

Mr. ABL Srivastava
Director-Finance
NHPC Limited
NHPC Office Complex,
Sector 33
Faridabad - 121003

January 7, 2010

Kind Attn: Mr. ABL Srivastava, Director - Finance

Dear Sir,

Re: National Non Convertible Debenture Rating of NHPC Limited

Fitch (“**Fitch**”) (see definition below) has assigned a rating of “AAA(ind)” to the INR20bn Non Convertible Debenture Programme of NHPC Limited (NHPC). At the same, Fitch has affirmed NHPC’s National Long Term Rating of ‘AAA(ind) with a Stable Outlook.

Ratings assigned by Fitch are based on the information and documents provided to us by you and other parties. Fitch relies on all these parties for the accuracy of such information and documents. Fitch did not audit or verify the truth or accuracy of such information.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. Fitch is not your advisor, nor is Fitch providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services.

The assignment of a rating by Fitch does not constitute consent by Fitch to the use of its name as an expert in connection with any registration statement or other filings under US, UK or any other relevant securities laws.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason Fitch deems sufficient.



Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between Fitch and you or between us and any user of the ratings. Nothing in this letter shall limit our right to publish, disseminate or license others to publish or otherwise to disseminate the ratings or the rationale for the ratings.

In this letter, "Fitch" means Fitch, Inc. and Fitch Ratings Ltd and any subsidiary of either of them together with any successor in interest to any such person.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact either of the undersigned at + 91 22 4000 1700.

Sincerely,



Ananda Bhoumik
Senior Director



Rakesh Valecha
Senior Director