पावरग्रिड

POWER GRID CORPORATION OF INDIA LIMITED

Our Company was incorporated in New Delhi on October 23, 1989 under the Companies Act, 1956 (the "**Companies Act**") as a public limited company under the name 'National Power Transmission Corporation Limited'. For more information on change in the name of our Company and our registered office, see *"History and Certain Corporate Matters"* on page 130 of the RHP filed with RoC. **Registered Office:** B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi 110 016, India **Tel:** +91 (11) 2656 0112 **Fax:** +91 (11) 2656 4849. **Corporate Office:** "Saudamini", Plot No.2, Sector 29, Gurgaon 122 001, Haryana, India **Tel:** +91 (124) 2571 700 **Fax:** +91 (124) 2571 848. **Company Secretary and Compliance Officer:** Ms. Divya Tandon, Company Secretary **Tel:** +91 (124) 2571 968 **Fax:** +91 (124) 2571 891 **E-mail:** investors@powergridindia.com. **Website:** www.powergridindia.com. **Promoter**: President of India, acting through the Ministry of Power, Government of India ("**MoP**") and the Ministry of Development of North Eastern Region, Government of India ("**MoDoNER**")

PUBLIC NOTICE

FURTHER PUBLIC ISSUE OF 841,768,246 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE OF POWER GRID CORPORATION OF INDIA LIMITED ("POWER GRID", "OUR COMPANY" OR "THE ISSUER") AGGREGATING ₹ [•] MILLION (THE "ISSUE"). THE ISSUE COMPRISES A FRESH ISSUE OF 420,884,123 EQUITY SHARES BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 420,884,123 EQUITY SHARES BY THE PRESIDENT OF INDIA ACTING THROUGH THE MINISTRY OF POWER, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER") (THE "OFFER FOR SALE"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF 838,378,646 EQUITY SHARES ("THE NET ISSUE") AND A RESERVATION OF 3,389,600 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE WOULD CONSTITUTE 18.2% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY AND THE NET ISSUE WOULD CONSTITUTE 18.1% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH.

In relation to the Issue, the Red Herring Prospectus dated October 21, 2010 (the "**Red Herring Prospectus**") of our Company was filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana (the "**RoC**") on October 22, 2010. All terms used herein and not specifically defined shall have the same meaning as ascribed to such terms under the Red Herring Prospectus.

With respect to the Red Herring Prospectus, the memorandum containing the salient features of the Red Herring Prospectus (the "**Abridged Prospectus**"), the statutory advertisement issued by our Company on November 3, 2010 and the Bid cum Application Forms relating to the Issue, as applicable, please note the following:

- According to the Platts Top 250 Energy Company Rankings for 2010 released on November 2, 2010, our Company is now number 8 on the list of fastest growing Asian energy companies. In the Red Herring Prospectus, reference has been made to the Platts Top 250 Energy Company Rankings for 2009, according to which we are number 15 on the list of fastest growing Asian energy companies. Therefore, references on pages 5, 84 and 134 of the Red Herring Prospectus, to the Platts Top 250 Energy Company Rankings for 2009, should be read as updated accordingly.
- On the cover page and pages iv, 377, 386 and 387 of the Red Herring Prospectus, references to the Mumbai and Delhi editions of the *Financial Express*, in which the Price Band, Retail Discount, Employee Discount and the minimum Bid lot for the Issue would be advertised at least one Working Day prior to the Bid Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, should be read as references to only the Delhi edition of the *Financial Express*. Additionally, our Company shall advertise the Price Band, Retail Discount, Employee Discount and the minimum Bid lot for the Issue at least one Working Day prior to the Bid Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, in the Mumbai edition of the *Economic Times*. There is no change with respect to the same advertisement appearing in the Delhi edition of the Jansatta.
- On pages xii and 362 of the Red Herring Prospectus, the following are to be deleted: (i) references stating that our Company has not registered and does not intend to register under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") in reliance upon Section 3(c)(7) thereof, (ii) references to offers and sales being made only to "qualified purchasers" as defined in Section 2(a)(51) of the U.S. Investment Company Act, (iii) references to the Issue being made in reliance upon Section 3(c)(7) of the U.S. Investment Company Act, and (iv) references to purchasers of Equity Shares inside the United States or who are U.S. persons being required to represent and agree that such purchaser is a "qualified purchasers" as defined in Section 2(a)(51) of the U.S. Investment Company Act.
- On pages 13 and 188 of the Red Herring Prospectus, the amount of our Company's lease receivables for the half year ended September 30, 2010 (unaudited), appearing as "(390.6)", should be read as "390.6". There are no other changes to the financial statements and references thereto included in the Red Herring Prospectus, including the amount of 'Net Cash Used in Investing Activities' as per the financial statements for the half year ended September 30, 2010 (unaudited).
- On pages 13 and 188 of the Red Herring Prospectus, the Gross loan raised without Foreign Exchange Rate Variation (**"FERV"**) adjustment ₹ 80237.3 million (Previous Year ₹ 5717.0 million) should be read as Gross loan raised without Foreign Exchange Rate Variation ("FERV") adjustment ₹ 37754.3 million (₹ 80237.3 million for Fiscal 2010 and ₹ 57171.0 million for Fiscal 2009). There are no other change to the financial statements and references thereto included in the Red Herring Prospectus, including the amount of 'Net cash from financing activities' as per the financial statements.
- On page 273 of the Red Herring Prospectus, the amount of long term loans raised in the half year ended September 30, 2010 appearing as '37869.5 million', should be read as '37754.3 million'. There are no other change to the financial statements and references thereto included in the Red Herring Prospectus, including the amount of 'Net cash from financing activities' as per the financial statements.
- Pursuant to the directive dated August 4, 2010 of the Ministry of Power and the letter dated September 24, 2010 from the Ministry of Corporate Affairs, GoI (the "**MCA**") with respect to the winding up of our Company's subsidiary, Byrnihat Transmission Company Limited ("**BTCL**"), as disclosed on pages 137-138 of the Red Herring Prospectus, BTCL has been dissolved with effect from October 23, 2010. Therefore, reference to BTCL pages i, 164, 165, 181, 203, 205, 234 shall be read as updated.
- On pages 132-133 of the Red Herring Prospectus, with respect to the table of major events of our Company, the column heading 'Fiscal' should be read as 'Year' (referring to calendar year). Accordingly, (a) the year in which the 220 KV Double circuit Transmission line from Pul-e-Khumri to Kabul Transmission System in Afghanistan was completed, should be read as 'Year 2009' instead of 'Fiscal 2008', (b) the year in which the 220/110/20 KV Chimtala sub-station in Afghanistan was commissioned, should be read as 'Year 2009' instead of 'Fiscal 2010', and (c) the year in which our Company entered into an MoU with Jamia Millia Islamia University, should read as 'Year 2010' instead of 'Fiscal 2011'.
- On pages 172-174 of the Red Herring Prospectus, the ceiling of gratuity (calculated as per the basic pay and dearness allowance) to which certain of our Directors, namely, Mr. S.K. Chaturvedi, Mr. J. Sridharan, Mr. V.M. Kaul, Mr. R.N. Nayak and Mr. I.S. Jha, are entitled and appearing as '₹ 0.10 million', should be read as '₹ 1.0 million'.
- On page 284 of the Red Herring Prospectus, the date of the sanction letter issued by the Bank of Baroda, for a short-term loan of ₹ 5,000.0 million, appearing as 'March 23, 2009', should be read as 'March 23, 2010'.
- On page 379 of the Red Herring Prospectus, the third sentence appearing under "**Bids by Eligible NRIs**" should be read as follows: "*Eligible NRIs Bidding on a repatriation basis should use the Bid cum Application Form meant for Non-Residents (blue in color), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be.*"
- On page xv of the Red Herring Prospectus, in the table appearing under risk factor 2, details mentioned in rows 2, 4 and 5 and the total should be read as follows:

Nature of Proceedings	Number of Proceedings	Amount Involved
Public Interest Litigation and Environment Matters	7	-
Service Tax and Other Tax Matters	46	1,954.2**
Statutory Notices	1	7.6
Total	**2,811**	**12,218.6**

** *By Ministry of Finance notification (11 of 2010) dated February 27, 2010 and notification (45 of 2010) dated July 20, 2010 transmission and distribution of electricity has been exempted from service tax.*

However, note that there is no change under "***Outstanding Litigation and Material Developments***".

This notice is required to be read in conjunction with the Red Herring Prospectus, the Abridged Prospectus, the Bid cum Applications Forms, the statutory advertisement issued by our Company on November 3, 2010 and the Prospectus to be issued by our Company will be modified accordingly.

For Power Grid Corporation of India Limited
On behalf of the Board of Directors
Sd/-
J. Sridharan
Director (Finance)

November 3, 2010
New Delhi