



“NTPC Limited Q3 FY2021 Earnings Conference Call”

February 04, 2021

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Moderator: Ladies and gentlemen, good day and welcome to the NTPC Limited Q3 FY2021 results call hosted by ICICI Securities Limited. 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 telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rahul Modi from ICICI Securities Limited. Thank you and over to you Sir!

Rahul Modi: Thank you Mallika. On behalf of ICICI Securities, I welcome you all to the conference call of NTPC Q3 FY2021 earnings conference call. We are joined today by the senior management of NTPC led by Director Finance Mr. A.K. Gautam. I would now like to handover the call to Mr. Gautam and request him to introduce the management team followed by his opening remarks and Q&A session. Over to you Sir, thank you.

A.K. Gautam: Thank you Rahul. A very good evening to everybody. I, A. K. Gautam, Director (Finance) welcome all of you to the Q3 FY21 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.

Today, the Company has announced the unaudited financial results for the third quarter of FY21. The Key Performance Highlights for the quarter and nine-months ended 31 December, 2020 have already been disclosed on both the stock exchanges.

The Company had approved Buyback of 2% of paid-up capital in the board meeting held on 2 November, 2020. We are pleased to inform that all associated activities pertaining to the buyback of shares were handled in conformity with Buyback regulations and buyback transaction was successfully settled on 30 December, 2020.

Operational Highlights

1. NTPC’s standalone gross generation in Q3 FY21 is 65.42 Billion Units and in 9M FY21 is 193.28 Billion Units as compared to 61.21 Billion Units and 191.35 Billion Units in corresponding previous periods.

Gross Generation of NTPC Group in Q3 FY21 is 76.53 Billion Units and for 9M FY21 it is 222.41 Billion Units as compared to 68.87 Billion Units and 214.17 Billion Units in the corresponding previous periods.



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NTPC Group recorded generation of over 1 Billion Units on 18 January, 2021 surpassing the previous highest day generation of 977.07 Million Units on 28 July 2020.

NTPC Hydro and RE stations recorded generation of 0.71 Billion Units and 4.1 Billion Units in Q3 FY21 and 9MFY21 respectively.

2. In Q3 FY21, we have added 865 MW to our commercial capacity, comprising 800 MW at Lara, 15 MW solar capacity at Auraiya and 50 MW at Kasargod, THDC.

With these additions, the commercial capacity of NTPC has become 51170 MW on standalone basis and 62975 MW for the Group as on 31 December 2020.

3. For 9M FY21, 6 coal stations of NTPC were among the top 10 performing stations in the Country in terms of PLF. It included Korba with 93.18%, Sipat with 90.36%, Rihand with 89.83%, Vindhyachal with 89.60%, Talcher TPS with 88.37% and Talcher STPS with 85.02% PLF.

4. NTPC's very first unit commissioned 38 years ago at Singrauli, Uttar Pradesh achieved highest PLF of 100.24% among all thermal units in the country during 9M FY21.

5. During 9M FY21, PLF of coal stations was 62.29% as against the National Average of 51.50%.

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 84.12 Billion units for 9M FY21. For the gas based stations the loss was 20.24 Billion units.
- The generation loss on account of fuel supply constraints was 0.18 Billion Units for 9M FY21.

7. Status of Fuel Supply:

- During 9M FY21, Materialisation of coal against ACQ was 88.60% as against 92.40% in 9M FY20.
- Coal supply during 9M FY21 was 124.69 MMT, comprising of 123.91 MMT of domestic coal and 0.78 MMT of imported coal. The coal supply during the corresponding previous period was 125.81MMT, with 123.66 MMT of domestic coal and 2.15 MMT of imported coal.

8. During 9M FY21, 5.75 Million Metric Tonnes (MMT) of coal (9M FY20- 7.04 MMT) has been excavated from our captive coal mines.

Cumulatively 28.48 MMT coal has been excavated from Pakri-Barwadiah, Dulanga and Talaipalli coal mines till 31 December 2020.

Dulanga Coal Mine having an ultimate peak rated annual capacity of 7 Million Tonnes per annum was declared commercial w.e.f 1 October 2020.



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Cumulative expenditure of ₹ 7,513.71 crore has been incurred on the development of coal mines till 31 December 2020.

9. During Q3 FY21, NTPC participated in the 1070 MW tariff based competitive bidding tender floated by SECI for grid-connected solar PV projects on the build-own-operate basis in Rajasthan (Tranche-III) and won 470 MW with the second lowest bid of ₹ 2.01/kWh. Further, we had participated in 500 MW auction conducted by Gujrat's Distribution Company and won 200 MW at a record low tariff of ₹1.99/kWh. This is the lowest tariff discovered so far.
10. NTPC has signed MoU with AIIMS Delhi for providing support to set up Tele-recording room/SET (Skills, e-Learning, Telemedicine) facility at India's premier medical institute as part of its CSR initiative.
11. NTPC has tied up with IIFM Narmada Landscape to Restore Narmada River-bed.
12. 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 1340 MW capacity. FGD system packages for 58.94 GW capacity are under implementation and FGD system packages for 4.57 GW capacity are under various stages of tendering.
 - For compliance with NOx control, Combustion Modification has already been implemented at 7 units with 3.48 GW of Thermal Power capacity, awards for contracts for supply and installation of low NOx combustion system for 18 GW of capacity have been awarded/are to be awarded. Awards of De-NoX systems packages for 43 GW are under process.
13. Ash utilisation up to December 2020 was 64.62% for NTPC Stations and it was 67.41% for the Group as a whole. NTPC continues to explore and implement innovative ways to use fly ash generated by our plants. Besides fertilizers, brick making amongst others, we have used it as geo polymer as an alternate to cement for road building in Ramagundam.

Financial Highlights

- Gross Sales for Q3 FY21 is ₹ 24,471.06 crore as against corresponding quarter of previous year Gross Sales of ₹ 23,357.67 crore, registering an increase of 4.77%. On nine-month basis, there is an increase of 3.29% in the Gross Sales i.e. from ₹ 70,193.78 crore in 9M FY20 to ₹ 72,504.83 crore in 9M FY21.



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- Total Income for Q3 FY21 is ₹ 25,268.56 crore as against corresponding quarter of previous year Total Income of ₹ 24,022.62 crore, registering an increase of 5.19%. On nine-month basis, there is an increase of 4.31% in the Total Income i.e. from ₹ 72,199.66 crore in 9M FY20 to ₹ 75,312.89 crore in 9M FY21.
- PBT for Q3 FY21 is ₹ 3,561.59 crore, as against ₹ 3,422.04 crore in the corresponding quarter of previous year registering an increase of 4.08%. On nine-month basis, PBT is ₹ 10,126.31 crore as against ₹ 10,082.15 crore in 9M FY20.
- PAT for Q3 FY21 is ₹ 3,315.34 crore, as against ₹ 2,995.14 crore in the corresponding quarter of previous year registering an increase of 10.69%. On nine-month basis, PAT is ₹ 9,290.30 crore as against ₹ 8,860.37 crore in 9M FY20.

An update on various other financial activities:

The regulated equity as on 31 December 2020 was ₹ 64,786.60 crore.

Fund Mobilization

- During Q3 FY21, NTPC has signed term loan agreements of ₹5,200 crore and ₹2,000 crore with Bank of India and ICICI Bank respectively totalling ₹7,200 crore.
- NTPC has conducted a liability management through buyback/repurchase of Masala Bonds 2021 and 2022. Notes amounting to ₹1,085 crore were tendered for repurchase by the eligible noteholders and the same were accepted for repurchase by the company.

CAPEX

- In 9M FY21, we have incurred a CAPEX of ₹ 12,383.49 crore. The CAPEX by the other group companies has been ₹8,871.61 crore. Thus, the total group CAPEX for the 9M FY21 was ₹ 21,255.10 crore. The Capital outlay for FY21 has been estimated at ₹ 21,000 crore for NTPC.

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

- NVVN, our trading subsidiary, transacted 12.70 Billion Units during the 9M FY21 as against 10.91 Billion Units during the 9M FY20.
- NVVN, has signed a MoU with Airport Authority of India (AAI) to set up Ground-mounted/rooftop solar PV projects at airports of AAI under Renewable Energy Service Company model. NVVN will also provide energy solutions to AAI by supplying electricity through open access and to support



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GoIs initiatives for adoption of electric vehicles by creation of charging infra and promoting EV at airports of AAI.

- NVVN had won the tender issued by Bangalore Metropolitan Transport Corporation (BMTTC) for deploying 90 Electric Buses for Bangalore Metro Feeder Service. This is the first time NVVN has participated in the tender for E Buses.
- Andaman & Nicobar Island's public transport system received a fleet of 14 electric buses provided by NVVN under its turnkey project of supplying 40 e-buses and charging stations as part of the union territory administration's move to reduce pollution.
- NVVN is working on a pilot project for adoption of Hydrogen fuel cell based electric buses and cars project in Leh and Delhi.
- NVVN in partnership with EESL had organised technology challenge named as 'Green Charcoal Hackathon.' The purpose of the event was to leverage the innovative Indian mind to bridge the technology gap with the prime objective to clean the air by eliminating farm fire, producing renewable energy out of the agro residue, to promote local entrepreneurship, and to increase the income of the farmers.
- During 9M FY21, we have received dividend of ₹ 570.73 crore from our subsidiaries and Joint Venture Companies as against ₹ 88.75 crore received in the corresponding period of the previous year.

NTPC continues to win laurels and awards in various fields. Some of the major awards received in 9M FY21 are:

- NTPC has bagged the Skoch Award (Platinum) in the 'Response to Covid' category. It is a recognition for the intense efforts made by NTPC to help combat the pandemic.
- NTPC has ranked 14th in Fortune's 2020 rankings for Top 500 Corporations in India.
- NTPC has been conferred with the CSR Times Award 2020 (Gold Category) as the "Best PSU in Green & Environment Stewardship Category" for its CSR project "Revival of Municipal Solid Waste Plant, Karsada".
- NTPC has won prestigious CII-ITC Sustainability Awards 2020 in the domain excellence of Corporate Social Responsibility. NTPC has also been honoured in the Corporate Excellence Category, Commendation for Significant Achievement.



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This is the highest award conferred by CII-ITC in CSR domain. NTPC is the only PSU to receive the award in the Corporate Excellence category second time in a row.

- NTPC Rihand has received Certificate of Merit in the Thermal Power Plant (Coal based > 100MW) category from the Bureau of Energy Efficiency (BEE).

These were some of the highlights I wanted to share before the question and answer session.

Thank you.

Moderator: Thank you. We will now begin the question and answer session. The first question is from the line of Mohit Kumar from Dolat Capital Pvt. Ltd. Please go ahead.

Mohit Kumar: My first question Sir. What was the under recovery in fixed cost for the nine month FY2021 and six month FY2021?

Management: For nine months FY2021 it was Rs.569.43 crore and Rs.496.66 crore for the half year ended 30 September 2020.

Mohit Kumar: What was the receivables at the end of September 2020 and December 2020 greater than 45 days and what is the outlook on liquidation for the rest of the fiscal year?

Management: As on September 30, 2020, the receivables beyond 45 days were Rs. 19,164 crore and as of December 31, 2020, Rs. 16,720 crore

Mohit Kumar: Sir, what is the outlook on liquidation of this receivables, it has declined by 3000 crore, our expectation was slightly higher?

Management: From July onward we have been able to realize more than 100% of amount but under the Atmanirbhar scheme, the tranche 2 is yet to be released, so once we get the tranche 2 we will be able to get another 8000 plus crore amount and now commercial load is also increasing and collection is improving, we hope that by the end of March we will be able to bring receivables substantially down.

Mohit Kumar: Sure Sir. Understood, thank you and best of luck.

Moderator: Thank you. The next question is from the line of Subhadip Mitra from JM Financial. Please go ahead.



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- Subhadip Mitra:** Good afternoon Sir. Just wanted to get a sense of what would be the adjusted PAT number for the current quarter.
- Management:** For the current quarter the adjusted PAT is Rs.3,308.34 crore.
- Subhadip Mitra:** What would be the broad adjustment?
- Management:** Broad adjustment would include previous year sales and fuel, mainly these two adjustments and tax impact of these adjustments.
- Subhadip Mitra:** Sir, secondly is it possible to get little bit more sense on the recent AP renewable wins where we won 600 odd MW, some bit more color on that and what is the projected tender pipeline that you look at for renewables for the rest of the year?
- Management:** In case of Andhra we had submitted two bids - one for 600 MW and another for 1200 MW. As far as 600 MW is concerned we have won that, but for 1200 MW bid we have sought some clarifications from Andhra as to why they have not opened our bid. In future we would be participating aggressively, it will all depend on how many bids are invited by the DISCOMs.
- Subhadip Mitra:** Just two more questions, one would be on the Airport Authority of India partnership that we are doing with NVVN. Any projected number in terms of how large in terms of megawatt the rooftop solar can be for these airports?
- Management:** We are at a very initial stage only. We plan to introduce this rooftop solar plant at most of the airports. Initially we will start with small airports. So right now it is too early to predict those numbers.
- Subhadip Mitra:** Understood. Lastly for the rest of FY2021 and FY2022, if you can also chart out which are the plants which are there for commissioning?
- Management:** You are asking about the solar plant or the thermal plant?
- Subhadip Mitra:** I am talking about thermal plant commercialization expected.
- Management:** We had committed that we will be having a COD of 4240 MW in this financial year and we are happy to announce that we have already completed 2120 MW and well on track for another 2120 MW.
- Subhadip Mitra:** This would be all of standalone or we are including the subsidiary?



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- Management:** I am talking on a group basis.
- Subhadip Mitra:** It would be great if you could also give us a split between standalone and group that would be very helpful?
- Management:** For the current financial year NTPC group would be commercializing 4240 MW out of which NTPC standalone will be 2920 MW.
- Subhadip Mitra:** Has the standalone capacity addition of 2920 MW - most of it is already completed?
- Management:** We are on track; we have already completed 50% of that.
- Subhadip Mitra:** For FY2022 what would be the standalone?
- Management:** 3830 MW coal capacity.
- Subhadip Mitra:** Okay, perfect that answers my questions.
- Moderator:** Thank you. The next question is from the line of Sheena Barbosa from T Row Price. Please go ahead.
- Sheena Barbosa:** Sir just wanted to ask you in terms of the renewable capacity addition plan, how much have you won in the current financial year and can add in the current year?
- Management:** We have commissioned 1275 MW RE projects and have 2199 MW under construction and 1708 MW is under tendering. This year we have won 200 MW in Gujarat, 470 MW in Rajasthan, 90 MW in Kerala and very recently 600 MW in Andhra.
- Sheena Barbosa:** Can you give us some idea about the kind of competition and kind of economics and returns for these projects?
- Management:** As you know that we have already won SECI Rajasthan project at Rs.2.01 per unit tariff as well as Gujarat 200 MW at Rs.1.99 per unit and the return in these projects will be similar to what we are having in coal based units.
- Sheena Barbosa:** Returns will be better because lower cost of funding, how are you funding these projects?
- Management:** Yes definitely due to the lower cost of debt but since implementation time is much lower than the thermal power project, so equity IRR will be comparable with the thermal power.



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- Sheena Barbosa:** So it is like 11 to 12%.
- Management:** Yes, it is more than 12 percent.
- Sheena Barbosa:** In terms of expecting much more than 30000 MW, when will be the inception?
- Management:** We have already signed with various states for ultra-mega renewable energy power park like Gujarat, Maharashtra, Rajasthan, Andhra, and Madhya Pradesh. From these five locations we have already planned to have around 16 to 17 GW of capacity.
- Sheena Barbosa:** Okay got it, thanks very much.
- Moderator:** Thank you. The next question is from the line of Atul Tiwari from Citi Group. Please go ahead.
- Atul Tiwari:** Sir just two questions, the first one is again on the receivables. We read in newspaper before that now as the receivables are pending for a long time NTPC has issued notices to states to liquidate them and reinstitute the payment mechanisms. So I think a bit on that point, what is the status of those notifications and has the payment mechanism been reinstated.
- Management:** We have issued notices to a number of DISCOMS and subsequently there are certain improvement in the payment as well as the LC. All the states are having LC except J&K. J&K does not have but we have taken up to the Ministry of Power also for recovery of the balance dues under tripartite agreement.
- Atul Tiwari:** Sir, is the tripartite agreement being invoked finally because it does not look like that the receivables are coming down?
- Management:** The receivables have come down definitely from last quarter to this quarter. They have come down by almost 3,000 crore and once the second tranche is approved by PFC/REC, we will be getting another 8,000 plus crore and in last few months, on an overall basis, we were able to achieve 100% realizations.
- Atul Tiwari:** What is holding back this disbursement of the second tranche because from July we have hearing that the second tranche has been approved by PFC/REC, but it has not been disbursed?
- Management:** There are certain conditions the Government of India have imposed. Probably some format has to be filled up by the DISCOMS and to be submitted to PFC/REC and we understand that it is shortly going to be approved.



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- Atul Tiwari:** But Sir, if these conditions are regarding improvement of T&D losses then that improvement may not come for a very long time.
- Management:** They are asking for timeframe.
- Atul Tiwari:** Basically DISCOMS have to commit to a particular timeframe by promising and then the money comes?
- Management:** Exactly.
- Atul Tiwari:** Sir, my last one - if I heard you right during the briefing it looks like that total coal production in the nine months is down year- on-year, is that right and why would that be so?
- Management:** Coal production has come down because of closure of Pakri mine. There was a strike in Pakri for almost, I think, 90 days. So that is how it has come down but now it has started and whatever we lost we cannot, of course, regain but it has come down.
- Atul Tiwari:** Okay those issues have been resolved as of now.
- Management:** Yes.
- Atul Tiwari:** Okay Sir, great, thank you.
- Moderator:** Thank you. The next question is from the line of Aniket Mittal from Motilal Oswal. Please go ahead.
- Aniket Mittal:** Sir, just in the renewable I am trying to understand the 1 GW of projects that you have recently won under competitive bidding when can us expect the LOA and PPA to get signed.
- Management:** 600 MW has only happened yesterday but other than that 400 and 200 MW, has already been signed.
- Aniket Mittal:** When the awards will be made?
- Management:** Very shortly.
- Aniket Mittal:** Just to get it clear, the PPA has been signed for both 470 as well as the 200.
- Management:** Yes.
- Aniket Mittal:** Okay and from an execution timeline when do we plan to execute these two projects?



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- Management:** It generally takes around 15 to 20 months.
- Aniket Mittal:** I think you will be commissioning around 1.8 GW in FY2022 and these two projects would probably come in FY2023.
- Management:** Yes, correct.
- Aniket Mittal:** You know just from a renewable pipeline perspective I believe you have signed for an agreement with Maharashtra and Rajasthan as well to develop solar plant so if you could just throw some color over here? I mean what is the capacity that we are looking to install and how much of that would be on EPC?
- Management:** We have signed for 2.64 GW capacity with Maharashtra and in Gujarat it is 4.75 GW, it is at a preliminary stage right now.
- Aniket Mittal:** In Rajasthan we were looking to be based on EPC for the last solar park as well, right?
- Management:** Yes.
- Aniket Mittal:** Okay. Sir what would that quantum be how much of it would be in EPC mode?
- Management:** 735 MW is on EPC mode for which tendering is already under process. NIT has been issued on January 29, 2021.
- Aniket Mittal:** One question maybe on the thermal side of things, you know fixed cost under recovery have gone up a bit in nine months as well and I think that's because of Kahalgaon. Just wanted to get some understanding on when do we expect the Kahalgaon issue to get resolved and from an FY2021 perspective what is the overall fixed cost under recovery that we are looking at?
- Management:** In Kahalgaon, the dyke will be restored by the end of March and first week of April and the total under recovery we are looking at around is Rs. 350 to 400 Crore at the end of the year. We will be able to improve upon under recovery in the coming days and also we are taking up with CERC the 'high demand-low demand' season issue so if that comes through we will be making up further.
- Aniket Mittal:** What is the impact of the 'high demand -low demand' season on your under recovery?
- Management:** That could be around Rs. 80 Crore.
- Aniket Mittal:** Got that. Thank you. I will join back in the queue.



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- Moderator:** Thank you. The next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.
- Sumit Kishore:** Good evening Sir. Thanks for the opportunity. What is the late payment surcharge booked in December quarter and for the nine months period?
- Management:** Late payment surcharge from customers for April to December 2020 is Rs. 1,695 crore and for April to December 2019 it was Rs.1,240 crore. Now, for the current quarter, October to December 2020, it is Rs.565 crore and for October to December 2019 quarter it was Rs. 417 crore.
- Sumit Kishore:** Okay, what is the profit of the hydro subsidiaries, NEEPCO and THDC for nine months period?
- Management:** NEEPCO in the nine-month period has incurred a loss of Rs. 116.60 crore as against previous nine month profit of Rs.132.36 crore. THDC in the current nine months has a profit of Rs.651.13 crore as against Rs. 692.80 crore profit in the corresponding previous period.
- Sumit Kishore:** Okay, any specific reason for the loss in the nine-month period for NEEPCO?
- Management:** We have one plant where this accident has taken place and a GT got damaged. So that is under restoration. I think next year we will be again in profits.
- Sumit Kishore:** So it will be very useful if you can give me the third quarter NEEPCO and THDC profit number also?
- Management:** NEEPCO in the current quarter has incurred a loss of Rs. 83.41 crore as against loss of Rs.115.17 crore in the corresponding previous quarter. THDC in the current quarter has a profit of Rs.214.50 crore as against Rs. 268.72 crore profit in the corresponding previous period.
- Sumit Kishore:** Sir, just one last question has RGPPL become a subsidiary?
- Management:** Yes.
- Sumit Kishore:** So what is the dynamics here, equity share holding has increased and what is the update on operations and potential losses from RGPPL going forward?
- Management:** In RGPPL we are also going for swapping of equity with GAIL India Limited whereby NTPC will swap the equity in the KLL, and GAIL will swap the equity in RGPPL. After this swapping takes place, NTPC equity holding in Ratnagiri will be around 86% and GAIL will have around 90% in KLL. Ratnagiri has an agreement with railways that is valid till March 31, 2022. Further, with increase in demand and gas prices coming down this plant will get scheduled.



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- Sumit Kishore:** Okay, Sir I will get back in the queue thanks a lot.
- Moderator:** Thank you. The next question is from the line of Dhruv from HDFC Mutual Fund. Please go ahead.
- Dhruv:** Sir, thank you so much. On the JV side, I see a decent improvement in quarter-on-quarter basis and also from last year basis, Meja was an issue earlier so is that resolved and how things are because new capacities have been commissioned so performance has improved?
- Management:** Meja issue has been resolved. Second unit also has been declared commercial at 0000 hours on January 31, 2021. So it is in operation now, both the units are in operation.
- Dhruv:** So these are now above the normative levels.
- Management:** Yeah.
- Dhruv:** Just one bit of confusion in the other income, the LPS charges now Q-o-Q there is a marginal decline in other income so more than 45 days receivables have not declined much s just wondering is there a change in norm of accounting because there was some MOP order that you cannot book LPS income or you have to book at the lower rates so is there some confusion there or your booking is at 18%
- Management:** There is no confusion, we have received directive/advisory from the Ministry of Power that with respect to the dues which are being settled through the Atmanirbhar Bharat scheme late payment surcharge will be recognized at a rate of 1% per month instead of 1.5% per month. So according to that order we have recognized late payment surcharge.
- Dhruv:** So effectively because most of these amounts that you will recover from the Atmanirbhar scheme, you are recording this LPS only at 12% now.
- Management:** Yes.
- Dhruv:** Sir you also mentioned a bit earlier that you are speaking to CERC for the high demand low demand period issue so what is that, what is the issue here, what is pending?
- Management:** Actually during this COVID pandemic, some of the units that we have to take for shutdown the overall duration has extended and moreover these high demand, low demand periods are actually specified for three months and nine months and due to COVID, we are unable to take some shutdowns.



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- Dhruv:** I think I got it, because of the COVID condition. So this one last question, we read in press that you have issued a tender for Methanol conversion, is it too early or if you can speak something about it. What is the plan here?
- Management:** It is too early. We have just given an expression of interest.
- Dhruv:** Probably as it develops we will hear more from you. Thank you so much sir. That's all thanks.
- Moderator:** Thank you. The next question is from the line of Swarnim Maheshwari from Edelweiss Financial Services. Please go ahead.
- Swarnim Maheshwari:** Thanks for the opportunity. Sir if you can just tell us what is the CWIP ratio currently at the end of nine month?
- Management:** Capital work in progress as at 31.12.2020 is approximately Rs.74,000 crore out of total net fixed assets of approximately Rs.2,33,000 crore.
- Swarnim Maheshwari:** I believe this is the standalone number right?
- Management:** This is on standalone basis.
- Swarnim Maheshwari:** Okay, right Sir, thank you so much and wish you all the best.
- Moderator:** Thank you. The next question is from the line of Ajinkya Bhatt from Macquarie. Please go ahead.
- Ajinkya Bhatt:** Sir just one question, if I look at the budget document, union budget, the capital outlay for NTPC has gone up from 21000 Crore in FY2021 to 23700 Crore for FY2022. If you could just highlight which are the projects on which this capital outlay will be spent so obviously you have like 1 GW of renewable projects coming up which I suppose would be taking say 3500 to 4000 Crores perhaps. What else would be there which projects are in the new award plans in FY2022?
- Management:** Plants that are going to be commissioned next year in which this Capex will be mostly used are Barh 660 MW, Darlipalli 800 MW, Tanda 660 MW, Barauni 250 MW, Telangana 800 MW, North Karanpura 660 MW and in solar it would be around 2 GW that we have considered, but it may go up slightly. Then in Group companies BRBCL 250 MW, NPGCL 660 MW, NSPCL Rourkela 250 MW and NSPCL Durgapur 40 MW, so these are the plants we have considered for this capital outlay. So whatever has been taken in the union budget we are hopeful that we will achieve those numbers.



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- Ajinkya Bhatt:** No new thermal power plant that was planned for FY2022 you have any stopped purchasing any lands for thermal power projects that we know, anything else planned in terms of new project awards.
- Management:** Not right now, no new thermal power plants.
- Ajinkya Bhatt:** Understood, thank you so much. That's it from my side.
- Moderator:** Thank you. The next question is from the line of Rahul Modi from ICICI Securities Limited. Please go ahead.
- Rahul Modi:** Thank you Sir. Just a couple of questions. Sir, I believe the CPSU tender for 5 GW is also underway now. Sir, what is the timeline that you are expecting for this bid for the solar?
- Management:** The timeline for conclusion of CPSU scheme is end of March as per information available and to meet the timeline they are planning to complete bid process by end of March.
- Rahul Modi:** Sure Sir. Thank you. Just one last question on this. You had mentioned the number of 16700 odd Crores in terms of overdue as on December. Sir, by the end of January has the overdue situation improved from December.
- Management:** In January it has come down to Rs. 15,700 crore.
- Rahul Modi:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Ankur Deore from Bank of America. Please go ahead.
- Ankur Deore:** Hello sir, most of my questions have been answered, can you just give the figure for PLF-based incentive for the quarter?
- Management:** For the nine months, it is Rs. 355 Crore as against Rs. 164 Crore in the corresponding previous period and for the current quarter it is Rs. 76 crore as against Rs. 9 Crore in the corresponding previous quarter.
- Ankur Deore:** Sure. Thank you Sir.
- Moderator:** Thank you. The next question is from the line of Mohit Kumar from DAM Capital. Please go ahead.



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- Mohit Kumar:** Sir, two questions, first what is the status of acquisition of Avantha Power Plant right now, is there any progress there which you can share?
- Management:** Discussions are over, and we expect some solutions in near term.
- Mohit Kumar:** Secondly, what was the Ratnagiri profit for the quarter?
- Management:** For the quarter it has got around Rs. 1 Crore profit.
- Mohit Kumar:** Understood Sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Aniket Mittal from Motilal Oswal. Please go ahead.
- Aniket Mittal:** Sir, just one question to understand, the discussions that you had with DISCOM there is a proposal which had come out which said that DISCOMs can relinquish PPAs of over 25 years, just to understand your view on that and is there some discussion on that?
- Management:** As far as PPA beyond 25 years are concerned, we have primarily Delhi DISCOM which has raised this issue and we have already given our reply to them. We are saying that in our case all these PPAs are basically on a perpetual basis and this 25 years what is being raised is primarily an economic life not the physical life and many of our partners including the DISCOMs are running plants which are older than 40 years and since we are in a regulated business and as far as our power plants are concerned, so long as they are compliant with the environmental norms, they have to run, but of course they have taken up and this matter is now in Delhi High Court. Only one case that is Delhi, in addition to that in most of our old plants ECR is very low and so they are in much demand as compared to the new plants where ECR is high. Further, we have also argued that they cannot have a pick and choose methodology whereby they will continue to get cheaper power from Singrauli, Korba and Ramagundam which are even beyond 30 years old and they will relinquish only Dadri, so that is not possible, in case they have to relinquish they have to relinquish everything. What we are arguing is that it has to be mutually agreed not one sided.
- Aniket Mittal:** Sir one question I wanted to ask, probably from a stretch of three to four years perspective if I recollect this correctly, the initial plan actually was in the next three or four years, I think, to retire Singrauli and Talcher and we would set up a new capacity in Talcher which would replace the old one. Given the current dynamics just wanted some color on that are we still going ahead with the retirement of these two plants over let us say the next two years and will a new capacity with Talcher will come onboard.
- Management:** Talcher we may award after some time, for that discussions are on and so far as Singrauli is concerned we have not yet decided.



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- Aniket Mittal:** Will the old plan for Talcher be retired?
- Management:** Definitely, when the new plant will come.
- Aniket Mittal:** Okay Sir, currently is there a retirement date that has been decided for Talcher and Singrauli.
- Management:** No such date has been decided.
- Aniket Mittal:** Okay, understood Sir. Thank you.
- Moderator:** Thank you. The last question is from the line of Atul Tiwari from Citi Group. Please go ahead.
- Atul Tiwari:** Thanks for taking my question again. Again on the RGPPL how much is the total investment of NTPC by the way of equity as well as inter-corporate loan.
- Management:** Inter-corporate loan is around Rs. 885 Crore and equity is around Rs. 830 Crore.
- Atul Tiwari:** Okay, now that SPV does not have any external debt the only debt is Rs.8.85 Billion.
- Management:** Yes
- Atul Tiwari:** Okay Sir. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, this was the last question for today. I would now like to hand the conference over to the Mr. Rahul Modi.
- Rahul Modi:** I would like to thank the entire management of NTPC for the time and having a fruitful discussion. Thank you very much Sir.
- Management:** Thank you Rahul, thank you very much.
- Moderator:** Thank you. On behalf of ICICI Securities Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.