



“NTPC Limited Q2 FY-22 Earnings Conference Call”

29 October, 2021

**MANAGEMENT: MR. A. K. GAUTAM – DIRECTOR (FINANCE)**  
**MR. D.K. PATEL – DIRECTOR (HUMAN RESOURCES)**  
**MR. RAMESH BABU V – DIRECTOR (OPERATIONS)**  
**MR. U.K. BHATTACHARYA – DIRECTOR (PROJECTS)**



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**Moderator:** Good morning ladies and gentlemen, welcome to the NTPC Limited Q2 FY2022 Earnings Conference call hosted by DAM Capital Advisors. 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 the operator by pressing “\*” then “0” on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mohit Kumar from DAM Capital Advisors. Thank you and over to you Sir!

**Mohit Kumar:** Thank you Lizaan. On behalf of DAM Capital, I welcome you all to Q2 FY2022 Earnings Conference Call of NTPC. We have with us from the senior management of NTPC, Director (Finance), Mr. A.K. Gautam; Director (Human Resources), Mr. Dillip Kumar Patel; Mr. Ramesh Babu, Director (Operations); and Mr. Ujjwal Kanti Bhattacharya, Director (Projects). Without further ado I would now handover the call to Mr. Gautam and would request him to introduce the management team followed by his opening remarks and Q&A session. Over to you Sir!

**A.K. Gautam:** Thank you Mohit. A very good morning to everybody. I, A. K. Gautam, Director (Finance) welcome all of you to the Q2 FY22 Con Call of NTPC Ltd. I have with me Shri. Dillip Kumar Patel, Director (Human Resources), Shri. Ramesh Babu V., Director (Operations) and Shri. Ujjwal Kanti Bhattacharya, Director (Projects). I have also with me the other key members of NTPC team.

Company had announced the unaudited financial results for second quarter and half-year of FY22 on 28 October 2021. The Key Performance Highlights for the quarter and half-year ended 30 September, 2021 have already been disclosed on both the stock exchanges.

**Operational Highlights for Q2/H1 FY22**

1. NTPC’s standalone gross generation in Q2 FY22 is 74.81 Billion Units and in H1 FY22 is 146.56 Billion Units as compared to 67.67 Billion Units and 127.86 Billion Units in the corresponding previous periods registering an increase of 10.55% and 14.63% respectively.

Gross Generation of NTPC Group in Q2 FY22 is 90.97 Billion Units and in H1 FY22 is 176.78 Billion Units as compared to 77.93 Billion Units and 145.88 Billion Units in the



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corresponding previous periods registering an increase of 16.74% and 21.19% respectively.

2. In H1 FY22, we have added 2160 MW to our commercial capacity, comprising 800 MW at Darlipalli, 660MW at Tanda, 15 MW solar capacity at Bilhaur, 25 MW floating solar capacity at Simhadri and 660 MW at Nabi Nagar. With this, the commercial capacity of NTPC has become 53225 MW on standalone basis and 66650 MW for the Group as on 30 September 2021.
3. NTPC Group has already commissioned 1390 MW of RE projects under EPC mode. 3017 MW of solar projects including ongoing projects of NTPC REL are presently under implementation. 3365 MW capacity has been won through Tariff Based Competitive Bidding for which PPAs were to be signed. In addition, 3100 MW capacity is under tendering.
4. For H1 FY22, 3 coal stations of NTPC were among the top 10 performing stations in the country in terms of PLF. Korba Station was ranked 1<sup>st</sup> with a PLF of 92.88% followed by Darlipalli with 88.28% and Sipat with 88.11% PLF.
5. During H1 FY22, PLF of coal stations of NTPC was 69.63% as against the National Average of 57.70% 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 36.82 Billion units in H1 FY22 as compared to 61.19 Billion Units in H1 FY21. For the gas-based stations the loss was 14.99 Billion units in H1 FY22 as compared to 12.33 Billion Units in H1 FY21.
  - The generation loss on account of fuel supply constraints was 3.43 Billion Units for H1 FY22.
7. Status of Fuel Supply:
  - During the H1 FY22, Materialisation of coal against ACQ was 94.14% as against 87.43% in H1 FY21.
  - Coal supply during H1 FY22 was 90.08 MMT, comprising of 89.20 MMT of domestic coal and 0.88 MMT of imported coal. The coal supply during the corresponding previous



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period was 78.75 MMT, with 78.40 MMT of domestic coal and 0.35 MMT of imported coal.

8. NTPC has achieved a total coal production of 5.54 Million Metric Tonnes (MMT) during H1 FY22 (H1 FY21- 4.46 MMT)  
Cumulatively 37.90 MMT coal has been excavated from Pakri-Barwadih, Dulanga and Talaipalli coal mines till 30 September 2021.  
Cumulative expenditure of ₹ 7,500.45 crore has been incurred on the development of coal mines till 30 September 2021.
9. NTPC has become first Energy Company in India to declare its Energy Compact goals as part of UN High level Dialogue on Energy NTPC has set a target to install 60 GW of renewable energy capacity by 2032. NTPC is also aiming at 10% reduction in net energy intensity by 2030. Further, NTPC has declared that it will form at least 2 international alliances/groups to facilitate clean energy research and promote sustainability in energy value chain by 2025.
10. During H1 FY22, NTPC has commissioned India's largest floating solar project of 25 MW capacity at Simhadri.
11. During H1 FY22 NTPC REL has won 775 MW capacity under various competitive bids comprising of 105 MW @ ₹ 2.35/kWh and 220 MW @ ₹ 2.33/kWh in RUMSL's Shajapur solar park tender and 450 MW @ ₹ 2.34 in SECI's hybrid tender.
12. During H1 FY22 NTPC has won 1990 MW in IREDA's CPSU Scheme-II, Tranche-III @ ₹ 44.95 Lakh/MW of VGF with a tariff of Rs.2.45/kwh. This capacity will enable reduction of over 3 million tons of CO<sub>2</sub> every year. NTPC was the single largest capacity winner and together with this capacity, NTPC and NTPC REL, now has over 6.3 GW capacity won through competitive biddings. This shall pave the way for NTPC's plan of attaining 60 GW RE capacity by 2032. Further, the CPSU scheme shall also promote Atmanirbhar Bharat since projects have to necessarily use domestic content.
13. NTPC REL signed a MoU with Union Territory of Ladakh to setup country's first green Hydrogen Mobility project in the region. The MoU will enable NTPC to help Ladakh develop a carbon free economy based on renewable sources and green hydrogen. NTPC has plans to ply 5 hydrogen buses to start with in the region and the company will be



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setting up a solar plant and a green hydrogen generation unit in Leh towards this end. This will put Leh as the first city in the country to implement a green hydrogen-based mobility project. This would be zero emission mobility in true sense.

14. NTPC has become signatory to the prestigious UN Global Compact's CEO Water Mandate, joining the coveted league of companies that focus on efficient water management and recognizes the ever-growing importance of water stewardship and have been working to conserve this precious natural resource. NTPC has already taken a series of measures across its plant locations on sound water management. NTPC will further imbibe the 3 R's (reduce, reuse, recycle) for water conservation and management while carrying out its core business activity of power generation. The CEO Water Mandate is a UN Global Compact initiative to demonstrate commitment and efforts of companies to better their water and sanitation agendas as part of long-term Sustainable Development Goals.
15. NTPC signed a MoU with Uganda Electricity Generation Company Limited (A government of Uganda Company) for cooperation in power sector.
16. NTPC has signed an MoU for cooperation in overseas power sector with RITES and NHPC for taking up infrastructure related projects, project development and capacity building, O&M, RMU and consultancy assignments outside India.
17. Environmental Management- Initiatives for preserving Environment: -
  - Flue Gas Desulphurisation Systems (FGD) are under various stages of implementation for 63.86 GW of group capacity. FGD systems have already been commissioned for 1340 MW capacity. FGD system packages for 59.94 GW capacity are under implementation and FGD system packages for 2.58 GW capacity are under various stages of tendering.
  - For compliance with NOx control, Combustion Modification has already been implemented at 25 units with 11.55 GW of Thermal Power capacity, supply, and installation of low NOx combustion system for 10 GW of capacity is under implementation. Awards of De-NoX systems packages for 42.61 GW are under process.



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### **Financial Highlights**

- Gross Sales for Q2 FY22 is ₹ 28,148.52 crore as against corresponding quarter of previous year Gross Sales of ₹ 24,617.54 crore, registering an increase of 14.34%. On half-year basis, there is an increase of 12.74% in the Gross Sales i.e., from ₹ 48,033.77 crore in H1 FY21 to ₹ 54,155.63 crore in H1 FY22.
- Total Income for Q2 FY22 is ₹ 29,273 crore as against corresponding quarter of previous year Total Income of ₹ 26,023.33 crore, registering an increase of 12.49%. On half-year basis, there is an increase of 12.05% in the Total Income i.e., from ₹ 50,044.33 crore in H1 FY21 to ₹ 56,075.25 crore in H1 FY22.
- PBT for Q2 FY22 is ₹ 3,730.50 crore, as against ₹ 3,666.93 crore in the corresponding quarter of previous year. On half-year basis, PBT is ₹ 7,269.26 crore as against ₹ 6,564.72 crore in H1 FY21 registering an increase of 10.73%.
- PAT for Q2 FY22 is ₹ 3,211.91 crore, as against ₹ 3,504.80 crore in the corresponding quarter of previous year. On half-year basis, PAT is ₹ 6,357.54 crore as against ₹ 5,974.96 crore in H1 FY21 registering an increase of 6.40%.
- Total Income of the group for H1 FY22 is ₹ 63,486.27 crore as against corresponding period of previous year Total Income of ₹ 55,472.32 crore, registering an increase of 14.45%. PAT of the group for H2 FY22 is ₹ 7,134.67 crore, as against ₹ 6,443.55 crore in the corresponding period of previous year registering an increase of 10.73%.
- During the H1 FY22, we have accounted dividend income of ₹ 736.73 crore from our Subsidiaries and Joint Venture Companies as against ₹ 556.73 crore received during H1 FY21.

### **An update on various other financial activities:**

**The regulated equity** as on 30 September 2021 was ₹ 67,823.61 crore.

### **Fund Mobilization**

- NTPC has issued the Bonds aggregating to ₹ 6,996 crore during H1 FY22:
  - ₹ 3,996 crore @ 6.87% p.a. on 20 April 2021 for a period of 15 years.
  - ₹ 3,000 crore @ 6.69% p.a. on 13 September 2021 for a period of 10 years.
- Average cost of borrowing for H1 FY22 is 5.96% as compared to 6.37% in H1 FY21.



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- NTPC REL has signed working capital facility of ₹ 505 crore with Bank of Baroda and signed its first Green Term Loan agreement of ₹ 500 crores at a very competitive rate with Bank of India for its 470 MW Solar Projects in Rajasthan & 200 MW Solar Project in Gujarat.

#### **CAPEX**

- In H1 FY22, we have incurred a group CAPEX of ₹ 15,137.67 crore as compared to ₹ 12,983.14 crore in the previous period.
- The Capital outlay for FY22 on standalone basis has been estimated at ₹ 23,736 crore for NTPC.

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

- NVVN, our trading subsidiary, transacted 11.98 Billion Units during the H1 FY22 as against 8.29 Billion Units during H1 FY21 registering a growth of 44.51%.
- NVVN has signed a MoU with Tirumala Tirupati Devasthanam for setting up of solar project (5 MW ground and 2 MW rooftop solar).
- AAI has authorised NVVN for setting up total 45 MW Solar Rooftop/ Ground mounted Solar capacity spread over its 44 different airports under RESCO/ CAPEX mode.

NTPC continues to win laurels and awards in various fields, major awards received in H1 FY22 are as follows:

- NTPC has received PSU Award of the Year 2020 & Roll of Honour from Dalal Street Investment Journal in the Category of Maharatna of the Year & the Most Efficient & Profitable Maharatna of the Year (Manufacturing) in recognition and appreciation of the contribution made in the year 2020.
- NTPC has been recognised as a Great Place to Work for the 15th year in a row by the Great Place to Work Institute. NTPC is the only PSU to consistently feature in India's Top 50 Best Workplaces. This year NTPC ranked 38th up from 47th position last year.
- NTPC has featured among the LinkedIn Top Companies 2021 (India).
- In recognition of the digitalization efforts, NTPC has been chosen for DIGITAL PSU Award in Maharatna Category in 8<sup>th</sup> PSU Award 2021.
- NTPC has received Dun & Bradstreet India's Top PSU Awards 2021.



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- NTPC has received the Champion of Champions Trophy for NTPC corporate communication under various categories at the 15<sup>th</sup> Global Communication Conclave organized by Public Relation Council of India.

These were some of the highlights I wanted to share before we begin with the question-and-answer session. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin with the question and answer session. The first question is from the line of Apoorva Bahadur from Investec. Please go ahead.

**Apoorva Bahadur:** Hi Sir. Thank you so much for the opportunity. Congratulations on a good set of numbers. Sir, wanted to understand this upcoming MBED implementation, now what sort of impact do you see of this on NTPC and how much would you see as a fair brokerage to exchanges for the power we schedule?

**Management:** Good morning. MBED that is proposed to be implemented will not affect NTPC in anyway because the capacity charges are protected through the bilateral contract settlement mechanism. Similarly, we will get the energy charges as per the regulated tariff. We do not foresee any impact due to MBED implementation on our regulated plants.

**Apoorva Bahadur:** I think trading margin will be payable to the exchange on whichever exchange this power gets scheduled, any update on that?

**Management:** I think this is being deliberated at the ministry or regulatory level, we are not aware that the trading margin for power exchanges is being contemplated or not.

**Apoorva Bahadur:** Okay got it Sir. Sir, secondly if you could share some of your insights around signing of thermal PPAs given the current shortage which we witnessed, so is there any discussions around that or any update on our plants, which is due for PPAs?

**Management:** We are in discussion with the Government of Odisha for 2 x 660 MW power project at Talcher. This is at the very advanced stage of negotiation. PPA has already been signed with GRIDCO and other beneficiaries .

**Apoorva Bahadur:** Okay thank you Sir. Sir just a couple of book-keeping questions if you could help us with the fixed cost under recovery, PLF incentive and any other one offs if it were there?





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- Management:** Fixed charges under recovery are Rs.441 crore in the April to September half year as against Rs.497 crore in the corresponding half year of the previous year. If you want for the quarter, during the current quarter it is Rs.249 crore as against Rs.271 crore in the corresponding quarter of the previous year.
- Apoorva Bahadur:** Sir PLF incentives?
- Management:** Incentive in the current half year is Rs.236 crore as against Rs.279 crore in the corresponding half year of the previous year. For the quarter it is Rs.66 crore as against Rs.137 crore in the corresponding quarter of the previous year.
- Apoorva Bahadur:** Okay got it Sir. Thank you so much. I will get back in the queue for more questions.
- Moderator:** Thank you. We will move on to the next question that is from the line of Puneet from HSBC. Please go ahead.
- Puneet:** Thank you so much. What was the surcharge income versus the previous half?
- Management:** In the half year, April to September 2021 it is Rs.420 crore as against Rs.1130 crore in the corresponding half of the previous year.
- Puneet:** For the quarter?
- Management:** For the quarter it is Rs.155 crore versus Rs.657 crore in the corresponding quarter of the previous year.
- Puneet:** Okay and this is largely a function of the change in the percentage?
- Management:** That is a combination of change in percentage and more it is because most of the money we have realized in the current half year and in current quarter.
- Puneet:** My second question is do you foresee fixed charge under recovery to continue?
- Management:** We expect that whatever disincentive we have accounted in H1, by the year end most of this will be recovered and it will be minimal, and these under-recoveries have occurred mainly because of extended overhauls at some of our stations due to COVID. Due to coal, there will not be any kind of under recovery. Now the coal position has become normal, and the coal stocks are improving on a daily basis. For the under recovery due to the extended overhaul we have already approached the CERC and by the end of the year all this may be recovered.



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- Puneet:** Delhi PPA, which was to be relinquished, any plan what is happening there?
- Management:** Delhi DISCOMs have written to us for relinquishment of the PPA, but the policy that the Government of India has issued in March 2021 provide that they have to approach their regulatory commission and the regulatory commission follows a due process. It checks adequacy of power availability and then only they will permit them to relinquish and then, after six months that, it becomes applicable. So, we understand that they have approached the DERC for relinquishment of power from Dadri Stage-I.
- Puneet:** Have we moved to tie this up with something else or we are waiting for the process to complete?
- Management:** We have got requests from some of other DISCOMs to get this power reallocated to them. So, whatever is proposed to be relinquished, some other DISCOMs have approached to get that reallocated to them.
- Puneet:** Okay fair enough. Thank you so much,
- Moderator:** The next question is from the line of Aniket Mittal from SBI Mutual Fund. Please go ahead.
- Aniket Mittal:** Thank you for the opportunity. My first question is on the renewable front, I think we have got a 6.3 GW pipeline right now so if you could help me with the timeline in terms of how does this 6.3 GW phase out over the next few years?
- Management:** Out of the 6.3 GW close to 3 GW is under construction and which we hope to complete in the next 18 months or so. In fact, we have already started commissioning part of that and some of it got commissioned in this quarter as well. There is another 3.5 GW, Bulk of which is under CPSU scheme in which the timeline given is about 30 months.
- Aniket Mittal:** So, by 2024 you would essentially have a 7 GW renewable portfolio?
- Management:** Yes if we are counting this alone.
- Aniket Mittal:** In terms of the outlook what are the sort of capacities beyond this that we are looking to add over the next two years?
- Management:** Beyond this, the bid process is continuing, and we are also looking at other options of setting up capacity because now as you would have seen that there are various other options such as going to exchanges or tying with the industrial customers.



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**Aniket Mittal:** My next question was actually something that an earlier participant touched on, this 25 years PPA relinquishment apart from Delhi we have actually seen some of the other states also look into de-allocate some of the gas based power plants in particularly the likes of Rajasthan and Punjab have been looking to do that and in the midst of all of this, there is MBED that is coming in so just wanted your understanding based on your discussion with the Ministry and the DISCOMs how are things shaping up on that front, let us say four years and five years down the line, do you see risk of some of the gas based power plants being untied in future?

**Management:** Even for gas stations some of the beneficiaries have gone to their regulator for relinquishment of power from gas stations. The process is on with the regulator. There also we believe that whatever capacity is relinquished, if it is relinquished, it would get reallocated, seeing the demand of power recently. Other DISCOMs may come forward for getting this reallocated and in any case some of it is still left out probably then the MBED mechanism would take care of that.

**Aniket Mittal:** Okay it is largely stable and delineated?

**Management:** Yes.

**Aniket Mittal:** Just one last question on the thermal front. If I have a look right now I think we have around 11 GW of thermal capacities under construction and let us say if I add Talcher to it, it is around 12, which would come in I believe in the next 3 or 4 years right, so beyond it I were to take a call what set of growth do you think can actually come in terms of capacity addition from thermal because if new capacities were to come after 2024, 2025 we got to start in the next couple of years?

**Management:** See as you are aware that we are already working on almost 12,000 MW of capacity, which are at various stages of construction and commissioning. As I have already told Talcher is being seriously negotiated, but as we have committed to decarbonization we are being very careful and cautious about adding any new thermal capacity. We are giving lot of thrust on the renewables, but we are not shying away from thermal as such depending on the country's requirement and which way the world opinion moves. We have thermal projects at different stages of FR, and depending on the country's requirement we will work on them.

**Aniket Mittal:** Sure. Thank you so much for taking my question.

**Moderator:** The next question is from the line of Deepesh Agarwal from UTI AMC. Please go ahead.

**Deepesh Agarwal:** My first question is to understand the timelines for the appointment of independent directors, I think the existing independent directors have retired, so what is the thought on increasing the proportion of independent directors?



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- Management:** Actually, in case of government companies, independent directors are appointed by the Government of India. We understand that the Ministry of Power has already recommended appointment of some of the independent directors and we expect that this will be cleared soon.
- Deepesh Agarwal:** Second question is since you have not won the recent distribution license bid so what is the thought process or what are the future bidding pipelines out there and secondly if you can also touch upon the aspiration on the EV charging business?
- Management:** We are looking for various options and whenever there is feasibility we will go for distribution business.
- Deepesh Agarwal:** On EV charging?
- Management:** On the EV charging side, this is being handled by our subsidiary NTPC Vidyut Vyapar Nigam. We already have as on date about 140 public charging stations operational across various cities, we have also been allocated another 200 charging stations, so these are in pipeline over the next year-and-a-half, besides that we are also supplying chargers around with the bus services wherever we are providing. Apart from that we are also looking at setting up chargers on highways and we have already submitted a bid for one of highways i.e., Mumbai-Pune highway.
- Deepesh Agarwal:** Thank you.
- Moderator:** The next question is from the line of Ajinkya Bhat from Macquarie. Please go ahead.
- Ajinkya Bhat:** Hi good morning Sir. Thanks a lot for the opportunity. Sir, two questions from my side, number one we recently read in media articles that you had issued an expression of interest for procuring domestically manufactured solar modules over the course of next few years so if you could just highlight what is the thought process around it, is it mainly to secure reliable supply or do you expect material cost advantages against imported modules going down the line if you could throw some light on that?
- Management:** We have done that. I think you have already answered the question yourself because that is exactly the intent that we need to not only tie up on a long term basis. We have better visibility as we are bidding for various projects, and it will also help us take care of new issues regarding volatility and all those things.
- Ajinkya Bhat:** Any timeline from when do you think you would issue this kind of tender, and would more such tender be issued in the future considering that you have a very large ambition and right now it is only 15 GW of tender that you have issued?



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**Management:** I think you need to also remember that 15 GW will broadly cater up for about next three years or so, so if we do anything beyond that right now does not make sense because no one is willing to give a much longer comfort on prices, so it has to be done on regular basis but right now this is what we are saying.

**Ajinkya Bhat:** Second question is if you could just talk about a little bit about your broader energy transition category. Now I see that beyond renewables you have several pilot projects going on, there is carbon dioxide to methanol with L&T, there is hydrogen production with Technip and there is 1 GW of battery storage tender which has been issued. Now my question is, is the thought process that if you are able to commercialize all these aspects could the existing thermal projects of NTPC be shielded from any sort of thermal PPA relinquishment from DISCOMs because then you can basically repurpose those projects to produce hydrogen or methanol and essentially supply energy in alternate forms to different set of customers is that the thought process here?

**Management:** I will answer the specific question on CO<sub>2</sub> to methanol. As you are aware of that we have already started actual implementation of CO<sub>2</sub> to methanol project in one of our projects and we expect to get the project on stream by December 2022, that is our target. Now this is an R&D project going from lab to the land at prototype level and we will be trying to reduce the cost of the methanol. We are also experimenting with using the same methanol for refiring in our boiler in place of LDO that has two purposes. First of all, we can go for carbon capturing to reduce the carbon footprint from our coal-fired power stations at the same time we will upgrade the requirement of LDO, and we will reuse our own CO<sub>2</sub> converted through green hydrogen into LDO equivalent of things. Now going forward if methanol becomes successful, we can reduce the prices. Methanol can be progressively used for which we are also discussing with one of manufacturers like BHEL and others to get into further research mode into it. We are also in touch with institutes worldwide in this regard and beyond methanol with ammonia firing and other possibilities. Coming to the issue of relinquishing PPA, I do not see there is much of a link into this. We are not that hesitant about relinquishing the PPAs. Our commercial department is very squarely and strongly positioned about this but coming to the option of the methanol if it becomes viable, yes definitely that will reduce the carbon footprint overall and help us in also recognizing this itself can create another avenue for NTPC to venture into the chemical industry by cracking the methanol to get into other kinds of things like mixing with petrol etc.

**Ajinkya Bhat:** Thanks. All the best.

**Moderator:** The next question is from the line of Rohit from Antique Stock Broking. Please go ahead.

**Rohit:** Thank you for the opportunity. Sir my first question is there was a meeting in the month of September where power ministry shared an action plan for lowering the hurdle IRR from 10% to



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8% in case of renewable projects. Sir, is this because of the competitive intensity or hardening of module prices?

**Management:** I think you need to see the context, that was a reference made by some of the other PSUs. As far as NTPC is concerned, we are a Maharatna Company and there are no restrictions on NTPC on taking investment decisions, but a few of other PSUs are having directives from the government as to maintain a levels of hurdle rate, so from that context we are not aware what decision has been taken, this was a point which was discussed as far as we know there is no decision as such from the government side and in any case like I mentioned it is not going to affect us.

**Rohit:** Sure Sir. That is all from my side. Thank you.

**Moderator:** Thank you. We will move onto the next question that is from the line of Sumit Kishore from Axis Capital. Please go ahead.

**Sumit Kishore:** Thanks for the opportunity. My first question is in relation to overdue receivables position, could you please tell us what is the overdue receivables as well as the receivables position as of September and has the cash being realized against the bill discounting which was done in FY21?

**Management:** Second question first. Whatever bill discounting we are doing; we are receiving the payments by the DISCOMs in time and the total receivable position is Rs.13,926 crore as at 30 September 2021. Overdue receivables are Rs.6,534 crore.

**Sumit Kishore:** My second question is over the next five years how much existing operational coal-based capacity is likely to be phased out like you did for Badarpur?

**Management:** Around 440 MW.

**Sumit Kishore:** My last question is, what was the fixed charge under recovery on account of fuel in first half of the year and second quarter of the year?

**Management:** Zero.

**Sumit Kishore:** How many GW has come to NTPC under the CPSU scheme in renewables so far and what is the prospect there over two to three years perspective?

**Management:** Under the CPSU scheme there have been two rounds of bidding so far. In the first round out of around 2100 MW NTPC has got about 1700 MW and in the second round out of 5000 MW we have got 1990 MW, so that is total capacity which NTPC has won. The projects are expected to start getting commissioned sometime in the last quarter of this fiscal.



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- Sumit Kishore:** What is the kind of size of project opportunities that are left to be tendered out in the CPSU scheme say over a two-year timeframe?
- Management:** MNRE has taken approval for overall 12 GW under the CPSU scheme out of which 7 GW have been tendered out so that leaves another 5 GW to be tendered out maybe in a year or so, we are not sure on that, that is still pending out of that capacity.
- Sumit Kishore:** Okay thank you so much. We wish you all the best.
- Moderator:** Thank you. The next question is from the line of Apoorva Bahadur from Investec. Please go ahead.
- Apoorva Bahadur:** Thank you again Sir. Sir, again going back to the renewable capacity addition, so I understand that we will be roughly 7 GW by FY24 given the current pipeline, but in order to meet our target of 60 odd GW what are we targeting by FY24-25?
- Management:** I think when you said 7 GW, it is adding up under construction and the bids that we have won, so that is 7 GW, that might get expanded if we win further bids in shorter timeline, so our broad target would be to do about 15 GW by 2025, which is what we hope to do.
- Apoorva Bahadur:** Sir, secondly on this storage expression of interest of 1 GW capacity, so wanted to know how do we intend to use this, how will we offer this to states and what will be the costing structure?
- Management:** This is an EOI, so we do not intend to finalize orders based on EOI. What we plan to do is that we have got a good response, we have got a good understanding of what kind of bids and capacities people are willing to offer, so we are in the process of finalizing the RFP for various capacities for storage. These are broadly to take care not only of the tenders which the SECI or other agencies may bring out either on RTC basis or storage purchase basis, this is also to take care of other opportunities available to NTPC which could be to meet the requirements of the grid or ancillary services which is also under discussion, so we have to take that final call on where exactly these will be located, but most of them would be linked to the RE capacity.
- Apoorva Bahadur:** Correct me if I am wrong but right now we are outsourcing almost all of our renewable EPC and do we intend to shift that to in house anytime sooner or that will continue to be outsourced even as they grow?
- Management:** We have already started doing that, in fact we have two small projects where it is not full EPC where we have gone ahead with the packaging tender mode and that could be the way to go depending on how we work out our numbers?
- Apoorva Bahadur:** Sure Sir. Thank you very much. That is all.



*NTPC Limited*  
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- Moderator:** Thank you. The next question is from the line of Dhruv from HDFC AMC. Please go ahead.
- Dhruv:** Thank you so much. Sir, if I look at the regulated equity, this quarter you said Rs.67,800 odd crore and last quarter it closed at Rs.66,000 odd crore and the increase in the gross block at the rate of 30% of the absolute increase is about Rs.5,000 odd crore versus the capacity increase for you is about 1500 MW, so the per megawatt increase in gross block comes to about only Rs.3.5 crore per MW, so this seems a very low number in terms of the increase in capacity that you have got and the increase in regulated equity corresponding seems to be very different, is that because the order is pending and you are not recognizing the full regulatory base. I am just trying to understand what the reason could be.
- Management:** When we are declaring COD of second unit the capital cost with respect to the second units is always lower because most of the common systems are commissioned with the first unit itself. One more thing that we go for COD of a project not necessarily we make all the expenditure at that stage. We continue to make certain expenditure which are allowed up to two years beyond the COD of the plant, so some more regulated equity gets added over that period.
- Dhruv:** Got it Sir. Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen that was the last question and that concludes this conference call. We thank you for joining us and you may now disconnect your lines.