



एनएचपीसी लिमिटेड
(भारत सरकार का उद्यम)

NHPC Limited
(A Govt. of India Enterprise)

फोन/Phone : 0129-2278018

संदर्भ सं./Ref. No. **NH/CS/199**

Manager/ मैनेजर,
Listing Department/ लिस्टिंग विभाग,
M/s BSE Limited/ बीएसई लिमिटेड,
Phiroze Jeejeebhoy Towers, Dalal Street/ पि.जे.
टावर्स,दलालस्ट्रीट
Mumbai/ मुंबई -400 001
Scrip Code: 533098

General Manager/ महाप्रबंधक,
Listing Department/ लिस्टिंग विभाग,
M/s National Stock Exchange of India Limited/
नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड,
Exchange Plaza, Bandra Kurla Complex/ एक्सचेंज
प्लाजा, बांद्रा कुर्ला कॉम्प्लेक्स,
Bandra (E)/ बांद्रा (ई), Mumbai/ मुंबई - 400 051
Scrip Code: NHPC

ISIN No. INE848E01016

Sub: Intimation regarding assignment of International Credit Rating

विषय: अंतर्राष्ट्रीय क्रेडिट रेटिंग आवंटित करने के संबंध में सूचना

Sir/महोदय,

In compliance to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is to inform that Moody's Ratings has assigned 'Baa3' long term issuer rating with stable outlook to NHPC Limited on 24.04.2024. The Rating report published by Moody's Ratings is **attached**.

This is for your information and record.

सेबी [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] विनियम, 2015 के विनियमन 30 के अनुपालन में, यह सूचित किया जाता है कि मूडीज़ रेटिंग्स ने 24.04.2024 को एनएचपीसी लिमिटेड को स्थिर आउटलुक के साथ 'Baa3' दीर्घकालिक जारीकर्ता रेटिंग सौंपी है। मूडीज़ रेटिंग्स द्वारा प्रकाशित रेटिंग रिपोर्ट **संलग्न** है।

यह आपकी जानकारी और रिकार्ड के लिए है।

धन्यवाद।

भवदीय,

संलग्न: उपरोक्तानुसार

(रूपा देव)
कंपनी सचिव

MOODY'S

RATINGS

Rating Action: Moody's Ratings assigns Baa3 rating to NHPC; outlook stable

24 Apr 2024

Singapore, April 24, 2024 -- Moody's Ratings (Moody's) has assigned Baa3 issuer ratings and ba1 Baseline Credit Assessment (BCA) to NHPC Limited.

The outlook is stable.

RATINGS RATIONALE

NHPC's Baa3 rating reflects its BCA of ba1, the high level of extraordinary support from, and the company's very high level of dependence on, the Government of India (Baa3 stable) under Moody's Joint Default Analysis (JDA) approach for government-related issuers (GRIs).

"NHPC's BCA reflects the company's strong competitive position, the favorable policy and regulatory environment for India's hydropower sector," says Abhishek Tyagi, a Moody's Vice President and Senior Credit Officer.

"The BCA also incorporates the implementation risk associated with the company's large and complex capital spending program and its high financial leverage, which constrains its BCA," adds Tyagi.

Moody's expects NHPC's interest coverage, as measured by (CFO pre-WC + interest)/interest, to be in the range of 2.0x-3.0x and its financial leverage, as measured by CFO pre-WC/debt, to trend down to the range of 6%- 9% over next 12-36 months. Nonetheless, these credit metrics will continue to support its BCA.

NHPC is India's largest hydropower generator and has a long track record of developing hydropower projects. It is also one of India's lowest-cost electricity producers, which underpins its strong competitive position in the industry.

NHPC is a beneficiary of ongoing supportive policy from the Government of India. Since the establishment of the Payment Security Scheme more than 20 years ago, the company has enjoyed a good track record of payments from state-owned

distribution companies despite their weak finances. The Payment Security Mechanism is based on tripartite agreements between the central government, state governments and the Reserve Bank of India, and these agreements ensure payments to NHPC in the event of default by state-owned distribution companies. The government also provides support to NHPC in resettlement and rehabilitation activities, land acquisitions and law and order issues, as well as and financial support in the form of soft loans.

Moody's assessment of extraordinary government support, if required, for the company is "High", under its JDA for GRIs. In particular, the government has a 67.4% ownership stake in NHPC and therefore closely directs its activities. The government also has a strong track record of providing support, evidenced by its past actions including (1) a one-time settlement scheme in 2003 that led to the settlement of all past dues of state-owned distribution companies; (2) extending soft loans to NHPC for certain strategic projects; and (3) its establishment of the Payment Security Mechanism to take care of receivables from state-owned distribution companies.

The stable rating outlook reflects Moody's expectation that NHPC will continue to generate relatively predictable cash flow in its regulated power business despite the large planned capital expenditure programme.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

Moody's could upgrade NHPC's ratings if India's sovereign rating is upgraded and its standalone credit profile does not deteriorate.

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

Downward pressure on the BCA would emerge if unfavorable regulatory developments, such as tariff reductions, strain the company's financial position. NHPC's BCA would also come under strain if its cash flow from operations pre-working capital (CFO pre-WC)/debt declines below 4% on a consistent basis. However, the rating will remain resilient to a deterioration in the BCA.

Moody's could also downgrade NHPC's ratings if India's sovereign rating is downgraded.

METHODOLOGY

The methodologies used in these ratings were Regulated Electric and Gas Utilities published in June 2017 and available at <https://ratings.moodys.com/rmc-documents/68547>, and Government-Related Issuers methodology published in January 2024 and available at <https://ratings.moodys.com/rmc-documents/406502>. Alternatively, please see the Rating Methodologies page on

<https://ratings.moodys.com> for a copy of these methodologies.

ISSUER PROFILE

NHPC Limited was established in 1975 and is India's largest hydropower generation company with an installed capacity of 7,097 megawatts (MW), including 6,971 MW from 22 operational hydro projects and 126 MW from solar and wind projects. The company is presently engaged in the construction of nine hydro projects with a total of 9,314 MW in capacity and six solar projects with total capacity of 1,135 MW. As of the end of March 2024, the Indian government owns a stake of around 67.4% in NHPC.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the issuer/deal page for the respective issuer on <https://ratings.moodys.com>.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website <https://ratings.moodys.com>.

Regulatory disclosures contained in this press release apply to the credit rating and, if

applicable, the related rating outlook or rating review.

At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1355824.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the EU and UK and is(are) endorsed for use in the EU and UK in accordance with the EU and UK CRA Regulation.

Please see <https://ratings.moodys.com> for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on <https://ratings.moodys.com> for additional regulatory disclosures for each credit rating.

Abhishek Tyagi
VP - Senior Credit Officer
Project & Infrastructure Finance
Moody's Investors Service Singapore Pte. Ltd.
71 Robinson Road #05-01/02
Singapore, 068895
Singapore
JOURNALISTS: 852 3758 1350
Client Service: 852 3551 3077

Ray Tay
Senior Vice President/Manager
Project & Infrastructure Finance
JOURNALISTS: 852 3758 1350
Client Service: 852 3551 3077

Releasing Office:
Moody's Investors Service Singapore Pte. Ltd.
71 Robinson Road #05-01/02
Singapore, 068895
Singapore
JOURNALISTS: 852 3758 1350
Client Service: 852 3551 3077

and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan

Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJJK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJJK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJJK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY100,000 to approximately JPY550,000,000.

MJJK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.