

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO. 3244
ANSWERED ON 12.03.2026**

LAND-REVENUE CESS ON HYDRO PROJECTS

3244. SHRI ANURAG SINGH THAKUR:

**Will the Minister of POWER
be pleased to state:**

(a) whether the Government is aware of the recent notification issued by the State Government of Himachal Pradesh imposing a land-revenue cess on hydropower and dam projects, including inter-State and Central sector projects such as Bhakra, Pong and Beas-Sutlej systems and if so, the details thereof;

(b) whether representations have been received from Central Public Sector Undertakings, including Satluj Jal Vidyut Nigam Limited (SJVN), National Hydroelectric Power Corporation Limited (NHPC), National Thermal Power Corporation Limited (NTPC) and Bhakra-Beas Management Board (BBMB) expressing concerns that the cess may be inconsistent with existing agreements, statutory arrangements and tariff frameworks and if so, the details thereof and the action being planned thereon;

(c) whether the Government has examined the potential impact of the cess on power tariffs payable by beneficiary States and consumers, if so, the details thereof; and

(d) whether the Government proposes to hold consultations with the concerned State Government and stakeholder States to resolve the matter and if so, the details thereof?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a): The Government of Himachal Pradesh (GoHP), vide notification dated 01.12.2025 has notified the annual land revenue at the rate of two percent of the average market value of the hydro power project, as assessed by the Revenue Officers. The land revenue is payable after consideration of objections from any interested party, shall be payable to the GoHP by the occupier of the land used for the project, with effect from 01.01.2026.

Further, on 02.02.2026 and 03.02.2026, GoHP notified the Annual Rate of cess with respect to the Average Market Value of the projects. The notification includes, besides others, projects of Central Public Sector Undertakings (CPSUs) viz Satluj Jal Vidyut Nigam Limited (SJVN), National Hydroelectric Power

Corporation Limited (NHPC), National Thermal Power Corporation Limited (NTPC) and Bhakra-Beas Management Board (BBMB)

(b) : Following the notification issued by the Government of Himachal Pradesh on 01.12.2025, SJVN Limited, NHPC Limited, NTPC Limited and the Bhakra Beas Management Board submitted representations to the State Government. Subsequently, these CPSUs and BBMB have also filed civil writ petitions before the High Court of Himachal Pradesh, Shimla, challenging the constitutional validity of the notifications issued by the State Government.

(c) : The potential impact of the land revenue on power tariff has been assessed by the concerned CPSUs and the Bhakra Beas Management Board, and the details thereof are placed at Annexure-I.

(d) : The land revenue notified by the Government of Himachal Pradesh has already been challenged by the CPSUs concerned and the Bhakra Beas Management Board before the High Court of Himachal Pradesh, Shimla.

ANNEXURE**ANNEXURE REFERRED IN REPLY TO PART (c) OF UNSTARRED QUESTION NO. 3244 ANSWERED IN THE LOK SABHA ON 12.03.2026**

POTENTIAL IMPACT OF CESS ON THE POWER TARIFF

Sl. No.	Power Station	Name of CPSU / Organization	Potential impact of the CESS	
			Land Revenue Cess as per Notification of the GoHP (Rs. in crore)	Impact on Tariff (Rs./kWh)
1.	Bairasiul	NHPC	26.71	0.40
2.	Chamera-I	NHPC	80.14	0.48
3.	Chamera-II	NHPC	44.52	0.30
4.	Chamera-III	NHPC	34.28	0.31
5.	Parbati-III	NHPC	77.17	0.39
6.	Parbati-II	NHPC	118.72	0.38
7.	Nathpa Jhakri HPS	SJVN	222.60	0.39
8.	Rampur	SJVN	61.14	0.38
9.	Koldam	NTPC	118.72	0.45
10.	Pong Power Hydro, BSL Project and Bhakra Dam	BBMB	433.15	0.43
