पावरग्रिड
POWERGRID

**Transmitting Power**
**Transforming Lives**

# Investor Presentation

## November 12, 2020

Maharatna CPSE

# Disclaimer

*By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations:*

- *This document has been prepared for information purposes only and is not an offer or invitation or recommendation to buy or sell any securities of Power Grid Corporation of India Limited (the “Company”), nor shall part, or all, of this document form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities of the Company.*
- *The information in this document is being provided by the Company and is subject to change without notice. The Company relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.*
- *This document contains statements about future events and expectations that are forward-looking statements. These statements typically contain words such as "expects" and "anticipates" and words of similar import. Any statement in this document that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.*
- *You acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.*
- *Neither the delivery of this document nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since that date.*
- *Annual Accounts for FY 2019-20 have been approved by the shareholders*

POWERGRID Overview

Performance Highlights

Other developments

Projects in Hand

Business Outlook

Awards & Accolades

# POWERGRID at a Glance

पावरग्रिड POWERGRID

A "Maharatna" CPSE

Govt. of India shareholding of 51.34%

Central Transmission Utility

India's 3rd Largest CPSE in terms of Gross Block [1]

Listed Company with M-Cap ₹ 85,065 crore [2]

***Substations***

- **> 419,800 MVA**
- **252 Nos.**

***Transmission Lines***

- **168,140 ckm**
- **> 1275 nos.**

***I-R Capacity:***

- **88,590 MW**

***85% of India's I-R Capacity***

**POWERGRID Group** → **19 Subsidiaries** | **10 Joint Ventures**

***Excl. Subsidiaries and JVs under closure***

## Credit Ratings

- **Domestic: 'AAA' (CRISIL, ICRA, CARE)**
- **International: Baa3 (Moodys); BBB- (S&P and Fitch)- at par with sovereign**

## ESG Coverage

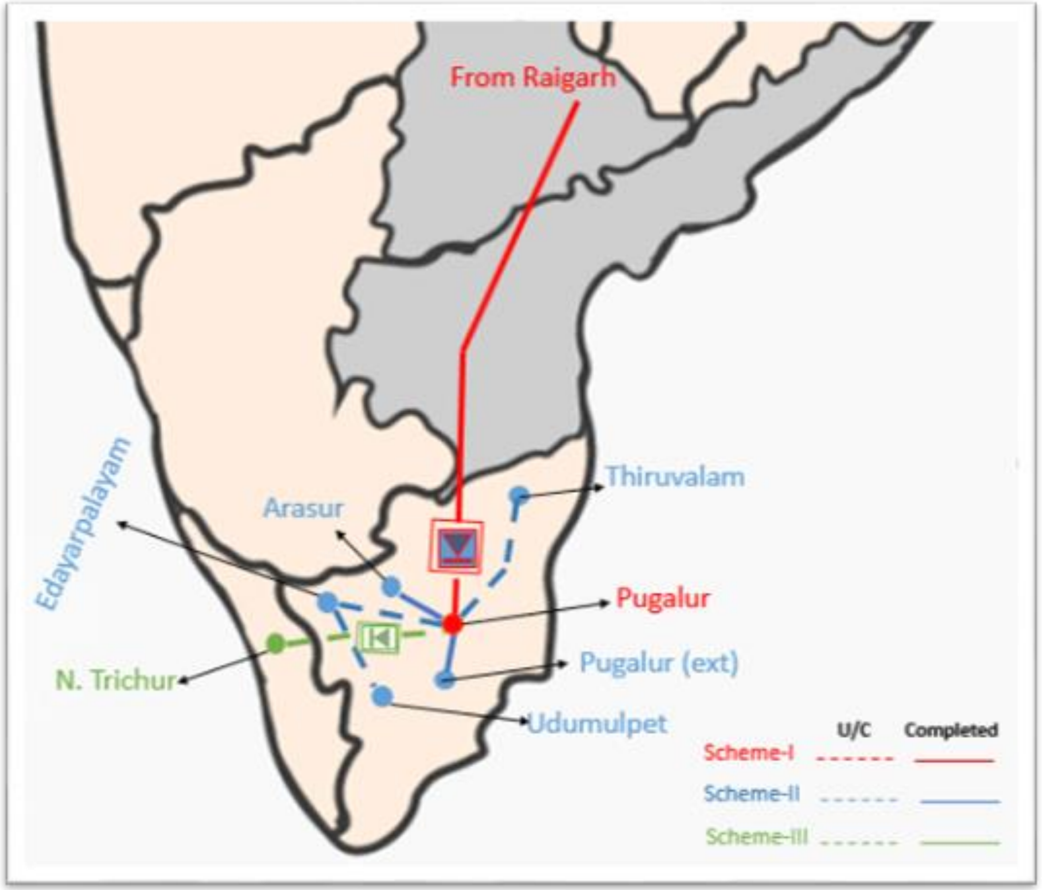
- **MSCI Rating 'A' (Dec'19). Constituent : MSCI EM ESG Index**
- **Constituent of FTSE 4GOOD Index Series (Jul'20)**

*1-As per DPE(GoI) PE Survey 2018-19*  *2-BSE closing price of ₹162.60/ share on Sept.30*

# Performance Highlights

- Project Execution
- Operations
- Financial Performance
- Commercial
- Other Businesses

# Raigarh – Pugalur – Trichur HVDC Transmission System

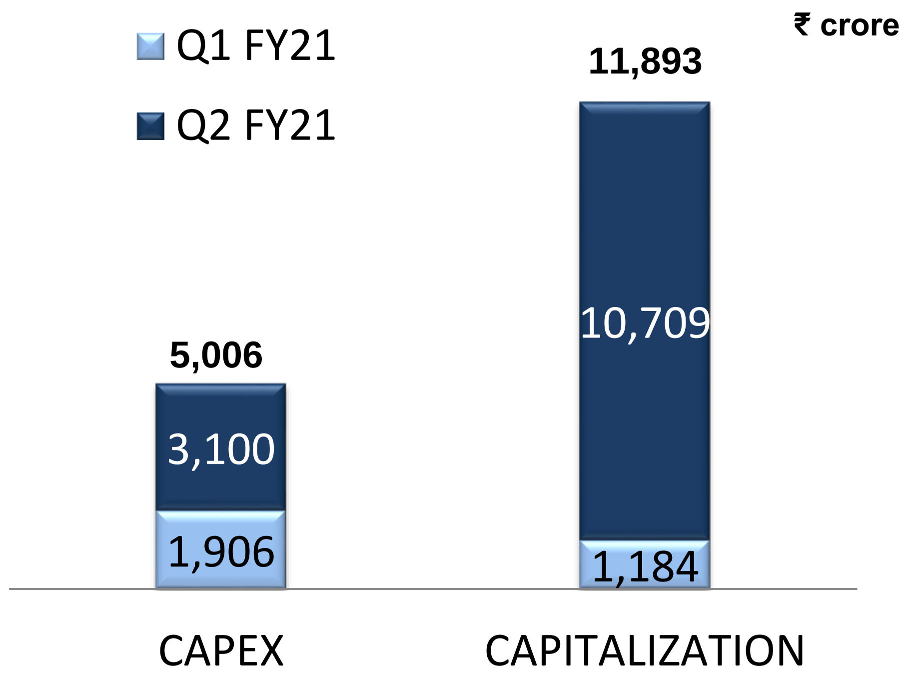



- Planned to meet the power demand of Southern Region using the State-of-the-Art HVDC technology
- **Power Transfer : 6000 MW**
  - Between Raigarh, Chattishgarh in WR and SR
- **Component Schemes**
  - **Scheme-1 (Raigarh - Pugalur 6000 MW HVDC System)**
  - **Scheme-2 (AC System strengthening at Pugalur end)**
  - **Scheme-3 (Pugalur - Trichur 2000 MW VSC Based HVDC System)**

# Raigarh-Pugalur HVDC Pole - 1 Commissioned on 06.09.2020

- Pole-1 commissioned despite challenges of severe RoW (specially in Tamil Nadu) and COVID-19 pandemic lockdown restrictions;
- **Capitalization :**
  - ✓ **Assets commissioned :**
    - Bipole-I , Pole-1
    - ±800 kV Raigarh - Pugalur HVDC line – 3530 ckm
    - 400 kV D/c Pugalur (HVDC) – Arasur TL – 118 ckm
    - 400 kV D/c Pugalur (HVDC) – Pugalur TL – 98 ckm
- **Balance**
  - ✓ **Assets targeted to be completed in FY21**
    - Bipole-I , Pole-2
    - Bipole-II , Pole-1 & 2
    - ± 320 kV VSC based HVDC Terminal at Pugalur & Trichur
    - Associated ± 320 kV HVDC Pugalur - North Trichur TL and balance 03 AC TL

# Project Execution




Capitalization figures. exclusive of FERV

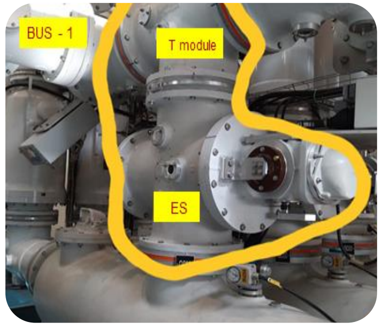
## Addition in H1FY21

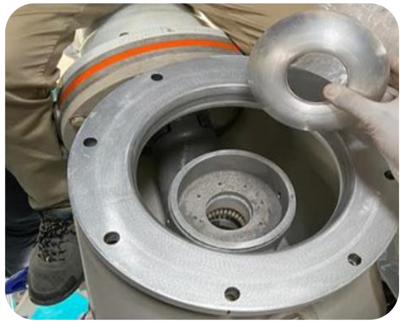
- 4,858 ckm Transmission lines
- 9,916 MVA
- 1,500 MW Inter Regional capacity

| Transmission Line Commissioned in H1FY21 | |
|---|---|
| 400 kV D/c Hiriyur – Mysore TL | Q1FY21 (413 ckm) |
| ±800 kV Raigarh – Pugalur HVDC TL | Q2FY21 (4445 ckm) |
| 400 kV D/c Pugalur (HVDC) – Pugalur TL | |
| 400 kV D/c Rajarhat – Gokarna – Farakka TL | |
| 400 kV D/c NNTPS – Ariyalur Line TL | |
| 400 kV D/c Pugalur – Arasur TL | |
| 400 kV D/c Banaskantha – Radhanesda TL | |
| 400 kV D/c Meerut – Koteshwar Ckt-I TL upgraded to 765 kV | |

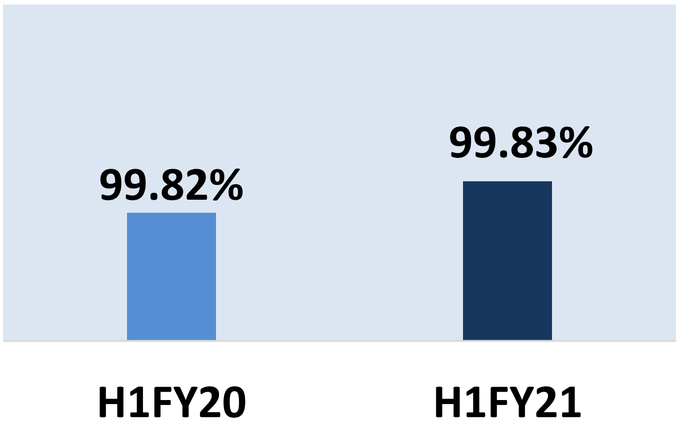
- Remote operations from NTAMC/RTAMC
- Enhanced use of IT & Communication
- Onsite repair at Tuticorin with support from OEM through VC

**Atmanirbhar in GIS Repair**
- Onsite Repair of critical equipment without any OEM support at Yelahanka and Baghpat GIS



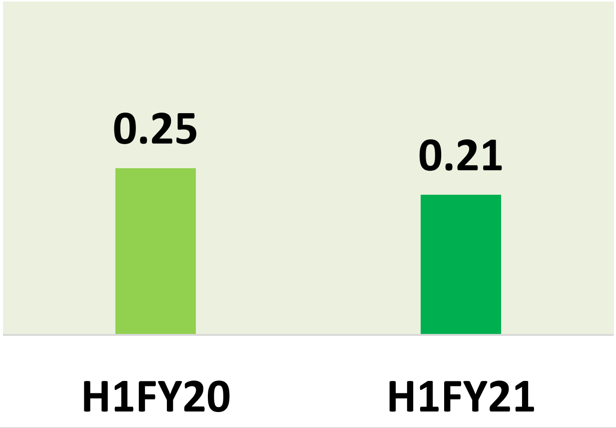



## Availability (%)



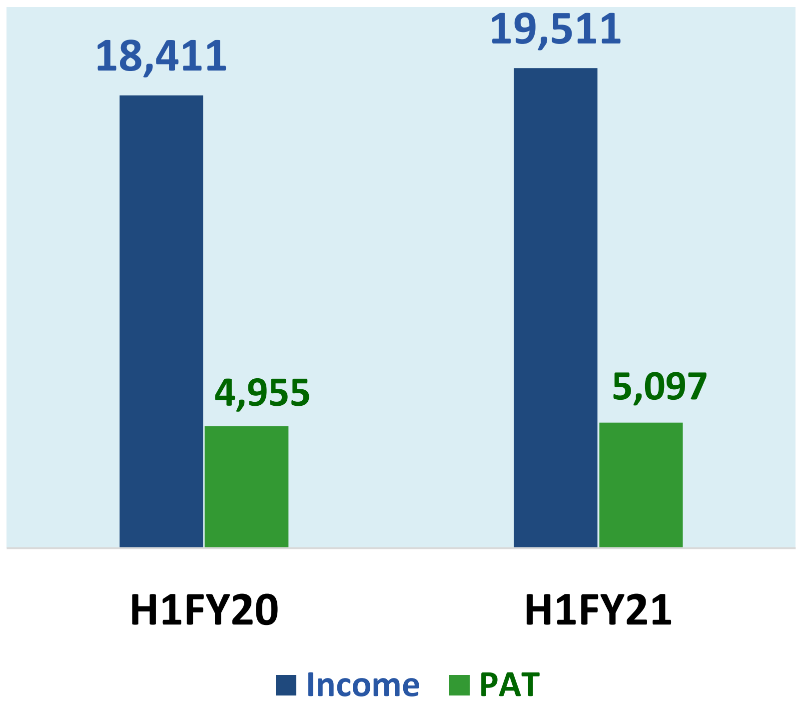

## Reliability

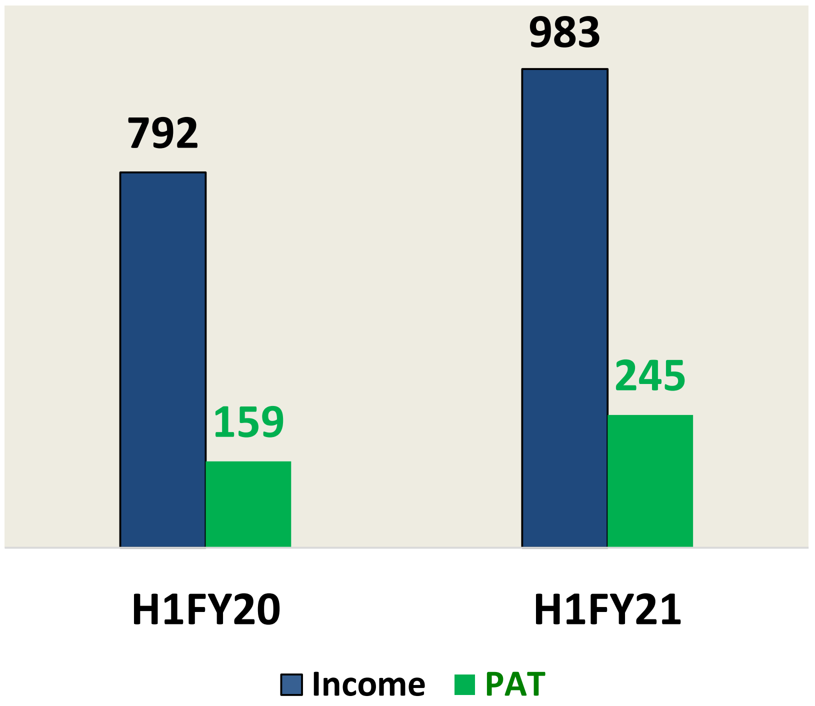
(Trippings per line)

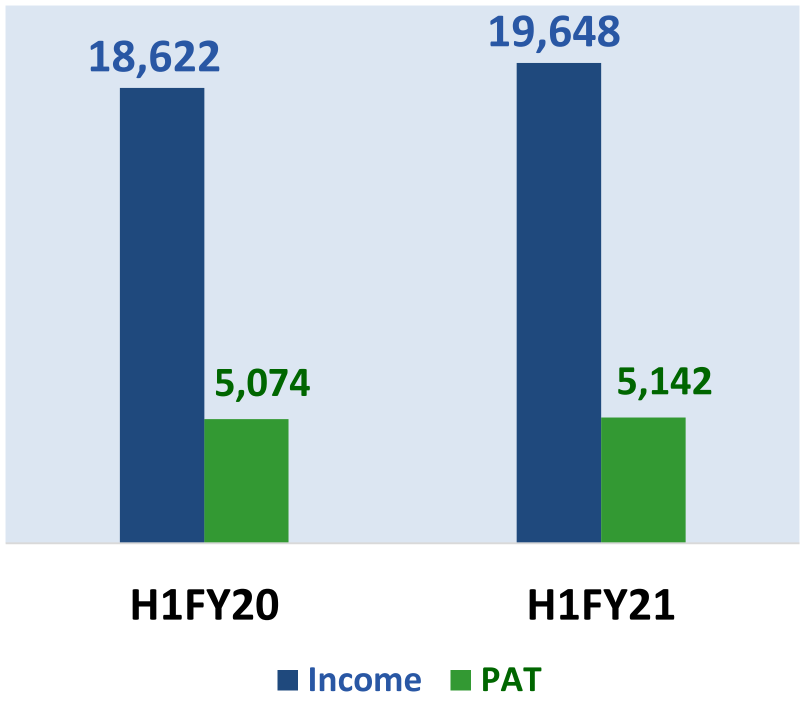



# Financial Performance

| Standalone | Subsidiaries | Consolidated |
|---|---|---|
| Income Growth: 6% | Income Growth: 24% | Income Growth: 6% |
| PAT Growth: 3% | PAT Growth: 54% | PAT Growth: 1% |




**Dividend from Subsidiaries** — H1FY20: ₹ 53 crore → H1FY21: ₹ 248 crore

*(₹ in crore)*

# Financial Performance – Q2FY21

| Description | Standalone (Quarter ended) | | Growth | Consolidated (Quarter ended) | | Growth |
|---|---|---|---|---|---|---|
| | 30.09.20 | 30.09.19 | (%) | 30.09.20 | 30.09.19 | (%) |
| **Income** | | | | | | |
| - Transmission Charges | 8,780 | 8,342 | 5% | 9,266 | 8,738 | 6% |
| - Consultancy – Services | 108 | 171 | -37% | 93 | 140 | -34% |
| - Telecom | 170 | 173 | -2% | 170 | 173 | -2% |
| - Other Income | 832 | 498 | 67% | 302 | 209 | 44% |
| **Total Income** | 9,890 | 9,184 | 8% | 9,831 | 9,260 | 6% |
| **Operating Expenses** (including movement in regulatory deferral balance other than DA for DTL) | 1,124 | 1,098 | 2% | 1,126 | 1,099 | 2% |
| Share of Net Profits of investments accounted for using Equity Method | | | | 56 | 48 | |
| **EBITDA-Gross Margin** | 8,766 | 8,086 | 8% | 8,761 | 8,209 | 7% |
| Depreciation | 2,897 | 2,748 | 5% | 2,895 | 2,874 | 1% |
| Interest | 2,095 | 2,376 | -12% | 2,003 | 2,298 | -13% |
| Exceptional Item | 4 | 0 | | 4 | 0 | |
| Tax (Net of DA for DTL) | 653 | 434 | | 765 | 466 | |
| **Profit After Tax** | 3,117 | 2,528 | 23% | 3,094 | 2,571 | 20% |

*(₹ in crore)*

# Financial Performance – H1FY21

| Description | Standalone (Period ended) | | Growth | Consolidated (Period ended) | | Growth |
|---|---|---|---|---|---|---|
| | 30.09.20 | 30.09.19 | (%) | 30.09.20 | 30.09.19 | (%) |
| **Income** | | | | | | |
| - Transmission Charges | 17,503 | 16,849 | 4% | 18,469 | 17,637 | 5% |
| - Consultancy – Services | 206 | 296 | -30% | 180 | 250 | -28% |
| - Telecom | 338 | 344 | -2% | 338 | 344 | -2% |
| - Other Income | 1,464 | 922 | 59% | 661 | 391 | 69% |
| **Total Income** | 19,511 | 18,411 | 6% | 19,648 | 18,622 | 6% |
| **Operating Expenses** (including movement in regulatory deferral balance other than DA for DTL) | 2,130 | 2,190 | -3% | 2,135 | 2,196 | -3% |
| Share of Net Profits of investments accounted for using Equity Method | | | | 104 | 77 | |
| **EBITDA-Gross Margin** | 17,381 | 16,221 | 7% | 17,617 | 16,503 | 7% |
| Depreciation | 5,694 | 5,407 | 5% | 5,854 | 5,657 | 3% |
| Interest | 4,374 | 4,735 | -8% | 4,206 | 4,587 | -8% |
| Exceptional Item | 1,079 | 0 | | 1,079 | 0 | |
| Tax (Net of DA for DTL) | 1,137 | 1,124 | | 1,336 | 1,185 | |
| **Profit After Tax** | 5,097 | 4,955 | 3% | 5,142 | 5,074 | 1% |

***(₹ in crore)***

# Financial Performance – H1FY21

POWERGRID

| Description | Standalone | | Consolidated | |
|---|---|---|---|---|
| | As on 30.09.20 | As on 30.09.19 | As on 30.09.20 | As on 30.09.19 |
| Gross Fixed Assets | **2,26,707** | **2,03,666** | **2,31,931** | **2,13,281** |
| Capital Work-in-Progress | **21,665** | **34,155** | **28,208** | **39,672** |
| Debt | **1,43,750** | **1,42,169** | **1,43,750** | **1,42,459** |
| Net Worth | **67,425** | **62,375** | **67,727** | **62,541** |
| Earning Per Share (₹) | **9.74*** | **9.47*** | **9.83*** | **9.70*** |
| Book Value per Share (₹) | **128.88** | **119.23** | **129.46** | **119.54** |
| Key Financial Ratios | | | | |
| EBITDA (Gross Margin) | **17,381** | **16,221** | **17,617** | **16,503** |
| Debt : Equity | **68:32** | **70:30** | **68:32** | **69:31** |
| Return on Net Worth | **7.56%*** | **7.94%*** | **7.59%*** | **8.11%*** |

***(* Not Annualised)    (₹ in crore)***



Maharatna CPSE

# Other Key Financial Information – H1FY21

*(₹ in crore)*

| | Q2FY21 | Q2FY20 |
|---|---|---|
| Surcharge Income (Consol.) | 220 | 82 |
| Incentive (Consol.) | 120 | 110 |
| Int. from Subsidiaries & JVs | 268 | 230 |
| Dividend from JVs | 31 | 20 |
| CSR Expenses | 28 | 32 |

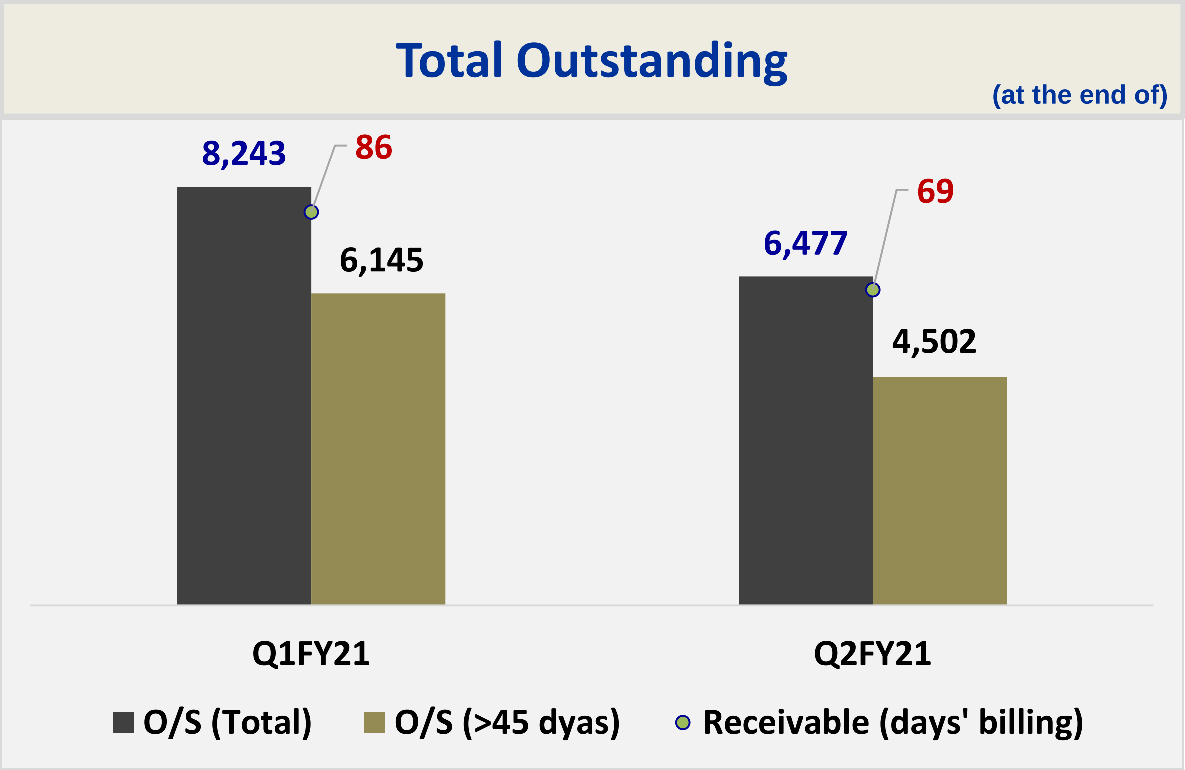
| | | |
|---|---|---|
| Trade Receivable (Consol.) | 6615 | 5282 |
| FERV (Gross Block) | -486 | 417 |
| Equity in TBCB- Operational | 2,211 | 2,020 |
| Equity in TBCB- U/ Constn. | 697 | 214 |
| Short Term Loan | 3200 | 4800 |

***Debt raised via Issue of Bonds in H1FY21***
***₹ 3,300 crore***

***Avg. Cost of Borrowing***
***6.12 %***
***(vs. 6.99% in H1FY20)***

# Commercial Performance (Apr’20-Sept’20) - Standalone

| Billing | Realization | %age realization |
|---|---|---|
| ₹ 17,047 Crore | ₹ 15,460 Crore | 90.69% |




- **Major Dues: Uttar Pradesh, Karnataka, J&K, Telangana & Maharashtra**
- **Amount settled under Atmanirbhar Scheme in H1FY21: ₹ 1,391crore**

# Performance of Telecom & Consultancy Businesses

## Telecom

- Income: ₹ 338 crore for H1FY21

  - Established connectivity to Leh
  - 35 new customers added in Q2FY21
  - 100 % Network Availability

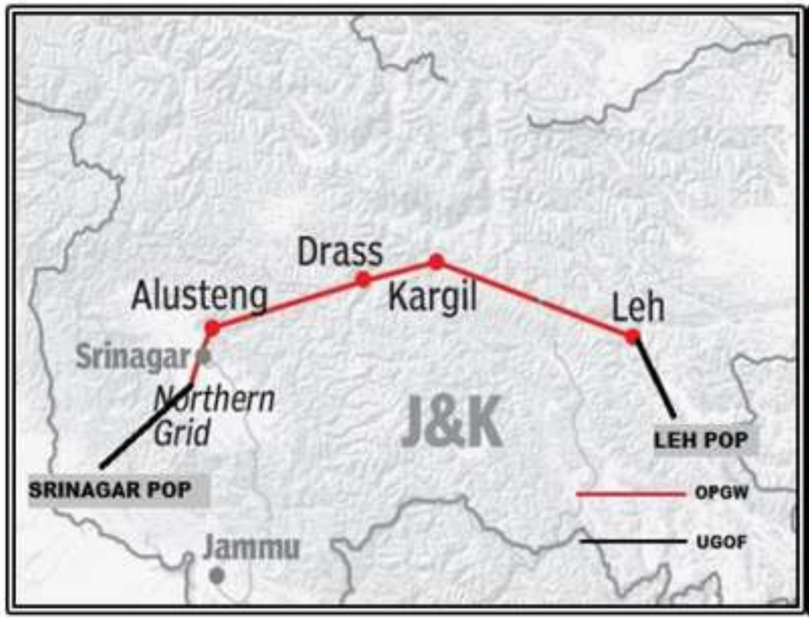
## Consultancy

- Income: ₹ 180 crore for H1FY21 (Consol.)

- **Domestic**
  - 03 new orders in Q2FY21
  - 80 assignments in hand

- **International**
  - 01 new assignment in Q2FY21
  - 16 Ongoing assignments
  - 02 EOIs submitted

# POWERGRID Telecom Network reaches Leh




- POWERGRID has connected the newly formed Ladakh UT through OPGW Telecom Network.
- This connectivity to Leh, has been established through OPGW laid on Srinagar-Leh Transmission System (SLTS) having length of approximate 350 km.
- This initiative will be a step towards Government of India's vision to transform India into a digitally empowered society & knowledge economy.

# Other Developments - Q2FY21

- 7 New EV Fast Charging Stations installed, Total installations 13
- MoU with HPCL for “Collaboration for EV Battery Charging and/or Battery Swapping Stations”
- 3 more Substations integrated with NTAMC for remote operations, Total 238
- Successfully Commissioned India’s first Indigenously developed 400 kV Optical Current Transformer.
- Commissioned ~ 1800 km OPGW Communication link between Raigarh and Pugalur HVDC
- OHSAS 18001 certification upgraded to latest standard ISO 45001
- Promoting Atmanirbhar Bharat/ Make in India, 10 new Micro/Small vendors approved

# Projects in Hand (as on September 30, 2020)

**FY21 Capex Plan**
**₹ 10,500 crore**

| | |
|---|---|
| Ongoing Projects | ~ ₹ 22,500 crore |
| New Projects | ~ ₹ 6,600 crore |
| TBCB Projects | ~ ₹ 12,000 crore |
| Total Works in Hand | ~ ₹ 41,000 crore |

# Business Outlook

~ ₹ 17,900 crore upcoming opportunities [(1)]

- Inter-State Transmission works in RE: ~ ₹ 16,000 crore
- Intra-State Transmission works in TBCB: ~ ₹ 2,000 crore

Transmission system associated with proposed Renewable Energy Park (10GW) in Ladakh

EV Charging Infrastructure (Metro Stations, Fuel Outlets, Municipal Areas.)

Cross border interconnections with Sri Lanka & Myanmar

*(1) Estimated Cost as per RfQ documents*

# Awards & Accolades

## Platts Top250 Global Energy Company Rankings®, 2020


- POWERGRID continues to be ‘Fastest Growing Electric Utility in Asia Pacific’ for the seventh successive year
- Only Company to feature in Top 50 of global list, each year since 2014
- Globally, positioned as the 4th Fastest Growing Electric Utility.

## FORBES World’s Best Employers 2020 list

- POWERGRID ranks second among Indian PSUs in Forbes ‘World’s Best Employer 2020’
- Globally, POWERGRID is positioned as the 305th World’s Best Employer 2020 Utility.

# THANK YOU