



“NTPC Limited Q3FY22 Earnings Conference Call”

29 January, 2022

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Moderator: Ladies and gentlemen, good day and welcome to the Q3FY22 Earnings Conference Call of NTPC Limited, hosted by IIFL Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Harshvardhan Dole from IIFL Securities. Thank you, and over to you Mr. Dole.

Harshvardhan Dole: Thank you. Greetings everyone. On behalf of IIFL Securities, I welcome you all for the Q3FY22 earnings call of NTPC. To discuss the stellar performance of NTPC Group, we have today the entire senior management of NTPC, whom I would like to congratulate and also like to congratulate and appreciate the board’s token of paying out a handsome dividend. To discuss the numbers in detail and share the performance outlook, we have Mr. A.K. Gautam, Director (Finance), Mr. Dillip Kumar Patel, Director (Human Resources), Mr. Ramesh Babu V., Director (Operations), Mr. Chandan Kumar Mondol, Director (Commercial) and Mr. Ujjwal Kanti Bhattacharya, Director (Projects). Without much of a delay, I would like to hand over the line to NTPC management who will make the opening remarks subsequent to which the floor can be opened for Q&A. Over to you Sir.

A.K. Gautam: Thank you. A very good evening to everybody. I, A. K. Gautam, Director (Finance) welcome all of you to the Q3 FY22 Con Call of NTPC Ltd. I have with me Shri. Dillip Kumar Patel, Director (Human Resources), Shri. Ramesh Babu V., Director (Operations), Shri. Chandan Kumar Mondol, Director (Commercial) and Shri. Ujjwal Kanti Bhattacharya, Director (Projects). I have also with me the other key members of NTPC team.

Company has announced the unaudited financial results for third quarter and nine-months of FY22 today. The Key Performance Highlights for the third quarter and nine-months ended 31 December 2021 have already been disclosed on both the stock exchanges.

Operational Highlights for Q3/9M FY22

1. NTPC’s standalone gross generation in Q3 FY22 is 72.70 Billion Units and in 9M FY22 is 219.26 Billion Units as compared to 65.42 Billion Units and 193.28 Billion Units in the corresponding previous periods registering an increase of 11.13% and 13.44% respectively.



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Gross Generation of NTPC Group in Q3 FY22 is 87.92 Billion Units and in 9M FY22 is 264.70 Billion Units as compared to 76.53 Billion Units and 222.41 Billion Units in the corresponding previous periods registering an increase of 14.88% and 19.01% respectively.

2. In Q3 FY22, we have added 1327.42 MW to our commercial capacity, comprising 660 MW at Barh, 80 MW solar capacity at Jetsar, 49.92 MW solar capacity at Fatehgarh, 37.50 MW floating solar capacity at Ramagundam, 250 MW at Barauni and 250 MW at BRBCL. Also, after the expiry of validity of the PPA entered into with erstwhile BSEB, the Board of Directors of NTPC has accorded approval for discontinuance of operation of Muzaffarpur Thermal Power Station (MTPS), Stage-I (2X110 MW) of our wholly owned subsidiary company KBUNL.

With this, the commercial capacity of NTPC has become 54302.42 MW on standalone basis and 67757.42 MW for the Group as on 31 December 2021.

3. NTPC Group has already commissioned 1557.42 MW of RE projects under EPC mode. 2999.58 MW of solar projects including ongoing projects of NTPC REL are presently under implementation. In addition, 3115 MW capacity has been won through Tariff Based Competitive Bidding.
4. For 9M FY22, NTPC Korba Station was ranked 1st with a PLF of 94.07% among the top 10 performing stations in the country in terms of PLF.
5. During 9M FY22, PLF of coal stations of NTPC was 68.95% as against the National Average of 57.02% thereby maintaining a spread of almost 12%.
6. During the period, we have suffered losses due to grid restrictions and fuel supply:
 - The generation loss due to grid restrictions in Coal based stations was 53.52 Billion units in 9M FY22 as compared to 84.12 Billion Units in 9M FY21. For the gas-based stations the loss was 22.75 Billion units in 9M FY22 as compared to 20.25 Billion Units in 9M FY21.
 - The generation loss on account of fuel supply constraints was 6.02 Billion Units for 9M FY22.
7. Status of Fuel Supply
 - During the 9M FY22, Materialisation of coal against ACQ was 96.20% as against 88.71% in 9M FY21.
 - Coal supply during 9M FY22 was 143.42 MMT, comprising of 142.02 MMT of domestic coal and 1.40 MMT of imported coal. The coal supply during the corresponding previous period was 124.57 MMT, with 123.96 MMT of domestic coal and 0.61 MMT of imported coal.



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8. NTPC has achieved a total coal production of 9.65 Million Metric Tonnes (MMT) during 9M FY22 (9M FY21- 7.12 MMT)
- Cumulatively 42.03 MMT coal has been excavated from Pakri-Barwadih, Dulanga and Talaipalli coal mines till 31 December 2021.
- Cumulative expenditure of ₹ 7,527.16 crore has been incurred on the development of coal mines till 31 December 2021.
9. Environmental Management - Initiatives for preserving Environment:
- Flue Gas Desulphurisation Systems (FGD) are under various stages of implementation for 64 GW of group capacity. FGD systems have already been commissioned for 1340 MW capacity. FGD system packages for 60.94 GW capacity are under implementation and FGD system packages for 1.45 GW capacity are under various stages of tendering.
10. Financial Highlights
- Gross Sales for Q3 FY22 is ₹ 28,705.04 crore as against corresponding quarter of previous year Gross Sales of ₹ 24,471.07 crore, registering an increase of 17.30%. On nine-months basis, there is an increase of 14.28% in the Gross Sales i.e., from ₹ 72,504.83 crore in 9M FY21 to ₹ 82,860.67 crore in 9M FY22.
 - Total Income for Q3 FY22 is ₹ 29,837.13 crore as against corresponding quarter of previous year Total Income of ₹ 25,268.56 crore, registering an increase of 18.08%. On nine-months basis, there is an increase of 14.07% in the Total Income i.e., from ₹ 75,312.89 crore in 9M FY21 to ₹ 85,912.38 crore in 9M FY22.
 - PBT for Q3 FY22 is ₹ 5,409.01 crore, as against ₹ 3,561.59 crore in the corresponding quarter of previous year registering an increase of 51.87%. On nine months basis, PBT is ₹ 12,678.27 crore as against ₹ 10,126.31 crore in 9M FY21 registering an increase of 25.20%.
 - PAT for Q3 FY22 is ₹ 4,131.99 crore, as against ₹ 3,315.34 crore in the corresponding quarter of previous year registering an increase of 24.63%. On nine months basis, PAT is ₹ 10,489.53 crore as against ₹ 9,290.30 crore in 9M FY21 registering an increase of 12.91%.
 - Total Income of the group for Q3 FY22 is ₹ 33,783.62 crore as against corresponding quarter of previous year Total Income of ₹ 28,387.27 crore, registering an increase of 19%. On nine-



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months basis there is an increase of 16% in the Total Income i.e., from ₹ 83,859.59 crore in 9M FY21 to ₹ 97,269.89 crore in 9M FY22.

- PAT of the group for Q3 FY22 is ₹ 4,626.11 crore as against corresponding quarter of previous year PAT of ₹ 3,876.36 crore, registering an increase of 19.34%. On nine-months basis there is an increase of 13.96% in the PAT i.e., from ₹ 10,319.91 crore in 9M FY21 to ₹ 11,760.78 crore in 9M FY22.
- The Board has declared interim dividend @ 40% of paid-up capital i.e., @ ₹ 4/- per share.
- During the Q3 FY22, we have accounted dividend income of ₹ 628.39 crore from our Subsidiaries and Joint Venture Companies as against ₹ 5 crore received during Q3 FY21.

An update on various other financial activities:

Regulated equity as on 31 December 2021 was ₹ 70,452.69 crore.

Fund Mobilization

- NTPC has issued Unsecured Debentures aggregating to ₹ 1,175 crore at a yearly coupon of 6.74% on 20 December 2021 for a period of 10 years 3 months 25 days.
- Average cost of borrowing for 9M FY22 is 5.95% as compared to 6.26% in 9M FY21.
- During Q3 FY22, NTPC has signed term loan agreements of ₹ 3,000 crore and ₹ 1,500 crore with HDFC Bank and IndusInd Bank respectively totalling ₹ 4,500 crore.

CAPEX

- In 9MFY22, we have incurred a group CAPEX of ₹ 25,064.10 crore as compared to ₹ 12,983.14 crore in the previous period.
11. NTPC Limited has awarded project of ‘Standalone Fuel-Cell based Micro-grid with hydrogen production using electrolyser’ at NTPC Simhadri (Andhra Pradesh). This will be India’s first Green Hydrogen based Energy Storage Project. It would be a precursor to large scale hydrogen energy storage projects and would be useful for studying and deploying multiple microgrids in various off-grid and strategic locations of the country.

The hydrogen would be produced using the advanced 240 kW Solid Oxide Electrolyser by taking input power from the nearby Floating Solar project. This unique project configuration is designed in-house by NTPC. This unique project for India would open doors for decarbonising the far-off regions of the country like Ladakh, Jammu & Kashmir (J&K) etc., hitherto dependent



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on diesel generators. The project is in-line with the vision of the Hon'ble Prime Minister for becoming carbon neutral by 2070 and making Ladakh a carbon-neutral territory.

12. NTPC and EDF has signed an MoU to explore power sector related investment opportunities in the Middle East, Europe, Africa and Asia. The MoU also envisages collaboration in the areas of R&D, efficiency improvement, consultancy, capacity building, hydrogen economy, electricity distribution apart from joint development of power generation projects including but not limited to Solar, Wind, Hydro and Waste to Energy projects.
13. NTPC along with ISA, signed Grant Agreement with Comoros and Ethiopia for implementation of solarization projects as a PMC consultant of International Solar Alliance. NTPC has been supporting 19 member countries of ISA under this solarization programme for last one year under a partnership Agreement with ISA.
14. NTPC and Indian Oil signed a memorandum of understanding to collaborate in the field of renewable energy and mutually explore opportunities for supply of low carbon/RE RTC captive power. This is a first of its kind novel initiative by two leading national energy majors of India, to support the country's commitment to achieve renewable energy targets & reduce greenhouse gas emissions.
15. An MoU for cooperation in overseas power sector was signed between NTPC and Inter Rao Export LLC. MoU was signed for cooperation in taking up project development, capacity building, and consultancy assignments outside India
16. NTPC NETRA signed Memorandum of Understanding (with Greater Noida Industrial Development Authority for "Long term Supply of 20 TPD Refuse Derived Fuel from Greater Noida Authority to NTPC NETRA, Greater Noida"

This initiative will help NETRA to demonstrate an environment friendly technology to produce green power and chemical from RDF and is planned under the theme of "NETRA Green Campus" where the campus will have 24x7 Green Power from Solar PV, Battery Storage, Hydrogen and RDF.

Now, I will briefly touch upon some of NTPC Group Companies

- The performance of our JV's and subsidiaries is exemplary in 9M FY22. Our subsidiaries have earned profit of ₹ 1,788.04 crore in 9M FY22 as compared to ₹ 1,042.54 crore in the



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corresponding period of previous year registering an increase of 71.51%. The share of NTPC in JV's profit has increased by 73.66% from ₹ 480.50 crore in 9M FY21 to ₹ 834.44 crore in 9M FY22.

- NVVN, our trading subsidiary, transacted 17.92 Billion Units during the 9M FY22 as against 12.70 Billion Units during 9M FY21 registering a growth of ~ 41%.
- In an endeavour towards sustainable development, NTPC Vidyut Vyapar Nigam Limited, a wholly owned subsidiary of NTPC Ltd, has signed an agreement with Varanasi Nagar Nigam for setting up a Waste to Energy Plant. The plant shall help in mitigating environmental hazards caused by solid waste and bring clean surroundings contributing towards Swachh Bharat. The plant shall be a milestone for the holy city of Varanasi towards Atmanirbhar Bharat using the latest indigenous Make in India technology for solid waste management in the country. Varanasi Nagar Nigam has allocated about 20 acres of land for setting up the plant. NVVN has signed a similar agreement with Bhopal Municipal Corporation also.

NTPC continues to win laurels and awards in various fields, major awards received in Q3 FY22 are as follows:

- NTPC has received ESG India Leadership Award 2021 for playing a key role in air-pollution management. The award was presented for excellent practices for reducing and monitoring air pollutant emissions.
- NTPC has been conferred prestigious SHRM Special Recognition for Learning and Development for the year 2021.
- NTPC has been honoured with 7th CSR Impact Award in the WASH (Water, Sanitation, and Hygiene) (Large) Category for the project Revival of Municipal Solid Waste Plant, KARSADA at the India CSR Summit.
- NTPC received "Company with Best CSR Practice Award" in 8th Asia Business Responsibility Summit organized by Asian Centre for Corporate Governance and Sustainability.

These were some of the highlights I wanted to share before we begin with the Q&A session. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mohit Kumar from DAM Capital. Please go ahead.



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Mohit Kumar: Good evening, Sir, and congratulations on a very good set of numbers. Sir, the note to accounts mentions ₹ 6.7 billion as prior period, is there any amount which is also recognized in the fuel?

Management: Yes, ₹ 61.84 Crore is recognized as previous year fuel in Q3FY22.

Mohit Kumar: My second question is I understand that you have roughly around 7.4 GW of renewables portfolio which includes under operation, under implementation and the capacity for which bids have been won, but how much is expected to be commissioned in next two years based on the contractual commitments at this point of time, is it possible to share that number?

Management: Over the next two years our target is to do close to about 3.5 GW and beyond that once we get the LOA we will start working on that also.

Mohit Kumar: Sir, is there any proposal to transfer standalone renewables portfolio to NTPC Renewable Energy Limited?

Management: Today we have approved in the board that we will be creating a SPV under which certain identified solar assets will be transferred.

Mohit Kumar: Thank you and all the best, Sir.

Moderator: Thank you. The next question is from the line of Deepika Mundra from J P Morgan. Please go ahead.

Deepika Mundra: Good evening Sir and thank you for taking my question. Sir, I just wanted guidance on capex over the next two-year period and how much of that is likely to go towards renewables? Further can you throw some light on projects in green hydrogen and battery storage?

Management: In the current year we have a capex target of ₹ 23,736 crore and we have already achieved 90% of that. Next year our target is around ₹ 22,500 crore and out of that the proportion of renewables will be around 40%. So, regarding hydrogen and battery storage projects we have already started work on hydrogen based micro-grid and further intend to take up a couple of other pilot projects. We are working on green hydrogen based mobility and also for green hydrogen blending. Other than that, we have already issued a tender for procurement of 3 GW of storage capacity which we intend to use mainly for entering into contracts for supplying round the clock power.

Deepika Mundra: Understood. Sir, can you talk a little bit about the procurement strategy for these kind of projects for battery as well as for electrolyzers for the green hydrogen project?



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- Management:** As a government owned company all our procurement has to be through a transparent bidding process only, but what we intend to do on the electrolyser side is that we want to come out with a medium-term partnership on the basis of lowest price offered by the manufacturer. So that is on the anvil and on the battery side like I said we have already come out with 3 GW contract which will be used and once we try that we will be coming out with larger capacities.
- Deepika Mundra:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Apoorva Bahadur from Investec. Please go ahead.
- Apoorva Bahadur:** Sir, thank you so much for the opportunity. Any updates on the renewable business IPO that we are planning and timelines on that?
- Management:** Yes, as has already been told that identified renewable assets will be transferred to a separate subsidiary company for which we will be seeking an exemption from Government of India regarding the capital gains tax and as soon as that exemption is available this will be done, probably in the next financial year.
- Apoorva Bahadur:** Okay, very useful Sir. Sir, secondly on the storage tender for which we have come with recently, can you throw some light on the economics there so will we be doing like a back to back agreement or it will be more like tying up that capacity and as and when the opportunity comes up for RTC power bidding will be done based on this. Also, the renewable capacity which will be used to charge this storage will this be separate from our existing pipeline, or do we intend to use the curtailed electricity from our existing projects?
- Management:** This storage tender will be used largely for back to back orders only. Secondly, going forward we expect RE based storage solutions only.
- Apoorva Bahadur:** We had also come out with the domestic modules EOI so wanted to check what sort of interest have we received given that there is probably going to be a module shortage since domestic capacities are not there?
- Management:** So, we have received interest from practically all the module manufacturers including those who have applied for the PLI scheme, and we intend to come out with the firm RFP maybe by the end of March.
- Apoorva Bahadur:** Sir, last question from my side is on the thermal capacity addition front. Are there any new projects that have been added to the pipeline?



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- Management:** As we have told earlier we are going for a higher renewable capacity addition in our portfolio and reducing on coal per se. But we are also going through a transition process, and you know that Government of India has declared 2070 as the net zero target, so we are in consultation with Ministry of Power and some coal capacity is going to be added. We have already advertised a NIT for a 1320 MW coal based power project at Talcher and you must have seen that in the newspaper, so that process is on.
- Apoorva Bahadur:** Thank you very much Sir. I will get back in the queue for more questions.
- Moderator:** Thank you. The next question is from the line of Subhadip Mitra from JM Financial. Please go ahead.
- Management:** So, my question is largely with regard to the capex that you are looking at. So while I think you gave us the FY22 and FY23 numbers any clarity on what the FY24 capex number will look like and how that gets bifurcated?
- Management:** FY24 numbers are being firmed up and so far ₹ 18291 crore has been firmed up and we will definitely be adding much more.
- Subhadip Mitra:** Sir and within this ₹ 18291 crore how much would be for renewable power?
- Management:** For the next financial year approximately 40% is for renewables and going forward progressively the renewables will be more but since we have started adding some thermal capacities, I think in FY24 also the proportion of renewables would remain at around 40% to 45%, then it will go up progressively.
- Subhadip Mitra:** Lastly, if you can also help us with the plant wise capacity additions that you are looking at in FY23 and FY24?
- Management:** For FY23, North Karanpura Unit 1 of 660 MMW, then Barh Unit 2 of 660 MW, Telangana Unit 1 and Unit 2 of 800 MW each, then at NSPCL, Durgapur there is a small unit of 40 MW, Bangladesh both Unit 1 and Unit 2 of 660 MW each and solar 1200 MW. Further, hydro pumped-storage at Tehri of 1000 MW and through NREL we will be adding around 820 MW. In total, NTPC group will be adding around 7300 MW capacity in FY23. In FY24, the total capacity on the board as of now is 4034 MW, but as I said that we are going to go for more and more renewables, so we will be adding some more renewable capacity. As of now, 4034 MW consists of Barh Unit 3 of 660 MW, North Karanpura Unit 2 and Unit 3 of 660 MW each, Patratu Unit 1 of 800 MW, THDC Khurja Unit 1 of 660 MW and THDC hydro project at Vishnugad Pipalkoti of 444 MW, NREL 150 MW. So, on the drawing board as on date it is 4034 MW, but it is likely to go up to around 6000 MW. Beyond this we are not projecting because we



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are reworking the same. We are going increasingly into renewables but considering the transition fuel requirement we are going to add some thermal capacity. Talcher has started, we are also looking at some other thermal projects like Singrauli, Lara, Darlipalli etc. totaling 5320 MW. Further, we would like to share with all investors that consistent with our approach of decarbonization and net zero, ultimately by 2070, thermal capacities will not be witnessed as usual. We will be going for what we are terming as blue coal technology, as we try to bring down carbon footprint.

Subhadip Mitra: And these incremental thermal additions will be on ROE based mechanism?

Management: Yes, the incremental thermal capacity will be on ROE based mechanism.

Subhadip Mitra: One last question if I may squeeze in. So, while I think there was an earlier question on your divestment of the solar asset, just wanted to get some clarity. I think there has been a lot of news flow around the fact that you are looking at probably a strategic partner or a strategic stake sale happening at the renewable subsidiary level so just wanted to understand that this exemption on capital gains for sale of certain solar asset that you mentioned this would be separate from the strategic partner that we are looking at for the overall solar subsidiary?

Management: As I mentioned earlier, we will be transferring certain identified solar assets to the new subsidiary or a new SPV and through that we will be doing monetization either through IPO, or through some strategic partner but these transfers will be made only after we receive exemption regarding the capital gain tax from the Ministry of Finance.

Subhadip Mitra: Understood, very clear. Thank you so much.

Moderator: Thank you. The next question is from the line of Puneet Gulati from HSBC. Please go ahead.

Puneet Gulati: Thank you so much. Can you also talk a bit about what is the plan for the FGD completion? When can we expect all these FGD to be commissioned, which have been tendered out?

Management: You are probably aware that we have already started working on 62,280 MW of FGD across the country out of which 1340 MW have already been commissioned,. In FY23 we will be completing around 22790 MW. In FY24 we have a target of 15270 MW and balance 22880 MW we will be completing in FY25.

Puneet Gulati: This is useful. Thank you Sir and can you also talk a bit about what kind of EBITDA are you expecting from your renewable assets getting into FY23 and FY24?



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- Management:** We are expecting return on equity similar to our thermal power projects. However, normally thermal power projects take a minimum gestation period of 4 to 5 years, and in case of renewable energy projects it is say 15 to 18 months, so we are expecting similar ROE in case of renewable energy projects on IRR basis.
- Puneet Gulati:** Sir, to my knowledge there is only 50 MW of wind renewable portfolio so far, have I got it wrong or is this correct and you are deliberately trying to avoid them or is there a reason to avoid doing those?
- Management:** No. That number is correct, but we are not avoiding that. We have already started work on another 150 MW and we intend to take up wind in a major way, so there is no deliberate avoidance of any kind.
- Puneet Gulati:** I would presume hybrids would follow post that?
- Management:** Yes, for your information we have already won a 450 MW hybrid tender four months ago, so we are well into that, and we are participating in new hybrid and wind tenders.
- Puneet Gulati:** That is great. Thank you so much. That is all from my side.
- Moderator:** Thank you. The next question is from the line of Anuj Upadhyay from HDFC Securities. Please go ahead.
- Anuj Upadhyay:** Thanks for the opportunity and congrats on good set of numbers. Two questions one is the reason for low availability during the quarter and was there any under recovery for the quarter and the 9M. Secondly, I missed the figure of NTPC's share in JV profits and subsidiaries profits for 3Q and 9M?
- Management:** Low availability is because of planned outage of our units. Compared to 4.4% last year planned outage is around 7.67% in the current year. Due to COVID whichever units that were not taken under outage last year have been taken in the current year. In the last year in first 9M we did only four overhauling while in the current year we have done already 35 and another 5 are in progress. So, that was the reason why there was decline in availability, but it is more than 85%. Regarding the under recovery there has been around ₹ 650 crore under recovery as of now and by the end of the year it would come down by around ₹ 350 crore. For around ₹ 70 crore we would be approaching CERC because in some units overhauling took longer time due to COVID. So, for this we would be approaching CERC for relaxation.
- Anuj Upadhyay:** Fair point Sir. Thank you Sir and on the JV side Sir?



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- Management:** Yes, with respect to your second part, the subsidiaries' profit is ₹ 1,788 crore in 9M period and share of joint ventures profit is ₹ 834 crore.
- Anuj Upadhyay:** Thanks Sir.
- Moderator:** Thank you. The next question is from the line of Anupam Goswami from B&K Securities. Please go ahead.
- Anupam Goswami:** Sir what is receivables amount at the end of quarter three?
- Management:** Trade receivables is within 45 days. Outstanding dues beyond due date is around ₹ 4,500 crore.
- Anupam Goswami:** Sir, last question on the capacity addition in FY23 and FY24, how much would be Brownfield and how much would be Greenfield on the thermal side?
- Management:** It will all be Brownfield. We have stopped going for Greenfield projects. Whatever expansion we will be doing it will be all Brownfield as we do not need to go for fresh land acquisition, water availability and we also have grid connectivity.
- Anupam Goswami:** Thank you Sir. I will join back in the queue.
- Moderator:** Thank you. The next question is from the line of Atul Tiwari from Citi. Please go ahead.
- Atul Tiwari:** Thanks a lot. Sir what will be the regulatory equity at the end of third quarter?
- Management:** ₹ 70,453 crore.
- Atul Tiwari:** Sir, what is the total amount of dividend received from subsidiaries and JVs in the quarter?
- Management:** ₹ 631 crore.
- Atul Tiwari:** What was it last year in the same quarter?
- Management:** ₹ 8 crore.
- Atul Tiwari:** Sir, if I exclude the dividend from the other income of both the last year and this year it looks like other income has come down quite meaningfully year-on-year so what will be the reason for that?
- Management:** There is a reduction in late payment surcharge amount.



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Moderator: Thank you. The next question is from the line of Rahul Modi from ICICI Securities. Please go ahead.

Rahul Modi: Thank you and big congratulations on a great set of numbers. Just a couple of questions. So, where are we in the process of moving Nabinagar and Kanti into the standalone entity?

Management: It is pending in the MCA. We were thinking that this process will be completed by March 31, but probably this will go up to June.

Rahul Modi: Sir, my second question is in one of the older tenders in the renewable space obviously there has been a significant increase in the module prices so are we facing any delays or cost overruns, or we are fairly confident that the delivery will be met on schedule and on the contracted price?

Management: There are delays not only because of the increase in module prices but also on account of COVID but we do not expect any price increase because mostly these are fixed price contracts.

Rahul Modi: Sir, for the CPSU tender what is the progress on 2 GW gigawatt that we had won?

Management: On the CPSU tender for 2 GW we have already signed the power purchase agreements for 1 GW, and we hope to start work on that by the end of March and for balance capacities also we will start work in another six months.

Rahul Modi: Right, so in this 2 GW we will have to procure module locally and this is under DCR?

Management: Yes, it is under DCR, so the cells and modules have to be procured domestically and which is why the time given is also slightly longer by the government.

Rahul Modi: Thank you and all the best.

Moderator: Thank you. The next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore: Thanks for the opportunity and congrats on a good set of numbers. My first question is what is the total commercial capacity which have completed 25 year period and how much of this capacity has seen an extension of PPA and also if you could clarify what is the current status on the Dadri PPA?

Management: By March 2022 around 14 GW capacity will complete 25 years. What was the second question?

Sumit Kishore: Current status about Dadri PPA and for the 14 GW has the PPA extended and for what duration?



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- Management:** All our PPAs are perpetual and there is no exit clause in PPAs. It is only that government has come out with a guideline that DISCOMs can exit from the PPA if they are following the guideline otherwise there is no clause in the PPA to exit after 25 years.
- Sumit Kishore:** Sure, on the Dadri?
- Management:** Yes, for Dadri, Delhi DISCOMs have approached CERC and CERC has given orders that they can exit subject to government reallocate their power. Reallocation can be done by Government of India so all of the DISCOMs have challenged this in APTEL, and hearing is complete, and order is expected any time. Further, another DISCOM went to Delhi High Court for redressal of this issue which was rejected by Delhi High Court. So, that DISCOM has also landed up in APTEL.
- Sumit Kishore:** You mentioned that for at Muzaffarpur a couple of 110 MW units have been shut down. In the next five years what is expected to shut down as far as thermal units are concerned?
- Management:** 4 units of 110 MW each at Tanda and 2 units of 110 MW each at Barauni are being considered for shutdown. We will keep running 200 MW units and if required with proper R&M.
- Sumit Kishore:** Finally, what was the late payment surcharge for Q3 and the nine month period?
- Management:** For the nine months period in April to December 2020 it was ₹ 1,695 crore and corresponding current period it is ₹ 593 crore. For quarter, in October to December 2020 it was ₹ 565 crore and in October to December 2021 it is ₹ 173 crore.
- Sumit Kishore:** Thank you and wish you all the best.
- Moderator:** Thank you. Ladies and gentlemen that was the last question for today. I now hand the conference over to Mr. Harshvardhan Dole for closing comments.
- Harshvardhan Dole:** Thank you. I sincerely like to thank NTPC management for explaining the results in detail and taking the Q&A. I also like to thank the management for giving us an opportunity to host the call. Ladies and gentlemen thank you very much for attending this call. Sir any last comments which you would like to make.
- A.K. Gautam:** Thank you very much, you people should be very happy that we have announced a very good dividend and on behalf of NTPC I can only say that we will continue to perform better. We are growing fast and that is showing in results.
- Moderator:** Thank you for joining us, that concludes this conference. You may now disconnect your lines.