

Courier

DCS/COMP/DB/151/2014-15

December 18, 2014

The Company Secretary / Compliance Officer
NHPC Ltd
NHPC Office Complex, Sector - 33
Faridabad - 121003
Haryana

Dear Sir/Madam,

Sub: Audit Reports filed by listed companies

This has reference to the provisions of Clause 31(a) of the Listing Agreement and SEBI Circulars pertaining to the "Manner of Dealing with Audit Reports filed by Listed Companies" dated August 13, 2012 and June 05, 2013 which inter-alia mandated listed companies to submit either Form A (Unqualified / Matter of Emphasis Report) or Form B (Qualified / Subject to / Except for Audit Report) along with the company's Annual Report to the Stock Exchange.

As per the provisions of the said circulars, the qualifications raised by the Statutory Auditors in their Audit Report, would be scrutinized by the Qualified Audit Review Committee (QARC) constituted by SEBI.

Accordingly, after scrutiny and discussion by QARC and thereafter by FRRB and as directed by SEBI, you are advised to:

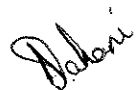
Restate the Financial Statements pertaining to Financial Year 2012-13 giving effect to the qualifications*, in terms of Clause 31A of the Listing Agreement and in terms of SEBI Circular No. CIR/CFD/DIL/7/2012 dated August 13, 2012 read with the SEBI's Clarificatory Circular CIR/CFD/DIL/9/2013 dated June 05, 2013.

(* Refer Annexure-I for details)

You are requested to take note of the same and comply accordingly, under information to the Exchange.

In case you need any clarifications on the above, you may please Ms. Dhara Barot on 22728559 / Mr. Rakesh Parekh on 22728307 (email rakesh.parekh@bseindia.com, dhara.barot@bseindia.com) for assistance.

Yours truly,



Netra Sahani
D.G.M - Listing Compliance



Abhijit Pai
A.G.M - Listing Compliance

ANNEXURE I:

NHPC Ltd

Auditor Qualification:

Capital Work in Progress carried in the Balance Sheet amounting to ` 19,709.04 crores. Management has included Borrowing Cost of ` 386.88 crores and Administrative & Other Cost of ` 139.69 crores incurred on Subansiri Lower H.E. Project, wherein active development of project is interrupted. Accounting Standards require these expenditure incurred during interruption period be charged to Statement of Profit & Loss. This constitutes departure from the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956. Accordingly, 'Finance Cost' would have increased by ` 386.88 crores and 'Generation, Administration and Other Expenses' would have increased by ` 139.69 crores and 'Net Profit before Tax', 'Capital Work in Progress' would have reduced by ` 526.57 crores and Shareholders' Fund (Net of Taxes) would have reduced by ` 421.22 crores.