

Ref. no.: CMG/SR/NHPC/2016-17/ 103

To, The General Manager- Market Operations BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street Fort, Mumbai-400001, Maharashtra Ref:- Security Code: 533098	To, The General Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai- 400051, Maharashtra Ref:- Symbol NHPC
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Dear Sir/Madam,

Subject: OFFER TO BUYBACK 81,13,47,977 (EIGHTY ONE CRORE THIRTEEN LAKH FORTY SEVEN THOUSAND NINE HUNDRED AND SEVENTY SEVEN) EQUITY SHARES OF FACE VALUE OF RS. 10 EACH AT A PRICE OF RS. 32.25 PER EQUITY SHARE BY NHPC LIMITED (THE "COMPANY") ON PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS ("BUYBACK OFFER").

This is in relation to the buyback of 81,13,47,977 (Eighty One Crore Thirteen Lakh Forty Seven Thousand Nine Hundred And Seventy Seven) fully paid-up equity shares of face value of Rs. 10 each ("Shares" or "Equity Shares") by the Company, from all the existing shareholders/ beneficial owners of Equity Shares of the Company (including the Promoter) as on the record date, on a proportionate basis, through the "Tender Offer" process, in accordance with the provisions of Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, as amended ("the Companies Act, 2013"), and the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "Buyback Regulations").

The Buyback Offer has been authorized pursuant to the resolution passed by the Board of Directors of the Company at its meeting held on Tuesday, February 7, 2017. The Company has appointed SBI Capital Markets Limited as the Manager to the Buyback Offer.

The buyback will be offered at the rate of Rs. 32.25 (Rupees Thirty Two And Twenty Five Paise Only) per Equity Share ("Buyback Offer Price") payable in cash, for an aggregate consideration of Rs. 2616,59,72,258.25 (Rupees Two Thousand Six Hundred Sixteen Crore Fifty Nine Lakh Seventy Two Thousand Two Hundred Fifty Eight And Twenty Five Paise) (the "Buyback Offer Size"). The Buyback Offer Size is not exceeding 10% of the aggregate of the fully paid-up share capital and free reserves, as per the audited accounts of the Company for the financial year ended March 31, 2016 (the last audited standalone financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the statutory limits. The maximum number of Equity Shares proposed to be bought back pursuant to the Buyback Offer represents approximately 7.33% of the total number of equity shares in the paid-up share capital of the Company.

Registered Office: 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005. Tel: 22178300, Fax: 22188333

Email:corporate.office@sbicaps.com Web: www.sbicaps.com CIN: U99999MH1986PLC040298

A Subsidiary of State Bank of India





Please find enclosed a printed copy and a compact disc containing the soft copy (in pdf version) of the Draft Letter of Offer dated February 10, 2017 of the Company in relation to the Buyback Offer ("Draft Letter of Offer") for your information and records.

Thanking you,

Yours sincerely,

For SBI Capital Markets Limited,


Authorized Signatory

Name: Sunita Kumari

Designation: Vice President

Enclosed: As above

Registered Office: 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005. Tel: 22178300, Fax: 22188332

Email: corporate.office@sbicaps.com Web: www.sbicaps.com CIN: U99999MH1986PLC040298

A Subsidiary of State Bank of India

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you, being an Eligible Shareholder (as defined hereinafter) of NHPC Limited (the "Company") as on the Record Date in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Buyback (SBI Capital Markets Limited) or to the Registrar to the Buyback (Karvy Computershare Private Limited). Please refer to the section on 'Definitions' for the definition of the capitalized terms used herein.



NHPC LIMITED

Registered Office: NHPC Office Complex, Sector-33, Faridabad - 121003, Haryana, India
CIN: L40101HR1975GOI032564

Contact Person: Mr. Vijay Gupta, Company Secretary and Compliance Officer
Tel: +91 (129) 225 4684, +91 (129) 227 8018, Fax: +91 (129) 225 8834; E-mail: companysecretary@nhpc.nic.in
Website: www.nhpcindia.com

OFFER TO BUYBACK 81,13,47,977 (EIGHTY ONE CRORE THIRTEEN LAKH FORTY SEVEN THOUSAND NINE HUNDRED AND SEVENTY SEVEN) FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹ 10 EACH, REPRESENTING APPROXIMATELY 7.33% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL OF THE COMPANY AS ON MARCH 31, 2016, FROM ALL THE EXISTING SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE i.e. MONDAY, FEBRUARY 20, 2017, ON A PROPORTIONATE BASIS, THROUGH THE "TENDER OFFER" PROCESS AT A PRICE OF ₹ 32.25 (RUPEES THIRTY TWO AND TWENTY FIVE PAISE ONLY) PER EQUITY SHARE FOR AN AGGREGATE CONSIDERATION OF ₹ 2616,59,72,258.25 (RUPEES TWO THOUSAND SIX HUNDRED SIXTEEN CRORE FIFTY NINE LAKH SEVENTY TWO THOUSAND TWO HUNDRED FIFTY EIGHT AND TWENTY FIVE PAISE)

- 1) The Buyback is in accordance with the provisions contained in Article 16A of the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014 (the "Share Capital Rules"), the Companies (Management and Administration) Rules, 2014, Regulation 4(1)(a) and other applicable provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 ("Buyback Regulations") and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory, regulatory or governmental authorities under applicable laws including but not limited to SEBI, the Stock Exchanges and Reserve Bank of India.
- 2) The Buyback Offer Size is not exceeding 10% of the aggregate of the fully paid-up share capital and free reserves, as per the audited accounts of the Company for the financial year ended March 31, 2016 (the last audited standalone financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the statutory limits of 10% of the aggregate of the fully paid up share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016. The Equity Shares proposed to be bought back represents approximately 7.33% of the total number of equity shares in the paid-up share capital of the Company.
- 3) The Letter of Offer is sent to the Eligible Shareholder(s) as on the Record Date i.e. Monday, February 20, 2017.
- 4) The procedure for acceptance is set out in paragraph 20 (*Procedure for Tender Offer and Settlement*) on page 37 of this Draft Letter of Offer. The Tender Form is enclosed together with the Letter of Offer.
- 5) For mode of payment of cash consideration to the Eligible Shareholders, please refer to paragraph 20.28 (*Method of Settlement*) on page 44 of this Draft Letter of Offer.
- 6) A copy of the Public Announcement, this Draft Letter of Offer and the Letter of Offer (including Tender Form) shall be available on the website of SEBI i.e. www.sebi.gov.in.
- 7) Eligible Shareholders are advised to refer to paragraph 17 (*Details of Statutory Approvals*) on page 33 of this Draft Letter of Offer and paragraph 21 (*Note on Taxation*) on page 45 of this Draft Letter of Offer before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: [●] Day, [●], 2017

BUYBACK CLOSES ON: [●] Day, [●], 2017

(LAST DATE/ TIME OF RECEIPT OF COMPLETED APPLICATIONS FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR): [●], Day, [●], 2017 by 5.00 PM

All future correspondence in relation to the Buyback, if any, should be addressed to Manager to the Buyback or Registrar to the Buyback at the respective addresses mentioned below:

MANAGER TO THE BUYBACK



SBI CAPITAL MARKETS LIMITED

202, Maker Tower E, Cuffe Parade
Mumbai 400 005

Contact person: Mr. Sambit Rath/ Mr. Gitesh Vargantwar

Tel: +91 (22) 2217 8300

Fax: +91 (22) 2218 8322

Email: nhpc.buyback2017@sbicaps.com

Website: www.sbicaps.com

SEBI Registration Number: INM000003531

Validity Period: Permanent

CIN: U99999MH1986PLC040298

REGISTRAR TO THE BUYBACK

KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032, Telangana, India

Contact Person: M. Murali Krishna/ R. Williams

Tel: +91 (040) 6716 2222

Fax: +91 (040) 2343 1551

E-mail: nhpc.buybackoffer@karvy.com;

Website: www.karvycomputershare.com;

SEBI Registration Number: INR000000221

Validity Period: Permanent

CIN: U72400TG2003PTC041636

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1. SCHEDULE OF THE ACTIVITIES OF THE BUYBACK OFFER

Activity	Date	Day
Date of Board Meeting approving the proposal of the Buyback	February 7, 2017	Tuesday
Date of Public Announcement for Buyback	February 8, 2017	Wednesday
Date of publication of the Public Announcement for the Buyback	February 9, 2017	Thursday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	February 20, 2017	Monday
Date of Opening of the Buyback Offer	[●]	[●]
Date of Closing of the Buyback Offer	[●]	[●]
Last date of receipt of the completed Tender Forms and other specified documents including physical Equity Share certificates by the Registrar	[●]	[●]
Last date of verification of Tender Forms by the Registrar to the Buyback	[●]	[●]
Last date of intimation to the Stock Exchange regarding acceptance / non- acceptance of tendered Equity Shares by the Registrar to the Buyback	[●]	[●]
Last date of settlement of bids on the Stock Exchanges	[●]	[●]
Last date of payment to shareholders/ dispatch of unaccepted share certificate(s) by the Registrar/ return of unaccepted demat shares by Stock Exchanges to Shareholder Broker/ Eligible Shareholders	[●]	[●]
Last date of extinguishment of Equity Shares bought back	[●]	[●]

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates

2 DEFINITION OF KEY TERMS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Companies Act, the Depositories Act, and the rules and regulations made thereunder.

Term	Description
Acceptance	Acceptance of Equity Shares, tendered by Eligible Shareholders in the Buyback Offer.
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Stock Exchanges in the form of a separate window in accordance with the SEBI Circulars.
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Equity Shareholder upto the extent of Equity Shares held by the Eligible Shareholder on the Record Date.
Articles/ AOA	Articles of Association of the Company.
Board/ Board of Directors/ Director(s)	Board of directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof).
Board Meeting	Meeting of the Board of Directors held on February 7, 2017 approving the proposal for the Buyback Offer.
BSE	BSE Limited
BSE Notice	Notice issued by BSE bearing number 20170202-34 dated February 2, 2017.
Buyback/ Buyback Offer / Offer	Buyback of 81,13,47,977 (Eighty One Crore Thirteen Lakh Forty Seven Thousand Nine Hundred and Seventy Seven) Equity Shares at a price of ₹ 32.25 (Rupees Thirty Two and Twenty Five Paise) per Equity Share for an aggregate consideration of ₹ 2616,59,72,258.25 (Rupees Two Thousand Six Hundred Sixteen Crore Fifty Nine Lakh Seventy Two Thousand Two Hundred Fifty Eight And Twenty Five Paise), on a proportionate basis, from the Eligible Shareholders by way of a tender offer through the stock exchange mechanism in terms of the Buyback Regulations read with SEBI Circulars and BSE Notice.
Buyback Offer Size	₹ 2616,59,72,258.25 (Rupees Two Thousand Six Hundred Sixteen Crore Fifty Nine Lakh Seventy Two Thousand Two Hundred Fifty Eight And Twenty Five Paise).
Buyback Committee/ Functional Authority/Authority	The Functional Authority of the Board, constituted and authorized for the purposes of the Buyback by way of a resolution of the Board dated February 7, 2017.
Buyback Entitlement/Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by such Eligible Shareholder on the Record Date and the ratio/ percentage of Buyback applicable in the category to which such Eligible Shareholder belongs.
Buyback Closing Date	[●]day, [●], 2017
Buyback Opening Date	[●]day, [●], 2017
Buyback Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time.
CDSL	Central Depository Services (India) Limited.
Clearing Corporation / ICCL	Indian Clearing Corporation Limited.
Company/NHPC/ "we"	NHPC Limited, unless the context states otherwise.
Companies Act, 1956	The Companies Act, 1956, as amended (to the extent applicable).
Companies Act, 2013	The Companies Act, 2013, as amended (to the extent notified).

Term	Description
Company's Broker	SBICAP Securities Limited.
CPSE	Central Public Sector Enterprise.
Depositories	Collectively, NSDL and CDSL.
Designated Stock Exchange	The designated stock exchange for the Buyback, being, BSE.
DIN	Director Identification Number.
Draft Letter of Offer/ Offer Document/ DLOF	This draft letter of offer dated February 10, 2017 filed with SEBI through the Manager to the Buyback, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations.
DP	Depository Participant.
DTAA	Double Taxation Avoidance Agreement.
Equity Shares/ Shares	Fully paid-up equity shares of face value ₹ 10 each of the Company.
Equity Shareholders/ Shareholders	Holders of the Equity Shares of the Company and includes beneficial owner(s) thereof.
Eligible Shareholder(s)	All shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. Monday, February 20, 2017.
Escrow Account	The escrow account titled "NHPC Limited - Buyback Escrow Account 2017" opened with the Escrow Agent in terms of the Escrow Agreement.
Escrow Agent	State Bank of India.
Escrow Agreement	The escrow agreement dated February 9, 2017 entered into between the Company, Escrow Agent and SBI Capital Markets Limited.
FEMA	Foreign Exchange Management Act, 1999, as amended.
FII(s)	Foreign Institutional Investor(s).
FPI(s)	Foreign Portfolio Investor(s).
Form / Tender Form	Form of Acceptance-cum-Acknowledgement to be filled in by the Eligible Shareholders to participate in the Buyback.
Financial Year/Fiscal/FY	Period of 12 months ended March 31 of that particular year.
HUF	Hindu Undivided Family.
Income Tax Act	Income-tax Act, 1961, as amended.
KYC	Know Your Customer.
Letter of Offer	Letter of Offer dated [●] to be filed with SEBI containing disclosures in relation to the Buyback as specified in the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer.
LTCG	Long-term Capital Gains.
Ltd.	Limited.
Manager / Manager to the Buyback/ SBICAP	SBI Capital Markets Limited.
NECS	National Electronic Clearing Service.
NEFT	National Electronic Funds Transfer.
Non-Resident Shareholders	Includes Non-Resident persons and bodies corporate, Non-Resident Indians (NRI), FII(s), FPI(s) and erstwhile OCBs.
NRE	Non Resident External.
NRI	Non Resident Indian.
NSE	National Stock Exchange of India Limited.
NSDL	National Securities Depository Limited.
OCB	Overseas Corporate Bodies.
Offer Period / Tendering Period	Period of 10 working days from the date of opening of the Buyback Offer till the closing of the Buyback Offer (both days inclusive).
Offer Price / Buyback Offer Price/ Buyback Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. ₹ 32.25 (Rupees Thirty Two and Twenty Five Paise) per Equity Share, payable in cash.
OFS	Offer For Sale.
PAN	Permanent Account Number.
Promoter	President of India, acting through Ministry of Power, Government of India.
Public Announcement / PA	The public announcement dated February 8, 2017, published on February 9, 2017 in accordance with the Buyback Regulations in all

Term	Description
	editions of the Economic Times (English National daily) and Navbharat Times (Hindi National daily and Regional Language daily), each with wide circulation.
Ratio of Buyback	The ratio of the Buyback: (i) For reserved category of Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Small Shareholder on the Record Date; and (ii) for General Category of Eligible Shareholders other than Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Eligible Shareholder on the Record Date.
RBI	Reserve Bank of India.
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom the Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be Monday, February 20, 2017.
Registrar to the Buyback / Registrar	Karvy Computershare Private Limited.
SEBI	Securities and Exchange Board of India.
SEBI Circulars	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/ CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time.
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
Shareholder Broker	A stock broker (who is a member of the BSE and/or NSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback.
Small Shareholder	An Eligible Shareholder, who holds Equity Shares of market value not more than Rs. 2,00,000 (Rupees two lakhs), on the basis of closing price on the recognized stock exchange registering the highest trading volume (being NSE/BSE), on the Record Date i.e. Monday, February 20, 2017.
STCG	Short-term Capital Gains.
Stock Exchanges	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed.
Tender Offer	Method of buyback as defined in Regulation 2(1)(o) of the Buyback Regulations.
TRS	Transaction Registration Slip.
Working Day	Working day shall have the meaning ascribed to it under the Buyback Regulations.

3 DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Draft Letter of Offer. The Manager to the Buyback, SBI Capital Markets Limited has certified that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act, 2013 and Buyback Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Draft Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, SBI Capital Markets Limited has furnished to SEBI a due diligence certificate dated February 10, 2017 in accordance with Buyback Regulations which reads as follows:

“We have examined various documents and materials contained in the annexure to the Letter of Offer, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement and the Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *The Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback Offer.*
- *All the legal requirements connected with the said Buyback Offer including SEBI (Buy Back of Securities) Regulations, 1998, have been duly complied with.*
- *The disclosures in the Public Announcement and the Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Shareholders of the Company to make a well informed decision in respect of the captioned Buyback Offer.*
- *Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended.”*

The filing of the Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The Promoter/ Board of Directors declare and confirm that no information/ material likely to have a bearing on the decision of the Eligible Shareholders has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to a mis-statement/ mis-representation, the Promoter/ Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013, Buyback Regulations and other applicable laws and regulations.

The Promoter/ Board of Directors also declare and confirm that funds borrowed from the banks and financial institutions will not be used for the Buyback.

Disclaimer for U.S. Persons:

The information contained in this Draft Letter of Offer is exclusively intended for persons who are not US Persons as such term is defined in Regulations of the US Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Disclaimer for Persons in other foreign countries:

This Draft Letter of Offer does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Forward Looking Statement:

This Draft Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'will', 'will continue', 'will pursue' or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

4 TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback Offer was considered and approved by the Board of Directors of the Company at their meeting held on February 7, 2017. The extracts of the minutes of the Board Meeting are as follows:

“RESOLVED THAT pursuant to the provisions of Article 16A of the Articles of Association of the Company, as amended, and the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (the **“Companies Act”**), and in accordance with the Companies (Share Capital and Debentures) Rules, 2014 (the **“Share Capital Rules”**) to the extent applicable, and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the **“Buyback Regulations”**), and any statutory modification(s) or re-enactment thereof, for the time being in force and, subject to such other approvals, permissions and sanctions of Securities and Exchange Board of India (**“SEBI”**), Registrar of Companies, National Capital Territory of Delhi and Haryana (the **“ROC”**) and/ or other authorities, institutions or bodies (the **“Appropriate Authorities”**), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the **“Board”** which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buy back by the Company of its fully paid-up equity shares of ₹10/- each not exceeding 81,13,47,977 (*Eighty One Crore Thirteen Lakh Forty Seven Thousand Nine Hundred Seventy Seven only*) equity shares (representing 7.33%) of the total number of equity shares in the paid-up share capital of the Company at a price of ₹ 32.25/- (Rupees Thirty Two Rupees Twenty Five Paise only) per equity share (the **“Buy Back Offer Price”**) payable in cash for an aggregate consideration not exceeding ₹ 26,16,59,72,258.25/- (Rupees Two Thousand Six Hundred Sixteen Crore Fifty Nine Lakh Seventy Two Thousand Two Hundred Fifty Eight and Twenty Five Paise only) (the **“Buyback Offer Size”**) which is not exceeding 10% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016 from the equity shareholders of the Company, as on the record date, on a proportionate basis, through the **Tender Offer** route as prescribed under the Buyback Regulations (hereinafter referred to as the **“Buyback”**).

RESOLVED FURTHER THAT the Company, to the extent legally permissible, implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time.

RESOLVED FURTHER THAT such Buyback may be made out of the Company’s free reserves and / or such other sources as may be permitted by law through “Tender Offer” route and as required by the Buyback Regulations and the Companies Act, the Company may buyback equity shares from all the existing members holding equity shares of the Company on a proportionate basis, provided 15% (fifteen percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders, as prescribed under proviso to Regulation 6 of the Buyback Regulations.

RESOLVED FURTHER THAT the Company has complied with and shall continue to comply with Section 70 of the Companies Act wherein:

- a) It shall not directly or indirectly purchase its own shares:
 - i. through any subsidiary company including its own subsidiary companies; or
 - ii. through any investment company or group of investment companies.
- b) There are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company, in the last three years.
- c) The Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Companies Act.

RESOLVED FURTHER THAT confirmation is hereby made by the Board of Directors that:

- a) all equity shares of the Company are fully paid up;
- b) the Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of this Board meeting;
- c) the Company shall not issue and allot any equity shares or other specified securities including by way of bonus, till the date of closure of this Buyback;
- d) the Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of its subsisting obligations.
- e) the Company shall not buy back its equity shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- f) that the aggregate consideration for Buyback not exceeding ₹ 26,16,59,72,258.25/- (Rupees Two Thousand Six Hundred Sixteen Crore Fifty Nine Lakh Seventy Two Thousand Two Hundred Fifty Eight and Twenty Five Paise only), does not exceed 10% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016 (the last audited financial statements available as on the date of the Board meeting);
- g) that the maximum number of equity shares proposed to be purchased under the Buyback i.e. 81,13,47,977 (*Eighty One Crore Thirteen Lakh Forty Seven Thousand Nine Hundred Seventy Seven only*) equity shares, does not exceed 25% of the total number of equity shares in the paid-up share capital of the Company;
- h) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback as prescribed under the Companies Act and rules made thereunder;
- i) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date.

RESOLVED FURTHER THAT in terms of Clause (x) of Part A of Schedule II under Regulation 5(1) of the Buyback Regulations, the Board hereby confirms that the Board of Directors have made a full enquiry into the affairs and prospects of the Company and that based on such full inquiry conducted into the affairs and prospects of the Company, the Board of Directors has formed an opinion that:

- a) Immediately following the date of this Board meeting, there will be no grounds on which the Company could be found unable to pay its debts;
- b) As regards the Company's prospects for the year immediately following the date of this Board meeting, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting; and
- c) In forming an opinion as aforesaid, the Board has taken into account the liabilities including prospective and contingent liabilities, as if the Company was being wound up under the provisions of the Companies Act, 1956 (to the extent applicable) and Companies Act (to the extent notified), as the case may be, including prospective and contingent liabilities.

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders including the Promoter of the Company as have been disclosed under the shareholding pattern filings made by the Company from time to time under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 ("**SEBI Takeover Regulations**") as the Board may consider appropriate, from its free reserves and/or share premium account and/or surplus and/or cash balances and/ or internal accruals of the Company and/or such other sources or by such mechanisms as may be permitted by Law, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.

RESOLVED FURTHER THAT the Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and/ or Financial Institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback.

RESOLVED FURTHER THAT the Company shall not Buyback the locked-in equity shares or other specified securities, if any and non-transferable equity shares or other specified securities, if any, till the pendency of the lock-in or till the equity shares or other specified securities become transferable.

RESOLVED FURTHER THAT the Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (“**Listing Regulations**”).

RESOLVED FURTHER THAT the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit, placed before the meeting be and is hereby approved and Shri K M Singh, Chairman & Managing Director and Shri Jayant Kumar, Director (Finance) be and are hereby authorized to finalise and sign the same, for and on behalf of the Board, and Shri Vijay Gupta, Company Secretary be and is hereby authorised to file the same with the ROC and the SEBI.

RESOLVED FURTHER THAT the Buyback from shareholders who are persons resident outside India including the Foreign Institutional Investors, Overseas Corporate Bodies, if any, shall be subject to such approvals, if and to the extent necessary or required including approvals from Reserve Bank of India under Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any.

RESOLVED FURTHER THAT as per the provisions of Section 68(8) of the Companies Act, the Company will not issue same kind of shares or other specified securities within a period of 6 months after the completion of the Buyback except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.

RESOLVED FURTHER THAT no information/ material likely to have a bearing on the decision of the investors has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to mis-statement/ misrepresentation, the Board and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013 and Buyback Regulations.

RESOLVED FURTHER THAT the buyback is being proposed in keeping with the Company’s desire to enhance overall shareholders value and the buyback would lead to reduction in total number of equity shares.

RESOLVED FURTHER THAT the consent of the Board is hereby accorded for fixing February 20, 2017 as the record date for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buyback.

RESOLVED FURTHER THAT a committee be constituted (“**Functional Authority**”) comprising of Chairman & Managing Director, Director (Finance) and Director (Projects) and that Company Secretary shall act as the Secretary to the Functional Authority. Further, the Functional Authority is hereby authorized, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper, as the Functional Authority may consider to be in the best interests of the shareholders, including but not limited to:

- a. finalizing the terms of buyback like entitlement ratio, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the buyback;
- b. to enter into escrow arrangements as may be required in terms of the Buyback Regulations;
- c. opening, operation and closure of all necessary accounts, including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorizing persons to operate the said accounts;
- d. preparation, signing and filing of public announcement, the draft letter of offer/ letter of offer, declaration of solvency with the SEBI, ROC, the stock exchanges and other Appropriate Authority;
- e. making all applications to the Appropriate Authority for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any;

- f. extinguishment of dematerialized shares and physical destruction of share certificates and filing of certificate of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/ or the Board, as required under applicable law;
- g. to affix the Common Seal of the Company on relevant documents required to be executed for the buyback of shares in accordance with the provisions of the Articles of Association of the Company.
- h. sign, execute and deliver such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, stock exchanges, depositories and/or other Appropriate Authorities.
- i. obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law.
- j. dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time
- k. to delegate all or any of the authorities conferred on them to any Director(s)/ Officer(s)/ Authorized Signatory(ies)/ Representative(ies) of the Company.
- l. to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback.
- m. to settle and resolve any queries or difficulties raised by SEBI, stock exchanges, ROC and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback.

RESOLVED FURTHER THAT the quorum for any meeting of the Functional Authority for implementing the Buyback shall be any two members.

RESOLVED FURTHER THAT in terms of Regulation 19(3) of the Buyback Regulations, Shri Vijay Gupta, Company Secretary be and is hereby appointed as the Compliance Officer for the Buyback.

RESOLVED FURTHER THAT Director (Finance)/General Manager (Finance) be are hereby jointly and/or severally authorized to sign, execute and submit such applications, undertakings, agreements and other requisite documents, writings and deeds as may deem necessary for buyback offer.

RESOLVED FURTHER THAT the said Registrar to the proposed Buyback be and are hereby authorized to authenticate endorsements in any of the documents on behalf of the Company in respect of the proposed Buyback of Equity Shares.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer and/ or any obligation on the Company or the Board or the Functional Authority to buyback any shares and / or impair any power of the Company or the Board or the Functional Authority to terminate any process in relation to such buyback, if so permissible by Law.

RESOLVED FURTHER THAT the Company do maintain a register of securities bought back wherein details of equity shares bought back, consideration paid for the equity shares bought back, date of cancellation of equity shares and date of extinguishing and physically destroying of equity shares and such other particulars as may be prescribed, shall be entered and that the Company Secretary of the Company be and is hereby authorised to authenticate the entries made in the said register.

RESOLVED FURTHER THAT any of the Directors of the Company and /or the Company Secretary for the time being, be and are hereby severally authorized to file necessary e-forms/ forms with the Registrar of Companies, Delhi and Haryana and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

RESOLVED FURTHER THAT for the purpose of coordinating with the Securities and Exchange Board of India (“SEBI”) in terms of the circular bearing number CIR/ CFD/POLICYCELL/1/2015 dated

April 13, 2015 read with circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time issued by SEBI, approval of the Board be and is hereby accorded to appoint BSE as the Designated Stock Exchange for the proposed Buyback of Equity Shares.

RESOLVED FURTHER THAT Shri Vijay Gupta, Company Secretary of the Company be and are hereby severally authorized to intimate BSE and to comply with all formalities in this regard”.

5 DETAILS OF PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 8(1) of the Buyback Regulations, the Company has made a Public Announcement dated February 8, 2017 in relation to the Buyback which was published on February 9, 2017 in the following newspapers:

Publication	Language	Editions
Economic Times	English	All editions
Navbharat Times	Hindi and Regional	All editions

The Public Announcement was issued within two working days from the date of the Board Meeting at which the Buyback was approved.

The Public Announcement is available on the SEBI website at www.sebi.gov.in.

6 DETAILS OF THE BUYBACK

The Board of Directors of the Company at their meeting held on February 7, 2017 (“**Board Meeting**”), pursuant to the provisions contained in the Article 16A of the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions if any, of the Companies Act, the Share Capital Rules, the Companies (Management and Administration) Rules, 2014, (the “**Management Rules**”) including any statutory modification or re-enactment thereof for the time being in force and the provisions contained in the Buyback Regulations, approved the Buyback of 81,13,47,977 (Eighty One Crore Thirteen Lakh Forty Seven Thousand Nine Hundred and Seventy Seven) fully paid-up equity shares of face value ₹ 10 each from all the Eligible Shareholders of the Company as on the record date (i.e. Monday, February 20, 2017), on a proportionate basis, through the “**Tender Offer**” route, at a price of ₹ 32.25 (Rupees Thirty Two and Twenty Five Paise) per Equity Share payable in cash, for an aggregate consideration of ₹ 2616,59,72,258.25 (Rupees Two Thousand Six Hundred Sixteen Crore Fifty Nine Lakh Seventy Two Thousand Two Hundred Fifty Eight And Twenty Five Paise).

The Buyback is subject to such other approvals as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE and NSE.

The Buyback Offer Size does not exceed 10% of the aggregate of the Company’s fully paid-up equity share capital and free reserves, as per the audited accounts of the Company for the financial year ended March 31, 2016 (the last audited standalone financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the statutory limits of 10% of the fully paid up equity share capital and free reserves as per the latest audited accounts of the Company for the financial year ended March 31, 2016 and is within the power of Board of Directors of the Company. The maximum number of Equity Shares proposed to be bought back represents approximately 7.33% of the total number of equity shares in the paid-up share capital of the Company which is not exceeding 25% of the total number of equity shares in the paid-up share capital of the Company.

The maximum amount required by the Company for the Buyback Offer Size will be met out of fixed deposits of the Company lying with the bank and/or investments in government securities and/or investments in tax free bonds and is within permissible limits. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet. The Company confirms that as required under Section 68(2) (d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the fully paid-up share capital and free reserves after the Buyback.

The Buyback Offer Price of ₹ 32.25 (Rupees Thirty Two and Twenty Five Paise) per Equity Share has been arrived at after considering various factors such as the volume weighted average price of the Equity Shares

on the Stock Exchanges, the net-worth of the Company and the impact of the Buyback on the key financial ratios of the Company. The Buyback Offer Price represents (i) a premium of 20.79% and 20.74% over the volume weighted average prices of the Equity Shares on BSE and NSE, respectively, during the six months period prior to February 2, 2017 (i.e. the date of intimation to the Stock Exchanges regarding the Board Meeting); and (ii) a premium of 13.86% and 13.84% over the volume weighted average prices of the Equity Shares on the BSE and NSE, respectively, for two weeks prior to February 2, 2017 (i.e. the date of intimation to the Stock Exchanges regarding the convening of the Board Meeting). The closing price of the equity shares on February 7, 2017, being the date of meeting of the Board of Directors approving the buy-back, was ₹ 31.25 and ₹ 31.30 on BSE and NSE, respectively.

The Buyback shall be on a proportionate basis from all the Eligible Shareholders of the Company as on the Record Date i.e. Monday, February 20, 2017 through the “**Tender Offer**” process, as prescribed under Regulation 4(1)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Eligible Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI Circulars and BSE Notice.

The aggregate shareholding of the Promoter as on the date of the Board Meeting (i.e. February 7, 2017) and the date of Public Announcement (i.e. February 8, 2017) is as follows:

S. No	Name of the Promoter	Number of Equity Shares held	Number of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
1.	President of India acting through Ministry of Power, Government of India	8,24,82,85,361	8,24,82,85,361	74.51%

In terms of the Buyback Regulations, under the Tender Offer process, the Promoter of the Company has the option to participate in the Buyback. In this regard, the Promoter has expressed its intention, vide its letter dated February 7, 2017 to participate in the Buyback, as follows:

S. No.	Name	Number of Equity Shares held	Maximum Equity Shares intended to be offered in the Buyback
1.	President of India acting through Ministry of Power, Government of India	8,24,82,85,361	81,13,47,977

Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoters in the Company may increase or decrease from the existing 74.51% holding in the total paid-up equity share capital and voting rights of the Company. The Promoters of the Company are already in control over the Company and therefore such increase/decrease in voting rights of the Promoters will not result in any change in control over the Company.

Post Buyback, the non-promoter shareholding of the Company may increase or decrease from the existing 25.49% of the post Buyback equity share capital of the Company. In case the non-promoter shareholding post Buyback falls short of the minimum public shareholding as per the listing conditions/ SEBI Listing Regulations, the Company shall achieve the minimum level of public shareholding as specified in Rule 19(2) and/ or Rule 19A of Securities Contracts (Regulation) Rules, 1957 within the timeframe as prescribed in Securities Contracts (Second Amendment) Rules, 2014, notification dated August 22, 2014.

7 AUTHORITY FOR THE BUYBACK

The Buyback is in accordance with the provisions of Article 16A of the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, as amended, the Share Capital Rules, the Management Rules and Regulation 4(1)(a) and other applicable provisions contained in the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI and Stock Exchanges.

The Board of Directors at their meeting held on February 7, 2017 passed a resolution approving buyback of Equity Shares of the Company.

8 NECESSITY OF THE BUYBACK

A share buyback is the acquisition by a company of its own shares. The objective is to return surplus cash to the members holding equity shares of the company. The buyback through the tender offer route gives an option to all the shareholders, including the promoter, to receive the surplus cash by participating and tendering equity shares in the buyback.

The Board of Directors of the Company is of the view that the proposed Buyback will help the Company to optimize the capital structure and achieve improved ratios viz. earnings per share, return on investments, etc.

This may lead to reduction in outstanding shares, improvement in EPS and enhanced return on invested capital. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

9 MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- 9.1 The Buyback is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming there is full response to the Buyback to the extent of 100%, the funds deployed by the Company towards the Buyback would be ₹ 2616,59,72,258.25 (Rupees Two Thousand Six Hundred Sixteen Crore Fifty Nine Lakh Seventy Two Thousand Two Hundred Fifty Eight And Twenty Five Paise) excluding expenses incurred or to be incurred for the Buyback viz. SEBI filing fees, Stock Exchanges fees, advisors' fees, public announcement publication expenses, printing & dispatch expenses, brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty and other incidental & related expenses.
- 9.2 The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations. The Buyback is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company.
- 9.3 In terms of the Buyback Regulations, under the Tender Offer process, the Promoter of the Company has the option to participate in the Buyback. In this regard, the Promoter has expressed its intention, vide its letter dated February 7, 2017 to participate in the Buyback and tender 81,13,47,977 (Eighty One Crore Thirteen Lakh Forty Seven Thousand Nine Hundred and Seventy Seven) Equity Shares.
- 9.4 Since the entire shareholding of the Promoter is in demat mode, the details of the entire Promoter built up as disclosed financial year wise till date as per the information provided by the Promoter vide its letter dated February 7, 2017, appear hereunder:

Transaction Period	No. of Equity Shares	Net Acquisition/ Sale Consideration (₹)	Nature of Transaction/ Consideration
Financial Year 1976-77	5,233	52,33,000	Allotment for cash
Financial Year 1977-78	1,00,702	10,07,02,000	Allotment for cash
	6,29,529	62,95,29,000	Other than cash
Financial Year 1978-79	98,298	9,82,98,000	Allotment for cash
	1	1,000	Allotment for cash (₹ 400) and Other than cash (₹ 600)
Financial Year 1980-81	1,46,150	14,61,50,000	Allotment for cash
Financial Year 1981-82	48,300	4,83,00,000	Allotment for cash
Financial Year 1982-83	2,70,000	27,00,00,000	Allotment for cash
Financial Year 1983-84	3,57,850	35,78,50,000	Allotment for cash
Financial Year 1984-85	5,67,038	56,70,38,000	Allotment for cash
Financial Year 1985-86	20,68,165	2,06,81,65,000	Allotment for cash

Transaction Period	No. of Equity Shares	Net Acquisition/ Sale Consideration (₹)	Nature of Transaction/ Consideration
Financial Year 1986-87	11,18,546	1,11,85,46,000	Allotment for cash
Financial Year 1987-88	16,15,581	1,61,55,81,000	Allotment for cash
Financial Year 1988-89	9,52,547	95,25,47,000	Allotment for cash
Financial Year 1989-90	5,09,700	50,97,00,000	Allotment for cash
Financial Year 1990-91	77,05,400	7,70,54,00,000	Allotment for cash
Financial Year 1991-92	30,31,100	3,03,11,00,000	Allotment for cash
Financial Year 1992-93	33,28,200	3,32,82,00,000	Allotment for cash
Financial Year 1993-94	24,38,500	2,43,85,00,000	Allotment for cash
Financial Year 1996-97	(20,56,461)*	2,05,64,61,000	Reduction of Share Capital
	20,58,600	2,05,86,00,000	Allotment for cash
Financial Year 1997-98	(2,38,832)*	23,88,32,000	Reduction of Share Capital
	49,32,800	4,93,28,00,000	Allotment for cash
Financial Year 1998-99	36,89,000	3,68,90,00,000	Allotment for cash
Financial Year 1999-00	65,96,500	6,59,65,00,000	Allotment for cash
Financial Year 2000-01	61,72,500	6,17,25,00,000	Allotment for cash
Financial Year 2001-02	67,85,600	6,78,56,00,000	Allotment for cash
Financial Year 2002-03	1,40,03,350	14,00,33,50,000	Allotment for cash
Financial Year 2003-04	1,08,22,400	10,82,24,00,000	Allotment for cash
Financial Year 2004-05	1,64,99,900	16,49,99,00,000	Allotment for cash
Financial Year 2005-06	78,96,623	7,89,66,23,000	Allotment for cash
Financial Year 2006-07	66,62,600	6,66,26,00,000	Allotment for cash
	The equity shares of ₹ 1,000 each were split into Equity Shares of the face value of ₹ 10 each. ¹		Split
	31,66,70,500	3,16,67,05,000	Allotment of cash
Financial Year 2007-08	(2,45,50,000) [^]	24,55,00,000	Reduction of Share Capital
	88,30,930	8,83,09,300	Allotment for cash
Financial Year 2008-09	(55,91,24,672)	20,12,84,88,192	Disinvestment Through IPO ²
Financial Year 2013-14	(1,10,71,59,036)	21,31,28,11,443	Buyback Of Shares ³
Financial Year 2016-17	(1,25,76,27,941)	2719,54,99,131.02	Offer for Sale ⁴
	(1,02,96,420)	21,27,24,037.20	Offer for Sale to Employees ⁵
Total Current Holding	8,24,82,85,361		

* Reduction of share capital on account of transfer of transmission assets to Power Grid Corporation of India Limited

[^] Reduction of share capital on account of closure of Koel Karo hydroelectric project in the state of Jharkhand.

Notes:

- ¹ Pursuant to the spilt of face value of equity shares of the Company from ₹ 1000 to ₹ 10 each on March 13, 2007, the shareholding of the Promoter was changed from 10,88,15,420 shares of ₹ 1,000 each to 1088,15,42,000 shares of ₹ 10 each.
- ² On August 26, 2009, 55,91,24,672 Equity Shares of the Promoter were disinvested through IPO at a price of ₹ 36 per share.
- ³ On December 19, 2013, 110,71,59,036 Equity Shares of the Promoter were bought back by the Company at a price of ₹ 19.25 per share.
- ⁴ On April 28, 2016, 125,76,27,941 Equity Shares of the Promoter were sold vide offer for sale at a price of ₹ 21.75 per share. A discount of 5% to the Cut-Off Price was offered to the retail investors.
- ⁵ On November 21, 2016, 1,02,96,420 Equity Shares of the Promoter were sold vide offer for sale to employees at a price of ₹ 20.66 per share.

9.5 Assuming that the Promoter i.e. President of India acting through Ministry of Power, Government of India, tenders 81,13,47,977 Equity Shares in the Buyback (in accordance with the declaration provided by them) and if:

- All the public Shareholders participate upto their entitlement (full acceptance), then the aggregate shareholding of the Promoter, post Buyback may increase from the existing 74.51% to [●]% and the aggregate shareholding of the public in the Company shall decrease from the existing 25.49% to [●]% of the post Buyback equity share capital of the Company; or
- None of the public shareholders participate, then the aggregate shareholding of the Promoter, post Buyback will decrease from the existing 74.51% to [●]% and the aggregate shareholding of the

public in the Company shall increase from the existing 25.49% to [●]% of the post Buyback equity share capital of the Company.

- 9.6 The Buyback shall not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.7 Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, FIIs, FPIs, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern of the Company would undergo a change. The FIIs/ FPIs are advised to ensure that their investment in the Company continue to be within the limit prescribed under applicable laws, post completion of the Buyback.
- 9.8 The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed under Section 68 of the Companies Act, 2013, even if the response to the Buyback is to the extent of 100% (full acceptance) of the Buyback Offer Size.
- 9.9 In compliance with regulation 19 (1) (b) of the Buyback Regulations, the Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
- 9.10 The Company shall not raise further capital for a period of one year from the closure of Buyback Offer except in discharge of its subsisting obligations.
- 9.11 The Board of Directors of the Company, in their meeting held on January 12, 2017 declared an interim dividend of ₹ 1.70 per Equity Share for the financial year 2016-17.
- 9.12 Salient financial parameters consequent to the Buyback based on the standalone latest audited financial statements as on March 31, 2016 of the Company are as under:

Parameters	Pre-Buyback		Post- Buyback*	
	Net worth (₹ in Crores)	28,751.95		26,135.36
Return on Networth (%)	8.49%		9.34%	
Earnings Per Share (Basic) (₹) (of ₹ 10 each)	2.20		#2.38	
Book Value per Share (₹)	25.97		25.47	
Price/Earning as per the latest audited financial results based on the closing market price as on 07/02/2017	NSE	BSE	NSE	BSE
	14.23	14.20	13.15	13.13
Total Debt/ Equity Ratio	0.70		0.77	

* Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback

Assuming extinguishment of shares under proposed buyback of shares on 31/03/2017

Note:

1. Net worth = Equity Share Capital + Reserves & Surplus – Miscellaneous Expenditure to the extent not written off.
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

The key ratios have been computed as below:

Key Ratios basis:

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Average number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Share Capital + Reserves and Surplus) / No. of Equity Shares outstanding at the end of the period
Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	(Long Term Borrowing + Short Term Borrowings + Current Maturities of Long Term Borrowings) / Net Worth

P/E as per latest audited financial results	Market Value per Share / Earnings per Share Market value has been taken as ₹ 31.30 on NSE and ₹ 31.25 on BSE as of 07/02/2017 for both pre and post buyback P/E ratio being the date of Board Meeting approving the Buyback.
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10 BASIS OF CALCULATING BUYBACK PRICE

- 10.1 The Buyback price of ₹ 32.25 (Rupees Thirty Two and Twenty Five Paise) per Equity Share has been arrived at after considering various factors such as the volume weighted average price of the Equity Shares on the Stock Exchanges where the equity shares of the Company are listed, the net worth of the Company and the impact of the Buyback on the key financial ratios of the Company.
- 10.2 The Buyback Offer Price represents (i) a premium of 20.79% and 20.74% over the volume weighted average prices of the Equity Shares on BSE and NSE, respectively, during the six months period prior to February 2, 2017 (i.e. the date of intimation to the Stock Exchanges regarding the Board Meeting); and (ii) a premium of 13.86% and 13.84% over the volume weighted average prices of the Equity Shares on the BSE and NSE, respectively, for two weeks prior to February 2, 2017 (i.e. the date of intimation to the Stock Exchanges regarding the convening of the Board Meeting). The closing price of the equity shares on February 7, 2017, being the date of meeting of the Board of Directors approving the buy-back, was ₹ 31.25 and ₹ 31.30 on BSE and NSE, respectively.
- 10.3 For trends in the market price of the Equity Shares of the Company, please refer to paragraph 16 (*Stock Market Data*) of this Draft Letter of Offer.
- 10.4 The closing market price of the Equity Shares as on the date of intimation to the Stock Exchanges for the Board Meeting for considering the Buyback i.e. February 2, 2017, was ₹ 30.80 and ₹ 30.85 on BSE and NSE, respectively.
- 10.5 The book value of the Company pre-Buyback as on March 31, 2016 was ₹ 25.97, which will decrease to ₹ 25.47 post Buyback Offer based on the assumption of full acceptance of the Buyback and subject to the notes mentioned to table on salient financial parameters in paragraph 9.12 of this Draft Letter of Offer.
- 10.6 The earning per share of the Company pre-Buyback as on March 31, 2016 was ₹ 2.20 which will increase to ₹ 2.38 post Buyback based on the assumption of full acceptance of the Buyback and subject to the notes mentioned to table on salient financial parameters in paragraph 9.12 of this Draft Letter of Offer.
- 10.7 The Return on Net-worth of the Company pre-Buyback as on March 31, 2016 was 8.49% which will increase to 9.34% post Buyback based on the assumption of full acceptance of the Buyback and subject to the notes mentioned to table on salient financial parameters in paragraph 9.12 of this Draft Letter of Offer.

11 SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback of 81,13,47,977 (Eighty One Crore Thirteen Lakh Forty Seven Thousand Nine Hundred and Seventy Seven) Equity Shares at a price of ₹ 32.25 (Rupees Thirty Two and Twenty Five Paise) per Equity Share would be ₹ 2616,59,72,258.25 (Rupees Two Thousand Six Hundred Sixteen Crore Fifty Nine Lakh Seventy Two Thousand Two Hundred Fifty Eight And Twenty Five Paise) (excluding expenses incurred or to be incurred for the Buyback viz. SEBI filing fees, Stock Exchanges fees, advisors' fees, public announcement publication expenses, printing & dispatch expenses, brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty and other incidental & related expenses).
- 11.2 The Buyback shall be made out of the free reserves of the Company as at March 31, 2016 (the last audited standalone financial statements available as on the date of Board Meeting recommending the proposal of the Buyback). The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet and Annual Report(s).
- 11.3 The funds for the Buyback will be met out of fixed deposits lying with Banks and/or investments in government securities and/or investments in tax free bonds. The Company does not intend to raise

additional debt for the explicit purposes of the Buyback. Accordingly, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.

- 11.4 The Buyback Offer is not likely to cause any material impact on the earnings of the Company, except for the cost of financing the Buyback, being a reduction in the treasury income that the Company could have otherwise earned on the funds deployed.

12 DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN

- 12.1 In accordance with Regulation 10 of the Buyback Regulations, the Company has appointed State Bank of India having its registered office at State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai - 400 021, as the Escrow Agent for the aforementioned Buyback. An Escrow Agreement dated February 9, 2017 has been entered into amongst the Company, SBI Capital Markets Limited and Escrow Agent.
- 12.2 In accordance with the Escrow Agreement, the Company has opened an Escrow Account in the name and style "NHPC Limited - Buyback Escrow Account 2017" bearing account number 36530278386 with the Escrow Agent. In accordance with Regulation 10 of the Buyback Regulations, the Company undertakes to issue a bank guarantee in favor of the Manager to the Buyback and deposit the applicable amount in the Escrow Account on or before the opening of the Buyback Offer. SBI Capital Markets Limited has been empowered to operate the Escrow Account in accordance with the Buyback Regulations.
- 12.3 (a) M/s Gupta Gupta & Associates, Chartered Accountants (Firm Registration number 001728N), located at 142/3, Trikuta Nagar, Jammu-180012, Jammu & Kashmir, Tel. No.: +91 191 2472121, 2474400, Fax.: +91 191 2472 212; Contact Person: R. K. Gupta (Membership No. 085074); (b) M/s S. N. Dhawan & Co. LLP, Chartered Accountants, (Firm Registration number 000050N/N500045), located at 410, Ansal Bhawan, 16, KG Marg, New Delhi-110001, Tel. No.: +91 11 4368 4444, Fax.: +91 11 4368 4407; Contact Person: Suresh Seth (Membership No. 010577) ; and (c) M/s Ray & Ray, Chartered Accountants (Firm Registration number 301072E), located at Webel Bhawan, Ground Floor, Block EP & GP, Salt Lake, Kolkata-700091, Tel. No.: +91 33 40648107/ 8108/ 8109, Fax.: +91 33 22480547; Contact Person: Asish Kumar Mukhopadhyay (Membership No. 056359) have certified, vide their certificate dated February 7, 2017 that the Company has adequate financial resources for fulfilling all obligations under the Buyback Offer.
- 12.4 Based on the above certificate, the Manager to the Buyback has satisfied itself about the ability of the Company to implement the Buyback Offer in accordance with the Buyback Regulations.

13 CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 The capital structure of the Company, as on the date of the Public Announcement (i.e. February 8, 2017), is as follows:

Particulars	Aggregate value at face value (₹ in crore)
Authorised share capital	
1500,00,00,000 Equity Shares of ₹ 10 each	15,000.00
Issued, subscribed and paid up share capital	
1107,06,68,496 Equity Shares of ₹ 10 each, fully paid up	11,070.67
Issued, subscribed and paid up share capital after the Buyback	
10,25,93,20,519 Equity Shares of ₹ 10 each, fully paid up	10,259.32*

*Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback

- 13.2 During the 3 years preceding the date of the Public Announcement (i.e. February 8, 2017), the Company has not bought back any Equity Shares under any Buyback programme.
- 13.3 As on the date of the Public Announcement (i.e. February 8, 2017), there are no outstanding preference shares, partly paid-up Equity Shares or outstanding convertible instruments or calls in arrears.
- 13.4 The shareholding pattern of the Company pre-Buyback, as on the record date (i.e. February 20, 2017), as well as the post Buyback (assuming full acceptance of the Buyback) shareholding, is as shown below:

Particulars	Pre Buyback		Post Buyback*	
	No. of Equity Shares	% of the existing equity share capital	No. of Equity Shares	% of the post Buyback equity share capital
Promoters	[●]	[●]	[●]	[●]
Foreign Investors (including Non Resident Indians, FIIs, FPIs and Foreign Mutual Funds)	[●]	[●]		
Financial Institutions/ Banks/ Mutual Funds promoted by Banks/ Institutions	[●]	[●]	[●]	[●]
Other (public, public bodies corporate etc.)	[●]	[●]		
Total	11,07,06,68,496	100.00	[●]	[●]

*Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback.

13.5 Assuming that the Promoter i.e. President of India acting through Ministry of Power, Government of India, tenders 81,13,47,977 (Eighty One Crore Thirteen Lakh Forty Seven Thousand Nine Hundred and Seventy Seven) Equity Shares in the Buyback (in accordance with the declaration provided by them), the shareholding of the Promoter, post Buyback will increase to [●]% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to [●]% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.

13.6 No Equity Shares or other specified securities in the Company were either purchased or sold by the Promoters during the period of six months preceding the date of the Board Meeting at which the buy-back was approved, except the following:

Date of Transaction	Aggregate no. of shares purchased or sold	Nature of transaction	Maximum price (₹)	Date of maximum price	Minimum price (₹)	Date of minimum price
November 21, 2016	1,02,96,420	Offer for sale to employees	20.66	November 21, 2016	20.66	November 21, 2016

Subsequent to the date of Board Meeting at which the buyback was approved i.e. February 7, 2017, the Promoter of the Company has not entered into any transactions in relation to the Equity Shares of the Company.

13.7 Details of purchase/ sale/ transfer of Equity Shares by the Promoter of the Company during the period of twelve months preceding the date of the Public Announcement (i.e. February 8, 2017):

Date of Transaction	Aggregate no. of shares purchased or sold	Nature of transaction	Maximum price (₹)	Date of maximum price	Minimum price (₹)	Date of minimum price
April 27, 2016	125,76,27,941	Offer for sale	22.00*	April 27, 2016	21.75*	April 27, 2016
April 28, 2016			25.00*	April 28, 2016	21.75*	April 28, 2016
November 21, 2016	1,02,96,420	Offer for sale to employees	20.66	November 21, 2016	20.66	November 21, 2016

*Due to non-availability of maximum and minimum price in public domain, maximum and minimum price bids available on BSE Limited are being disclosed.

13.8 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act, 2013.

13.9 The Company shall not issue any Equity Shares including by way of bonus, from the date of publication of the Public Announcement till the date of closure of this Buyback.

14 BRIEF INFORMATION ABOUT THE COMPANY

14.1 The Company was incorporated on November 7, 1975 under the Companies Act, 1956 as a private limited company under the name 'National Hydro Electric Power Corporation Private Limited'. The word 'private' was subsequently deleted from the name of the Company on September 18, 1976. The Company was converted to a public limited company w.e.f. April 2, 1986. The name of the Company was changed to its present name 'NHPC Limited' and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana on March 28, 2008.

14.2 The Company is a Mini Ratna Category-I Enterprise of the Government of India under the Ministry of Power. It executes all aspects of the development of hydroelectric projects from concept to commissioning. The business of the Company has grown from Total Income of Rs. 4,932.11 Crores in Fiscal 2011 to Rs. 8,353.82 Crores in Fiscal 2016.

14.3 The Company has developed and constructed 19 (nineteen) hydroelectric power stations and 1 (one) wind power project across the country with total installed capacity of 5,197 MW. Further, the Company is presently engaged in the construction of 3 (three) hydroelectric projects, which are expected to increase the total installed capacity by 3,130 MW. In addition, the company is also actively working on diversification in the field of Wind, Solar and Thermal power.

14.4 The registered office of the Company is situated at NHPC Limited, NHPC Office Complex, Sector - 33, Faridabad - 121 003, Haryana, India.

14.5 The Equity Shares of the Company were listed on NSE and BSE in the Fiscal 2010.

14.6 Details of the changes in share capital of the Company since incorporation are as follows:

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consider ation in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹ in Crore)
August 13, 1976	3,283	1,000	1,000	Cash	3,283	32,83,000	0.33
December 29, 1976	1,950	1,000	1,000	Cash	5,233	19,50,000	0.52
April 28, 1977	2	1,000	1,000	Cash	5, 235	2,000	0.52
September 3, 1977	40,000	1,000	1,000	Cash	45,235	4,00,00,000	4.52
February 28, 1978	6,29,529	1,000	1,000	Other than cash	6,74,764	62,95,29,000	67.48
February 28, 1978	60,700	1,000	1,000	Cash	7,35,464	6,07,00,000	73.55
September 18, 1978	73,298	1,000	1,000	Cash	8,08,762	7,32,98,000	80.88
February 2, 1979	25,000	1,000	1,000	Cash	8,33,762	2,50,00,000	83.38
August 6, 1980	1	1,000	1,000	Cash (Rs. 400)	8,33,763	1,000	83.38
				Other than cash (Rs. 600)			
March 31, 1981	1,46,150	1,000	1,000	Cash	9,79,913	14,61,50,000	97.99
December 21, 1981	15,000	1,000	1,000	Cash	9,94,913	1,50,00,000	99.49

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consider ation in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹ in Crore)
March 27,1982	33,300	1,000	1,000	Cash	10,28,213	3,33,00,000	102.82
June 14,1982	35,000	1,000	1,000	Cash	10,63,213	3,50,00,000	106.32
September 02,1982	36,000	1,000	1,000	Cash	10,99,213	3,60,00,000	109.92
December 14,1982	1,24,000	1,000	1,000	Cash	12,23,213	12,40,00,000	122.32
February 23,1983	15,000	1,000	1,000	Cash	12,38,213	1,50,00,000	123.82
March 26, 1983	60,000	1,000	1,000	Cash	12,98,213	6,00,00,000	129.82
June 6,1983	32,900	1,000	1,000	Cash	13,31,113	3,29,00,000	133.11
September 5, 1983	61,859	1,000	1,000	Cash	13,92,972	6,18,59,000	139.30
December 16, 1983	48,550	1,000	1,000	Cash	14,41,522	4,85,50,000	144.15
March 5,1984	2,14,541	1,000	1,000	Cash	16,56,063	21,45,41,000	165.61
May 14, 1984	1,39,579	1,000	1,000	Cash	17,95,642	13,95,79,000	179.56
January 8,1985	4,27,459	1,000	1,000	Cash	22,23,101	42,74,59,000	222.31
June 21,1985	11,75,665	1,000	1,000	Cash	33,98,766	1,17,56,65,000	339.88
November 18,1985	4,72,500	1,000	1,000	Cash	38,71,266	47,25,00,000	387.12
February 24,1986	4,20,000	1,000	1,000	Cash	42,91,266	42,00,00,000	429.13
June 6,1986	8,03,546	1,000	1,000	Cash	50,94,812	80,35,46,000	509.48
December 26,1986	3,05,000	1,000	1,000	Cash	53,99,812	30,50,00,000	539.98
March 31, 1987	10,000	1,000	1,000	Cash	54,09,812	1,00,00,000	540.98
April 29, 1987	3,31,200	1,000	1,000	Cash	57,41,012	33,12,00,000	574.10
November 25, 1987	11,26,681	1,000	1,000	Cash	68,67,693	1,12,66,81,000	686.77
March 9, 1988	1,57,700	1,000	1,000	Cash	70,25,393	15,77,00,000	702.54
May 4, 1988	1,62,258	1,000	1,000	Cash	71,87,651	16,22,58,000	718.77
August 17, 1988	4,75,000	1,000	1,000	Cash	76,62,651	47,50,00,000	766.27
December 28, 1988	2,49,500	1,000	1,000	Cash	79,12,151	24,95,00,000	791.22
March 27, 1989	65,789	1,000	1,000	Cash	79,77,940	6,57,89,000	797.80
December 28, 1989	5,09,700	1,000	1,000	Cash	84,87,640	50,97,00,000	848.76
April 2, 1990	1,04,800	1,000	1,000	Cash	85,92,440	10,48,00,000	859.24
July 16, 1990	41,50,400	1,000	1,000	Cash	1,27,42,840	4,15,04,00,000	1,274.28
August 30, 1990	2,50,000	1,000	1,000	Cash	1,29,92,840	25,00,00,000	1,299.28
October 29, 1990 and November 5, 1990	8,20,000	1,000	1,000	Cash	1,38,12,840	82,00,00,000	1,381.28
January 24, 1991	19,45,000	1,000	1,000	Cash	1,57,57,840	1,94,50,00,000	1,575.78

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consider ation in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹ in Crore)
February 26, 1991	4,35,200	1,000	1,000	Cash	1,61,93,040	43,52,00,000	1,619.30
May 13, 1991	9,26,300	1,000	1,000	Cash	1,71,19,340	92,63,00,000	1,711.93
July 17, 1991	6,40,000	1,000	1,000	Cash	1,77,59,340	64,00,00,000	1,775.93
August 9, 1991	2,15,000	1,000	1,000	Cash	1,79,74,340	21,50,00,000	1,797.43
November 27, 1991	7,11,800	1,000	1,000	Cash	1,86,86,140	71,18,00,000	1,868.61
December 24, 1991	5,38,000	1,000	1,000	Cash	1,92,24,140	53,80,00,000	1,922.41
June 19, 1992	11,87,200	1,000	1,000	Cash	2,04,11,340	1,18,72,00,000	2,041.13
August 5, 1992	3,90,000	1,000	1,000	Cash	2,08,01,340	39,00,00,000	2,080.13
October 9, 1992	6,05,000	1,000	1,000	Cash	2,14,06,340	60,50,00,000	2,140.63
November 27,1992	3,70,000	1,000	1,000	Cash	2,17,76,340	37,00,00,000	2,177.63
January 27,1993	7,76,000	1,000	1,000	Cash	2,25,52,340	77,60,00,000	2,255.23
July 2,1993	9,58,500	1,000	1,000	Cash	2,35,10,840	95,85,00,000	2,351.08
September 2,1993	5,60,000	1,000	1,000	Cash	2,40,70,840	56,00,00,000	2,407.08
November 25,1993	9,20,000	1,000	1,000	Cash	2,49,90,840	92,00,00,000	2,499.08
June 15,1996	(20,56,461)*	1,000	1,000	-	2,29,34,379	2,05,64,61,000	2,293.44
June 15,1996	20,58,600	1,000	1,000	Cash	2,49,92,979	2,05,86,00,000	2,499.30
July 25,1997	(2,38,832)*	1,000	1,000	-	2,47,54,147	23,88,32,000	2,475.41
July 25,1997	13,91,800	1,000	1,000	Cash	2,61,45,947	1,39,18,00,000	2,614.59
September 23,1997	5,11,000	1,000	1,000	Cash	2,66,56,947	51,10,00,000	2,665.69
November 1,1997	15,70,000	1,000	1,000	Cash	2,82,26,947	1,57,00,00,000	2,822.69
December 5,1997	5,00,000	1,000	1,000	Cash	2,87,26,947	50,00,00,000	2,872.69
February 21,1998	9,60,000	1,000	1,000	Cash	2,96,86,947	96,00,00,000	2,968.69
July 22,1998	10,65,000	1,000	1,000	Cash	3,07,51,947	1,06,50,00,000	3,075.19
September 18,1998	6,40,000	1,000	1,000	Cash	3,13,91,947	64,00,00,000	3,139.19
October 17,1998	3,30,000	1,000	1,000	Cash	3,17,21,947	33,00,00,000	3,172.19
November 13/19, 1998	50,000	1,000	1,000	Cash	3,17,71,947	5,00,00,000	3,177.19
January 4, 1999	5,44,200	1,000	1,000	Cash	3,23,16,147	54,42,00,000	3,231.61
January 29, 1999	50,000	1,000	1,000	Cash	3,23,66,147	5,00,00,000	3,236.61
March 19, 1999	10,09,800	1,000	1,000	Cash	3,33,75,947	1,00,98,00,000	3,337.59
April 28, 1999	6,06,400	1,000	1,000	Cash	3,39,82,347	60,64,00,000	3,398.23
July 31, 1999	8,42,600	1,000	1,000	Cash	3,48,24,947	84,26,00,000	3,482.49
July 31, 1999	6,30,000	1,000	1,000	Cash	3,54,54,947	63,00,00,000	3,545.49
August 27, 1999	13,14,600	1,000	1,000	Cash	3,67,69,547	1,31,46,00,000	3,676.95

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consider ation in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹ in Crore)
September 24, 1999	60,000	1,000	1,000	Cash	3,68,29,547	6,00,00,000	3,682.95
October 25, 1999	20,000	1,000	1,000	Cash	3,68,49,547	2,00,00,000	3,684.95
November 30, 1999	5,20,000	1,000	1,000	Cash	3,73,69,547	52,00,00,000	3,736.95
January 18, 2000	4,70,000	1,000	1,000	Cash	3,78,39,547	47,00,00,000	3,783.95
February 3, 2000	9,22,100	1,000	1,000	Cash	3,87,61,647	92,21,00,000	3,876.16
March 10, 2000	8,90,000	1,000	1,000	Cash	3,96,51,647	89,00,00,000	3,965.16
March 30, 2000	3,20,800	1,000	1,000	Cash	3,99,72,447	32,08,00,000	3,997.24
April 26, 2000	2,32,500	1,000	1,000	Cash	4,02,04,947	23,25,00,000	4,020.49
July 20, 2000	11,78,300	1,000	1,000	Cash	4,13,83,247	1,17,83,00,000	4,138.32
August 25, 2000	14,00,000	1,000	1,000	Cash	4,27,83,247	1,40,00,00,000	4,278.32
September 27, 2000	6,91,800	1,000	1,000	Cash	4,34,75,047	69,18,00,000	4,347.50
October 24, 2000	12,39,100	1,000	1,000	Cash	4,47,14,147	1,23,91,00,000	4,471.41
March 8, 2001	14,30,800	1,000	1,000	Cash	4,61,44,947	1,43,08,00,000	4,614.49
April 30, 2001	14,80,000	1,000	1,000	Cash	4,76,24,947	1,48,00,00,000	4,762.49
June 20, 2001	29,11,500	1,000	1,000	Cash	5,05,36,447	2,91,15,00,000	5,053.64
September 7, 2001	9,46,400	1,000	1,000	Cash	5,14,82,847	94,64,00,000	5,148.28
November 26, 2001	14,47,700	1,000	1,000	Cash	5,29,30,547	1,44,77,00,000	5,293.05
April 30, 2002	62,67,700	1,000	1,000	Cash	5,91,98,247	6,26,77,00,000	5,919.82
July 24, 2002	6,35,100	1,000	1,000	Cash	5,98,33,347	63,51,00,000	5,983.33
August 22, 2002	10,18,400	1,000	1,000	Cash	6,08,51,747	1,01,84,00,000	6,085.17
October 21, 2002	18,57,500	1,000	1,000	Cash	6,27,09,247	1,85,75,00,000	6,270.92
December 23, 2002	21,69,300	1,000	1,000	Cash	6,48,78,547	2,16,93,00,000	6,487.85
February 26, 2003	20,55,350	1,000	1,000	Cash	6,69,33,897	2,05,53,50,000	6,693.39
April 28, 2003	12,13,700	1,000	1,000	Cash	6,81,47,597	1,21,37,00,000	6,814.76
June 11, 2003	10,66,200	1,000	1,000	Cash	6,92,13,797	1,06,62,00,000	6,921.38
July 28, 2003	14,40,000	1,000	1,000	Cash	7,06,53,797	1,44,00,00,000	7,065.38
September 30, 2003	21,22,100	1,000	1,000	Cash	7,27,75,897	2,12,21,00,000	7,277.59
December 18, 2003	22,38,500	1,000	1,000	Cash	7,50,14,397	2,23,85,00,000	7,501.44
January 27, 2004	27,41,900	1,000	1,000	Cash	7,77,56,297	2,74,19,00,000	7,775.63
April 28, 2004	42,75,500	1,000	1,000	Cash	8,20,31,797	4,27,55,00,000	8,203.18
July 30, 2004	23,69,400	1,000	1,000	Cash	8,44,01,197	2,36,94,00,000	8,440.12
September 15, 2004	30,58,700	1,000	1,000	Cash	8,74,59,897	3,05,87,00,000	8,745.99

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consider ation in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹ in Crore)
October 30, 2004	23,54,200	1,000	1,000	Cash	8,98,14,097	2,35,42,00,000	8,981.41
December 30, 2004	18,71,200	1,000	1,000	Cash	9,16,85,297	1,87,12,00,000	9,168.53
March 24, 2005	25,70,900	1,000	1,000	Cash	9,42,56,197	2,57,09,00,000	9,425.62
April 21, 2005	15,88,900	1,000	1,000	Cash	9,58,45,097	1,58,89,00,000	9,584.51
July 22, 2005	9,94,300	1,000	1,000	Cash	9,68,39,397	99,43,00,000	9,683.94
September 30, 2005	18,59,300	1,000	1,000	Cash	9,86,98,697	1,85,93,00,000	9,869.87
September 30, 2005	83,323	1,000	1,000	Cash	9,87,82,020	8,33,23,000	9,878.20
November 23, 2005	10,46,900	1,000	1,000	Cash	9,98,28,920	1,04,69,00,000	9,982.89
December 29, 2005	17,57,100	1,000	1,000	Cash	10,15,86,020	1,75,71,00,000	10,158.60
March 24, 2006	5,66,800	1,000	1,000	Cash	10,21,52,820	56,68,00,000	10,215.28
April 20, 2006	2,03,800	1,000	1,000	Cash	10,23,56,620	20,38,00,000	10,235.67
July 21, 2006	11,36,800	1,000	1,000	Cash	10,34,93,420	1,13,68,00,000	10,349.34
September 6, 2006	15,11,200	1,000	1,000	Cash	10,50,04,620	1,51,12,00,000	10,500.46
February 7, 2007	24,56,200	1,000	1,000	Cash	10,74,60,820	2,45,62,00,000	10,746.08
March 13, 2007	13,54,600	1,000	1,000	Cash	10,88,15,420	1,35,46,00,000	10,881.54
March 13, 2007 ¹	The Equity Shares of Rs. 1,000 each were split into Equity Shares of the face value of Rs. 10 each.						
March 26, 2007	31,66,70, 500	10	10	Cash	11,19,82,12, 500	3,16,67,05,000	11,198.21
May 26, 2007	(2,45,50,0 00) [^]	10	10	-	11,17,36,62, 500	(24,55,00,000)	11,173.66
March 13, 2008	88,30,930	10	10	Cash	11,18,24,93, 430	8,83,09,300	11,182.49
August 26, 2009	1,11,82,4 9,343	10	36	Cash	12,30,07,42, 773	11,18,24,93,430	12,300.74
December 19, 2013 ²	(123,00,7 4,277)	10	19.25	Cash	1107,06,68,4 96	(2367,89,29,832)	11,070.66

* Reduction of share capital on account of transfer of transmission assets to Power Grid Corporation of India Limited

[^] Reduction of share capital on account of closure of Koel Karo hydroelectric project in the state of Jharkhand.

Notes:

¹ Pursuant to the split of face value of equity shares of the Company from ₹ 1000 to ₹ 10 each on March 13, 2007, the shareholding of the Promoter was changed from 10,88,15,420 shares of ₹ 1,000 each to 1088,15,42,000 shares of ₹ 10 each.

² On December 19, 2013, 123,00,74,277 Equity Shares of the Company were bought back at a price of ₹ 19.25 per share through the tender offer process.

14.7 The Board of Directors of the Company as on the date of the Public Announcement (i.e. February 8, 2017) was as under:

S. No.	Name, Qualification, Occupation, Age and DIN	Designation	Date of Joining/ Appointment	Other Directorships
1.	Shri Krishna Mohan Singh Qualification: B. Tech (Electrical) Occupation: Service Age: 59 years DIN: 02223301	Chairman and Managing Director	September 23, 2015	<ul style="list-style-type: none"> • NHDC Limited • Loktak Downstream Hydroelectric Corporation Limited
2.	Shri Jayant Kumar Qualification: Cost & Management Accountant Occupation: Service Age: 59 years DIN: 03010235	Director (Finance)	May 26, 2015	<ul style="list-style-type: none"> • NHDC Limited • Chenab Valley Power Projects Private Limited • PTC India Limited
3.	Shri Ratish Kumar, Qualification: B. Tech (Electrical) Occupation: Service Age: 56 years DIN: 06852735	Director (Projects)	January 6, 2016	<ul style="list-style-type: none"> • Bundelkhand Saur Urja Limited
4.	Shri Balraj Joshi, Qualification: B. Tech (Civil) & PG Qualification in Hydropower Development & Planning Occupation: Service Age: 57 years DIN: 07449990	Director (Technical)	April 1, 2016	<ul style="list-style-type: none"> • Chenab Valley Power Projects Private Limited
5.	Shri Nikhil Kumar Jain Qualification: B.E. (Industrial Engineering) and LL.B Occupation: Service Age: 54 years DIN: 05332456	Director (Personnel)	February 7, 2017	NIL
6.	Smt. Archana Agrawal, Qualification: PG degree in Political Science, MBA (Finance), B.A. (History, Public Administration and Political Science) Occupation: Service Age: 50 years DIN No. 02105906	Government Nominee Director	March 06, 2016	<ul style="list-style-type: none"> • SJVN Ltd.
7.	Smt. Krishna Tyagi, Qualification: MBA degree in Public Service and Post-graduation in literature Occupation: Service Age: 55 years DIN: 07230978	Government Nominee Director	July 08, 2015	NIL
8.	Shri Satya Prakash Mangal, Qualification: Chartered Accountant Occupation: Practising Chartered Accountant Age: 56 years DIN: 01052952	Independent Director	November 26, 2015	<ul style="list-style-type: none"> • Raunaq EPC International Limited • SPMC Global Advisory Services Private Limited • Addwings Rail & Infra Solutions

S. No.	Name, Qualification, Occupation, Age and DIN	Designation	Date of Joining/ Appointment	Other Directorships
				Private Limited • NHDC Limited
9.	Prof. Arun Kumar Qualification: B.E(Civil), M.E. (Civil), Ph. D in Hydropower Development Occupation: Teaching Age:57 years DIN: 07346292	Independent Director	November 26, 2015	NIL
10.	Prof. Kanika T. Bhal Qualification: M.A. (Psychology) and Ph. D from IIT Kanpur Occupation: Teaching Age: 52 years DIN: 06944916	Independent Director	November 26, 2015	NIL

14.8 The details of changes in the Board of Directors during the last 3 years preceding the date of the Public Announcement (i.e. February 8, 2017) are as under:

S. No.	Name, Designation and DIN	Date of Joining/Appointment	Date of Cessation	Reason
1.	Shri Krishna Mohan Singh Designation: Chairman cum Managing Director DIN: 02223301	September 23, 2015	Continuing	-
2.	Shri Satya Prakash Mangal Designation: Independent Director DIN: 01052952	November 26, 2015	Continuing	-
3.	Smt. Archana Agrawal Designation: Government Nominee Director DIN: 02105906	March 6, 2016	Continuing	-
4.	Shri Jayant Kumar Designation: Director Finance DIN: 03010235	September 23, 2015	Continuing	-
5.	Shri Ratish Kumar Designation: Director (Projects) DIN: 06852735	January 6, 2016	Continuing	-
6.	Smt. Kanika Tandon Bhal Designation: Independent Director DIN: 06944916	November 26, 2015	Continuing	-
7.	Smt. Krishna Tyagi Designation: Government Nominee Director DIN: 07230978	July 8, 2015	Continuing	-
8.	Shri Arun Kumar Designation: Independent Director DIN: 07346292	November 26, 2015	Continuing	-
9.	Shri Balraj Joshi	April 1, 2016	Continuing	-

S. No.	Name, Designation and DIN	Date of Joining/Appointment	Date of Cessation	Reason
	Designation: Director (Technical) DIN: 07449990			
10.	Shri Nikhil Kumar Jain Designation: Director (Personnel) DIN: 05332456	February 7, 2017	Continuing	-
11.	Shri R. S. Mina Designation: Director (Personnel) DIN: 00149956	April 28, 2009	January 31, 2017	Cessation due to superannuation
12.	Shri Farooq Khan Designation: Independent Director DIN: 07348921	November 26, 2015	August 17, 2016	Resignation
13.	Shri Dinesh Prasad Bhargava Designation: Director (Technical) DIN: 01277269	March 26, 2009	March 31, 2016	Retirement
14.	Shri Aniruddha Kumar Designation: Government Nominee Director DIN: 07325440	October 28, 2015	February 29, 2016	Cessation
15.	Shri Arun Kumar Verma Designation: Government Nominee Director DIN: 02190047	December 17, 2014	October 19, 2015	Cessation
16.	Shri Atul Kumar Garg Designation: Independent Director DIN: 02281287	March 30, 2012	September 23, 2015	Cessation
17.	Shri Ashoke Kumar Dutta Designation: Independent Director DIN: 00045170	March 30, 2012	September 23, 2015	Cessation
18.	Shri R. S. T. Sai Designation: Chairman and Managing Director DIN: 00171920	June 8, 2014	September 23, 2015	Cessation
19.	Shri K. N. Garg Designation: Government Nominee Director DIN: 06707847	October 7, 2013	June 30, 2015	Cessation
20.	Shri J.K. Sharma Designation: Director (Projects) DIN: 00387785	April 10, 2009	March 11, 2015	Retirement
21.	Shri Mukesh Jain, Designation: Government Nominee Director DIN: 06733536	November 11, 2013	November 10, 2014	Cessation
22.	Shri G.S. Vedi Designation: Independent Director DIN: 02286126	November 8, 2011	October 31, 2014	Retirement
23.	Shri Arun Kumar Mago, Designation: Independent Director	November 9, 2011	October 31, 2014	Retirement

S. No.	Name, Designation and DIN	Date of Joining/Appointment	Date of Cessation	Reason
	DIN: 01624833			
24.	Shri R. Jeyaseelan, Designation: Independent Director DIN : 02143850	November 12, 2011	October 31, 2014	Retirement
25.	Shri A. Gopalakrishnan, Designation: Independent Director DIN : 02880344	March 10, 2013	September 26, 2014	Retirement
26.	Shri Shantikam Hazarika, Designation: Independent Director DIN : 00523656	May 24, 2012	September 26, 2014	Retirement
27.	Shri A.B.L. Srivastava Designation: Director (Finance) DIN: 01601682	February 11, 2008	September 15, 2014	Cessation
28.	Shri G. Sai Prasad, Designation: Government Nominee Director DIN : 00325308	December 20, 2011	June 7, 2014	Retirement
29.	Shri A.S. Bakshi Designation: Nominee Director DIN: 05175439	January 1, 2012	August 1, 2013	Retirement

- 14.9 The Buyback will not result in any benefit to any Directors of the Company/ Promoter / person in control of the Company/ group companies except to the extent of their intention to participate in the Buyback and actual participation in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share Capital of the Company, post Buyback.

The following Directors of the Company hold the Equity Shares as detailed below as on the date of the Public Announcement (i.e. February 8, 2017):

S. No.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialised form	Percentage of issued Equity Share capital
1.	Shri Ratish Kumar Director (Projects)	17,200	17,200	Negligible
2.	Shri Balraj Joshi Director (Technical)	15,105	15,105	Negligible
3.	Shri Satya Prakash Mangal Independent Director	1,500	1,500	Negligible
4.	Shri Vijay Gupta Company Secretary	15,670	15,670	Negligible

15 FINANCIAL INFORMATION ABOUT THE COMPANY

- 15.1 The salient financial information of the Company, as extracted from the standalone audited financial statements for the last three financial years viz. Fiscal 2016, 2015 and 2014 and unaudited limited reviewed financial results for the six months ended September 30, 2016 is detailed below:

(₹ in Crore)

Key Financials	For the six months ended September 30, 2016* (Limited Review)	For the year ended March 31, 2016 (Audited)	For the year ended March 31, 2015 (Audited)	For the year ended March 31, 2014 (Audited)
Revenue from Operations	4,600.15	7,434.06	6,802.25	5,537.04
Other Income	1,041.13	919.76	861.33	1,456.95
Total Income	5,641.28	8,353.82	7,663.58	6,993.99
Generation Administration and other expenses	1,032.38	2,108.54	1,660.60	1,615.91
Employee Benefits Expenses	651.71	1,115.90	1,149.23	1,058.67
Finance Cost	554.48	1,067.37	1,179.77	1,022.40
Depreciation and amortisation	680.56	1,452.14	1,425.87	1,210.76
Prior Period Adjustments (net)	-	(36.87)	(56.11)	503.19
Exceptional Items: Expense / (Income)	-	-	-	-
Profit Before Rate Regulated activities and Tax	2,722.15	2,646.74	2,304.22	1,583.06
Rate Regulatory Income / (Expenses)	246.39	549.94	521.95	-
Profit Before Tax	2,968.54	3,196.68	2,826.17	1,583.06
Provisions for Tax (including Deferred Tax)	556.06	756.54	701.70	604.27
Profit/ (Loss) After Tax	2,412.48	2,440.14	2,124.47	978.79
Paid-up Equity Share Capital	11,070.67	11,070.67	11,070.67	11,070.67
Reserve & Surplus, excluding revaluation reserves & Misc. expenditures to the extent not written off	20,583.10	17,681.28	17,215.72	14,996.98
Net worth, excluding revaluation reserves & Misc. expenditures to the extent not written off	31,653.77	28,751.95	28,286.39	26,067.65
Total Debt, excluding working capital loans	20,224.71	20,142.43	19,836.34	19,866.49

*The Company has adopted Indian Accounting Standards ("Ind AS") with effect from 1st April, 2016 and accordingly, these financial results have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules framed thereunder and the other accounting principles generally accepted in India. Consequently, financial results for the six months ended 30th September 2016 are not comparable with previous year audited financial results as mentioned above.

15.2 Financial Ratios for the last three financial years viz. Fiscal 2016, 2015 and 2014 and for the six months period ended September 30, 2016 are as under:

Particulars	For the six months ended September 30, 2016 (Limited Review)	For the year ended March 31, 2016 (Audited)	For the year ended March 31, 2015 (Audited)	For the year ended March 31, 2014 (Audited)
Earnings per Share (₹)	2.18*	2.20	1.92	0.82
Debt/ Equity Ratio	0.64	0.70	0.70	0.76
Book Value (₹ per Share)	28.59	25.97	25.55	23.55
Return on Net worth (%)	7.62%*	8.49%	7.51%	3.75%
Total Debt/ Net worth (%)	64.00%	70.00%	70.00%	76.00%

* Not annualized

Notes:

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure to the extent not written off
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings

Key Ratios basis:

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Average number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Equity Share Capital + Reserves and Surplus) / No. of Equity Shares outstanding during the year
Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	(Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings) / Net Worth

15.3 The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as may be applicable. The Company hereby declares that it has complied with Sections 68, 69 and 70 of the Companies Act, 2013 and the rules made thereunder.

16 STOCK MARKET DATA

16.1 The Company's Equity Shares are listed on the BSE and NSE.

16.2 The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six months preceding the date of the Public Announcement (i.e. February 8, 2017) from August, 2016 to January, 2017 and the corresponding volumes on the BSE and NSE is as follows:

For BSE:

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume of traded in the period (Shares)
Preceding 3 financial years								
April 01, 2015 - March 31, 2016	24.40	March 31, 2016	15,12,418	15.55	August 25, 2015	14,20,445	19.21	13,58,36,840
April 01, 2014 - March 31, 2015	29.60	June 11, 2014	79,42,106	17.95	December 17, 2014	9,22,954	21.27	32,77,35,818
April 01, 2013 - March 31, 2014	22.35	April 9, 2013	32,73,893	14.80	August 7, 2013	7,77,537	18.56	18,88,96,777
Preceding 6 months								
January 2017	30.60	January 12, 2017	88,88,802	26.35	January 2, 2017	2,35,406	28.25	3,05,37,629
December 2016	28.35	December 02, 2016	9,83,694	25.60	December 27, 2016	786290	26.87	80,60,160
November 2016	28.35	November 29, 2016	9,73,592	24.00	November 9, 2016	1960542	26.13	2,27,29,329
October 2016	27.00	October 30, 2016	1,54,965	24.70	October 17, 2016	1058874	25.74	1,17,75,923
September 2016	28.20	September 1, 2016	4,02,718	24.10	September 29, 2016	759608	26.37	80,81,078

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume of traded in the period (Shares)
August 2016	28.20	August 31, 2016	8,24,325	23.95	August 4, 2016	378357	26.45	1,26,80,231

Source: BSE

* High and Low price for the period are based on intra day prices and Average Price is based on average of daily closing price.

For NSE:

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume of traded in the period (Shares)
Preceding 3 financial years								
April 01, 2015 - March 31, 2016	24.45	March 31, 2016	2,20,03,907	15.55	August 25, 2015	63,27,366	19.19	87,42,21,339
April 01, 2014 - March 31, 2015	29.60	June 11, 2014	4,39,15,687	17.95	December 17, 2014	55,16,375	21.26	185,81,79,407
April 01, 2013 - March 31, 2014	22.35	April 9, 2013	1,84,65,853	14.80	August 7, 2013	52,94,252	18.57	110,12,38,337
Preceding 6 months								
January 2017	30.80	January 12, 2017	8,91,99,031	26.25	January 2, 2017	23,36,167	28.25	26,94,19,873
December 2016	28.40	December 2, 2016	91,87,337	25.65	December 27, 2016	83,25,509	26.87	11,75,35,518
November 2016	28.35	November 29, 2016	68,03,916	24.00	November 09, 2016	75,62,326	26.16	12,53,54,832
October 2016	27.15	October 30, 2016	5,13,597	24.70	October 17, 2016	68,55,161	25.76	7,58,15,935
September 2016	28.20	September 1, 2016	35,01,661	24.15	September 29, 2016	77,66,139	26.38	6,79,48,825
August 2016	27.85	August 30, 2016	36,76,801	23.90	August 4, 2016	1,02,61,029	26.39	10,66,18,775

Source: NSE

* High and Low price for the period are based on intra day prices and Average Price is based on average of daily closing price.

16.2 The closing market price of the Equity Shares of the Company:

- As on February 6, 2017 i.e. the trading day before February 7, 2017 being the date of Board Meeting approving the Buyback was ₹ 31.30 per Equity Share on BSE and ₹ 31.30 per Equity Share on NSE.
- As on February 7, 2017 i.e. the date of Board Meeting approving the Buyback was ₹ 31.25 per Equity share on BSE and ₹ 31.30 per Equity share on NSE.
- As on February 8, 2017 i.e. the day immediately after February 7, 2017 being the date of Board Meeting approving the Buyback and also the date of Public Announcement was ₹ 30.70 per Equity Share on BSE and ₹ 30.65 per Equity Share on NSE.
- As on February 9, 2017 i.e. the date of the publication of Public Announcement, was ₹ 30.85 per Equity Share on BSE and ₹ 30.90 per Equity Share on NSE.

17 DETAILS OF STATUTORY APPROVALS

- 17.1 The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act, 2013, the Buyback Regulations and/or such other applicable rules and regulations in force for the time being.
- 17.2 Non-Resident Shareholders (excluding OCBs) permitted under the automatic process prescribed under applicable FEMA Regulations, read with the consolidated Foreign Direct Investment policy issued by the Government of India, are not required to obtain approvals from RBI.
- 17.3 Erstwhile OCB are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCB Shareholders in respect of whom such RBI approval is required and copies of such approvals are not submitted.
- 17.4 As on date, there are no other statutory or regulatory approvals required to implement the Buyback Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the Stock Exchanges.

18. DETAILS OF REGISTRAR TO THE BUYBACK

Eligible Shareholders holding Shares in dematerialized form and Shareholder Brokers (who have submitted bids on behalf of Eligible Shareholders holding shares in physical form) are required to send the Tender Form, TRS, physical share certificate (for physical Shareholders only) and other documents by superscribing the envelope as “**NHPC Buyback Offer 2017**” to the Registrar to the Buyback either by registered post/courier or hand deliver at their below office, so that the same are received within 2 (two) days from the Buyback Closing Date i.e. [●] (by 05.00 p.m.):



KARVY COMPUTERSHARE PRIVATE LIMITED]

Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad- 500 032
Telangana, India

Contact Person: M. Murali Krishna/ R. Williams

Tel: +91 (040) 6716 2222

Fax: +91 (040) 2343 1551

E-mail: nhpc.buybackoffer@karvy.com;

Website: www.karvycomputershare.com;

SEBI Registration Number: INR000000221

Validity Period: Permanent

CIN: U72400TG2003PTC041636

TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.

ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS; OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

- 19.1 The Company proposes to buyback 81,13,47,977 (Eighty One Crore Thirteen Lakh Forty Seven Thousand Nine Hundred and Seventy Seven) Equity Shares from the Eligible Shareholders of the Company, on a proportionate basis, through the Tender Offer process at a price of ₹ 32.25 (Rupees Thirty Two and Twenty Five Paise) per Equity Share, payable in cash for an aggregate consideration of ₹ 2616,59,72,258.25 (Rupees Two Thousand Six Hundred Sixteen Crore Fifty Nine Lakh Seventy Two Thousand Two Hundred Fifty Eight And Twenty Five Paise) excluding expenses incurred or to be

incurred for the Buyback viz. SEBI filing fees, Stock Exchanges fees, advisors' fees, public announcement publication expenses, printing & dispatch expenses, brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty and other incidental & related expenses. The maximum number of Equity Shares proposed to be bought back represents 7.33% of the total number of Equity Shares in the paid-up share capital of the Company as on March 31, 2016. The Buyback is in accordance with the provisions of Article 16A of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder, the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, Stock Exchanges, RBI etc. The Buyback Offer Size is not exceeding 10% of the aggregate of the fully paid-up share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016 (the last audited standalone financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the statutory limits of 10% of the fully paid up share capital and free reserves as per the audited accounts of the Company for the Financial Year ended March 31, 2016.

The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback.

- 19.2 The shareholding of the Promoter as on the date of the Public Announcement (i.e February 8, 2017) is 8,24,82,85,361 (Eight Hundred Twenty Four Crores Eighty Two Lakhs Eighty Five Thousand Three Hundred and Sixty One only) Equity Shares, which represents 74.51% (seventy four decimal five one percent) of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer process, the Promoter of a Company has the option to participate in the Buyback. In this regard, the Promoter of the Company has expressed its intention, vide its letter dated February 7, 2017 to participate in the Buyback and tender 81,13,47,977 (Eighty One Crore Thirteen Lakh Forty Seven Thousand Nine Hundred and Seventy Seven) Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback.
- 19.3 Assuming that the Promoter i.e. President of India acting through Ministry of Power, Government of India, tenders 81,13,47,977 (Eighty One Crore Thirteen Lakh Forty Seven Thousand Nine Hundred and Seventy Seven) Equity Shares in the Buyback (in accordance with the declaration provided by them), the shareholding of the Promoter, post Buyback will increase to [●]% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to [●]% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.
- 19.4 Record Date, Ratio of Buyback and entitlement of each Shareholder.
- a) The Board of Directors at their meeting held on February 7, 2017 announced Monday, February 20, 2017 as the Record Date for the purpose of determining the Buyback Entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.
 - b) The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
 - Reserved category for Small Shareholders (“**Reserved Category**”); and
 - General category for all Eligible Shareholders other than Small Shareholders (“**General Category**”)
 - c) As defined in the Buyback Regulations, a “**Small Shareholder**” is a shareholder who holds Equity Shares having market value, on the basis of closing price on the Stock Exchanges in which the highest trading volume as on Record Date, of not more than ₹ 2,00,000 (Rupees Two Lakhs). As on Record Date, the volume of Shares traded on NSE was [●] Shares and on BSE was [●] Shares. Accordingly, [●] being the stock exchange with highest turnover, the closing price was ₹ [●] and hence all Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback Offer.
 - d) Based on the above definition, there are [●] Small Shareholders with aggregate shareholding of [●] Shares, as on Record Date, which constitutes [●]% of the outstanding paid up equity share

capital of the Company and [●]% of the number of [●] Equity Shares which are proposed to be bought back as part of this Buyback Offer.

- e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be [●] Equity Shares which is higher of:
- i. Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of [●] Equity Shares which works out to [●] Equity Shares; or
 - ii. The number of Equity Shares entitled as per their shareholding as on Record Date [i.e. $(\frac{[●]}{[●]} \times [●])$] which works out to [●] Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoter also intends to offer Equity Shares held by them in the Buyback.

In case the total number of Equity Shares held by the Small Shareholders on the Record Date is [●], which is less than [●] (higher of (i) and (ii) above), the maximum number of Equity Shares reserved for Small Shareholders will be restricted to the total number of Equity Shares held by the Small Shareholders as on Record Date.

- f) Based on the above and in accordance with Regulation 6 of the Buyback Regulations, [●] Equity Shares will be reserved for Small Shareholders. Accordingly, General Category shall consist of [●] Equity Shares.
- g) Based on the above entitlements, the Ratio of Buyback for both categories is decided as below:

Category	Indicative Ratio of Buyback
Reserved Category	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date
General Category	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date

The above ratio of Buyback is approximate and provides indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding-off.

19.5 Fractional Entitlements

If the Buyback Entitlement, after applying the abovementioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 (one) Equity Share) then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback Offer, for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

19.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Full acceptance (i.e. 100%) of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in (a) above, in case, there are any Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered

Additional Shares, shall be given preference and 1 (one) Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.

- c) Post the acceptance as described in (a) and (b) above, in case, there are any validly tendered unaccepted Shares in the Reserved Category (“**Reserved Category Additional Shares**”) and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares tendered by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with (b) above, shall be reduced by one.
- d) Adjustment for fractional results in case of proportionate acceptance, as described in (c) above, will be made as follows:
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.7 Basis of Acceptance of Equity Shares validly tendered in the General Category

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Eligible Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a) Full Acceptance (i.e. 100%) of Shares from Eligible Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.7 (a) above, in case, there are any validly tendered unaccepted Shares in the General Category (“**General Category Additional Shares**”) and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Eligible Shareholder shall be equal to the General Category Additional Shares validly tendered by the Eligible Shareholders divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.7 (b) above, will be made as follows:
 - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.8 Basis of Acceptance of Shares between Categories

- a) After acceptances of tenders, as mentioned in 19.6 and 19.7 above, in case, there are any Shares left to be bought back in one category (‘**Partially filled Category**’), and there are additional unaccepted validly tendered Shares (‘**Further Additional Shares**’) in the second Category (‘**Over Tendered Category**’), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid Acceptances per Shareholder shall be equal to the

Further Additional Shares validly tendered by an Eligible Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially filled Category.

- b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Shares before acceptance in paragraph 19.8(a) above out of the Shares left to be bought back in the Partially Filled Category, provided no acceptance could take place from such Shareholder in accordance with paragraph 19.6(b).
- c) Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 19.8(a) above:
 - For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.9 For avoidance of doubt, it is clarified that the Shares accepted under the Buyback Offer from each Eligible Shareholder, in accordance with above clauses, shall be lower of the following:

- the number of Shares tendered by the respective Shareholder, and
- the number of Shares held by the respective Shareholder, as on the Record Date.

19.10 For the avoidance of doubt, it is clarified that the Equity Shares tendered by any Eligible Shareholder over and above the number of Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with above clauses.

20 PROCEDURE FOR TENDER OFFER AND SETTLEMENT

20.1 The Buyback is open to all Eligible Shareholder(s) holding Shares either in physical and /or dematerialized form on the Record Date.

20.2 The Company proposes to effect the Buyback through Tender Offer process, on a proportionate basis. This Letter of Offer and Tender Form, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Eligible Shareholders whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date and who have their email IDs registered with the Company and for all remaining Eligible Shareholders who do not have their email IDs registered with the Company, the Letter of Offer alongwith Tender Form will be sent physically. However, on receipt of a request by Manager to the Buyback or Registrar to the Buyback to receive a copy of Letter of Offer in physical format from such Eligible Shareholder to whom Letter of Offer and Tender Form were emailed, the same shall be sent physically.

20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court / any other competent authority for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

20.4 The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.

20.5 Eligible Shareholders' participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also tender a part of their Buyback Entitlement. Shareholders also have the option of tendering Additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance

of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in paragraph 19 (*Process and Methodology for the Buyback*) of this Draft Letter of Offer.

- 20.6 The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
- 20.7 Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar, and the such tendered shares may be accepted subject to appropriate verification and validation by the Registrar.
- 20.8 As elaborated under paragraph 19.4 (b) above, the Equity Shares proposed to be bought as a part of the Buyback is divided into two categories; (a) Reserved Category for Small Shareholders and (b) the General Category for other Eligible Shareholders, and the Buyback Entitlement of an Eligible Shareholder in each category shall be calculated accordingly.
- 20.9 After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.
- 20.10 The Buyback shall be implemented by the Company using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 as may be amended from time to time and following the procedure prescribed in the notice issued by BSE bearing number 20170202-34 dated February 2, 2017, Companies Act, 2013 and the Buyback Regulations and as may be determined by the Board (including the Functional Authority authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 20.11 The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.
- 20.12 For implementation of the Buyback, the Company has appointed SBICAP Securities Limited as the registered broker to the Company (the “**Company's Broker**”) through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:

SBICAP Securities Limited

Marathon Futurex, A & B-Wing,

12th Floor, N M Joshi Marg,

Lower Parel, Mumbai – 400 013

CIN: U65999MH2005PLC155485

Contact Person: Mr. Muralidharan Nair

Tel: +91 (22) 4227 3347;

Fax: +91 (22) 4366 3500;

E-mail: Muralidharan.Nair@sbicapsec.com;

Website: www.sbismart.com

SEBI Registration Number: Stock Broker: BSE: INB011053031 and NSE: INB231052938

- 20.13 The Company will request BSE and NSE to provide a separate Acquisition Window to facilitate placing of sell orders by the Eligible Shareholders who wish to tender Equity Shares in the Buyback. BSE would be the Designated Stock Exchange for this Buyback Offer. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers (“**Shareholder Broker**”).

In the event Shareholder Broker(s) of Eligible Shareholder is not registered with BSE then that Eligible Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (UCC) facility through that BSE registered stock broker after submitting the details as may be

required by that stock broker to be in compliance with the SEBI regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Eligible Shareholder may approach Company's Broker to bid by using quick UCC facility.

20.13.1 The Eligible Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

(a) **In case of Eligible Shareholder being an individual or HUF**

(i) If Eligible Shareholder is registered with KYC Registration Agency ("KRA"):

A. Forms required:

- Central Know Your Client (CKYC) form
- Know Your Client (KYC) form

B. Documents required (all documents self-attested):

- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

(ii) If Eligible Shareholder is not registered with KRA:

A. Forms required:

- CKYC form
- KRA form
- KYC form

B. Documents required (all documents self-attested):

- PAN card copy
- Address proof
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

(b) **In case of Eligible Shareholder other than Individual and HUF:**

(i) If Eligible Shareholder is KRA registered:

A. Form required:

- KYC form

B. Documents required (all documents certified true copy):

- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- Latest list of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

(ii) If Eligible Shareholder is not KRA registered:

- A. Forms required:
- KRA form
 - KYC form
- B. Documents required (all documents certified true copy):
- PAN card copy of company/ firm/trust
 - Address proof of company/ firm/trust
 - Bank details (cancelled cheque)
 - Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
 - Latest list of directors/authorised signatories /partners/trustees
 - PAN card copies & address proof of directors/authorised signatories/partners/trustees
 - Latest shareholding pattern
 - Board resolution/partnership declaration
 - Details of ultimate beneficial owner along with PAN card and address proof
 - Last 2 years financial statements
 - MOA/Partnership deed /trust deed

Additionally, registered Equity Shareholders holding Equity Shares in Physical form must also provide the documents mentioned in paragraph 20.20.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

- 20.14 At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through the Company's Broker. During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Shareholder Broker during normal trading hours of the secondary market. In the tendering process, the Company's Broker may also process the orders received from the Shareholders.
- 20.15 Shareholder Broker can enter orders for demat Shares as well as physical Shares.
- 20.16 Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Eligible Shareholder for selling the Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
- 20.17 The cumulative quantity tendered shall be made available on BSE website- www.bseindia.com and NSE website- www.nseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.
- 20.18 All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

20.19 Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form

The Eligible Shareholder is required to transfer the Equity Shares under the Buyback Offer to Clearing Corporation, by using the settlement number through the early pay-in mechanism of Depositories. This shall be validated by the Shareholder Broker at the time of order/bid entry. The details of the settlement number for the Buyback will be provided in a separate circular which shall be issued at the time of issue opening by Clearing Corporation.

For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than 6:00 p.m. on the last day of the Tendering Period i.e. date of closing of the Buyback Offer. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip (“TRS”) generated by the exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like Bid ID No., Application No., DP ID, Client ID, Number of Equity Shares tendered etc.

Eligible Shareholders who have tendered their Equity Shares in the Buyback may deliver the Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares, along with the TRS generated by the exchange bidding system either by registered post or courier or hand delivery to the Registrar to the Buyback at the address mentioned on the cover page of this Draft Letter of Offer) not later than 2 (two) days from the Buyback Closing Date i.e. [●] (by 5 p.m.). The envelope should be superscribed as “NHPC Buyback Offer 2017”. In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.

The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance.

Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker’s depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant.

Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

- i. Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
- ii. Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
- iii. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

20.20 Procedure to be followed by registered Eligible Shareholders holding Equity Shares in the Physical form

Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include:

- a) The Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares.
- b) Original share certificates
- c) Valid share transfer form(s) i.e Form SH-4 duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company.
- d) Self-attested copy of the PAN Card(s) of all Shareholders.
- e) Any other relevant documents such as (but not limited to):
 - i. Duly attested Power of Attorney if any person other than the Eligible Shareholder has signed

- the relevant Tender Form
- ii. Notarized copy of death certificate and legal heirship certificate / succession certificate or probated will, if the original Shareholder has deceased
 - iii. Necessary corporate authorisations, such as Board Resolutions etc., in case of companies
- f) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof *inter alia* consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

Based on these documents, the concerned Shareholder Broker shall place a bid on behalf of the Shareholders holding Equity Shares in physical form and who wish to tender Equity Shares in the Buyback, using the acquisition window of the Stock Exchanges. Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip ('TRS') generated by the Exchange Bidding System to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.

Eligible Shareholder/ Shareholder Broker, is required to deliver Tender Form, TRS, original share certificate(s), valid share transfer form(s) & other documents (as mentioned in paragraph hereinabove) either by registered post or courier or hand delivery to the Registrar to the Buyback at the address mentioned on the cover page of this Letter of Offer not later than 2 (two) days from the Closing Date i.e. [●] (by [●] p.m.). The envelope should be superscribed as "NHPC Buyback Offer 2017". One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Shareholder Broker.

Eligible Shareholders holding physical shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard.

Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such verification, the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. Once Registrar to the Buyback confirms the bids, they will be treated as 'Confirmed Bids'.

20.21 Additional requirements in respect of tenders by Non-resident shareholders

- a) While tendering their Equity Shares under the Buyback Offer, all Eligible Shareholders being Non-resident Shareholders should provide relevant confirmations/ declarations vide the duly filled-in and signed (by all shareholders in case the Equity Shares are held in joint names) Tender Forms (including a copy of the permission received from RBI wherever applicable). In the event relevant confirmations / declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms.
- b) FII/FPI shareholders should also enclose a copy of their SEBI registration certificate.
- c) In case the Equity Shares are held on repatriation basis, the Non-Resident Shareholders should enclose documents in support of the same. Such documents should include:
 - a copy of the permission received by them from RBI at the time of the original acquisition of Shares
 - a letter from the Shareholder's authorized dealer/bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the Non-Resident shareholder from the appropriate account as specified by RBI in its approval.
 - Any other document which evidences repatriability of sale proceeds in respect of the tendered Shares.

In case the Non-Resident shareholder is not in a position to produce supporting documents towards enabling repatriation, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Offer.

- d) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback Offer are liable to be rejected.
- 20.22 In case any person has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buyback Offer before Buyback Closing Date.
- 20.23 Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any Eligible Shareholder, shall not invalidate the Buyback Offer in any way. Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Tender Form downloaded from SEBI website (www.sebi.gov.in) or obtain a duplicate copy of the same by writing to the Registrar to the Buyback. Please note that the Company shall accept Equity Shares validly tendered for the Buyback Offer on the basis of their holding and entitlement as appearing in the records of the Company as on the Record Date.
- 20.24 The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- 20.25 The instructions and authorizations contained in the Tender Form constitute an integral part of the terms of this Buyback Offer.
- 20.26 In case of non-receipt of the Letter of Offer / Tender Form:
- a) **In case the Equity Shares are in dematerialised form:** An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.nhpcindia.com or send an application in writing on plain paper signed by all Eligible Shareholders (in case of joint holding) stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buyback.
- b) **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Buyback Offer by providing an application in writing on a plain paper signed by all Eligible Shareholders (in case of joint holding) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Eligible Shareholders' PAN card(s), executed share transfer form in favour of the Company and other necessary documents. The transfer form SH-4 can be downloaded from the Company's website i.e. www.nhpcindia.com. Shareholders/Shareholder Broker must ensure that the Tender Form, along with TRA and the requisite documents, reach the Registrar to the Buyback no later than 2 (two) days from the Buyback Closing Date i.e. [●], 2017 (by 05:00 p.m). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.

Eligible Shareholder(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback, before participating in the Buyback.

Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Shareholder Broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Shareholder Broker or broker in the electronic platform to be made available by the Stock Exchanges before the Buyback Closing Date, otherwise the same are liable to be rejected.

20.27 Acceptance of orders

The Registrar shall provide details of order Acceptance to Clearing Corporation within specified timelines.

20.28 Method of Settlement

Upon finalization of the basis of acceptance as per Buyback Regulations:

- (i) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- (ii) The Company will pay the consideration to the Company's Broker on or before the pay-in date for Settlement, who in turn will make the funds pay-in in the settlement account of ICCL, as per the settlement schedule announced by ICCL.
- (iii) For Demat Equity Shares accepted under the Buyback, the Eligible Shareholder will receive funds payout in their settlement bank account from the Clearing Corporation and in case of physical shares the Clearing Corporation will release the funds to the Shareholder Broker(s) as per secondary market pay out mechanism. If Equity Shareholder's bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Equity Shareholders will be transferred to the Shareholder Broker for onward transfer to the Equity Shareholder.
- (iv) In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Shareholder Broker's settlement accounts for releasing the same to their respective Shareholder's account onward. For this purpose, the client type details would be collected from the Registrar to the Buyback.
- (v) In case of deals confirmed by custodian settlement will be released to custodies settlement account.
- (vi) The Equity Shares bought back in the demat form would be transferred directly to the demat escrow demat account of the Company (the "**Demat Escrow Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchanges.
- (vii) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation as part of the exchange payout process, not later than [●], 2017. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant.
- (viii) Equity Shares in Physical form, to the extent tendered but not accepted, will be returned back to the concerned Shareholders directly by Registrar to the Buyback. The Company will issue a new single share certificate for all the unaccepted and excess physical shares and return the same to the sole/first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted and excess/ rejected Shares and other documents, if any, will be sent by Registered Post / Speed Post at the Shareholders' sole risk to the sole/first Shareholder (in case of joint Shareholders), at the address recorded with the Company, not later than [●], 2017.
- (ix) Clearing Corporation would settle the trades by making direct funds pay-out to the Equity Shareholders and the Shareholder Broker would issue contract note. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- (x) Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Manager and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.

- (xi) The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations and Companies Act, 2013.

20.29 Settlement of Funds/Payment Consideration

The settlements of fund obligation for dematerialised and physical Equity Shares shall be effected as per the SEBI Circulars and as prescribed by the Stock Exchanges and Clearing Corporation from time to time. For Equity Shares accepted under the Buyback, the Eligible Shareholders holding Equity Shares in dematerialised form will receive funds payout in the Shareholder's bank account as provided by the Depository system from Clearing Corporation and in case of physical shares the Clearing Corporation will released the funds to the Shareholder Broker(s) as per secondary market pay out mechanism. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any issue then such funds will be transferred to the concerned Shareholder Brokers' settlement bank account for onward transfer to their respective Eligible Shareholders.

20.30 Special Account opened with the Clearing Corporation

The details of transfer of the dematerialised Equity Shares to the special account by trading member or custodians shall be informed in the issue opening circular that will be issued by the Stock Exchanges or Clearing Corporation.

20.31 Rejection Criteria

The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds:

For Eligible Shareholders holding shares in the dematerialized form if:

- a. the Shareholder is not a Eligible Shareholder of the Company as on the Record Date; or
- b. if there is a name mismatch in the dematerialised account of the Shareholder.

For Eligible Shareholders holding Equity Shares in the physical form if:

- a. The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of [●], 2017 ([●]) by 05:00 p.m.;
- b. If the share certificate of the Company is not enclosed with the Tender Form;
- c. If the transfer/ transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- d. If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- e. In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.

21 NOTE ON TAXATION

Disclosures in this paragraph are based on expert opinion sought by the Company.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 (“**Income Tax Act**”) relating to treatment of income-tax in case of Buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

1. CLASSIFICATION OF SHARES AND SHAREHOLDERS

- i. Based on the provisions of the Income Tax Act, shares can be classified under**

the following two categories:

- Shares held as investment (Income from transfer taxable under the head “Capital Gains”)
- Shares held as stock-in-trade (Income from transfer taxable under the head “Profits and Gains from Business or Profession”)

ii. Based on the provisions of the Income Tax Act, shareholders can be classified under the following categories:

a. Resident Shareholders being:

- Individuals, HUF, AOP and BOI
- Others

b. Non Resident Shareholders being:

- NRIs
- FIIs
- Others:
 - Company
 - Other than Company

2. SHARES HELD AS INVESTMENT

i. For non-residents, taxability of capital gains would be subject to beneficial provisions of applicable Double Taxation Avoidance Agreement (“DTAA”).

ii. The taxability as per the provisions of the Income Tax Act is discussed below.

a. Nature of capital gains as per the provisions of the Income Tax Act.

As per the provisions of the Income Tax Act, for the purpose of determining as to whether the capital gains are short-term or long-term in nature:

- Where a capital asset, being listed equity shares of the Company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains (STCG).
- Similarly, where listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).

b. Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act. As per the provisions of section 46A, buyback of shares held as investment, would attract capital gains in the hands of shareholders as per provisions of section 48 of the Income Tax Act. The provisions of tax on distributed income of domestic company for buy back under Section 115QA of the Income Tax Act do not apply for shares listed on the stock exchange.

Buyback of shares through a recognized stock exchange

iii. Where transaction for transfer of such equity shares (i.e. buyback) is entered into through a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT), the taxability is as under (for all categories of shareholders):

- LTCG arising from such transaction would be exempt under section 10(38) of the Income Tax Act; and
- STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG.

3. SHARES HELD AS STOCK-IN-TRADE

- i.** If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.
- ii.** Resident Shareholders
 - For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - For persons other than individuals, HUF, AOP, BOI profits would be taxable at the rate of 30%. No benefit of indexation by virtue of period of holding would be available in any case.
 - For a domestic company, gain arising from transfer of shares held as stock in trade will be chargeable under the head “Profit and gains of business or profession” as per the provision of IT Act.
- iii.** Non Resident Shareholders
 - For Non Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA.
 - Where DTAA provisions are not applicable:
 - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
 - For foreign companies, profits would be taxed in India @ 40%
 - For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%
 - Relevant provisions of the IT Act pertaining to the taxability of FIIs shall be applicable.

4. TAX DEDUCTION AT SOURCE

- i.** In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

- ii.** In the case of Non Resident Shareholders

Since the buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians/ authorised dealers/ tax advisors appropriately.

5. THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

NOTES:

- i.** In addition to the above Capital Gain Tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:
 - a.** In case of foreign companies and FIIs: Surcharge is levied @ 2% on the amount of income tax if total income exceeds Rs. 1 crore but does not exceed Rs. 10 crore and @ 5% on the amount of income-tax if total income exceeds Rs. 10 crore.
 - b.** In case of other non-resident assesses (i.e. other than foreign companies): Surcharge @ 15% for non-resident individual/HUF (@12% in case of others) is levied where the

total income exceeds Rs.1 crore.

- c. In case of domestic companies: Surcharge @ 7% is levied where the total income exceeds Rs.1 crore but does not exceeds Rs.10 crores and @ 12% is levied where the total income exceeds Rs.10 crores.
 - d. In case of resident assesses (ie other than domestic companies): Surcharge @ 15% for Resident individual/HUF/AOP/BOI/Artificial Judicial Person (@12% in case of firm, local authority & Co-operative Society) is levied where the total income exceeds Rs.1 crore.
 - e. Further in a case where surcharge is levied, Education Cess of 2% and Secondary and Higher Education Cess of 1% will be levied on the amount of income-tax plus surcharge.
- ii. The above note on taxation sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the disposal of equity shares.
 - iii. All the above benefits are as per the current tax laws (including amendments made by the Finance Act, 2016), legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendments in the law or relevant regulations would necessitate a review of the above.
 - iv. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.

THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

22 DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Buyback Regulations:

The Board of Directors made the below mentioned declaration as on the date of passing the board resolution approving the Buyback i.e. February 7, 2017. Subsequently, pursuant to the authority granted to the Functional Authority by the Board of Directors of the Company, in terms of resolutions dated February 10, 2017, the Functional Authority has confirmed on behalf of Board of Directors that:

- i. no defaults have been made or subsisting in the repayment of deposits, accepted either before or after the commencement of the Companies Act, 2013, interest payment thereon, redemption of debentures or interest payment thereon or preference shares or payment of dividend to any shareholder, or repayment of term loans or interest payable thereon to any financial institutions or banks.
- ii. it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:
 - a. immediately following the date of the Board Meeting held on Tuesday, February 7, 2017 and the date of this Draft Letter of Offer, there will be no grounds on which the Company can be found unable to pay its debts;
 - b. as regards the Company's prospects for the year immediately following the date of the Board Meeting and the date of this Draft Letter of Offer, having regard to the Board's intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will in the Board's view be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buyback and within a period of one year from the date of this Draft Letter of Offer, as the case may be.

- c. in forming an opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified), as the case may be, including prospective and contingent liabilities.

This declaration is made and issued by the Functional Authority (under the authority of the Board of Directors) in terms of the resolution passed at its meeting held on February 10, 2017.

For and on behalf of the Board of Directors of Company

Sd/-
Shri Krishna Mohan Singh
Chairman and Managing Director
DIN: 02223301

Sd/-
Shri Jayant Kumar
Director (Finance)
DIN: 03010235

23 AUDITORS CERTIFICATE

Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by directors regarding insolvency:

The text of the report dated February 7, 2017 received from the Joint Statutory Auditors of the Company viz. M/s Gupta Gupta & Associates, M/s S. N. Dhawan & Co. LLP and M/s Ray and Ray, Chartered Accountants, addressed to the Board of Directors of the Company is reproduced below:

Quote:

AUDITOR'S REPORT (As prescribed in the Clause (xi) of Part A of Schedule II of the SEBI Buyback Regulations)

The Board of Directors,
NHPC Limited,
NHPC Office Complex
Sector-33, Faridabad
Haryana-121003

Dear Sirs,

Sub: Proposed buyback of Equity Shares of not exceeding 10% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016, on a proportionate basis (the "Buyback"), from the Eligible Shareholders by way of a tender offer through the stock exchange mechanism by NHPC Limited (the "Company").

1. This Report is issued in accordance with the terms of our engagement letter for the proposed buy-back of Equity Shares. The Board of Directors of NHPC Limited ("the Company") have approved a proposed Buy-back of Equity Shares by the Company at its meeting held on 7th February 2017, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Buy- Back of Securities) Regulations, 1998, as amended (the "SEBI Buyback Regulations").
2. The accompanying Statement of permissible capital payment towards buy-back of equity shares based on the last Audited Financial Statements of the Company as at 31st March, 2016 (hereinafter referred together as the "Statement") is prepared by the management.

Management's Responsibility for the Statement

3. The preparation of the Statement in accordance with Section 68 (2)(c) of the Companies Act, 2013 and the compliance with the SEBI Buyback regulations, is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control

relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors Responsibility

4. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide a reasonable assurance:
 - (i) whether we have inquired into the Company's state of affairs of the Company in relation to its latest audited standalone financial statements as at 31st March 2016;
 - (ii) if the amount of the permissible capital payment for the proposed buy back of Equity Shares is properly determined considering the audited standalone financial statements for the year ended 31st March, 2016; and
 - (iii) if the Board of Directors have formed the opinion as specified in clause (x) of Part A of Schedule II to the SEBI Buyback Regulations, as amended on reasonable grounds that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of the resolution by the Board of Directors of the Company.
5. The standalone financial statements referred to in paragraph 4 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated 28th May, 2016. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
6. We conducted our examination of the Statement in accordance with the Guidance note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.

Opinion

8. Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that: -
 - (i) We have inquired into the state of affairs of the Company in relation to its audited standalone financial statements for the year ended 31st March, 2016 which has been approved by the Board of Directors of the Company on 28th May, 2016.
 - (ii) The amount of permissible capital payment towards the proposed buy back of Equity Shares as computed in the statement attached herewith as Annexure 'A', is properly determined in our view in accordance with Section 68 (2)(c) of the Act. The amounts of paid-up capital and free reserves have been extracted from the audited standalone financial statements of the Company for the year ended 31st March, 2016.
 - (iii) The Board of Directors of the Company, in their meeting held on 7th February, 2017 have formed their opinion as specified in clause (x) of Part A of Schedule II to the SEBI Buyback Regulations, as amended, on reasonable grounds, that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated 7th February, 2017.
 - (iv) We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on February 7, 2017, is unreasonable in any of the circumstances in the present context.

Restriction on Use

9. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable the Board of Directors of the Company to include it in public announcement and Draft Letter of Offer/ Letter of Offer to be dispatched to the shareholders and filed with various regulatory agencies, in connection with buyback of not exceeding 81,13,47,977 (Eighty One Crore Thirteen Lakhs Forty Seven Thousand Nine Hundred and Seventy Seven) equity shares, in pursuance of provisions of section 68, 69 and 70 of the Companies Act, 2013, Buyback Regulations and should not be used for any other purpose or by any other person.

For Gupta Gupta & Associates
(Chartered Accountants)
FR No. 001728N

For S.N. Dhawan & Co. LLP
(Chartered Accountants)
FR No. 000050N/N500045

For Ray & Ray
(Chartered Accountants)
FR No. 301072E

Sd/-
(Ram Kumar Gupta)
Partner
M. No. 097382

Sd/-
(S.K. Khattar)
Partner
M. No. 084993

Sd/-
(Asish Kumar Mukhopadhyay)
Partner
M. No. 056359

Place: New Delhi

Date: 7th February, 2017

ANNEXURE-A

STATEMENT OF PERMISSIBLE CAPITAL PAYMENT AS AT 31ST MARCH 2016

The amount of permissible capital payment towards buy-back of equity shares as ascertained below in our view has been properly determined in accordance with Section 68 (2) (c) of the Companies Act, 2013:

Particulars	Amount (in Rs.)
Issued, subscribed and fully paid up equity shares:	
1107,06,68,496 Equity Shares of Rs. 10 each, fully paid up	110,70,66,84,960
Total- A	110,70,66,84,960
Free Reserves	
General reserve	100,88,10,99,063
Surplus in the statement of profit and loss	21,38,45,76,415
Securities premium account	28,68,73,62,250
Total- B	150,95,30,37,728
Total C= A+B	261,65,97,22,688
Maximum amount permissible for the Buy-back i.e. 10 % of the aggregate fully paid-up equity share capital and free reserves	26,16,59,72,268

Unquote:

24 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by the shareholders of NHPC Limited at the Registered Office: NHPC Office Complex, Sector-33, Faridabad - 121003, Haryana, India from 10.00 a.m. to 5.00 p.m. on any day, except Saturdays, Sundays and public holidays, during the Tendering Period.

- i. Copy of the Certificate of Incorporation;
- ii. Memorandum and Articles of Association of NHPC Limited;
- iii. Copy of the annual reports of NHPC Limited for the financial years ended March 31, 2016, March 31, 2015 and March 31, 2014 and limited reviewed financials for the six months ended September 30, 2016;

- iv. Copy of the resolution passed by the Board of Directors at the meeting held on February 7, 2017 approving proposal for Buyback;
- v. Copy of Report dated February 7, 2017 received from M/s Gupta Gupta & Associates, M/s S. N. Dhawan & Co.LLP and M/s Ray and Ray, Chartered Accountants, the Joint Statutory Auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
- vi. Copy of Declaration of solvency and an affidavit verifying the same in Form SH-9, as prescribed under Section 68(6) of the Companies Act;
- vii. SEBI Comments vide letter no. [●] dated [●];
- viii. Copy of Escrow Agreement dated February 9, 2017 between NHPC Limited, State Bank of India and SBI Capital Markets Limited;
- ix. Copy of the certificate from M/s Gupta Gupta & Associates, M/s S. N. Dhawan & Co.LLP and M/s Ray and Ray, Chartered Accountants, the Joint Statutory Auditors of the Company, dated February 7, 2017 certifying that the Company has adequate funds for the purposes of Buyback;
- x. Copy of Public Announcement dated February 8, 2017 published in the newspapers on February 9, 2017 regarding Buyback of Equity Shares; and
- xi. Opinion dated February 7, 2017 obtained by the Company on taxation.

25 DETAILS OF COMPLIANCE OFFICER

Mr. Vijay Gupta, Company Secretary

NHPC Office Complex,
Sector-33, Faridabad - 121003,
Haryana, India
Tel: +91 (129) (129) 225 4684, +91 (129) 227 8018
Fax: +91 (129) 225 8834
E-mail: companysecretary@nhpc.nic.in

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10:00 a.m. and 5:00 p.m. on all working days except Saturday, Sunday and Public holidays

26 DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS

In case of any grievances relating to the Buyback (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Manager to the Buyback and/or Registrar to the Buyback for redressal.

If the Company makes any default in complying with the provisions of Section 68, 69, 70 of the Companies Act, 2013 or rules made thereunder, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, 2013.

The address of the concerned office of the Registrar of Companies is as follows:

The Registrar of Companies (Delhi & Haryana)
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi - 110019

27 DETAILS OF INVESTOR SERVICE CENTRE

In case of any query, the shareholders may contact the Registrar & Transfer Agent on any day except Saturday, Sunday and Public holidays between 10:00 a.m. and 5:00 p.m. at the following address:



KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli, Financial District, Nanakramguda,

Hyderabad- 500 032
Telangana, India
Contact Person: M. Murali Krishna/ R. Williams
Tel: +91 (040) 6716 2222
Fax: +91 (040) 2343 1551
E-mail: nhpc.buybackoffer@karvy.com;
Website: www.karvycomputershare.com;
SEBI Registration Number: INR000000221
Validity Period: Permanent
CIN: U72400TG2003PTC041636

28 DETAILS OF MANAGER TO THE BUYBACK



SBI CAPITAL MARKETS LIMITED
202, Maker Tower E, Cuffe Parade
Mumbai 400 005
Contact person: Mr. Sambit Rath/ Mr. Gitesh Vargantwar
Tel: + 91 (22) 2217 8300
Fax: +91 (22) 2218 8322
Email: nhpc.buyback2017@sbicaps.com
Website: www.sbicaps.com
SEBI Registration Number: INM000003531
Validity Period: Permanent
CIN: U99999MH1986PLC040298

29 DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Draft Letter of Offer and confirm that the information in this Draft Letter of Offer contain true, factual and material information and does not contain any misleading information. The Draft Letter of Offer is issued under the authority of the Board of Directors by the Functional Authority through Resolution passed by the Functional Authority at its meeting held on February 10, 2017.

For and on behalf of the Board of Directors of
NHPC Limited

Shri Krishna Mohan Singh
Chairman and Managing Director
DIN: 02223301

Shri Jayant Kumar
Director (Finance)
DIN: 03010235

Shri Ratish Kumar
Director (Projects)
DIN: 06852735

Date: February 10, 2017

Place: New Delhi

Enclosure:

1. Tender Form for Demat Shareholders
2. Tender Form for Physical Shareholders

TENDER FORM

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)**

BUYBACK OPENS ON:	[Insert day], [●], 2017
BUYBACK CLOSES ON:	[Insert day], [●], 2017

Bid Number:
Date:

For Registrar use		
Inward No.	Date	Stamp

Status: Please tick appropriate box					
<input type="checkbox"/>	Individual	<input type="checkbox"/>	Foreign Institutional Investors/ Foreign Portfolio Investors	<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>	Non Resident Indian / OCB	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank / Financial Institution	<input type="checkbox"/>	Pension/ PF
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/ LLP	<input type="checkbox"/>	Others (specify)

India Tax Residency Status: Please tick appropriate box

Resident in India Non-Resident in India Resident of _____ (Shareholder to fill the country of residence)

To,
**The Board of Directors
NHPC Limited**

NHPC Office Complex, Sector-33, Faridabad - 121003, Haryana, India
c/o Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad- 500 032
Tel: +91 (040) 6716 2222; Fax: +91 (040) 2343 1551

Dear Sirs,

Sub: Letter of Offer dated [●], 2017 to Buyback 81,13,47,977 Equity Shares of NHPC Limited (the "Company") at a price of ₹ 32.25 (Rupees Thirty Two and Twenty Five Paise only) per Equity Share ("Buyback Offer Price"), payable in cash ("Buyback")

- I/We (having read and understood the Letter of Offer dated [●], 2017) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby affirm and warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us are free from all liens, equitable interest, charges and encumbrance.
- I / We declare and warrant that there are no restraints / injunctions or other order(s)/ covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / We am / are legally entitled to tender/ offer the Equity Shares for the Buyback.
- I / We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Shareholder as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I/We agree that the excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered would be returned to the Eligible Shareholder as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, 2013 and rules made thereunder and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

	In Figures	In Words
Number of Equity Shares held as on Record Date i.e. February 20, 2017		
Number of Equity Shares entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback		

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

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Acknowledgement Slip: NHPC Limited – Buyback Offer
(to be filled by the Eligible Shareholder) (subject to verification)

Folio No./DP ID: _____

Client ID _____

Received from Shri./ Smt./ M/s. _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures) _____ (In Words) _____

STAMP OF BROKER

Please quote Client ID No. & DP ID No. for all future correspondence

10. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
Name of the Depository Participant	
DP ID No.	
Client ID with the Depository Participant	

11. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) of the Shareholder(s)				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID of the Sole/First Equity Shareholder				

*Corporate must affix rubber stamp and sign

Applicable for all Non- resident Shareholders- I / We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with the prevailing income tax laws in India within 7th day of the succeeding month in which the Equity Shares are bought back by the Company. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us.

-----Tear along this line-----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre, NHPC Limited- Buyback offer

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032

Contact Person: M. Murali Krishna/ R. Williams

Tel: +91 (040) 6716 2222; **Fax:** +91 (040) 2343 1551; **E-mail:** nhpc.buybackoffer@karvy.com;

Website: www.karvycomputershare.com; **SEBI Registration Number:** INR000000221

Validity Period: Permanent Registration; **CIN:** U72400TG2003PTC041636

INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form

1. This Buyback offer will open on [Insert day], [●], 2017 and close on [Insert day], [●], 2017.
2. The Equity Shares tendered in the Buyback shall be rejected if (i) the tenderer is not an Eligible Shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the Shareholder; or (iii) if the Eligible Shareholder has made a duplicate bid.
3. The Eligible Shareholder is required to transfer the Equity Shares under the Buyback Offer to Clearing Corporation, by using the settlement number through the early pay-in mechanism of Depositories. This shall be validated by the Shareholder Broker at the time of order/bid entry. The details of the settlement number for the Buyback will be provided in a separate circular which shall be issued at the time of issue opening by Clearing Corporation.
4. Eligible Shareholders who have tendered their Equity Shares in the Buyback may deliver the Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares, along with the TRS generated by the exchange bidding system either by registered post or courier or hand delivery to the Registrar to the Buyback Offer not later than 2 (two) days from the Buyback Closing Date i.e. [●]. The envelope should be superscribed as "NHPC Buyback Offer 2017". In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.
5. The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant.
6. In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by such Eligible Shareholder, stating the name of the Eligible Shareholder, address of the Equity Shareholder, number of Equity Shares held, Client ID number, DP name, DP ID number and number of Equity Shares tendered. Eligible Shareholders have to ensure that their bid is entered in the electronic platform to be made available by BSE before the closure of the Buyback.
7. Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback Entitlement, but not exceeding their holding as on the Record Date.
8. All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
9. By agreeing to participate in the Buy-back the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
10. Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
11. All capitalised items shall have the meaning ascribed to them in the Letter of Offer.

-----Tear along this line-----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre, NHPC Limited- Buyback offer
Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032

Contact Person: M. Murali Krishna/ R. Williams

Tel: +91 (040) 6716 2222; **Fax:** +91 2343 1551; **E-mail:** nhpc.buybackoffer@karvy.com;

Website: www.karvycomputershare.com; **SEBI Registration Number:** INR00000221

Validity Period: Permanent Registration; **CIN:** U72400TG2003PTC041636

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)

BUYBACK OPENS ON:	[Insert day], [●], 2017
BUYBACK CLOSES ON:	[Insert day], [●], 2017

Bid Number:
Date:

For Registrar use		
Inward No.	Date	Stamp

Status: Please tick appropriate box					
<input type="checkbox"/>	Individual	<input type="checkbox"/>	Foreign Institutional Investors/ Foreign Portfolio Investors	<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>	Non Resident Indian / OCB	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank / Financial Institution	<input type="checkbox"/>	Pension/ PF
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/ LLP	<input type="checkbox"/>	Others (specify)

India Tax Residency Status: Please tick appropriate box

Resident in India Non-Resident in India Resident of _____ (Shareholder to fill the country of residence)

To,

The Board of Directors

NHPC Limited

NHPC Office Complex, Sector-33, Faridabad - 121003, Haryana, India

c/o Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,

Financial District, Nanakramguda, Hyderabad- 500 032

Tel: +91 (040) 6716 2222; Fax: +91 (040) 2343 1551

Dear Sirs

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- I/We (having read and understood the Letter of Offer dated [●], 2017) hereby tender / offer my / our Equity Shares in response to the Buyback in accordance with the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Share certificates.
- I / We hereby affirm and warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare and warrant that there are no restraints / injunctions or other order(s)/ covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / we am / are legally entitled to tender/ offer the Equity Shares for the Buyback.
- I / We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of Equity Share certificates has been notified to the Company.
- I/We agree that the excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered would be returned to the Eligible Shareholder as per the provisions of Buyback Regulations and circulars issued by the SEBI.
- I / We irrevocably and unconditionally agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration may be paid as per Buyback Regulations.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback offer in accordance with the Companies Act, 2013 and the rules made thereunder and the Buyback Regulations.
- I / We authorize the Company to split the Equity Share certificates and issue a new consolidated Equity Share certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered by me/us in the Buyback.
- Details of Equity Shares held and tendered / offered for Buyback:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date i.e. February 20, 2017		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buy Back		

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

Tear along this line

Acknowledgement Slip: NHPC Limited – Buyback Offer

(to be filled by the Equity Shareholder) (subject to verification)

Ledger Folio No.: _____

Received from Shri./ Smt./ M/s. _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with: _____

No. of Equity Shares offered for Buyback (In Figures) _____ (In Words) _____

Please quote Ledger Folio No. for all future correspondence

STAMP OF BROKER

12. Details of Share Certificate(s) Enclosed: Total No. of Share Certificates Submitted:

Serial No.	Folio No.	Share Certificate No.	Distinctive No.		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
Total					

In case the number of folios and equity share certificates enclosed exceed four no.'s, please attach a separate sheet giving details in the same format as above.

13. Details of other Documents (duly attested) (Please ✓ as appropriate, if applicable) enclosed:

- | | |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Power of Attorney | <input type="checkbox"/> Previous RBI approvals for acquiring the Equity Shares of NHPC Limited tendered in the Buyback |
| <input type="checkbox"/> Corporate authorizations | <input type="checkbox"/> Death Certificate |
| <input type="checkbox"/> Succession Certificate | <input type="checkbox"/> Self attested copy of Permanent Account Number (PAN Card) |
| <input type="checkbox"/> TRS | <input type="checkbox"/> Others (please specify) _____ |

14. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) of the Shareholder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID of the Sole/First Equity Shareholder				

*Corporate must affix rubber stamp and sign

Applicable for all Non- resident Shareholders- I / We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with the prevailing income tax laws in India within 7th day of the succeeding month in which the shares are bought back by the Company. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us.

15. Details of the bank account of the sole or first Shareholder to be incorporated in the consideration warrant (to be mandatorily filled)

Name of the Bank	Branch and City	Account Number (indicate type of account)

-----Tear along this line-----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NUMBER:

Investor Service Centre, NHPC Limited- Buyback offer
Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032
Contact Person: M. Murali Krishna/ R. Williams
Tel: +91 (040) 6716 2222; **Fax:** +91 2343 1551; **E-mail:** nhpc.buybackoffer@karvy.com;
Website: www.karvycomputershare.com; **SEBI Registration Number:** INR00000221
Validity Period: Permanent Registration; **CIN:** U72400TG2003PTC041636

INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form

1. This Buyback offer will open on [Insert day], [●], 2017 and close on [Insert day] [●], 2017.
2. Eligible Shareholder who wish to tender their Equity Shares in response to this Buyback Offer should deliver the following documents so as to reach before the close of business hours to the Registrar to the Buyback ("RTA") non-receipt of the below mentioned documents by the RTA on or before [Insert day], [●] 2017 by 05:00 p.m shall result in the rejection of the tendered Equity Shares:
 - i. The Tender form duly signed (by all Shareholders in case of shares are in joint names) in the same order in which they hold shares;
 - ii. Original Share Certificates;
 - iii. Valid share transfer form(s) (SH-4) duly filled and signed by the transferors (i.e. by all registered Shareholders in case of shares are in joint names, in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company.
 - iv. Self-attested copy of the Shareholder's PAN Card.
 - v. Any other relevant documents such as (but not limited to):
 - Duly attested Power of Attorney registered with the Registrar, if any person other than the Shareholder has signed the relevant Tender Form.
 - Notarized copy of death certificate/succession certificate or probated bill, if the original Shareholder has deceased.
 - Necessary corporate authorization, such as Board Resolutions etc., in case of companies.
 - vi. In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder of the Company would be required to submit a self-attested copy of address proof consisting *inter alia* of any one of the following documents: Valid Aadhar Card, Voter identity card or Passport.
3. Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback Entitlement, but not exceeding their holding as on the Record Date.
4. All documents/ remittances sent by or to Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to adequately safeguard their interests in this regard.
5. All documents as mentioned above shall be enclosed with the valid Tender Form otherwise the Equity Shares will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others:
 - i. The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of [Insert day], [●], 2017 by 05:00 p.m.
 - ii. If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company.
 - iii. If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders.
 - iv. If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the Equity Share certificate.
 - v. In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.For other grounds of rejection please refer to the Letter of Offer.
6. By agreeing to participate in Buyback the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the company for such regulatory reporting, if required by the Company.
7. Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
8. The Equity Shares tendered in the Buyback shall be rejected if (i) the Shareholder is not an Eligible Shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the Shareholder; or (iii) if the Eligible Shareholder has made a duplicate bid.
9. In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by such Eligible Shareholder, stating the name of the Eligible Shareholder, address of the Eligible Shareholder, folio number, Share certificate number, number of Equity Shares held and number of Equity Shares tendered and enclosing other relevant documents such as physical Equity Share certificate, copy of PAN card and Form SH-4 in favour of the Company in case of Equity Shares being held in physical form. Eligible Shareholders have to ensure that their bid is entered in the electronic platform to be made available by the BSE before the closure of the Buyback.
10. All capitalised items shall have the meaning ascribed to them in the Letter of Offer.

-----Tear along this line -----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NUMBER:

Investor Service Centre, NHPC Limited- Buyback offer
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Tel: +91 (040) 6716 2222; **Fax:** +91 2343 1551; **E-mail:** nhpc.buybackoffer@karvy.com;

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Validity Period: Permanent Registration; **CIN:** U72400TG2003PTC041636