CESC Limited
Investing in sustainable Growth
August 2009
RPG Enterprises

Respond, Perform, Grow

8 Business Sectors, 20+ companies, 60,000+ employees, 4,00,000 + shareholders
RPG Enterprises – Business Sectors

### Business Sectors
- Transmission
- Power
- Tyre
- Retail
- Carbon Black
- IT
- Speciality
- Entertainment

### Companies
- KEC International
- RPG Cables
- CESC
- Noida Power Co.*
- Integrated Coal Mining *
- CEAT
- Spencer`s Retail
- Spencer`s Travel
- Phillips Carbon Black
- Zensar Technologies
- Harrisons Malayalam
- Raychem RPG
- RPG Life Sciences
- Saregama India

Revenue FY 2009
Rs. 14,500 crs

- Transmission 26%
- Power 22%
- Tyre 20%
- Retail 9%
- Carbon Black 9%
- IT 7%
- Speciality 6%
- Entertainment 1%
## RPG Enterprises - Financials

<table>
<thead>
<tr>
<th>Company</th>
<th>Revenues (FY`09)</th>
<th>EBITDA (FY`09)</th>
<th>Net Profit (FY`09)</th>
<th>Market cap*</th>
<th>Promoter Holding</th>
<th>Institutional Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>CESC</td>
<td>3,200</td>
<td>640</td>
<td>410</td>
<td>4,175</td>
<td>52%</td>
<td>37%</td>
</tr>
<tr>
<td>KEC International</td>
<td>3,428</td>
<td>200</td>
<td>116</td>
<td>2,268</td>
<td>42%</td>
<td>43%</td>
</tr>
<tr>
<td>RPG Cables</td>
<td>358</td>
<td>24</td>
<td>(7)</td>
<td>76</td>
<td>34%</td>
<td>9%</td>
</tr>
<tr>
<td>CEAT</td>
<td>2,558</td>
<td>53</td>
<td>(16)</td>
<td>410</td>
<td>43%</td>
<td>36%</td>
</tr>
<tr>
<td>Phillips Carbon Black</td>
<td>1,180</td>
<td>(48)</td>
<td>(65)</td>
<td>269</td>
<td>50%</td>
<td>19%</td>
</tr>
<tr>
<td>Harrisons Malayalam</td>
<td>292</td>
<td>23</td>
<td>6</td>
<td>138</td>
<td>50%</td>
<td>11%</td>
</tr>
<tr>
<td>Zensar Technologies</td>
<td>922</td>
<td>140</td>
<td>86</td>
<td>386</td>
<td>52%</td>
<td>24%</td>
</tr>
<tr>
<td>RPG Life Sciences</td>
<td>144</td>
<td>26</td>
<td>7</td>
<td>50</td>
<td>51%</td>
<td>16%</td>
</tr>
<tr>
<td>Saregama India</td>
<td>135</td>
<td>6</td>
<td>(8)</td>
<td>118</td>
<td>53%</td>
<td>34%</td>
</tr>
</tbody>
</table>

*As on 29th July, 2009*
## CESC- An Overview

<table>
<thead>
<tr>
<th>Business</th>
<th>110 year old fully Integrated Energy Utility: Coal Mining - Generation - Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity</td>
<td>Four coal fired stations - 975 MW, T&amp;D loss -14%, Collection efficiency 99.5% : PLF 97% (Base Load Stations) - 500 MW Budge Budge at 100.5% PLF</td>
</tr>
</tbody>
</table>
| Achievements   | Budge Budge plant received outstanding performance award from the Prime Minister  
|                | Budge Budge – First Thermal Power Plant in the world registered with UNFCCC for Carbon Credit |
| Demand         | Peak System Demand 1500 MW+                                                       |
| Area           | 567 sq.km area, 2.3 mn consumers, 16000 ckt km T&D network                         |
| Stock Listed on| BSE (Code – 500084); NSE (CESC)                                                   |
CESC-Generating Stations

Budge Budge generating Station

New Cossipore generating Station

Southern generating Station

Titagarh generating Station

BBGS, SGS, TGS have a combined PLF of 97.3% in FY09
Budge Budge-III Augmenting Generation Capacity of CESC by 25%
The nine year old Budge Budge has many distinctions……..

Second highest PLF among all thermal power stations in India

Acclaimed as environment friendly by Govt. agencies.

The CDM Project at Budge Budge is the first thermal project in the world to earn Carbon credits.
Operating performance:

Annual Net generation & Electricity Sales

**Generation (MU)**

- FY07: 7218
- FY08: 7479
- FY09: 7456

**Sales (MU)**

- FY07: 6424
- FY08: 6948
- FY09: 7206

*Excluding Peaking Station

* Excluding Export
Operational Efficiencies

**T & D Loss(%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Pilferage</th>
<th>Technical</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY04</td>
<td>10</td>
<td>7.3</td>
</tr>
<tr>
<td>FY05</td>
<td>10</td>
<td>6.3</td>
</tr>
<tr>
<td>FY06</td>
<td>10</td>
<td>5.5</td>
</tr>
<tr>
<td>FY07</td>
<td>10</td>
<td>4.7</td>
</tr>
<tr>
<td>FY08</td>
<td>10</td>
<td>3.9</td>
</tr>
<tr>
<td>FY09</td>
<td>10</td>
<td>3.3</td>
</tr>
</tbody>
</table>

**PLF%(excluding peaking Station)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>80</td>
<td>86</td>
<td>94</td>
<td>94</td>
<td>97</td>
<td>97</td>
</tr>
</tbody>
</table>

**Power Import(MU)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>861</td>
<td>749</td>
<td>857</td>
<td>960</td>
<td>1234</td>
<td>1404</td>
</tr>
</tbody>
</table>

**Power Export(MU)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7</td>
<td>160</td>
<td>418</td>
<td>458</td>
<td>441</td>
<td>302</td>
</tr>
</tbody>
</table>
Tariff & Profitability

Tariff (Rs./ unit)

<table>
<thead>
<tr>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>Feb-08</th>
<th>FY09</th>
<th>FY10</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.15</td>
<td>4.03</td>
<td>3.81</td>
<td>3.74</td>
<td>3.76</td>
<td>3.86</td>
<td>3.91</td>
<td>4.09</td>
</tr>
</tbody>
</table>

PAT (Rs. Crs)

<table>
<thead>
<tr>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>82</td>
<td>147</td>
<td>178</td>
<td>301</td>
<td>355</td>
<td>410</td>
</tr>
</tbody>
</table>

Debt / Equity Ratio

<table>
<thead>
<tr>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.11</td>
<td>1.42</td>
<td>1.06</td>
<td>0.75</td>
<td>0.55</td>
<td>0.65</td>
</tr>
</tbody>
</table>

EPS (Rs.)

<table>
<thead>
<tr>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>20</td>
<td>23</td>
<td>36</td>
<td>30</td>
<td>33</td>
</tr>
</tbody>
</table>
Q1 FY10 Performance

Overall PLF (%)

- Q1 FY10: 92.90%
- Q1 FY09: 96.60%

T & D Losses (%)

- Q1 FY10: 14.00%
- Q1 FY09: 14.20%

Generation (MU)

- Q1 FY10: 1979
- Q1 FY09: 2057

Revenue (Rs. Crs)

- Q1 FY10: 837
- Q1 FY09: 842
Q1 FY10 Performance

**EBITDA (Rs. Crs)**
- Q1 FY10: 252
- Q1 FY09: 205

**PBT (Rs. Crs)**
- Q1 FY10: 127
- Q1 FY09: 107

**PAT (Rs. Crs)**
- Q1 FY10: 105
- Q1 FY09: 94

**EPS (Rs.)**
- Q1 FY10: 8.40
- Q1 FY09: 7.51
Budge Budge and Haldia plants will help to attain self sufficiency in meeting Base Load requirement.

Merchant Power Plant

Pit head / load centre station with fuel linkage
Long term PPA for 50% power to meet Debt Servicing
Dispersed locations for spreading risk
Growth Plans

**Generation** – Increasing the capacity to more than 5,000 MW from existing 975 MW

<table>
<thead>
<tr>
<th>Location</th>
<th>Purpose</th>
<th>Size</th>
<th>Cost (Rs.bn)</th>
<th>Commissioning</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budge Budge, West Bengal</td>
<td>Licence Area</td>
<td>250MW</td>
<td>12</td>
<td>2009-10</td>
<td>Test synchronization achieved on 14 July, 2009 Commissioning in Sept’09</td>
</tr>
<tr>
<td>Haldia Phase I West Bengal</td>
<td>Licence Area</td>
<td>600 MW</td>
<td>26</td>
<td>2012-13</td>
<td>75% Land acquired</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Long term linkage obtained</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Environmental clearance received,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Financial closure in Q2 FY’10</td>
</tr>
<tr>
<td>Dumka, Jharkhand</td>
<td>Merchant</td>
<td>1000MW</td>
<td>45</td>
<td>2013-14</td>
<td>110 MT coal block allocated</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>MOU signed with Jharkhand Govt.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Land acquisition process initiated,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mining prospecting license obtained</td>
</tr>
</tbody>
</table>
## Growth Plans

### Generation – Contd……

<table>
<thead>
<tr>
<th>Location</th>
<th>Purpose</th>
<th>Size</th>
<th>Cost (Rs.bn)</th>
<th>Commissioning</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dhenkanal, Orissa</td>
<td>Merchant</td>
<td>660MW X 2</td>
<td>53</td>
<td>2013-14</td>
<td>MOU signed, Land acquisition process at an advanced stage</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Awaiting coal linkage</td>
</tr>
<tr>
<td>Thermal/Hydel Power plants in WB/Other States</td>
<td>Merchant</td>
<td>1000 MW</td>
<td>40</td>
<td>2013-14</td>
<td>MoU signed with Bihar Govt. for project in Pirpainty (Phase I 1000 MW)</td>
</tr>
</tbody>
</table>

**4170MW 176**

### Strategy

- To attain self sufficiency in meeting License Area requirement
- Merchant Power Plant
  - Pit head power station or load centre station with fuel linkage
  - Long term PPA for 50% capacity to ensure Debt Servicing
  - Dispersed locations for spreading risk
- Separate SPVs (subsidiaries) for Generation Projects
CESC – Location of Generating Stations

- Budge Budge, WB
- Southern, WB
- Titagarh
- Haldia, WB
- Pirpainty, Bihar
- Dumka, Jharkhand
- Dhenkanal, Orissa
Distribution

220/132 kv Network Augmentation - Rs.4.5 bn by 2011

To receive 700 MW by 2011-12
Connectivity to National Grid to facilitate export of power

Reorganisation following NCGS decommissioning
Downstream transmission of power to different load centres on commissioning of Budge Budge and Haldia Phase I

Routine Capital Expenditure Rs. 3 bn per year

Shortlisted for distribution of power in the Patna Circle
Growth Plans

Financing and Return on Investment

- To be financed by 70:30 Debt Equity Ratio
- Equity generally from Internal Accrual, balance equity infusion at Holding Company (licence area projects) and SPV level (Merchant market Initiatives)
- Return on licence Area Investments 14% post tax + Incentive and Normative gains
- Potential for substantially higher return in Merchant market Initiatives
Opportunities

**Regulatory Environment**

Performance based regulations introduced by the State Regulatory Commission inspired CESC to move towards higher efficiency level.

**Cross Subsidies**

Cross subsidies in tariff have declined, making tariff near average for all consumers.
The baseline serves as an invitation to the shoppers to an international experience with respect to products, ambience, quality, price and engagement.
<table>
<thead>
<tr>
<th><strong>Snapshot</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year of Establishment</strong></td>
</tr>
<tr>
<td><strong>Trading Area (‘000 sqft)</strong></td>
</tr>
<tr>
<td><strong>No. of Stores in operation</strong></td>
</tr>
<tr>
<td><strong>Annual Turnover (Rs. Crs)</strong></td>
</tr>
<tr>
<td><strong>Customer Care Associate</strong></td>
</tr>
</tbody>
</table>
Spencer`s Retail

- Rs 1000 crores food-first, multi-format retailer

- India’s oldest retail chain since 1863 introducing Indian consumers to the concept of organized retail

- Formats – Hyper, Super, Dailies & Express

- Garner 60 million footfalls per annum

- Stock approximately 30000 SKUs in a typical hyper store

- Has an extensive private label program across food, fashion, home and entertainment - 20 brands and more than 6000 SKUs
Where is our brand positioned?

- SEC A/A+
  - Organized Retail
  - Niche retailers
  - Differentiator: Range, Assortment, Quality
  - Life Style
  - Food & Grocery
  - Superior Service, Quality

- SEC A/B+
  - Spencer’s
  - Mass Market / Discount retailers
  - Differentiator: Price, Basic Service

- SEC B/C
  - Unorganized sector
  - Purchasing Power
  - Life Style

- Organized Retail
  - Lifesyle
  - Food & Grocery
  - Life Style

- Unorganized sector
Merchandise - Apparel - Spencer’s Pvt. Label

- Island monks: Casual men’s and women’s clothing
- DETAILZ: Basics / Undergarments
- Puddles: Infants 0-2
- Asankhya: Ethnic men’s and women’s clothing
- Spencer's: Kids 2-8
- LiL Devils: Kids 2-8
- Boomerang: Kids 8-14
- Score: Active sportswear
- Mark Nicolas: Formal men’s and women’s clothing
- U&I: Accessories And footwear
Some Intl Tie-ups exclusively at Spencer’s

**Beverley Hills Polo Club**
- An international fashion brand of lifestyle clothing for men and women
- Presents casual and formal wear, winter wear, eyewear and watches
- BHPC merchandize is available in all the Spencer’s Hypers
- Plans to launch independent stores for BHPC. The first BHPC store at Spencer’s, Gurgaon, MGF Megacity Mall follows the Exclusive Branded outlet concept over an area of 1000 sq.ft
- Five of such standalone stores are expected to be launched in the National Capital region (NCR)

**Ladybird**
- An international fashion brand of lifestyle clothing for Children
The Spencer’s Experience Enhancers

Chad Valley, one of UK’s leading toy brands from the house of Woolworths, UK

- Home of fun and imaginative play.
- Caters to children of all age group.
- Range of interactive games, outdoor activity packs, arts and crafts, remote control fun cars, and the cuddliest soft toys
- Launched a 1600 sq feet exclusive branded outlet at Spencer’s South City, Kolkata, which is the first Chad Valley exclusive outlet in Asia.

Au Bon Pain, the Boston-based fast casual dining and bakery café chain

- Standalone outlets which will serve a “build-it yourself” range and assortment of breakfast and lunches like soups, stews, sandwiches, salads, bread & bakery items, confectionaries and hot and cold beverages.
- Keeping in mind the cultural and traditional dietary needs, the menu in India will also include a line of vegetarian dishes.
- Launching 5 “Au Bon Pain” cafes in Bangalore by Aug’09.

Tie-up with HSBC for Retail Credit Card
### Store Status – June’09

<table>
<thead>
<tr>
<th>Format</th>
<th>Nos</th>
<th>T.A (sqft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypers</td>
<td>19</td>
<td>447441</td>
</tr>
<tr>
<td>Supers</td>
<td>12</td>
<td>92735</td>
</tr>
<tr>
<td>Dailies</td>
<td>148</td>
<td>372943</td>
</tr>
<tr>
<td>Express</td>
<td>65</td>
<td>85594</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>244</td>
<td>998713</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Zone</th>
<th>Hypers</th>
<th>Supers</th>
<th>Dailies</th>
<th>Express</th>
<th>Total</th>
<th>T.A (sqft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South I</td>
<td>0</td>
<td>2</td>
<td>56</td>
<td>12</td>
<td>70</td>
<td>173416</td>
</tr>
<tr>
<td>South II</td>
<td>5</td>
<td>4</td>
<td>30</td>
<td>27</td>
<td>66</td>
<td>250277</td>
</tr>
<tr>
<td>West</td>
<td>4</td>
<td>0</td>
<td>23</td>
<td>12</td>
<td>39</td>
<td>155593</td>
</tr>
<tr>
<td>North</td>
<td>6</td>
<td>3</td>
<td>30</td>
<td>9</td>
<td>48</td>
<td>262552</td>
</tr>
<tr>
<td>East</td>
<td>4</td>
<td>3</td>
<td>9</td>
<td>5</td>
<td>21</td>
<td>156875</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>19</td>
<td>12</td>
<td>148</td>
<td>65</td>
<td>244</td>
<td>998713</td>
</tr>
</tbody>
</table>
The Past Situation..

**Revenue (Rs. Crs)**
- FY08: 813
- FY09: 1071

**Revenue (Rs/sqft)**
- FY08: 675
- FY09: 660

**Trading area (‘000 sq ft)**
- FY08: 1155
- FY09: 1130
Operational Highlights

• Achieved savings of Rs. 20 cr in 3 months – mainly from Zonal Office / Regional Office / Distribution Centre, advertisement & corporate opex

• Improvement in sales from Rs.660/sqft to Rs. 736/sqft in June, 09

• Consolidation of clusters from 21 to 13 at present.

• Opened a Super in Warangal, A.P. (12000 sqft) which was an instant success with revenues of Rs.1000/sqft
Spencer’s Path Forward..

• Operational focus for revenue increase: Relook at pricing architecture – Known Value items (KVIs), Known Value category (KVCs), OPPs (opening price points) for better price perception

• Private Label is an important lever for growth.

• Turnaround expected within 12 – 18 months

• T-20 Plan under implementation: Top 20 stores which contribute 46% of TA, 40% of footfalls & 50% of Sales, is a high priority

• Expansion Plans:
  - Selective opening of Hyper & Super stores in FY’10
  - Special focus on Southern States for growth.
  - Open Stand-alone “Fish & Meat” outlets in and around Kolkata & country’s first High-end Gourmet Stores
The focus is on increasing the sales from the apparel segment.
Hyper & Super footprint – July’09

19 Hypers – 447441 sqft
13 Supers – 104735 sqft
Thank You