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- Information contained in the Annual Report for 2010-2011 remains subject to shareholder approval at this time.

- Conversion rate of 1US$=INR45 has been used at all places.

POWERGRID – One Nation, One Grid
Company Overview

Key Highlights

Commitment to Community and Environment

Business Potential
Company Overview

Overview

Largest Transmission Utility in India
- Carrying about ~50% of total power generated in India in FY10
  - 3rd largest transmission utility in the world\(^1\)

Growth linked to India’s Energy Needs
- Increase in regulated asset base driven by:
  - Generation capacity addition
  - Grid strengthening

Stable Returns
- Low operational risk with limited exposure to general business cycles

Strong Execution Track Record
- Extensive experience & expertise in implementing transmission projects
- 86,186 ckm of transmission lines and 138 No. of EHV substations as of 31\(^{st}\) August 2011
- Rated consistently “EXCELLENT” against GOI MoUs since FY 1994

Other Businesses
- Consulting\(^2\) in both Domestic and International markets and Telecom broadband businesses experiencing steady growth
- Unlocking value from leasing transmission towers to telecom infrastructure service provider

---

2. Consultancy in relation to Transmission, Load Despatch & Communication, Distribution & Telecom

POWERGRID – One Nation, One Grid
Map of POWERGRID Network

Note: Map not to scale
Establishment and Operation of Regional and National Power Grids to facilitate transfer of electric power within and across the regions with reliability, security and economy, on sound commercial principles.
Key Business Lines

Transmission

- Development of Central Sector Transmission System
  - Generation Linked
  - Associated Transmission System for six Ultra Mega Power projects
  - Grid Strengthening
  - Inter-State, Inter-regional and International links

- Grid Management
  - Real-time Grid Operation
  - Optimum scheduling & dispatch
  - Energy accounting including settlements
  - Administering REC Mechanism for trading in Green Certificates

Consultancy (National & International)

- Provides in-house expertise in various facets of:
  - Transmission
  - Sub-transmission
  - Distribution
  - Telecom
- Provides services both nationally and internationally including SAARC countries

Telecom

- Owns & Operates Fibre optic cable network
  - Owns and operates more than 20,600 kms of telecom network
- Has acquired NLD, ISP and IP-I licenses to provide a variety of services
- Has entered into Infrastructure Sharing Agreement with Telecom Infrastructure Service Provider for using power line towers for mounting Telecom antennae

% of FY11 Revenue: 85%
% of FY11 Revenue: 3.3%
% of FY11 Revenue: 2.1%

1. Power System Operation Corporation limited, a fully owned subsidiary of POWERGRID, as per Government of India Directive.

2. Renewable Energy Certificates
Maintain efficient operating performance by modernizing our infrastructure and services by maintaining industry best practices.

Expand and strengthen transmission network including adoption of ultra high voltage level system.

Continue to expand our telecom operations including the establishment of tower infrastructure business.

Expand our corporate social responsibility initiatives.

Continue to expand our consultancy business.

Commitment towards green environment.

Continue to invest in employee development.
Company Overview

Key Highlights

Commitment to Community and Environment

Business Potential
Key Highlights

1. Demand Dynamics For Transmission Growth
2. Execution Track Record
3. Financial Performance
4. Operational Performance
5. Growth Potential in Consulting Business
6. Opportunities in Telecom Business
1 Positioned to Capitalize on India’s Growing Energy Demand

Power generation capacity is expected to grow at a rapid pace to address the massive supply-demand imbalance created by continued economic growth.

Per Capita Consumption in India Remains Low (kWh)¹

<table>
<thead>
<tr>
<th>Country</th>
<th>Consumption (kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>704</td>
</tr>
<tr>
<td>Japan</td>
<td>8,475</td>
</tr>
<tr>
<td>China</td>
<td>2,346</td>
</tr>
<tr>
<td>US</td>
<td>13,616</td>
</tr>
<tr>
<td>OECD</td>
<td>8,477</td>
</tr>
<tr>
<td>World Average</td>
<td>2,752</td>
</tr>
</tbody>
</table>

Significant Supply is Needed to Bridge the Imbalance

<table>
<thead>
<tr>
<th>Year</th>
<th>Peak Demand</th>
<th>Peak Supply</th>
<th>Peak Deficit (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY07</td>
<td>80</td>
<td>80</td>
<td>0.0%</td>
</tr>
<tr>
<td>FY08</td>
<td>80</td>
<td>80</td>
<td>0.0%</td>
</tr>
<tr>
<td>FY09</td>
<td>80</td>
<td>80</td>
<td>0.0%</td>
</tr>
<tr>
<td>FY10</td>
<td>80</td>
<td>80</td>
<td>0.0%</td>
</tr>
<tr>
<td>FY11</td>
<td>80</td>
<td>80</td>
<td>0.0%</td>
</tr>
<tr>
<td>FY12</td>
<td>80</td>
<td>80</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Projected

Average

Major Plans for Capacity Addition (MW)…

<table>
<thead>
<tr>
<th>Sector</th>
<th>Capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Sector</td>
<td>21,222</td>
</tr>
<tr>
<td>State Sector</td>
<td>21,355</td>
</tr>
<tr>
<td>Private Sector</td>
<td>14,400</td>
</tr>
<tr>
<td>Total</td>
<td>57,000</td>
</tr>
</tbody>
</table>

XXXX X/X

2. Revised target
3. Provisional

…Driving Investment in Transmission Sector (US$ in billions)

<table>
<thead>
<tr>
<th>Plan</th>
<th>Investment (US$ billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>XI Plan</td>
<td>31.4</td>
</tr>
<tr>
<td>XII Plan</td>
<td>53.8</td>
</tr>
</tbody>
</table>

% investment in Transmission to Total investment in Power Sector

<table>
<thead>
<tr>
<th>Plan</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>XI Plan</td>
<td>13%</td>
</tr>
<tr>
<td>XII Plan</td>
<td>21%</td>
</tr>
</tbody>
</table>

POWERGRID – One Nation, One Grid
Generation Trends Expected to Drive Demand for Long Transmission Lines

Dispersed Energy Capacity...
- Large pit-head stations concentrated in a few regions
- Hydro projects in North Eastern Region, Himachal Pradesh, Jammu & Kashmir
- Large imported coal based power projects along the coast
- Few load centre-based generation projects

...Expected to Drive the Need For Transmission...
- Long Distance inter regional transmission system
- Higher capacity power lines to have economic as well as optimal use of Right-of-Way
- Eleven (11) High Capacity Transmission Corridors have been planned at an estimated cost of about US$ 16billion

...With POWERGRID Well Positioned to Address the Demand
- 400kV established as backbone network (about 72,700 ckm out of total 86,186 ckm is at 400kV or +/-500kV HVDC level)
- 765kV network gradually increasing (about 3,000 ckm and one S/s already established and about 13,000 ckm and 22 S/s under construction)
- ± 800kV HVDC system-under construction
- 1200kV UHVAC under development. 1200kV Class transformer successfully tested. Single Circuit line under pilot project will be test charged by this year end.

POWERGRID – One Nation, One Grid
Strong Execution Track Record

Execution Track Record

- Consistent successful execution of projects
  - 86,186 ckm of transmission lines carrying ~50% of total power generated in the country
  - 138 substations with transformation capacity of 95,125MVA
  - 20,600 km of telecom network

Accolades and Awards

- Rated consistently “EXCELLENT” against Govt MOUs since FY1994
- Consistent recipient of ‘National Awards for Meritorious Performance” instituted by Govt
- Recognized by Platts, as 8th Fastest Growing Asian Energy Co. and 18th Fastest Growing Global Energy Company during 2010

...Delivering Transmission Network Growth

... leading to consistent Transmission Network Growth over years

Inter-Regional Power Transfer Capacity increased from 14.16GW in FY07 to 23.8GW now

POWERGRID – One Nation, One Grid
Compelling Historical Financial Performance

Revenue (US$ bn)

<table>
<thead>
<tr>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.91</td>
<td>1.13</td>
<td>1.36</td>
<td>1.67</td>
<td>2.02</td>
</tr>
</tbody>
</table>

FY07 – FY11 CAGR: 22%

PAT (US$ bn)

<table>
<thead>
<tr>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.27</td>
<td>0.31</td>
<td>0.38</td>
<td>0.44</td>
<td>0.60</td>
</tr>
</tbody>
</table>

FY07 – FY11 CAGR: 22%

Gross Fixed Asset Base (US$ bn)

<table>
<thead>
<tr>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.44</td>
<td>7.87</td>
<td>8.96</td>
<td>9.60</td>
<td>11.20</td>
</tr>
</tbody>
</table>

FY07 – FY11 CAGR: 15%

.... has led to confidence of investors & lenders

- Successful and oversubscribed public offers in last 4 years - IPO in 2007 and FPO in 2010
- Listed on Indian Stock Exchanges, BSE and NSE, with a Market Cap of US$ 10bn
- Highest Domestic Credit Rating
- Amongst the biggest beneficiaries of The World Bank & ADB

1- considering 1 US$ – Rs.45 and POWERGRID Share Price of INR95
# Financial Performance

(In US$ millions, except per share data)

<table>
<thead>
<tr>
<th>Description</th>
<th>2010-11</th>
<th>2009-10</th>
<th>Y-o-Y Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission Charges</td>
<td>1,709</td>
<td>1,461</td>
<td>16.95%</td>
</tr>
<tr>
<td>Consultancy</td>
<td>66</td>
<td>60</td>
<td>11.15%</td>
</tr>
<tr>
<td>Telecom</td>
<td>42</td>
<td>35</td>
<td>18.35%</td>
</tr>
<tr>
<td>Short Term Open Access Income</td>
<td>47</td>
<td>28</td>
<td>69.60%</td>
</tr>
<tr>
<td>Other Income</td>
<td>158</td>
<td>84</td>
<td>89.10%</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>2,022</td>
<td>1,668</td>
<td>21.27%</td>
</tr>
<tr>
<td><strong>Profit After Tax (PAT)</strong></td>
<td>599</td>
<td>454</td>
<td>32.14%</td>
</tr>
<tr>
<td>Earnings per Share (US$)</td>
<td>0.137</td>
<td>0.107</td>
<td>27.63%</td>
</tr>
<tr>
<td>Book Value per Share (US$)</td>
<td>1.025</td>
<td>0.840</td>
<td>21.98%</td>
</tr>
<tr>
<td><strong>Gross Fixed Assets</strong></td>
<td>11,189</td>
<td>9,600</td>
<td>16.55%</td>
</tr>
<tr>
<td>Debt</td>
<td>9,085</td>
<td>7,648</td>
<td>18.79%</td>
</tr>
<tr>
<td><strong>Net Worth</strong></td>
<td>4,745</td>
<td>3,536</td>
<td>34.16%</td>
</tr>
<tr>
<td><strong>Return on Net Worth</strong></td>
<td>12.63%</td>
<td>12.83%</td>
<td></td>
</tr>
<tr>
<td>Debt Equity Ratio</td>
<td>65:35</td>
<td>68:32</td>
<td></td>
</tr>
<tr>
<td>Capitalisation</td>
<td>1,625</td>
<td>802</td>
<td>102.58%</td>
</tr>
</tbody>
</table>

1US$=INR 45, YOY Growth has been calculated based on INR figures
High Operational Efficiencies

- Rated as one of the best transmission companies in terms of system availability
- No major grid disturbance since Jan’03
- Higher than targeted system availability facilitates incremental profit through incentives
- Establishing a ‘National Transmission Asset Management Center’ for operation and control of sub-stations remotely at central place and through Maintenance Service Hubs.
- Implementing technologically advanced operational techniques like Live line maintenance using hotline maintenance equipment and ERS for the restoration of collapsed transmission lines
- Initiatives undertaken for aerial patrol of transmission lines by helicopters, Mobile substations and automated line inspection using robots

System Availability

99.94% during Apr11-Aug11

- 99.65% FY08
- 99.55% FY09
- 99.77% FY10
- 99.8% FY11

1. According to Booz & Company’s comparative benchmarking across global transmission companies.
Growth Potential in Consulting Business

Consultancy Business – Domestic
- Bagged 45 new orders for projects worth US$133 million for consultancy during FY10-11
- Power Grid has served >100 clients since beginning by giving consultancy
- Repeat orders from customers implies customer satisfaction

Consultancy Business - International
- Providing consultancy services in 7 countries namely Afghanistan, Bhutan, Bangladesh, UAE (Dubai), Nepal, Sri Lanka and Nigeria
- Venturing into Burma, Vietnam, China, Ethiopia, Uzbekistan etc.

Growth of Consultancy Revenue (US$ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY07</td>
<td>50</td>
</tr>
<tr>
<td>FY08</td>
<td>56</td>
</tr>
<tr>
<td>FY09</td>
<td>48</td>
</tr>
<tr>
<td>FY10</td>
<td>60</td>
</tr>
<tr>
<td>FY11</td>
<td>67</td>
</tr>
</tbody>
</table>

POWERGRID – One Nation, One Grid
Opportunities In Telecom Business

Telecom: Fiber Optic Business

- Network Coverage: Presently 20,600 km
  - Backbone 17,820 km (15,478 km overhead OPGW & 2,342 km Underground) with > 99.9% availability
  - Access Network 4,180 Km Underground
- Network Reach: All India; covering about 110 cities (including remote Areas of North Easter Region and Jammu & Kashmir)
- Faster Roll-out (~4 km in 2-3 days) & Live line installation
- Licenses: National Long Distance (NLD) and Internet Service Provider (ISP) and Infrastructure Provider (IP) Category - I
- Customer base: Major Telecoms, MNCs, BPOs, Govt, Corporate & Media
- Partner in implementation of ‘National Knowledge Network’ project of Govt. of India
- Involvement in becoming a part of National Optic Fiber Network (NOFN) project of Govt. of India

Telecom: Tower Leasing Business

- Infrastructure Sharing Agreement with Telecom Infrastructure Service Provider for using power line towers for mounting Telecom antennae

POWERGRID Broadband Telecom Network

POWERGRID – One Nation, One Grid
Company Overview

Key Highlights

Commitment to Community and Environment

Business Potential
Commitment Towards Green Environment

Environment and Social Policy & Procedure (ESPP) based on principles of Avoidance, Minimization and Mitigation
Certified to Social Accountability Standard (SA-8001: 2008)

- Specially designed high-rise towers (75m) to reduce tree cutting
- Application of Multi circuit and Compact towers to reduce corridor requirement
- Total Forest involvement reduced after implementation of ESPP
- Selected by The World Bank for Use of Country System (UCS)

Conferred Green Award – 2006 by World Bank

POWERGRID became the first Public Sector Undertaking in Power Sector to come out with a Sustainability Report

POWERGRID – One Nation, One Grid
Commitment to Community

Besides addressing rehabilitation & resettlement issues and community development through ESPP, POWERGRID has formulated its ‘Corporate Social Responsibility policy’ (CSR Policy) which addresses:

- Community Development in the neighborhood areas around its offices/sub-stations

- Socio-Economic issues at National level like employment, conservation and environment etc.

- CSR Policy primarily showcases POWERGRID’s abiding commitment and concern to pay back to society and environment for benefits it has reaped

- For FY12, 1% of FY11 net profit earmarked for CSR activities

Corporate Social Responsibility

CSR initiatives in the Areas of:

- Education, Self Employability
- Health
- Environment
- Tribal Welfare
- Livelihood
- Arts, Culture, Heritage & Sports
- Other Welfare Activities for Society/Environment
- Infrastructure
Company Overview

Key Highlights

Commitment to Community and Environment

Business Potential
Business Potential

- XI and XII Plan capacity addition targets of 62GW and 100GW respectively involving 32% and 57% participation by private sector
- Independent Power Producers (IPPs) setting up power generation plants, mainly in resource rich areas
- POWERGRID - Nodal agency for granting Long Term Open Access (LTA) for inter-state transmission of power
- LTOA granted to 135 nos. of IPPs for about 90GW
- 11 nos. of High Capacity Power Transmission Corridors (HCPTC) (400kV/765kV AC and +/-800kV HVDC transmission highways) are being implemented
  - Regulatory approval for 9 corridors received
  - For balance 2, regulatory approval in process
- To be developed in phases matching with commissioning of the generation projects
- Estimated cost of corridors - about US$ 16 billion

POWERGRID – One Nation, One Grid
Emerging Regulatory Environment in India
- Tariff Based Bidding norms adopted in India from 5th Jan, 2011
- POWERGRID also participating in these biddings

Linkages with neighboring countries
- Taken initiative among SAARC member countries for optimizing the energy resources of the region
- Transmission links exist between Bhutan and Nepal
- 500MW HVDC interconnection is under implementation with Bangladesh
- Initiated steps to establish
  - Additional transmission links with Nepal & Bhutan
  - Establish an under-sea link to Sri Lanka

POWERGRID – One Nation, One Grid
Thank You