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- For Financial Statements:
  - U.S. dollar translations have been made on the basis of the RBI Reference Rate as at 28th March 2018 of INR 65.0441 = US$ 1.00
POWERGRID Today

Central Transmission Utility of India

As per World Bank - 3rd Largest Transmission Utility in the World

Gross Block - 3rd Largest Central Public Sector Enterprise (CPSE)

Profit - 6th Largest CPSE

Turnover- Largest Service Sector CPSE (excl. trading companies)

Fastest Growing Electric Utility in Asia for 5 consecutive years

Highest placed Indian Service Company in FORBES 2000 list (2018)

Source: PE Survey 2016-17; S&P Platts Top250 Global Energy Company Rankings®; FORBES2000 list (2018); Company information,
POWERGRID Overview
Company Overview

Vision

“World Class, Integrated, Global Transmission Company With Dominant Leadership in Emerging Power Markets Ensuring Reliability, Safety & Economy”

Central Transmission Utility
- Owned 56.34% by Government of India
- Undertakes transmission of electricity through inter-State transmission system (ISTS)
- Discharges all functions of planning and co-ordination relating to ISTS

National Transmission Dominance
- Pan-India Transmission network with cross-border interconnections
- Operates ~85% of inter-State transmission system

Stable Returns
- Low operational risk with limited exposure to general business cycles
- Cost plus tariff for regulated assets (>95%) including 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

Diversification
- In-house expertise in transmission sector consultancy (both domestically and internationally)
- Telecom business on existing transmission assets

Credit Ratings
- Domestic: AAA (CRISIL, CARE, ICRA)
- International: Baa2 (Moody’s) / BBB- (S&P, Fitch)- at par with sovereign

Transmission Lines
- ~149,300 ckm

765kV AC & ±800kV HVDC
- 21%

System Availability
- 99.81%

Employees
- 9,773

Reliability
- 0.60 Tripping/ Line (Unplanned)

Inter-Regional Power Transfer Capacity
- ~77,690 MW (~90% of India’s total capacity)

Key Financials
(Year ended 31st March / Half Year ended 30th September)

Income Statement (2)

<table>
<thead>
<tr>
<th>(In US$ mn)</th>
<th>FY17</th>
<th>FY18</th>
<th>HY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,953</td>
<td>4,574</td>
<td>2,523</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,619</td>
<td>4,175</td>
<td>2,246</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>1,156</td>
<td>1,267</td>
<td>700</td>
</tr>
</tbody>
</table>

Balance Sheet (2)

<table>
<thead>
<tr>
<th>(In US$ mn)</th>
<th>FY17</th>
<th>FY18</th>
<th>HY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Debt</td>
<td>18,018</td>
<td>20,019</td>
<td>21,448</td>
</tr>
<tr>
<td>Cash</td>
<td>496</td>
<td>233</td>
<td>352</td>
</tr>
<tr>
<td>Net Debt</td>
<td>17,522</td>
<td>19,786</td>
<td>21,095</td>
</tr>
</tbody>
</table>

Market Capitalization of US$ 15.24bn as on November 19th, 2018(3)

1. As on 30th Sept., 2018
2. Consolidated Financials for FY17 and FY18. Standalone Financials for HY19. U.S. dollar translations have been made on the basis of the RBI Reference Rate as at 28th March 2018 of INR 6.5441 = US$ 1.00
3. As per Closing Price on Bombay Stock Exchange. U.S. dollar translations have been made on the basis of the RBI Reference Rate as at 28th March 2018 of INR 65.0441 = US$ 1.00

Above data (except Availability & Reliability) as on Sep.30, 2018 Availability & Reliability data as on March 31, 2018
Business Overview

Transmission
EHV/ HV Networks
(c. 96% of FY 2018 revenue from operations)
- Associated Transmission System for UMPPs, CGS, IPPs
- Grid strengthening schemes
- Inter-State, inter-regional and cross-border links
- High Capacity Transmission corridors for IPP Projects
- Green Energy Corridors
- Transmission Scheme for Ultra Mega Solar Power Parks

Consultancy
(c. 2% of FY 2018 revenue from operation)
- In-house expertise in the Transmission, Distribution and Telecom sectors, including Project Planning, Design, Engineering, Load Dispatch, Financing and Project management
- Providing consultancy for implementation of intra-state transmission network
- Provides services to State Power Utilities, Private Sector and Government utilities in the domestic market and in various countries in Asia and Africa

Telecom
(c. 2% of FY 2018 revenue from operation)
- Telecom business leverages POWERGRID’s nationwide transmission infrastructure by utilizing spare Optical Fibres available in the Optical Ground Wire (OPGW)
- Owns and operates more than 47,700 kms of telecom networks connecting 680 PoPs
- Point to point bandwidth leasing, ISP services and MPLS
- Executing agency for major projects of GoI - National Knowledge Network (NKN) & National Optical Fibre Network (NOFN)
Major Corporate Milestones

1989
- POWERGRID Incorporated
- Notified as
  - Mini Ratna (Category I) company
  - Central Transmission Utility (CTU) by GoI

1992-1993
- Transfer of Central Sector Trans. assets to POWERGRID

1998
- WR-ER-NER grid synchronized
  - 1st 765kV line & 1st GIS
  - Initial Public Offering – Lists on NSE & BSE
  - IPO oversubscribed 65x

1992-1993
- NR synchronized with WR-ER-NER (NEW Grid)

2003
- POWERGRID adopts “Vision” & “Mission”
- Receives Intl. Credit Rating from S&P & Fitch
- Test charged pilot 1200kV Single circuit and Double circuit lines

2006
- Issued maiden Foreign Currency Bond of US$ 500 mn
- Country’s mission of ‘One Nation’ – ‘One Grid’ – ‘One Frequency’ successfully accomplished - SR synchronized with NEW Grid

2008
- Notified as a Navratna Company

2012
- POWERGRID adopts “Vision” & “Mission”
- Receives Intl. Credit Rating from S&P & Fitch
- Test charged pilot 1200kV Single circuit and Double circuit lines

2013
- POWERGRID receives Intl. Credit Rating from S&P & Fitch
- Test charged pilot 1200kV Single circuit and Double circuit lines

2014
- ±800kV HVDC introduced in India
- Commencement of work for Green Energy Corridors

2015
- 1200kV UHVAC introduced in the world

2016
- Meets all eligibility criteria for “Maharatna”

2018
- Ranked as the Fastest Growing Electric Utility in the World as per Platts Top 250 Energy Companies (2014) in the world

WR - Western Region; ER – Eastern Region; NER – North Eastern Region; SR – Southern Region
RBI Reference Rate as at 28th March 2018 of INR 65.0441 = US$ 1.00
POWERGRID – Fastest Growing Electric Utility in Asia for 5 consecutive years

- **3rd Fastest Growing Electric Utility, globally in 2018**
- **Only Company to feature in Top 5 Fastest Growing Electric Utilities, globally during last 5 years**
1st organization in the world, whose safeguard policy, ESPP has been accepted by two major multilateral agencies viz. The World Bank (2009) & ADB (2017)

Adoption of Higher Voltages & New Technologies for Sustainable Growth

Reduction in Land Requirement
• Cost Saving; Faster Execution through GIS

Reduced Carbon Footprint
• Forest Area reduced from 6% in 1998 to 2.26%

Optimized Right of Way use
• Increasing carrying capacity of line per unit of ROW

Environment & Social Policy & Procedures (ESPP)

Committed to the goal of sustainable development and conservation of nature & natural resources.

Basic principles of Avoidance, Minimization and Mitigation in dealing with environmental & social issues.

Alignment with UN Sustainability Development Goals

POWERGRIDs CSR Policy is aligned towards inclusive growth, with thrust areas being Healthcare, Rural Development, Sanitation, Education, Skill Development and Environment

Source: Company Reports
International Credit Ratings

Rated Baa2 by Moody’s

“....Power Grid’s Baseline Credit Assessment (BCA) of baa2 is supported by (1) the strong and established regulatory framework in India, (2) the company’s solid financial profile, (3) its cost-plus tariff structure, (4) its payment security mechanism, (5) long track record of strong operational performance, and (6) strong project execution capabilities. Under our Joint Default Analysis approach for government-related issuers (GRIs), our assessment of the likelihood of government support for the company is Very High....”

Rated BBB- by Fitch

“....Fitch Ratings assesses POWERGRID’s standalone profile at ‘BBB’ as it benefits from the cash flow certainty gained from its dominant market position and regulated business model. POWERGRID has managed its counterparty risk well, despite the weak financial position of many of its customers.....”

Rated BBB- by S&P

“....The rating on PowerGrid reflects the company's supportive regulatory framework, near monopoly in interstate transmission, and stable margins and cash flows. PowerGrid has maintained its dominant position in the transmission sector even though the sector is being increasingly opened to private sector. The company continues to win a fair share of competitive bids and has been executing a large number of projects and commissioning capex.....”
Credit Highlights
Credit Highlights

1. Strategic Importance to National Economy and Government of India (‘GoI’)
2. Stable, Consistent and Well Defined Regulatory Framework
3. Dominant Market Position in Transmission Sector in India
4. Successful Track Record in Executing and Operating Projects
5. Other Business Verticals Provide Diversification
6. Experienced Senior Management and Competent Workforce
7. Renewable Energy Focus to Drive Strong Growth in Power & Transmission Sector in India
8. New Business Initiatives
9. Strong Financial Profile
10. Debt Structure and Liquidity Position
POWERGRID, being a ‘Central Transmission Utility’ of the GoI, plays a critical role in inter-State power transmission and is one of the ‘Navratna’ companies for the GoI, now eligible for ‘Maharatna’ status.

**Significant Ownership of GoI**
- Gol shareholding of 56.34% as of 30th September 2018
- ‘Navratna’ status empowers the Company an enhanced autonomy in its operations, investments and decision making vis-à-vis other public sector companies; ‘Maharatna’ status to further enhance autonomy

**Role as Nodal Transmission Agency**
- Nodal agency for implementation and operation of open access in inter-State power transmission
- Currently operates ~85% of India’s inter-State transmission system
- Owns and operates one of the world’s largest single country synchronous grid
- Facilitates “One Nation, One Grid, One Price” across the country, most of the time

**Strong Government Linkages**
- Tripartite Agreements executed by GoI with the RBI and State Governments to ensure timely payment of dues by State Electricity Boards (SEBs) leading to 100% collection efficiency; Agreements in place till 2026 with majority of States
- As of March 2018, Gol guarantees ~19% of POWERGRID’s debt
- Strong support in Project execution through e-Samiksha’ and ‘Pragati’ portals

**Role in Nationally Critical & Strategic Assignments**
- Green Energy Corridors to facilitate RE integration and assist Gol in achieving 175GW RE target by 2022
- Setting up strategic trans-national grid infrastructure – including Nepal, Bhutan, Bangladesh
- Project Management Consultant for Transmission & Distribution Infra. Project in NE, Sikkim and J&K (Leh and Ladakh)
- One of the implementing agencies for ‘BharatNet’ (National Optical Fibre Network)
- Successfully completed Gol’s National Knowledge Network (‘NKN’)

**Role in Distribution Reforms**
- Facilitating distribution reforms through Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) works on behalf of the Gol
- Acts as ‘nodal point’ in prestigious “India Smart Grid Task Force” Secretariat for Gol’s activities related to Smart Grid including assisting distribution utilities in formulation of Smart Grid pilot project and deployment of smart grid applications

Source: Company Annual Reports & Sector Data
POWERGRID operates in a stable & consistent regulatory framework governed by Central Electricity Regulatory Commission’s ('CERC') regulations, enabling predictable cash flows with very low business risk.

- 96% of POWERGRID’s revenue is regulated by CERC.

### Transmission Tariff based on cost plus basis
- Meeting CERC’s operational benchmarks enables the Company to recover its operating costs, including debt servicing charges.
- Current tariff setting period provides for Return on Equity (RoE) @ 15.5% to be grossed up with effective tax rate, till March 31, 2019.
- Timely completion of projects enables POWERGRID to earn additional incentive of 0.5% on regulated returns.
- Incentive linked to transmission network availability beyond thresholds.

### Stable Regulations
- CERC has a long track record of setting tariffs (since 2001) with tariff components being well defined.
- Regulatory Framework laid out for five years.
- Transparent tariff setting mechanism – CERC publishes statement of reasons behind any changes in tariff particulars.

### Tariff Recovery
- Transmission charges allocated to all the customers based on CERC’s Transmission Pricing Methodology for inter-State transmission in India (also known as PoC-‘Point of Connection charges’).

POWERGRID is authorised under Indian Telegraph Act, 1885, to install towers without acquisition of land.

Source: CERC Regulations
POWERGRID owns and operates ~85% of India’s inter-State and inter-regional electric power transmission network

- ~149,300 circuit km of transmission network (>90% of the total EHV >=400 kV level) transmission network
- 344,790 MVA of transformation capacity with 237 substations
- ~ 77,690 MW of national grid inter-regional capacity (~90% of the total inter-regional capacity)

POWERGRID’s competitive advantages

- Strong track record of more than 25 years in the transmission space and a pioneer in 765kV AC, ± 800kV HVDC in India and technological development of 1200kV UHVAC
- Widespread network of substations across India, which gives the Company an edge to build and maintain transmission network efficiently
- Strong Financial Profile

Highest market share in tariff based competitively bid out projects in inter-State transmission in terms of annual levelised tariff

Source: Company Annual Reports & Sector Data
Successful Track Record in Executing and Operating Projects

Strong Execution leading to consistent growth in Asset Base

<table>
<thead>
<tr>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>14,837</td>
<td>18,182</td>
<td>18,655</td>
<td>23,020</td>
<td>27,228</td>
</tr>
</tbody>
</table>

- Capex (US$ mn)
- Gross Fixed Assets (US$ mn)

<table>
<thead>
<tr>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,560</td>
<td>3,452</td>
<td>3,472</td>
<td>3,756</td>
<td>3,965</td>
</tr>
</tbody>
</table>

Major Projects Introduced

- ±800kV HVDC in India (2 projects completed; 1 under progress)
- High Capacity Corridors facilitating One Nation, One Grid One Price, most of the times in the country
- Preparing the Grid for RE Integration - GEC, STATCOMs, SVCs

State-of-the-art Techniques ensuring world class Availability

<table>
<thead>
<tr>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.92%</td>
<td>99.78%</td>
<td>99.72%</td>
<td>99.79%</td>
<td>99.81%</td>
</tr>
</tbody>
</table>

Reliability: 0.5-0.7 tripping/ line over last 5 years

Technologies in Asset Management

- Remote Operation of Substations- NTAMC/ RTAMC
- Drones for Line Patrolling
- Helicopters for maintenance
- Hot Line Maintenance
- Emergency Restoration System
- GIS Mapping of TLs

Consistently received “Excellent” Rating as a part of the MoU with the Ministry of Power, GOI since 1993-94

Source: Company Annual Reports & Sector Data
Note: U.S. dollar translations have been made on the basis of the RBI Reference Rate as at 28th March, 2018 of INR 65.0441
Consultancy and Telecom also provide revenue diversification

Telecom Business
- One of the leading utilities in the country with an optic fibre network of over 47,700 kms using optical ground wire (OPGW) on power transmission lines and about 680 Points of Presence.
- Leasing domestic bandwidth to more than a hundred customers including all major cellular operators, Government departments, Defence establishments, corporates, Internet Service Providers, Educational Institutions, telecom companies including international companies.
- Partnering with the GoI in its strategic initiatives like National Knowledge Network, BharatNet (National Optic Fiber Network)

Consultancy (Domestic & International)
- Leveraging its expertise in the transmission business, POWERGRID has provided one-stop consultancy services to domestic and international clients in the power transmission sector
  - Domestic:
    - As on 31 March 2018, POWERGRID was engaged in providing consultancy services to its clients for projects worth USD 281 million
    - POWERGRID has provided Consultancy services for GoI’s programmes namely Power for All, Saubhagya, DDUGJY, Railway Electrification etc. for improving power infrastructure in areas of distribution and rural electrification
    - Development works in the North Eastern region, Sikkim, J&K & IPDS works in Old Kashi area
  - International:
    - POWERGRID is providing services in a number of countries from Asia and Africa such as Afghanistan, Ethiopia, Nepal, etc. 15 running consultancy assignments, mostly secured through competitive bidding
    - Consultancy to World Bank funded CASA-1000 Project (HVDC) for Kyrgyz Republic, Tajikistan, Afghanistan & Pakistan
    - Consultancy to ADB funded project in Nepal

Source: As per Company annual reports and investor presentations
Experienced Senior Management and Competent Workforce

<table>
<thead>
<tr>
<th>Experienced Senior Management</th>
<th>Extensive Domain Experience &amp; Expertise</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Has played a leadership role for development of sector</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Skilled &amp; Motivated Employees</th>
<th>Strong Blend of Experience &amp; Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High Level of Commitment of Employees</td>
</tr>
<tr>
<td></td>
<td>Low Levels of Attrition</td>
</tr>
</tbody>
</table>

**Thrust on attracting best talent for entry-level positions**

- Recruitment through Campus selection & competitive screening process

**Continued Thrust on Human Resource Development**

- Investments in Learning & Development Infrastructure - World Class Training Facility 'POWERGRID Academy of Leadership' - PAL, and Regional Employee Development Centres at 5 locations across India
- Continuous Learning Programs conducted for both internal stakeholders as well as its customers and sector participants

**Thrust on Innovation, Research & Development**

- Innovation Portal for Employees to give suggestions across various functions
- State-of-the-art 'POWERGRID Advanced Research Centre - PARTeC'

**Leveraging HRD Infrastructure - Trainings arranged for 20 State; 5 Private Utilities & 4 International Utilities till now**
Renewable Energy (RE) Focus to Drive Strong Growth in Power & Transmission Sector in India

In line with the economic growth & extensive policy support, the generation sector in India is expected to grow rapidly...

RE policy focus to drive incremental capacity addition to fulfill increasing demand

<table>
<thead>
<tr>
<th>Installed Capacity (GW)</th>
<th>Peak Demand (GW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>FY27</td>
</tr>
<tr>
<td>Conventional</td>
<td>RES</td>
</tr>
<tr>
<td>327</td>
<td>619</td>
</tr>
<tr>
<td>270</td>
<td>275</td>
</tr>
<tr>
<td>2x</td>
<td>4.8x</td>
</tr>
<tr>
<td>1.25x</td>
<td>1.25x</td>
</tr>
<tr>
<td>FY14</td>
<td>FY18</td>
</tr>
<tr>
<td>136</td>
<td>164</td>
</tr>
<tr>
<td>FY22</td>
<td>FY27</td>
</tr>
<tr>
<td>226</td>
<td>299</td>
</tr>
</tbody>
</table>

Primary Growth Drivers for Power and Transmission Sector in India

- Per Capita Consumption to increase from 1150 units in 2018 to 3000 units by 2040
- RE Integration: 175 GW by 2022; 275 GW by 2027
- Intra-State Transmission; Cross-border interconnections for Seamless SAARC Grid
- ‘Saubhagya’ Scheme to ensure household electrification by 31-Dec’18 & other reform based initiatives of GoI like UDAY, IPDS, DDUGJY, 24x7 Affordable Power for All by 2019

20-year Perspective Transmission Planning Report (Feb’16)- CEA

“...Roughly quadrupling of transmission systems from present capacities…”

“...Massive transmission corridors may be needed towards NR & SR…”

- India is currently the 3rd largest producer & 3rd largest consumer of electricity in the world with installed capacity reaching 344GW (Sept 2018)
- Under Paris Climate Agreement, India has committed to achieve 40% cumulative Electric power capacity from non-fossil fuel based energy resources by 2030.
- RE Capacity to grow from 72 GW presently to 175GW by 2022 and 275GW by 2027
- RE capacity growth brings with it issues of intermittency, volatility, variability and storage, thereby leading to challenges for grid stability. Transmission Planning for RE to ensure addressing these issues
- POWERGRID presently executing Green Energy Corridors which include high power capacity transmission corridors and evacuation systems for Ultra Mega Solar Parks
- To achieve this growth target, POWERGRID, has set a capex target of c. INR 500 billion (c. USD 7.7 billion) over 2018-2021

Source: Company Annual Reports; Sector Data from CEA Reports; 19th EPS Report
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
POWERGRID’s revenue from operations has grown at a CAGR of 18% during FY14-FY18, and the company has maintained an EBITDA margin in excess of 88% during this period.

**Revenue from Operations**

- FY14: 2,342 USD mn
- FY15: 2,641 USD mn
- FY16: 3,177 USD mn
- FY17: 3,953 USD mn
- FY18: 4,574 USD mn
- HY19: 2,523 USD mn

18% CAGR

**Total Assets**

- FY14: 21,461 USD mn
- FY15: 24,337 USD mn
- FY16: 27,429 USD mn
- FY17: 29,930 USD mn
- FY18: 32,733 USD mn
- HY19: 35,243 USD mn

11% CAGR

**EBITDA**

- FY14: 2,064 USD mn
- FY15: 2,361 USD mn
- FY16: 2,899 USD mn
- FY17: 3,619 USD mn
- FY18: 4,175 USD mn
- HY19: 2,246 USD mn

19% CAGR

**Net Income (PAT)**

- FY14: 691 USD mn
- FY15: 766 USD mn
- FY16: 915 USD mn
- FY17: 1,156 USD mn
- FY18: 1,267 USD mn
- HY19: 700 USD mn

16% CAGR

---

- Source: Company annual reports. Data is based on standalone financials.
- 1 - Total Assets = Net Block + WIP + Investments + Current Assets
Robust Financial Profile (2/2)

Credit Metrics Summary

Operating Cashflows & Total Cash

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Cash Flow (US$ mn)</th>
<th>Total Cash (US$ mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>2,368</td>
<td>679</td>
</tr>
<tr>
<td>FY15</td>
<td>2,313</td>
<td>317</td>
</tr>
<tr>
<td>FY16</td>
<td>2,325</td>
<td>237</td>
</tr>
<tr>
<td>FY17</td>
<td>3,267</td>
<td>496</td>
</tr>
<tr>
<td>FY18</td>
<td>3,364</td>
<td>233</td>
</tr>
<tr>
<td>HY19</td>
<td>1,415</td>
<td>352</td>
</tr>
</tbody>
</table>

Net Debt / Asset Base

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Debt / Asset Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>54.5%</td>
</tr>
<tr>
<td>FY15</td>
<td>58.0%</td>
</tr>
<tr>
<td>FY16</td>
<td>58.7%</td>
</tr>
<tr>
<td>FY17</td>
<td>58.5%</td>
</tr>
<tr>
<td>FY18</td>
<td>60.4%</td>
</tr>
<tr>
<td>HY19</td>
<td>59.9%</td>
</tr>
</tbody>
</table>

Total Debt / Total Capital

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Debt / Total Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>70.0%</td>
</tr>
<tr>
<td>FY15</td>
<td>71.1%</td>
</tr>
<tr>
<td>FY16</td>
<td>70.8%</td>
</tr>
<tr>
<td>FY17</td>
<td>70.2%</td>
</tr>
<tr>
<td>FY18</td>
<td>70.5%</td>
</tr>
<tr>
<td>HY19</td>
<td>70.9%</td>
</tr>
</tbody>
</table>

Net Debt/ EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Debt/ EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>5.66</td>
</tr>
<tr>
<td>FY15</td>
<td>5.98</td>
</tr>
<tr>
<td>FY16</td>
<td>5.55</td>
</tr>
<tr>
<td>FY17</td>
<td>4.84</td>
</tr>
<tr>
<td>FY18</td>
<td>4.74</td>
</tr>
<tr>
<td>HY19</td>
<td>4.70</td>
</tr>
</tbody>
</table>

- 1 Total Capital = Total Debt + Net Worth; 2. EBITDA is annualized Numbers for half year ending September 2019 (HY19)
- Source: Company annual reports. Based on standalone financials.
Debt Structure and Liquidity position

Sources of Debt (%) as on 31-Mar-18

Borrowing Currency (%), 31-Mar-18

Debt maturity Profile (USD mn) 30-Sep-18

Secured-Unsecured mix has moved from 0.95x to 0.88x over FY14-18

Current Lending Base

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

✓ Foreign currency borrowings in USD, JPY, SEK and EUR via multilateral & bilateral agencies like World Bank and Asian Development Bank

✓ Undrawn lines of approx. USD 2.695 billion as on 30th September, 2018.

✓ 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

Note: Above data is based on stand alone financials
Other sources of funds include deferred tax and other net current liabilities
Note: U.S. dollar translations have been made on the basis of the RBI Reference Rate as at 28th March, 2018 of INR 65.0441= US$ 1.00
Financial Overview
## Financial Summary - Standalone Financials

<table>
<thead>
<tr>
<th>(US$ mn)</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>HY19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Statement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>2,342</td>
<td>2,641</td>
<td>3,177</td>
<td>3,953</td>
<td>4,574</td>
<td>2,523</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,064</td>
<td>2,361</td>
<td>2,899</td>
<td>3,619</td>
<td>4,175</td>
<td>2,246</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>88%</td>
<td>89%</td>
<td>91%</td>
<td>92%</td>
<td>91%</td>
<td>89%</td>
</tr>
<tr>
<td>EBIT</td>
<td>1,450</td>
<td>1,579</td>
<td>1,949</td>
<td>2,440</td>
<td>2,714</td>
<td>1,477</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>691</td>
<td>766</td>
<td>915</td>
<td>1,156</td>
<td>1,267</td>
<td>700</td>
</tr>
<tr>
<td><strong>Balance Sheet</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>21,461</td>
<td>24,337</td>
<td>27,429</td>
<td>29,930</td>
<td>32,733</td>
<td>35,243</td>
</tr>
<tr>
<td>Total Debt</td>
<td>12,372</td>
<td>14,428</td>
<td>16,336</td>
<td>18,018</td>
<td>20,019</td>
<td>21,448</td>
</tr>
<tr>
<td>Cash &amp; Equivalents</td>
<td>679</td>
<td>317</td>
<td>237</td>
<td>496</td>
<td>233</td>
<td>352</td>
</tr>
<tr>
<td>Net Debt</td>
<td>11,692</td>
<td>14,111</td>
<td>16,099</td>
<td>17,522</td>
<td>19,786</td>
<td>21,906</td>
</tr>
<tr>
<td>Net Worth</td>
<td>5,298</td>
<td>5,868</td>
<td>6,736</td>
<td>7,657</td>
<td>8,366</td>
<td>8,792</td>
</tr>
<tr>
<td><strong>Cash Flow Statement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>2,368</td>
<td>2,313</td>
<td>2,325</td>
<td>3,267</td>
<td>3,364</td>
<td>1,415</td>
</tr>
</tbody>
</table>

### Notes:
- Source: Company annual reports. FY16-17 & FY17-18 and HY18-19 data is based on standalone financials.
- Operating Cash Flow – excluding Other Income
- Note: U.S. dollar translations have been made on the basis of the RBI Reference Rate as at 28th March, 2018 of INR 65.0441 = US$ 1.00
Appendices
1. Net Debt/EBITDA are annualized numbers for half year ending September 2019 (HY19).
2. Source: Company Annual Reports
# Structure of Indian Electricity Sector

<table>
<thead>
<tr>
<th>Policy Making</th>
<th>Central Government</th>
<th>CEA</th>
<th>State Governments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulators</td>
<td>CERC</td>
<td>SERCs</td>
<td>JERCs</td>
</tr>
<tr>
<td>System Operators</td>
<td>NLDC</td>
<td>RLDCs</td>
<td>SLDCs</td>
</tr>
<tr>
<td>Generation</td>
<td>Central Generating Stations</td>
<td>State Generating Stations</td>
<td>Private Sector</td>
</tr>
<tr>
<td>Transmission</td>
<td>CTU (Issuer)</td>
<td>STUs</td>
<td>Private Sector</td>
</tr>
<tr>
<td>Distribution</td>
<td>State Distribution Licensees</td>
<td>Private Distribution Licensees</td>
<td></td>
</tr>
<tr>
<td>Markets</td>
<td>Trading Licensee</td>
<td>Power Exchanges</td>
<td>Bilateral Markets</td>
</tr>
<tr>
<td>Others</td>
<td>Financing</td>
<td>R&amp;D (CPRI)</td>
<td>Training (NPTI)</td>
</tr>
</tbody>
</table>

**Abbreviations:**
- NLDC – National Load Dispatch Centre
- RLDC – Regional Load Dispatch Centre
- SLDC – State Load Dispatch Centre
- CERC - Central Electricity Regulatory Commission
- SERC - State Electricity Regulatory Commission
- JERC – Joint Electricity Regulatory Commission
- STUs – State Transmission Utilities
- CPRI – Council of Scientific & Industrial Research
- NPTI – National Power Training Institute
Corporate Structure

**Government of India**
- 56.34%

**Institutions**
- 39.01%

**Non-Institutions**
- 4.65%

**Joint Ventures**
1. Powerlinks Transmission Ltd. (49%)
2. Torrent Power Grid Ltd. (26)
3. Jaypee Powergrid Ltd.(26%)
4. North East Transmission Company Ltd.(26%)
5. Parbati Koldam Transmission Company Ltd.(26%)
6. Teesta Valley Power Transmission Ltd. (26%)
7. National High Power Test Laboratory(20%)
8. Bihar Grid Company Ltd. (50%)
9. Kalinga Bidyut Prasaran Nigam Private Ltd.(50%)
10. Cross Border Power Transmission Company Ltd.(26%)
11. RINL POWERGRID TLT Private Ltd.(50%)
12. Power Transmission Company Nepal Ltd.(26%)

**Subsidiaries**
1. POWERGRID Vizag TL
2. POWERGRID Unchahar TL
3. POWERGRID Kala Amb TL
4. POWERGRID Warora TL
5. POWERGRID Parli TL
6. POWERGRID NM TL
7. POWERGRID Jabalpur TL
8. POWERGRID Southern I/C TL
9. POWERGRID MJTL
10. POWERGRID Mithilanchal TL
11. POWERGRID Varanasi TSL
12. POWERGRID Vemagiri TL

100%

**Other Investments**
1. Energy Efficiency Services Ltd. (4.9%)
2. PTC India Ltd. (4.1%)

**Note:** Shareholding pattern as of 30th September, 2018
The management team of POWERGRID is highly experienced and qualified to execute the Company’s strategic plan.

Senior Management

**Shri I.S Jha**
Chairman & Managing Director
- Well known power system Professional with 36 years of experience, Mr. Jha is an electrical engineer from NIT, Jamshedpur.
- Prior to his present assignment, he served as Director (Projects) of the Company from September, 2009.
- Mr. Jha has successfully served as Executive Director (Engineering) in the company and has also worked as Executive Director - Corporate Monitoring Group and held the position of Executive Director-North Eastern Region.

**Ravi P. Singh**
Director- Personnel
- Over 36 years of work experience in the power sector handling various multi disciplinary functions like HR, Telecom, Contracts, Materials, etc.
- He has previously held the position of Executive Director (Human Resource), Executive Director (Eastern Region-II).
- Prior to joining POWERGRID, Mr. Singh worked for 10 years in NTPC.

**Shri K. Sreekant**
Director- Finance
- Appointed as a Director on the board in Sept, 2016, Mr Sreekant has about 32 years of experience in the power sector involving all facets of Finance & Accounting function and in particular, long term financial planning, investments appraisal, formulation of capital budgets, etc.
- Prior to joining POWERGRID, Mr Sreekant served as the General Manager of Finance at NTPC.

**Ms. Seema Gupta**
Director (Operations)
- Prior to taking up this assignment, Ms. Seema Gupta served as Executive Director (Northern Region-I) in the company.
- More than 34 years of experience in Power sector and has handled multi disciplinary functions like Commercial, International Business, Corporate Monitoring, etc.
- Before joining POWERGRID in 1991, Ms. Seema worked with NTPC for 7 years.

**Shri R K Chauhan**
Director (Projects)
- Mr Chauhan has a diverse experience of over 33 years in EHV AC&DC transmission system.
- He served for 10 years in NTPC prior to joining POWERGRID.
- Mr. Chauhan has been instrumental in development of National Grid which is considered as the backbone of the country’s Electricity market.
### CERC Tariff Norms for 2014-19

#### Salient Features and Components of Tariff
- Cost plus tariff
- Debt-Equity ratio of 70:30 for investments

### Annual Fixed Charge
- RoE (Return on Equity) @ 15.5% to be grossed up with effective tax rate
  - Addl. 0.5% RoE for projects completed within the time stipulated by regulator
- Interest on Loan –as per actuals on normative debt
- Depreciation 90% allowed– Weighted average ~5.28% for 12 yrs rest spread over useful life (straight line method)
- Operation and Maintenance- Unit O&M rates specified for different configuration & voltage level of lines (S/C or D/C, with single, double, triple, or quadruple conductor) and voltage level of substations (bays)
- IWC (Interest on Working Capital)

#### Other Charges
- Availability based Incentive
- FERV is pass through

### Sample Calculation of Tariff

<table>
<thead>
<tr>
<th>Tariff Component</th>
<th>As per CERC Regulations 2014-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Cost of the Project</td>
<td>INR 100 Crs</td>
</tr>
<tr>
<td>Loan</td>
<td>70</td>
</tr>
<tr>
<td>Equity</td>
<td>30</td>
</tr>
<tr>
<td>Rate of Interest (IOL)</td>
<td>say 9.5% p.a.</td>
</tr>
<tr>
<td>Repayment of loan</td>
<td>12 yrs</td>
</tr>
<tr>
<td>IOWC</td>
<td>say 12.25%</td>
</tr>
<tr>
<td>O&amp;M (Line &amp; Bay details)</td>
<td>Bay – 2 no 400 kV Bays Line – 400 kV D/C 35 km (Twin Conductor)</td>
</tr>
<tr>
<td>Actual Availability</td>
<td>say 99.5%</td>
</tr>
</tbody>
</table>

#### Tariff Component

- **ROE**: 30 x 0.1961 = 5.883
- **IOL**: 70 x 0.095 = 6.65
- **Depreciation**: 100 x 0.0528 = 5.28
- **O&M Expenses**: Bay : 0.6871 x 2 = 1.3742 Line: 0.00806 x 35 = .2821 Total = 1.6563
- **IOWC**: 1 month O&M = 0.14 15% O&M = 0.248 2 months receivables = 3.30 IOWC = 3.82 x 0.125 = 0.46
- **Total**: = 19.91+ Incentive = 19.91 x (99.5/98.5) = 19.91 x 1.0102 = 20.11
Evolution of Synchronous National Grid

- **October 1991**: East & North-East synchronized
- **March 2003**: West synchronized With East & North-East
- **August 2006**: North synchronized with Central Grid
- **Dec 2013**: South synchronized with NEW Grid

**NEW* Grid**

- **One Nation, One Grid**
- **One Frequency**

* North East West
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