



NTPC Limited Q4FY20 and FY20 Earnings Conference Call

June 27, 2020

MANAGEMENT: **MR. ANIL KUMAR GAUTAM - DIRECTOR (FINANCE)**
MR. ANAND KUMAR GUPTA - DIRECTOR (COMMERCIAL)
MR. DILLIP KUMAR PATEL - DIRECTOR (HUMAN RESOURCES)
MR. RAMESH BABU V. - DIRECTOR (OPERATIONS)
MR. R.S.V. MUTHUMANI - EXECUTIVE DIRECTOR (FINANCE)



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Moderator: Ladies and gentlemen, good day and welcome to the NTPC Limited Q4FY20 and FY20 Earnings Conference Call, hosted by Antique Stock Broking. As a reminder, all participant lines will be in listen-only mode. 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 phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rohit Natarajan from Antique Stock Broking. Thank you and over to you, sir.

Rohit Natarajan: Thank you. Good afternoon, everyone. I welcome you for the NTPC 4QFY20 and full year Earnings Conference Call. We thank the NTPC management for giving us the opportunity to host the call. From the management side, we have with us Mr. A.K. Gautam - Director (Finance); Mr. A.K. Gupta - Director (Commercial); Mr. Dillip Kumar Patel - Director (Human Resources); Mr. Ramesh Babu V. - Director (Operations); Mr. R.S.V. Muthumani - Executive Director (Finance), and other senior management members from the Company. I would now hand over the call to the management for their opening remarks, post which we can commence the Q&A session.

Anil Kumar Gautam: Thank you. A very good evening to everybody. I, A. K. Gautam, Director (Finance), welcome all of you to Q4 FY20 Con Call of NTPC Ltd. Before I move further, I would like to introduce Shri. A.K. Gupta, Director (Commercial) and Shri. V Ramesh Babu, Director (Operations). Shri. R.S.V. Muthumani, Executive Director (Finance) and other key members of NTPC team are also on the call.

Today, the Company has announced the audited financial results for FY20 along with the unaudited financial results for Q4 FY20. The Key Performance Highlights for the financial year and quarter ended 31st March 2020 have already been disclosed on both the stock exchanges.

Operational Highlights for Q4/12M FY20

1. NTPC's standalone gross generation in Q4 FY20 is 68.27 Billion Units and in FY20 it is 259.62 Billion Units as compared to 69.19 Billion Units and 274.45 Billion Units respectively in the corresponding previous period.



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Gross Generation of NTPC Group in Q4 FY20 is 76.01 Billion Units and in FY20 it is 290.19 Billion Units as compared to 77.69 Billion Units and 305.90 Billion Units respectively in corresponding previous period.

NTPC Hydro and RE stations recorded generation of 4.94 Billion Units in FY20, as against 4.55 Billion Units in corresponding previous year.

During FY20, NTPC has acquired the entire GOI stake in THDC & NEEPCO. Accordingly, they have become subsidiaries of NTPC. The gross generation during FY20 of THDC & NEEPCO is 10.91 Billion Units which is in addition to group generation mentioned before.

2. In Q4 FY20, we have added 4680 MW commercial capacity which included 800 MW at Darlipalli, 660 MW at Khargone, 250 MW at Barauni and added 2970 MW capacity on account of acquisition of THDC (1513 MW) and NEEPCO (1457 MW).

In FY20, NTPC has recorded the highest ever commercial capacity addition of 8260 MW. With these additions, the commercial capacity of NTPC on standalone basis has become 49695 MW and that of NTPC Group has become 61126 MW as on 31 March 2020.

3. NTPC has already commissioned 920 MW of RE projects under EPC mode. 2298 MW of solar projects are presently under implementation and 2064 MW are under various stages of tendering. NTPC has awarded 2053 MW of RE projects under EPC mode in FY20.
4. For FY20, 4 coal stations of NTPC were among the top 10 performing stations in the country in terms of PLF. It includes Rihand with 88.64%, Singrauli with 87.28%, Korba with 86.67% and Sipat with 86.07% PLF.



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5. During FY20, PLF of coal stations of NTPC was 68.20% as against the National Average of 55.89% thereby maintaining a spread of over 12%.
6. During the year, we have suffered losses due to grid restrictions and fuel supply:
 - The generation loss due to grid restrictions in Coal based stations was 74.08 Billion units. For the gas-based stations the loss was 28.55 Billion units.
 - The generation loss on account of fuel supply constraints in the coal-based stations was 6.67 Billion Units.
7. Status of Fuel Supply:
 - During the FY20, Materialisation of coal against ACQ was 92.80% as against 95.50% in FY19.
 - Coal supply during FY20 was 174.84 MMT, comprising of 172 MMT of domestic coal and 2.84 MMT of imported coal. The coal supply during the corresponding previous year was 176.80 MMT, with 175.76 MMT of domestic coal and 1.04 MMT of imported coal.
 - Coal consumption during FY20 was 169.38 MMT, comprising of 167.05 MMT of domestic coal and 2.33 MMT of imported coal. The coal consumption in the corresponding previous year was 173.05 MMT, with 172.18 MMT of domestic coal and 0.87 MMT of imported coal.
8. During FY20, 9.63 Million Metric Tonnes (MMT) of coal (FY19- 6.81 MMT) has been excavated from Pakri-Barwadih coal mine. Cumulatively 19.14 MMT coal has been excavated till 31 March 2020.

1.54 MMT coal has been excavated from Dulanga coal block in FY20 (FY 19- 0.51 MMT).

Cumulative expenditure of ₹ 6,722 crore has been incurred on the development of coal mines till 31 March 2020. The total expenditure incurred in FY20 was ₹ 853.03 crore.



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9. Cabinet Committee on Economic Affairs (GOI) gave in principle approval for strategic sale of entire GOI stake in THDC & NEEPCO to NTPC. NTPC entered into a Share Purchase agreement and acquired the equity stake of GOI in NEEPCO & THDC. THDC & NEEPCO have become subsidiaries of NTPC w.e.f. 27 March 2020.
10. NTPC has signed an MoU with Maharashtra State Power Generation Company (MAHAGENCO) for the formation of SPV/JV to develop 2500 MW of RE Power in the state of Maharashtra.
11. NTPC has entered into an agreement with Rajasthan Solar Park Development Company Ltd (RSDCL) to develop 925 MW of Solar Project in Nokh Solar park, Jaisalmer, Rajasthan spreading over 1850 hectare of land including the associated transmission system within the park. NTPC will set up Solar projects of 735 MW (245 x 3) under the EPC mode and 190 MW under the Developer Mode.
12. NTPC is offering complete e-bus solutions to STUs through its subsidiary NVVN. Both MoU as well as bidding route is being explored for the same. NVVN has signed an agreement with Department of Transport, A&N islands for deployment of electric buses.
13. A Pilot project is planned to carry out 5 Fuel cell electric bus and 5 fuel cell cars in Leh and New Delhi each. The pilot project is being designed with a complete value chain of hydrogen including hydrogen generation from renewable energy, hydrogen storage and dispensation. An EOI has been invited in this regard from the Global FCEV manufacturers.
14. NTPC Ltd. has signed an agreement with Central Pollution Control Board (CPCB) to provide financial support for the installation & commissioning of Continuous Ambient Air Quality Monitoring Stations (CAAQMS).



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NTPC will provide financial support of ₹ 80 crore for the installation of 25 CAAQMS across 6 States and 3 Union Territories.

15. Environmental Management- Initiatives for preserving Environment: -

- Flue Gas Desulphurisation Systems (FGD) are under various stages of implementation in 64.85 GW of group capacity. FGD systems have already been commissioned for 920 MW capacity. FGD system packages for 56.76 GW have been awarded and FGD system packages for 7.17 GW capacity are under various stages of tendering.
- For compliance with NOx control, Combustion Modification has already been implemented at 4 units with 2 GW of Thermal Power capacity, awards for contracts for supply and installation of low NOx combustion system for 19 GW of capacity have been awarded. Awards of De-NoX systems packages for 44 GW are under process.
- Further, in its endeavour towards more sustainable power generation, NTPC, is utilising agro-residue-based pellets to co-fire its power plants along with coal. NTPC Dadri power plant has been co-fired with close to 6000 tons of agro-residue fuel along with coal till March 2020. The company is in the process of procuring over 14,000 tonnes of stubble per day for its power plants located across the country as well.

Financial Highlights

- Gross Sales for FY20 is ₹ 97,443.33 crore as against previous year Gross Sales of ₹ 89,765.23 crore, registering an increase of 8.55%.
- Total Income for FY20 is ₹ 100,478.41 crore as against previous year Total Income of ₹ 92,179.56 crore registering an increase of 9%.
- For FY20, PBT is ₹ 14,465.92 crore, as against ₹ 12,672.52 crore in the corresponding previous year registering an increase of 14.15%.
PBT for Q4 FY20 is ₹ 4,383.77 crore, as against ₹ 3,537.17 crore in the corresponding quarter of previous year, registering an increase of 23.93%.
- For FY20, PAT is ₹ 10,112.81 crore, as against ₹ 11,749.89 crore in the corresponding previous year.



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PAT for Q4 FY20 is ₹ 1,252.44 crore, as against ₹ 4,350.32 crore in the corresponding quarter of previous year.

- During the year, the GOI has introduced Vivad se Vishwas Scheme (VsVS) through 'The Direct Tax Vivad Se Vishwas Act, 2020'. Company has decided to settle its pending Income Tax disputes by opting for the VsV scheme. Accordingly, Company has created an additional tax provision amounting to ₹ 2,661.47 crore keeping in view the terms & conditions of the scheme. CERC Tariff Regulations, 2004 provide that income tax liability for the tariff period 2004-09 from its core business, computed as an expense, is to be recovered from the beneficiaries. During the year company has recognised a revenue of ₹ 1,768.88 crore recoverable from the beneficiaries for the Tariff period 2004-09, on account of income tax liability under Vivad se Vishwas Scheme.
- The under recovery on account of fixed charges has reduced from ₹ 799 crore in FY19 to ₹ 249 crore in FY20. This was ₹ 380 crore as at 31 December 2019. Thus, there is an improvement of ₹ 131 crore in Q4 FY20.
- For FY20, the Board has recommended final dividend @ 26.50% of paid-up capital i.e. @ ₹ 2.65 per share, subject to the approval of shareholders in the Annual General Meeting scheduled to be held in September 2020 in addition to interim dividend @ 5% of paid-up capital i.e. @ ₹ 0.50 per share already paid in March 2020.

An update on various other financial activities:

The regulated equity as at 31 March 2020 was ₹ 61,811.48 crore as against ₹ 53,988.95 crore as at 31 March 2019, a jump of 14.49%.

Total Assets The total assets of the company stood at ₹ 327,667.45 crore as at 31 March 2020 as compared to ₹ 290,750.96 crore as at 31 March 2019.



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The Gross Block has increased by ₹ 39,921.97 crore to ₹ 192,898.02 crore as at 31 March 2020, mainly on account of capitalization of new units.

Capital Work in Progress including advances stood at ₹ 77,881.03 crore as at 31 March 2020 as compared ₹ 95,803.34 crore as at 31 March 2019. At the Group level, CWIP including advances stood at ₹1,05,411.92 crore as at 31 March 2020 compared to ₹124,970.59 crore as at 31 March 2019.

Fund Mobilization

- During Q4 FY20, NTPC has signed term loan agreements of ₹5,000 crore, ₹3,000 crore and ₹2,000 crore with HDFC Bank, Punjab National bank and Oriental Bank of Commerce respectively totalling ₹10,000 crore.
- Average cost of borrowing for FY20 is 6.81% as compared to 6.92% in FY19.

CAPEX

- In FY20, we have incurred a CAPEX of ₹ 24,039.37 crore as against ₹ 27,363.24 crore in FY19. The total group CAPEX for the FY20 was ₹ 35,622.93 crore as against ₹ 33,606.61 crore in the previous year. In addition, an amount of ₹ 11,500 crore has been incurred on acquisition of the GOI stake in THDC and NEEPCO and ₹ 2,050.75 crore capex has been incurred by these two companies during FY20.
- The Capital outlay for FY21 has been estimated at ₹ 21,000 crore for NTPC.

Commercial

- The Ministry of Power, GOI, has announced the AATMANIRBHAR Bharat special economic and comprehensive package which includes liquidity infusion to DISCOMs for exclusive purpose of discharging liabilities of DISCOMs to power generating companies. The Company believes that, the above referred economic and comprehensive package is expected to improve the realization of the company against the outstanding dues of DISCOMs due to liquidity infusion.



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- Further, in light of the above package and MoP directives, NTPC has decided for deferment of capacity charges of ₹ 2,064 crore to DISCOMs, to be payable without interest after the end of the lockdown period in three equal monthly instalments and rebate of ₹ 1,363 crore on the capacity charges billed during the lock-down period on account of COVID-19, in financial year 2020-21.
- NTPC has realized a total of ₹ 89,205 crore out of total billed amount of ₹ 96,439 crore in FY20.

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

- NVVN, our trading subsidiary, transacted 14.53 Billion Units during the FY20 as against 17.4 Billion Units during the FY19.
- Ministry of Power, Govt. of India vide OM dated 26.11.2019, has nominated NVVN as Settlement Nodal Agency (SNA) for settlement of Grid operation related charges with neighbouring countries, namely, Bangladesh, Bhutan, Nepal and Myanmar.
- During the FY20, we have accounted for dividend income of ₹ 210.40 crore from our Subsidiaries and Joint Venture Companies (Previous year ₹ 124.19 crore).

NTPC continues to win laurels and awards in various fields, major awards received in Q4 FY20 are as follows:

- NTPC has been awarded the outstanding performing utility in Thermal Power Sector by the Central Board of Irrigation and Power (CBIP).
- NTPC is recognized among Top 30 companies in India's Best Workplaces in Manufacturing 2020.
- NTPC has been honoured with two awards at the Governance Now 7th PSU Awards. The Company won 'Employee Productivity (Financial Category)' and 'Digital PSU (Non-Financial Category)' awards.
- NTPC has been awarded the Corporate Governance and Sustainability Vision Award 2020 in CSR category by the Indian Chamber of Commerce.



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These were some of the highlights I wanted to share and I would also like to mention here despite the wide-ranging limitations caused by COVID-19 pandemic, NTPC has provided unstinted support to the Nation by ensuring uninterrupted supply of power.

Now we may proceed with the Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the Q&A session. The first question is from the line of Mohit Kumar from IDFC Securities. Please go ahead.

Mohit Kumar: I have two questions. The first question primarily is this current tax number. You have provided for ₹ 2,700 crore additional current tax. Is it recoverable from the consumer or is it completely on our own account and it pertains to which period?

Management: As you must have heard in my remarks, that out of this ₹ 2,700 crore, around ₹ 1,769 crore is up to 31 March, 2009, which is recoverable from the beneficiaries. So, the net impact is around ₹ 883 crore on NTPC PAT.

Mohit Kumar: Sir, can you provide us the adjusted PAT? Because the number seems to be quite small for the reported PAT.

Management: Okay. Adjusted PAT for FY20 as compared to FY19 is as follows:

₹ Crore

Particulars	FY20	FY19
Reported Profit	10,112.81	11,749.89
Previous year Sales	(31.59)	(150.65)
Tax related to earlier years included in sales	(1,768.88)	
Depreciation change impact	(189.86)	
Barh Impact		(59.10)
Previous year fuel	723.93	
Provisions	(356.31)	890.91
MAT Credit & RRA adjustments	801.95	(1,754.25)
Tax related to earlier years	2,660.17	(105.88)
Tax impact on above adjustments	221.27	45.20
Adjusted Profit	12,173.49	10,616.12



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Thus, adjusted profit for FY20 is ₹ 12,173.49 crore as against ₹ 10,616.12 crore for FY19, an increase of 15%. With respect to the quarter, I advise you to take those numbers from the concerned group.

Mohit Kumar: Sure. I will take it. Secondly, on this receivables issue, the number has jumped up quite significantly from the last year. Last year it was ₹ 8,400 crore, now it is ₹ 15,000 crore. So, how much has it increased in the last three months and when do you expect the situation to normalize? Further, what is the number which is greater than 45 days outstanding at the end of March'20?

Management: Let me put one thing very clearly across. Government of India has come out with a scheme wherein PFC and REC will provide loans to state DISCOMs and based on that; they will be able clear our outstanding dues. So as on date, there are three states that have already approached them. That's Andhra Pradesh, Punjab and Uttarakhand. All other states are in the process of getting their government's approval to approach PFC and REC for these loans. So, that would be a very important thing for us to get the recoveries. As far as we are concerned, we have not been able to recover the full amount as such. There is an overdue outstanding of around ₹ 18,000 crore as on date. So, PFC and REC loans to DISCOMs are going to help us in a very large way. Even Jammu & Kashmir which is our biggest defaulter as on date is in a very advanced stage. So, things will improve in terms of the realization over the next few months.

Mohit Kumar: Sir, what is the commercialization guidance for the FY21 and FY22?

Management: In FY21, 5,950 MW is the target for commercialization. Now considering the COVID situation, I think we are very sure that out of this 5,950 MW, we will certainly be able to achieve 4,490 MW and remaining would all depend on how the COVID situation evolves.

Mohit Kumar: What about FY22?

Management: In FY22, we are targeting commercialization of 5,670 MW.

Moderator: Thank you. The next question is from the line of Apoorva Bahadur from Jefferies. Please go ahead.

Apoorva Bahadur: Sir, I wanted to understand, basically what is our PLF incentive and the surcharge income for the quarter and the full year?

Management: PLF Incentive income was ₹ 352 crore in FY19 and in FY20 it is ₹ 199 crore. It was around ₹ 94 crore in January to March 2019 and ₹ 35 crore in January to March 2020.



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- Apoorva Bahadur:** Okay and the surcharge income?
- Management:** Surcharge income in FY19 was ₹ 1,299 crore. In FY20 it is ₹ 1,633 crore. For Q4FY20 it is ₹ 394 crore as against ₹ 1,082 crore in Q4FY19.
- Apoorva Bahadur:** Which plants do you intend to order in FY21?
- Management:** We intend to order our 1,320 MW Talcher plant in FY21 as far as coal plants are concerned. But we would have very good ordering in the renewable sector. I cannot give you the exact number that what we are going to order because it will all depend on how much capacity we are able to get on a competitive basis. But in FY21, we are going to commission around 452 MW and in coming years, we are going to add around 4,000 MW to 6,000 MW capacity every year, in terms of renewables. As far as coal is concerned, we have a plan for Talcher this year and for subsequent years we will see whether we need to add some more projects.
- Apoorva Bahadur:** Okay. Sir, you gave the commercialization target. Can you also give the capacity addition target for FY21?
- Management:** Yes, sure. For FY21 we are expecting that we should be able to do 5,540 MW coal capacity addition. However, let me also put across that due to evolving COVID situation we are certainly thinking that out of 5,540 MW we should be able to achieve 4,740 MW and if things improve, then we will be able to do 5,540 MW.
- Apoorva Bahadur:** Okay and in FY22 what is the target?
- Management:** In FY22, we are planning to have around 6,880 MW capacity addition.
- Moderator:** Thank you. The next question is from the line of Subhadip Mitra from JM Financial. Please go ahead.
- Subhadip Mitra:** So firstly, while you gave us the numbers for the capitalization for FY20, I believe you said that's 5,950 MW. If you could also give us a breakup of the 5,950 MW in terms of what is standalone and which are coming in the JVs?
- Management:** On standalone basis it is Khargone 660 MW, which is already done. Then Lara 800 MW, Barh 660 MW, Gadarwara 800 MW, Tanda 660 MW, Darlipalli 800 MW. If we look at subsidiaries and JVs, that is Meja 660 MW, BRBCL 250 MW and NPGCL 660 MW. This is about the commercial capacity addition.
- Subhadip Mitra:** Understood. Sir, you were also mentioning that you are targeting 4,000 to 5,000 MW of renewable capacity addition from FY22, if you can just give us a sense



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of how you are planning to add this capacity? Would this be completely either through the bidding route, through solar parks, what is the thought process?

Management: Primarily you see, there are two, three things which we have in our mind. One is that we are going to make way into the UMREPP, which are Ultra-Mega Renewable Energy Projects, for which we are now tying up the land with different states like Rajasthan, Tamil Nadu, Maharashtra, Gujarat and also some more. So, the whole idea is that we will be able to have these UMREPP, wherein the government is also supporting in terms of infrastructure. So, that will be primarily the first thing and besides that, we are also going to have some of projects wherein the land will be in the scope of the EPC contractor. That means, we will issue a contract where the land will also be arranged by the EPC contractors. This is second model. Third model could be that we can also have some of the projects under developer mode, wherein we can have somebody else set up the power plants for us and then we buy power and sell it to DISCOMs. There are three models which we are talking about and this is what is our intention to really go ahead in the RE scenario.

Subhadip Mitra: Understood. Sir, if I can just delve a little bit into the details of these three modes. So, the Ultra-Mega Renewable Projects that you are talking about, would these be projects where the government is giving us the land and the transmission or this is a different model?

Management: UMREPP are basically solar parks. So, there is a joint-venture agreement wherein the state will be our partner. It would depend on the shareholding agreed between us and the state. So, state will try to identify, and they would be supporting us for the land and then after that, the projects can be set up either by NTPC or it can also be on the developer mode, wherein somebody else will come in and set up the plant. Is that clear?

Subhadip Mitra: Yes. So just to get a sense here, assuming that one portion of it would be where we are ourselves setting up the capacity, the tariff will again be determined by competitive bidding, right?

Management: Sure. For developer mode, in any case the tariff is decided when you do the bidding. The projects which are on EPC mode, there will be bidding done by SECI or the states, wherein we will put up this capacity, but then we will win these orders through a competitive route. So ultimately, this has to be through the competitive process.



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- Subhadip Mitra:** And the last mode where some third party becomes the developer, who sets it up, and then you're just buying and selling. So there, you will just earn trading margins and solar park charges?
- Management:** That's right. Your understanding is correct.
- Subhadip Mitra:** Understood. Sir, last point is, you gave us, I think, the regulated equity number. So that number of ₹ 61,811 crore, this is the stand-alone regulated equity?
- Management:** Yes. It is standalone.
- Subhadip Mitra:** Right. So now that we also have more projects or more companies that we have been acquiring, can you also give us the consolidated regulated equity number?
- Management:** This can be provided separately.
- Subhadip Mitra:** Okay.
- Moderator:** Thank you. The next question is from the line of Abhishek Puri from Axis Capital. Please go ahead.
- Abhishek Puri:** Just wanted to understand a little bit better on this Vivad Se Vishwas Scheme. So, if the understanding is correct, we will lose about ₹ 883 crore in this, right?
- Management:** Yes.
- Abhishek Puri:** Okay and this is not recoverable in future tariffs?
- Management:** We are now in the MAT regime. As per CERC regulations, you can bill income tax based on the effective tax rate. If you are under the MAT, then you have to bill them on MAT rate.
- Abhishek Puri:** But will we apply to CERC for this recovery or no?
- Management:** The net tax impact on P&L is ₹ 883 crore. Total impact is ₹ 2,661 crore. Out of that, around ₹ 1,800 crore we have already billed, which is for the tariff period 2004-09. For the tariff period 2009-14, we have already recovered the tax amount based on the corporate tax rate and for the tariff period 2014-19, we were under MAT, so we cannot recover anything.
- Abhishek Puri:** The bottom line is that ₹ 883 crore cannot be recovered?
- Management:** As of now. Because a major portion of it we have already recovered in the last tariff period.
- Abhishek Puri:** In terms of ordering, you mentioned that Talcher is under process. However, Lara and Singrauli tenders were also out last year, have we shelved plans for these projects?
- Management:** Singrauli and Lara have not got shelved. However, we may not be doing these in FY21, but certainly we are looking at these projects in FY22.



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- Abhishek Puri:** Okay. Is there a change in plan? Because in the last three years we haven't seen you ordering any large thermal power plant, except Patratu earlier and now maybe Talcher after two years and you are talking about 4 to 5 GW in renewables. So, is there a change in thought process that you will be doing more of renewable than thermal? Because earlier thought process was 2,000 MW each on both the sites.
- Management:** I don't think there is a change in thought. I think we have been sharing repeatedly that we want to go in for renewables and our corporate plan also points towards that. So, while we will continue to add coal plants, depending on the situation in terms of coal generation requirements and all that. But ultimately, the company is thinking that we have to really go on a higher speed on the renewables side. So, there is no change in thought process, this is something we have been consistent in telling that we would like to add more and more renewables.
- Abhishek Puri:** Okay. Sir, on the addition of NEEPCO and THDC, how much debt have we taken and how much equity used in this transaction?
- Management:** Actually, as of now we have taken the entire amount as debt for this acquisition. But we will refinance it, I mean, we will relook into whether we can put some equity into it.
- Abhishek Puri:** Understood, sir. Okay. And my last question is on the FGD. Is your CAPEX plan that is given includes the FGD CAPEX as well and the proposed returns by the regulator are at debt level, so what's your take on that?
- Management:** Yes, this CAPEX plan includes the CAPEX on FGD also and so far, as you are mentioning about the draft regulations of FGD, we are taking up with the regulator to increase it at par with existing debt equity ratio.
- Abhishek Puri:** If they don't do it, can we fund it with 100% of debt?
- Management:** No, let's not jump into that situation because unless the CERC decides on that, because it's only a draft regulation and we are really trying to take it up with CERC. Let's wait for the CERC to decide. This decision will be taken only after the final order of the CERC comes.
- Abhishek Puri:** Okay. Request you to provide the consolidated regulated equity number, the investment in renewable assets and investment in the subsidiaries and JVs?
- Management:** You can get these separately from the group.



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- Moderator:** Thank you. The next question is from the line of Atul Tiwari from Citigroup. Please go ahead.
- Atul Tiwari:** Sir, my question is on payment security mechanism, when is it going to restart? After 30th of June, will you supply power only against the LC or is it going to be deferred?
- Management:** The LC mechanism was put into place in last August. However, during COVID situation we have postponed recovery of fixed charges. We will go ahead with whatever directions we get from Ministry of Power.
- Atul Tiwari:** So, as of now it is supposed to restart automatically from 1st of July or we need to get an order from regulator or government to restart it?
- Management:** It will be automatic from 1st of July, in case no further orders are issued from the Government of India.
- Moderator:** Thank you. The next question is from the line of Aniket Mittal from Motilal Oswal. Please go ahead.
- Aniket Mittal:** Sir, I just wanted to firstly understand on the rebate part, this ₹ 13.6 billion rebate that you have announced, is it for the entire group? Or will your subsidiaries such as THDC and NEEPCO take a separate call on this number?
- Management:** No, it is for only NTPC. For THDC and NEEPCO, it is very small amount, put together both would be ₹ 100 crore.
- Aniket Mittal:** Sir, I am saying you also have subsidiaries and JVs, right? So those would also separately announce a different rebate. Is that understanding correct?
- Management:** Yes.
- Aniket Mittal:** Okay. Sir, one more thing. Sir, on the receivables front, you have said that your receivables have increased to around ₹ 18,000 crore. Could you let me know how much of that is more than 45 days? Sir, because this overdue would actually be earning you a lesser surcharge for the quarter, right? So how much is more than 45 days right now?
- Management:** See, the number which I gave you, that's beyond 45 days.
- Aniket Mittal:** So, ₹ 18,000 crore?
- Management:** Yes. Let me just say that as on 31st March, this number was ₹ 9,585 crore, which has become ₹ 18,000 crore.
- Aniket Mittal:** All right. Okay. So, one more, if you could tell me. For FY20, have we booked any income from SCED? That is the security constrained economic dispatch scheme that was announced, have we booked any income for that in FY20?



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- Management:** Yes.
- Aniket Mittal:** So, what is the amount?
- Management:** SCED income in the current year is around ₹ 328 crore.
- Aniket Mittal:** One more question, if I may ask. Sir, are we still going to pay in advance to railways? So, what is on that case? Do we still have any advanced payments that we would be continuing to make in railways?
- Management:** No, no advances pending with railways.
- Moderator:** Thank you. The next question is from the line of Pulkit Patni from Goldman Sachs. Please go ahead.
- Pulkit Patni:** Sir, regarding this Vivad Se Vishwas Scheme, was this the number which was earlier reflecting in our contingent liability? Because the amount is quite large, why would we not think that this is worth contesting rather than just paying it directly to the tax department?
- Management:** We have got one benefit from this scheme and that is we have been able to settle around 32 cases pertaining to past 10 to 12 years and it would have taken long to settle those cases. Now these has been settled once for all.
- Pulkit Patni:** Okay. So, this effectively means all our direct tax disputes till date, by and large, are settled after this ₹ 2,661 crore?
- Management:** Yes. Only one case is there where the amount is around ₹ 300 crore, where as per the guidelines of the income tax department, it is not payable. But they are just examining it. In our view, in that case, there should not be any outflow.
- Moderator:** Thank you. The next question is from the line of Rahul Modi from ICICI Securities. Please go ahead.
- Rahul Modi:** Sir, just a couple of quick questions. Sir, I just wanted to know the status of the thermal plant THDC was putting up. Any progress there? Has that been tendered out or construction activity has begun there?
- Management:** See, as far as Khurja plant of THDC is concerned, the main plant's boiler and turbine orders have already been placed and the BOP project packages are in the process of award. Construction has already started at site.
- Rahul Modi:** Okay. Perfect. Thank you. Sir, one more question on the solar projects that you had mentioned, you mentioned around 2,000 MW projects under construction and another 2,000 MW something under various stages. So, can you just elaborate on that number?



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- Management:** Yes. 2,298 MW of solar projects are under implementation and 2,064 MW are under various stages of pending.
- Pulkit Patni:** Okay. Is it under developer mode or you are the owner of the project?
- Management:** Owner.
- Rahul Modi:** Okay. Sir, just one clarification. So out of the ₹ 2,660 crore Vivad Se Vishwas, you have already booked ₹ 1,800 crore in your P&L and ₹ 883 crore is the loss that will accrue to us, which is showing in the P&L?
- Management:** Yes.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question. I would now like to hand the conference over to the management for closing comments.
- Management:** Thank you very much. We will continue to do the best in the interest of our investors and other stakeholders. Thank you.
- Moderator:** Thank you. On behalf of Antique Stock Broking, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.