Renewables
SAARC Interconnections

- Geographically widely spread Indian Grid can facilitate interconnections with Neighboring countries
- India can provide a good demand market to harness energy resources of other countries
- Optimal utilization of energy resources
POWERGRID Today
POWERGRID Today

✓ >90% ISTS Transmission Network owned by POWERGRID

✓ POWERGRID’s Transmission Assets:
  - Trans. Lines: 132,138 ckm
  - Sub-stations: 213 Nos. - 273,862 MVA
  - Availability: 99.78% (Apr16-Sep16)

✓ State-of-the-art technologies like HVDC, SVC, FACTS etc.

✓ >45% power generated in India transmitted through POWERGRID

Credit Ratings:
- Domestic:
  - S&P: AAA, Stable Outlook
  - CARE: AAA, Stable
  - ICRA: AAA, Stable

- International:
  - Fitch: BBB (-), Stable Outlook
  - CRISIL: AAA

1. Based on BSE Closing Price of ₹ 177.00 per share on 08.11.2016

Physical parameters as on 31st October, 2016
Recognition & Awards

POWERGRID completes a Hat-Trick


Also, 3rd Fastest Growing Electric Utility, Globally#


Awarded as the Winner in Power Transmission Category at ‘D&B India’s Leading Infrastructure Companies & Infra Awards 2016’

@ - by D&B: Dun & Bradstreet
Performance in Q2FY17 (Jul16-Sep16)
## Performance - Financial (Q2 & H1FY17)

(₹ in crore)

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended 31.03.2016 as per IGAAP</th>
<th>Quarter ended 30.09.2015 As per Ind AS</th>
<th>Quarter ended 30.09.2016 As per Ind AS</th>
<th>% change</th>
<th>Six Months ended 30.09.2015 As per Ind AS</th>
<th>Six Months ended 30.09.2016 As per Ind AS</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Transmission Charges</td>
<td>19,945</td>
<td>4,670</td>
<td>5,971</td>
<td>28%</td>
<td>9,182</td>
<td>11,860</td>
<td>29%</td>
</tr>
<tr>
<td>- Consultancy Income: Services</td>
<td>465</td>
<td>99</td>
<td>154</td>
<td>56%</td>
<td>188</td>
<td>274</td>
<td>46%</td>
</tr>
<tr>
<td>- Telecom</td>
<td>392</td>
<td>97</td>
<td>130</td>
<td>34%</td>
<td>185</td>
<td>241</td>
<td>30%</td>
</tr>
<tr>
<td>- Other Income</td>
<td>479</td>
<td>124</td>
<td>225</td>
<td></td>
<td>227</td>
<td>364</td>
<td></td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>21,281</td>
<td>4,990</td>
<td>6,480</td>
<td>30%</td>
<td>9,782</td>
<td>12,739</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>2,456</td>
<td>558</td>
<td>656</td>
<td>18%</td>
<td>1,113</td>
<td>1,356</td>
<td>22%</td>
</tr>
<tr>
<td><strong>EBITDA-Gross Margin</strong></td>
<td>18,825</td>
<td>4,432</td>
<td>5,824</td>
<td>31%</td>
<td>8,669</td>
<td>11,383</td>
<td>31%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>6,183</td>
<td>1,448</td>
<td>1,877</td>
<td></td>
<td>2,826</td>
<td>3,634</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>5,023</td>
<td>1,185</td>
<td>1,587</td>
<td></td>
<td>2,327</td>
<td>3,105</td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>1,592</td>
<td>381</td>
<td>488</td>
<td></td>
<td>742</td>
<td>970</td>
<td></td>
</tr>
<tr>
<td><strong>Profit after Tax</strong></td>
<td>6,027</td>
<td>1,418</td>
<td>1,872</td>
<td>32%</td>
<td>2,774</td>
<td>3,674</td>
<td>32%</td>
</tr>
<tr>
<td>Other Comprehensive Income/ (Exp)</td>
<td>(9)</td>
<td>(1)</td>
<td>(22)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– net of Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Comprehensive Income</strong></td>
<td>6,027</td>
<td>1,409</td>
<td>1,871</td>
<td>33%</td>
<td>2,752</td>
<td>3,690</td>
<td>34%</td>
</tr>
</tbody>
</table>
## Performance – Financial (Q2 & H1FY17)

<table>
<thead>
<tr>
<th></th>
<th>As on 31.03.2016 As Per IGAAP</th>
<th>As on 30.06.2015 As per Ind AS</th>
<th>As on 30.06.2016 As per Ind AS</th>
<th>As on 30.09.2015 As per Ind AS</th>
<th>As on 30.09.2016 As per Ind AS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Fixed Assets</td>
<td>1,50,052</td>
<td>1,22,578</td>
<td>1,52,249</td>
<td>1,27,642</td>
<td>1,58,937</td>
</tr>
<tr>
<td>Capital Work-in-Progress</td>
<td>46,830</td>
<td>56,878</td>
<td>48,831</td>
<td>58,094</td>
<td>46,335</td>
</tr>
<tr>
<td>Debt</td>
<td>1,06,321</td>
<td>99,412</td>
<td>1,09,789</td>
<td>1,04,164</td>
<td>1,12,284</td>
</tr>
<tr>
<td>Net Worth</td>
<td>42,598</td>
<td>40,408</td>
<td>45,470</td>
<td>40,987</td>
<td>46,391</td>
</tr>
<tr>
<td>Earning Per Share (₹)</td>
<td>11.52</td>
<td>2.59#</td>
<td>3.44#</td>
<td>5.30#</td>
<td>7.02#</td>
</tr>
<tr>
<td>Book Value per Share (₹)</td>
<td>81.43</td>
<td>77.24</td>
<td>86.91</td>
<td>78.35</td>
<td>88.67</td>
</tr>
<tr>
<td>Key Financial Ratios</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on Net Worth</td>
<td><strong>14.15%</strong></td>
<td>3.36%#</td>
<td><strong>3.96%#</strong></td>
<td><strong>6.76%#</strong></td>
<td><strong>7.92%#</strong></td>
</tr>
</tbody>
</table>

# Not Annualized
Cumulative Commissioning during FY17 till date: about ₹ 11,000 crore
## Performance Summary in H1FY17 (Apr16-Sep16)

<table>
<thead>
<tr>
<th></th>
<th>H1FY16</th>
<th>H1FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex</td>
<td>11,523</td>
<td>10,876</td>
</tr>
<tr>
<td>Investment Approvals</td>
<td>9,490</td>
<td>26,948</td>
</tr>
<tr>
<td>Contracts Awarded</td>
<td>10,632</td>
<td>18,094</td>
</tr>
</tbody>
</table>

(₹ in crore)
Consultancy (Domestic) – Q2FY17

Increase in Income
56% w.r.t Q2FY16

Assignments in Hand:
105 Nos.
(~ ₹ 17,000 cr.)

• Major Assignments
  • NER PSIP; T&D System Strengthening in Sikkim-Arunachal; TS to Leh-Kargil; Lalitpur TPP Evacuation; IPDS at Old Kashi; RE works in Odisha; TS strengthening works for DTL; Assignment from DFCC

Recent Addl. Work: Railway Electrification of 761 route km by Ministry of Railways

Further Orders under Development
• Assignments from Railways, Jammu & Kashmir, Tamil Nadu, Bihar
# Consultancy (International) – Q2FY17

## Footprints in 18 countries

<table>
<thead>
<tr>
<th>14 nos.</th>
<th>Ongoing Assignments (as on Sep-16)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 nos.</td>
<td>New Orders recd.</td>
</tr>
<tr>
<td>8 nos.</td>
<td>EoIs/ Techno-commercial proposals submitted</td>
</tr>
</tbody>
</table>

- Nepal (2); Kenya (1); Bhutan (1) & Bangladesh (1)
- Kenya, Bangladesh, Nepal, **Uganda**, **Liberia**, **Indonesia**

**EPC**

1 Bid under evaluation (Bangladesh)
Telecom – Q2FY17

Increase in Income
34% w.r.t Q2FY16

- **Infrastructure:**
  - Fiber Optic Network : ~ 36,500km
  - Points of Presence : 595
  - Backbone Availability : 99.96%

- **Major Projects:**
  - National Knowledge Network *(NKN)*: Project completed & Under Operation
  - National Optic Fiber Backbone *(NOFN)*: Work in progress
    - Scope of work enhanced to connect 9,372 Gram Panchayats - 5,082 Gram Panchayats connected
XII Plan Performance
XII Plan Performance

Planned Capital Outlay
₹ 110,000 crore

### Annual Capex Plan

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Planned Capital Outlay</th>
<th>Achieved Capital Outlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12-13:</td>
<td>₹20,037 cr.</td>
<td>₹20,037 cr. (Achieved)</td>
</tr>
<tr>
<td>FY13-14:</td>
<td>₹23,158 cr.</td>
<td>₹23,158 cr. (Achieved)</td>
</tr>
<tr>
<td>FY14-15:</td>
<td>₹22,456 cr.</td>
<td>₹22,456 cr. (Achieved)</td>
</tr>
<tr>
<td>FY15-16:</td>
<td>₹22,584 cr.</td>
<td>₹22,584 cr. (Achieved)</td>
</tr>
<tr>
<td>FY16-17:</td>
<td>₹22,550 cr. [Achieved ₹10,876 cr.]</td>
<td></td>
</tr>
</tbody>
</table>

~ ₹ 99,111 crore achieved in XII Plan (Apr'12 till Sep'16)

### Physical Parameters

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Achieved Value</th>
<th>XII Plan Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>38,635 ckm Tr. Line addn.</td>
<td>(42%↑ over Mar’12)</td>
<td>40,000 ckm</td>
</tr>
<tr>
<td>63 S/S addn.</td>
<td>(42%↑ over Mar’12)</td>
<td>60 Nos.</td>
</tr>
<tr>
<td>148,337 MVA X-formation Capacity addn.</td>
<td>(120%↑ over Mar’12)</td>
<td>100,000 MVA</td>
</tr>
</tbody>
</table>
Investment Outlook
## POWERGRID Outlook (as on Sep’16)

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ongoing Projects</strong></td>
<td>approx. ₹ 1,16,000 crore</td>
</tr>
<tr>
<td><strong>New Projects</strong></td>
<td>approx. ₹ 14,000 crore</td>
</tr>
<tr>
<td><strong>TBCB Projects</strong></td>
<td>approx. ₹ 16,000 crore (as per Empowered Committee Estimate)</td>
</tr>
<tr>
<td><strong>Total Works in Hand</strong></td>
<td>approx. ₹ 1,46,000 crore</td>
</tr>
<tr>
<td><strong>Expenditure done (CWIP)</strong></td>
<td>approx. ₹ 46,000 crore</td>
</tr>
<tr>
<td><strong>Balance Capex</strong></td>
<td>approx. ₹ 1,00,000 crore</td>
</tr>
</tbody>
</table>
Thank You