



**NTPC Limited Q2 FY24 Earnings Conference Call
28 October 2023**

Management: Mr. Jaikumar Srinivasan, Director (Finance)

Mr. Dillip Kumar Patel, Director (Human Resources)

Mr. Ramesh Babu V., Director (Operations)

Mr. Ujjwal Kanti Bhattacharya, Director (Projects)

Mr. Shivam Srivastava, Director (Fuel)



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Moderator: Ladies and gentlemen, good day and welcome to the NTPC Limited Q2 FY24 Earnings Conference Call hosted by B&K Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rajesh Majumdar from B&K Securities. Thank you and over to you Sir.

Rajesh Majumdar: Thank you and good evening, everyone. We are presenting today the Q2 FY24 Conference of NTPC Limited. The company is represented by Shri Jaikumar Srinivasan, Director (Finance), Shri Dillip Kumar Patel, Director (Human Resources), Shri Ramesh Babu V, Director (Operations), Shri Ujjwal Kanti Bhattacharya, Director (Projects) and Shri Shivam Srivastava, Director (Fuel). Congratulations, Sir on a good set of numbers. So, without much ado, let us start with the opening comments from the management. Over to you, Sir.

Management: Thank you. Very good evening to all the participants. I, Jaikumar Srinivasan, Director (Finance), welcome all of you to the Q2 FY24 Con-Call of NTPC Limited. I have with me Shri Dillip Kumar Patel, Director (Human Resources), Shri Ramesh Babu V., Director (Operations), Shri Ujjwal Kanti Bhattacharya, Director (Projects), and Shri Shivam Srivastava, Director (Fuel). I also have with me other key members of NTPC team.

Today, the Company has announced the unaudited financial results for Q2 FY24 along with half-yearly results of FY24. The Key Performance Highlights for the quarter and half-year ended 30 September 2023 have already been disclosed on both the stock exchanges.

NTPC has completed yet another remarkable quarter with a very strong operational and financial performance. We have made significant progress on various strategic initiatives including renewables.

Operational Highlights of Q2/H1 FY24

- During H1 FY24, NTPC has added 1570 MW commercial capacity to its portfolio, out of which a capacity of 110 MW was added from renewable sources.



As on 30 September 2023, the commercial capacity of NTPC stands at 57838 MW on a standalone basis and 73824 MW for the Group.

- NTPC Group generated 212 Billion Units in H1 FY24 as compared to 204 Billion Units in H1 FY23, an increase of 4%.

NTPC's standalone gross generation in H1 FY24 is 179 Billion Units as compared to 176 Billion Units in the corresponding previous period.

- During H1 FY24, PLF of coal stations of NTPC was 76.62% as against the National Average of 68.75%. For H1 FY24, 3 coal stations of NTPC group viz. Rihand, Singrauli, and Bhilai were among the top 10 performing stations in the country in terms of PLF.
- During the H1 FY24, there has been lower generation due to grid restrictions of 46 Billion Units against 40 Billion Units in the corresponding previous period. There was a negligible generation loss due to Fuel Supply against 2 Billion Units in the corresponding period of the previous year.
- Status of Fuel Supply: During H1 FY24, materialization of coal against ACQ was 95.80% as against 99.93% in the corresponding previous period. Coal supply during H1 FY24 was 113 MMT including 4 MMT of imported coal. The coal supply during the corresponding previous period was 112 MMT including 10 MMT of imported coal.
- NTPC has registered highest ever coal production of 16.06 Million Metric Tonnes (MMT) in H1 FY24 with growth of over 83% as against 8.76 MMT in H1 FY23. Cumulative expenditure of ₹ 10,095.34 crore has been incurred on the development of coal mines till 30 September 2023.

Now I will update on various other financial activities:

- Total Income for Q2 FY24 is ₹41,517.87 crore as against ₹41,810.96 crore in the corresponding quarter of the previous year. On half-year basis, the Total Income in H1FY24 is ₹81,198.56 crore as compared to ₹82,536.63 crore in H1 FY23.
- PAT for Q2 FY24 is ₹3,885.01 crore, as against ₹3,331.20 crore in the corresponding quarter of previous year, registering an increase of 16.62%. On half-year basis, PAT is ₹7,951.05 crore as against ₹ 7048.16 crore in H1 FY23, registering an increase of 12.81%.
- Total Income of the group for H1 FY24 is ₹88,774.66 crore as against ₹88,242.22 crore in the corresponding previous period. PAT of the group for H1 FY24 is



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₹9,633.53 crore as against corresponding previous period PAT of ₹7,395.44 crore, registering an increase of 30.26%.

- During H1 FY24 our subsidiaries have earned profit of ₹1,117.36 crore as compared to ₹867.65 crore in the corresponding period of previous year, registering an increase of 28.78%. NTPC's share of profit in JVs has increased from ₹120.57 crore in H1 FY23 to ₹1,082.25 crore in H1 FY24.
- During H1 FY24, we have accounted dividend income of ₹549.98 crore as against ₹640.94 crore during H1 FY23.

The regulated equity as on 30 September 2023 was ₹81,498 crore for NTPC on standalone basis and ₹98,050 crore on group basis.

Fund Mobilization

- In the current quarter, NTPC has signed term loan agreements of ₹5,000 crore with HDFC Bank.
- Average cost of borrowing during H1 FY24 is 6.67% as compared to 6.22% in H1 FY23.

CAPEX

- In H1 FY24, we have incurred a group CAPEX of ₹13,203.60 crore as compared to ₹16,664.19 crore in the corresponding previous period.
- The Capital outlay of NTPC standalone has been estimated at ₹22,454 crore for FY24.

Further, I would like to list a few other highlights:

- NTPC group has a strong commitment towards Renewable Energy. We have already commissioned 3314 MW of RE projects. Presently, 7258 MW of RE projects are under construction. Furthermore, we have secured tenders and bilateral tie-ups for another 10 GW of renewable capacity, creating a visible pipeline of more than 20 GW in the near term.
- MoU has been signed between NTPC Green Energy Limited and UPRVUNL for the development of RE projects in Uttar Pradesh. Similar MOU was also signed with HPCL Mittal Energy Limited (HMEL) for the development of RE projects



and Green Hydrogen derivatives. MOU was also signed with ONGC and OIL for Renewable Energy Projects to explore collaboration in the areas of Renewable Energy, Green Hydrogen & its derivatives, Geothermal etc.

- As part of our overall energy security plans, we are actively considering awarding thermal capacity of 11.2 GW by next fiscal. This is in addition to 10 GW thermal capacity already under construction for the group. Furthermore, to have greater fuel security we are enhancing our coal mining capacity as well.
- A Business Transfer Agreement (BTA) for transferring mining assets from NTPC to NTPC Mining Limited (NML), a wholly owned subsidiary of NTPC was signed on 17.08.2023 in New Delhi. Also, NML participated in the auction process of commercial coal blocks notified by MOC and was declared as preferred bidder for North Dhadu (East) coal mine having an estimated geological reserve of 439 MMT.
- "Going Higher on Generation, Lowering GHG Intensity," remains our motto for environment management & drives our efforts to comply with new environment norms. We have taken significant steps to control SO_x and NO_x emissions.
- Over the next 3 years, we plan to commission FGD systems for our entire operational and under-construction capacity, ensuring a substantial reduction in SO_x emissions.
- With respect to Ash Utilization, 10 NTPC and JV Stations achieved 100% ash Utilisation. NTPC average Ash Utilization is 77.86%. 2700 Metric Tonnes of ash was transported in containers on BLC rakes from Khargone which is a first of its kind in India for ash transportation.
- Lastly as a CSR Initiative, NTPC has adopted Archery sport in India with an objective of scouting for talent in remote parts of India and nurture them through coaching camps to enhance India's presence in the sports internationally. The Indian Archers have bagged 9 medals (5 Gold, 2 Silver, 2 Bronze) in the recently held 19th Asian Games. Also, the Indian Archers shot their way to second rank



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by bagging 4 medals (2 Gold, 1 Silver, 1 Bronze) in the Archery World Cup Stage 1 held in Antalya from 18th to 23rd April 2023.

Awards received by NTPC in Q2 FY 24

- NTPC Limited, has been recognized as one of the “World's Best Employers 2023” in the Forbes World's Best Employers list 2023. It ranked 261 out of top 700 companies in the World ranking and is the only Indian PSU to figure in the list.
- NTPC Ltd. has been conferred with the “Asia’s Best Employer Brand Awards 2023” at the “ASIA'S BEST EMPLOYER BRAND AWARDS” held on 17th August 2023 at Singapore.
- NTPC bagged five awards at the 5th Edition of CII Digital Transformation (DX) Awards hosted by the CII Tata Communication Centre for Digital Transformation.
- NTPC has been awarded “Technology Transfer Award 2022” in Generation Sector, by Electric Power Research Institute (EPRI), US for incorporating Assessment and Benchmarking Tool for Flexible Operations.

These were some of the key highlights I wanted to share before we begin with the question-and-answer session. Thank you and I now hand over to B&K Securities for further proceedings.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: My first question is on the thermal coal pipeline. You just mentioned that you are looking to award 11.2 GW (Gigawatt). How much is coming in standalone and how much you are looking to award in this fiscal and if you can name those power plants it will be very helpful.

Management: Out of the total 11.2 GW that is planned, 50% would be coming from NTPC standalone and the remaining 50% would be through our joint venture and these would be tendered out progressively over the next 12 months.

Mohit Kumar: Sir, does this include Lara or this is excluding Lara.



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- Management:** Lara has already been awarded.
- Mohit Kumar:** Understood Sir. My second question is H1 was slightly muted in terms of renewable bidding, how do you see the renewable bidding pipeline in H2?
- Management:** As far as the bidding pipeline, as directed by the Government of India, is concerned, I think about 25 GW have already been announced by the agencies including about 5 GW from NTPC, and the target is that all the 50 GW bid completion would be done by the end of March. So that is how the things stand because now various guidelines i.e., the bid document guidelines, the pooling guidelines and all of those have been issued.
- Mohit Kumar:** Understood Sir. My last question Sir what was the regulated equity at the end of H1 for the standalone and consolidated?
- Management:** The regulated equity at the end of last quarter was ₹81,498 crore on standalone basis. On consolidated basis it is ₹98,050 crore.
- Mohit Kumar:** Understood, Sir thank you and all the best, Sir.
- Moderator:** Thank you. The next question is from the line of Apoorva Bahadur from Goldman Sachs. Please go ahead.
- Apoorva Bahadur:** Hi Sir thank you for the opportunity. So, can you share the fixed cost under recovery figures for Q2?
- Management:** The fixed cost under recovery for Q2 is ₹381 crore.
- Apoorva Bahadur:** I wanted to understand about the coal inventory at power plants. There has been some tightness as per the data. How do you see the rest of the year panning out especially for our non-pithehead power plants?
- Management:** Right now, the coal stock is around 8.5 days at NTPC stations. Although coal stock is less in non-pithehead stations, coal stocks should increase from now onwards. So yes, it is a little tight, but I would expect the coal stocks to pick up from end of this month onwards.



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Apoorva Bahadur: The scheduled maintenance for all our coal plants has been done or something is due in Q3 as well.

Management: Something will be due in Q3 and Q4 also because we have a lot of units. Except for the government directive regarding not to take units under overhauling in the month of April till mid of May, we have started taking overhaul every month and it is going on.

Apoorva Bahadur: Okay Sir so by the end of the year, the total fixed cost under recovery should be?

Management: It should be near around ₹200 crore.

Moderator: Thank you. The next question is from the line of Nikhil Nigania from Alliance Bernstein. Please go ahead, sir.

Nikhil Nigania: Thank you for taking my question. My question is on the renewable side. Wanted to understand if there is any update on the investment envisaged in the renewable business and plans to list the renewable business separately?

Management: You want the projected investment in the renewable.

Nikhil Nigania: No, Sir. Sir there was a plan to get separate investor into the renewable portfolio and then list the renewable business separately as an entity, if there is any update on that.

Management: See, we have broadly some plans for unlocking some value either by way of a stake sale or an IPO route. However, we are working towards that but as you know that we have a pipeline of renewable projects. 3.3 GW is already operational, 7.2 GW is under construction and another 11 GW is under different stages. So, we will be working on that and by year and a half or two years there should be a substantial capacity on ground, but when we reach a certain critical mass, we will time it. So, right now we are working towards that, but we will be exploring the market, looking at the conditions and deciding on the timing.

Nikhil Nigania: Got it. Understood Sir. Thank you. Sir, the second question I had was on storage. There is a lot of news on plans to set up pump storage and the government is keen as well wanted to understand if there is any update on the storage front is



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there a tender out by NTPC as well on storage. So, any update you can share on plans on pump storage or otherwise?

Management: On the pump storage, I will give you a snapshot. Government of India last year identified NTPC as possible developer of 11550 MW PSP across Maharashtra, Andhra, Tamil Nadu, and Karnataka subject to government of that particular state agreeing. Out of that 11550 MW, we have gone into the PFR stage and also gone for acceptance of some of the units. So, we are now targeting half of that, 5300 MW. Meanwhile, we have self-identified another 8500 MW of capacity in Gujarat, Himachal, Meghalaya, Chhattisgarh and Uttar Pradesh and feasible capacity is 100% of that. So, if we add together today, we have around 14000 MW of pump storage capacity ready to be signed with the state governments at different stages and we will immediately start building up.

Nikhil Nigania: That is helpful Sir. Sir any visibility on timeline, how long does this take when there will be approvals and then construction. So how long would we start seeing on ground progress on this tentatively?

Management: It typically takes two to three years for the initial work. Because like any hydro, there are a lot of studies to be carried out and the construction time can be 3.5 to 4.5 years depending on the site and depending on the utility off river or on the river etc. So, from today, if you take the most conservative view, it will be on the order of say 7 to 8 years and if it is most optimistic, it can be up to six years. That is the position.

Nikhil Nigania: Understood Sir. Very helpful, Sir. Thank you, Sir. I will join back the queue.

Moderator: Thank you. The next question is from the line of Abhishek Maheshwari from Sky Ridge Wealth Management. Thank you so much.

Abhishek: Thank you for the opportunity. Sir only one question. It is regarding understanding your borrowing strategy. So, as we understand it, currently you are generating more than enough cash to sufficiently pay off all your capex expenses and I understand that all the power projects are formulated on the basis of a mix of debt and equity but is it necessary for you to take the debt to finance a project or can you finance it through your internal accruals also? So just wanted



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to understand do you have a planned peak debt for your books or is it something that will keep coming on as you take new projects?

Management: Right now, the company's debt equity ratio is very comfortable and as long as we keep investing on thermal side which is still a regulated business on a cost plus basis it benefits us to put 30% permissible equity over there because it will fetch us 15.5% returns, but as far as other business, non-regulated business is concerned that will depend on the resource position. Generally, on the renewable side we go for 80:20 combination. But in a regulated business, even if you put more equity, it will be treated as a notional debt, and you will be getting only the weighted average rate of borrowings. So, it does not pay you to put more equity into the regulated business.

Abhishek: I was majorly talking about renewables only because since bulk of your capex is going to go into renewables does it make sense to finance your renewable projects through your own internal accruals only rather than relying on debt because you are getting enough cash as it is, right and you're not looking at regulated businesses going ahead right.

Management: We will have a judicious mix of debt equity. Nobody will ever finance the projects only through equity because we have other commitments also, we have other subsidiaries, JVs also. We will be looking at new businesses. So, from that point of view, whatever is the healthy mix, we will go for a healthy debt equity ratio.

Abhishek: Okay Sir. Thank you. I will get back to the queue right now for any follow-ups.

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

Subhadip Mitra: Good evening and thank you for the opportunity. I got disconnected from the call earlier so if you have already answered this could you help us with the adjusted PAT number both for standalone and consolidated for the quarter?

Management: The adjusted PAT for Q2FY24 is ₹3,497 crore which was ₹3,601 crore in the corresponding period of last year.



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Subhadip Mitra: Secondly with regard to the ordering of the thermal plants which are currently in the pipeline, you know post Lara if you can help us with the schedule of how much and which projects you anticipate to ordered out over the next six to eight months or a year?

Management: Singrauli 1600 MW and Sipat 800 MW. Singrauli by December 2023 and Sipat by February 2024. In next phase, Darlipalli 800 MW will come in June 2024 and Meja 2400 MW will come in September 2024. We have another 5600 MW capacity lined up. Telangana Phase-II 2400 MW, Obra Expansion 1600 MW that will be done by NTPC through Meja Urja Nigam Limited our JV with UP and Anapara another 1600 MW expansion, will also be done through our JV with UP, i.e., Meja Urja Nigam Limited. These will be done progressively in FY25 and definitely by H1 of FY26, that is our target.

Subhadip Mitra: Okay, perfect, that is very helpful. Lastly on the renewable side given that we have been able to expand our portfolio so well to 20 GW over the last few months is there any target of what kind of numbers you would like to reach in terms of closing portfolio let us say by end of this fiscal or next year.

Management: Presently we have 3.3 GW commissioned capacity. By FY26, we are expecting to have 15 GW. We have a long term target of 60 GW by the end of FY32.

Subhadip Mitra: I understand and in terms of growing the portfolio beyond the 20 GW would you have any rough target let us say by end of FY24 or FY25 that you are anticipating this 20 GW to maybe grow to let us say 30 GW by end of next year or something like that.

Management: You already know there is a bidding pipeline of close to 50 GW going to happen every year. So, we will obviously try to win some bids there. We're also talking to a couple of C&I guys, but obviously we cannot give you a number right now.

Subhadip Mitra: Understood Sir, that answers my question. Thank you so much.

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



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Nikhil Abhyankar: Thank you, Sir. Thanks for the opportunity. Sir, my first question is why was our under recovery high in Q2 and are there any specific reasons for it?

Management: The under recovery is high in Q2 because we have taken overhauls, and these are overhauls taken during this season. So therefore, this under recovery is high, going forward by end of the year we will be making up this under recovery and we will have only around ₹200 crore under recovery.

Nikhil Abhyankar: Recently we had a new grid code so what are your views on that, and will it lead to some kind of an opportunity to sell on power exchanges?

Management: The new grid code, yes, there are opportunities for us to sell on the exchange and we are doing that but there are also some concerns on the grid code which we have communicated to the regulator and that is a continuous dialogue that we are having with the regulator on this.

Nikhil Abhyankar: Okay and our renewable capacity addition for Q2 was almost nil if I am not wrong Sir. And so, are we facing any difficulty in execution and also you mentioned that we have got almost a lock down capacity of 20 GW and our target for FY26 is 15 GW, so almost around 5 GW will not be commissioned even in next two years. So, can you throw some light on that?

Management: So yes, in Q2 we did not do anything because various clearances like sourcing of modules from outside India and all we got only towards the end of Q1. Regarding the 20 GW, which is already in the pipeline, so our broad aim is to do around 5 GW every year.

Nikhil Abhyankar: Thank you. That is all from me.

Moderator: Thank you. The next question is from the line of Gaurav Lohia from Bowhead India Fund. Please go ahead.

Gaurav Lohia: Sir, just wanted to check what is the adjusted PAT for Q2 FY24?

Management: Adjusted PAT for Q2 on a standalone basis is ₹3,497 crore.

Gaurav Lohia: What was it in Q1, Sir.



- Management:** In Q1 it was ₹3,794 crore.
- Gaurav Lohia:** Sir, in the past consolidated PAT as percentage of Consolidated PAT was in the range of 100% to 105% but in the last two quarters, it has been almost 20% higher than the standalone PAT even if we include the portfolio that you have transferred to the subsidiary, the renewable portfolio it extends only 4 to 5% kind of PAT difference, right but what is the delta coming here Sir?
- Management:** Share of profit from subsidiaries has been close to ₹250 crore variation and share of profit of joint ventures through equity method, we have a differential of ₹961 crore. So, this adds to around ₹1,200 crore variation. Another factor is that our BIFPCL was not there last year, so the COD was effective from 23rd December 2022, which has also contributed to the higher results.
- Gaurav Lohia:** Sir, going forward, this difference would remain at the same level around 20% or it would come down because of let us say reduction in JV profit or subsidiaries profit?
- Management:** It should be in the range of 15 to 20%.
- Gaurav Lohia:** Understood Sir and Sir what was the capex for the first half, Sir? First half at the group level.
- Management:** At the group level, first half we are around ₹13,204 crore and target is ₹28,373 crore.
- Gaurav Lohia:** Understood Sir. I think in the Q1 analyst meet we had said ₹27,000 crore for FY24, right? So, we have changed it to ₹28,000 crore.
- Management:** Yes, we keep on going upwards only and that is a growing company.
- Gaurav Lohia:** So, could you please give us the revised target for FY25 and FY26 also if there has been a change for those years as well?
- Management:** Next financial year we will be coming out before the budget because that is obligatory on a government company. We are working on it now and our capex



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target for next year will be remaining almost on the same range, but after that, that will also zoom further.

Gaurav Lohia: Understood, Sir. Just last question, Sir. Just to be clear again, Sir this difference between consolidated PAT and standalone PAT will remain during FY25 as well right, 15 to 20% kind of number.

Management: That is our estimate.

Gaurav Lohia: Understood, Sir. I understand that but as of now you expect this to continue, right as things stands. Understood, thanks a lot.

Moderator: The next question is from the line of Rajesh Majumdar from B&K Securities. Please go ahead.

Rajesh Majumdar: Yes Sir. So, I had a couple of questions. What is the status of pump hydro projects which is going on right now at THDC, which was supposed to be commissioned this year and what is the expected profitability from that project?

Management: THDC pump hydro project is 1000 MW. There are some last moment surprises at the tail-end region and now the issues have been settled and we expect pump storage first unit to come on stream by January or latest by February and then progressively in three months' time it will come.

Rajesh Majumdar: Okay and this is a regulated return, right, this particular project?

Management: Yes, it is cost plus only.

Rajesh Majumdar: Okay and secondly Sir, could you give us the pipeline for the capacity addition for thermal for the balance part of the year, FY25 and FY26, that is it from my side.

Management: In this year, we have already achieved 1460 MW and we will further achieve 1480 MW, and this is what I am talking is all coal and to be achieved includes North Karanpura Unit-2 660 MW, Telangana Unit-2 800 MW, and Durgapur 20 MW. For next financial year we have lined up 5240 MW capacity addition, which includes Barh Unit-3, North Karanpura Unit-3, Patratu two Units 1600



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MW and then THDC Khurja both the units 1320 MW, and THDC PSP although I am expecting one unit to be commissioned in this fiscal year, but in any case, by FY25, the entire 1000 MW will be commissioned that makes it 5240 MW.

Rajesh Majumdar: FY26 Sir.

Management: FY26 is going to be lean year because all the capacity that we are now awarding will start getting commissioned from FY27 onwards. In FY26 it will be roughly 1764 MW. This will include THDC Pipalkoti 444 MW and Patratu the last unit of 800 MW and hopefully Tapovan Vishnugad 520 MW.

Rajesh Majumdar: Right Sir, that is helpful. Thank you so much.

Moderator: Thank you. The next question is from the line of Dhruv Muchhal from HDFC AMC. Please go ahead.

Dhruv Muchhal: Yes Sir. Thank you so much. Sir you mentioned that you have 14 GW of pump hydro project now assuming that you get the financial closure done and the ET and FT cleared over a period of time how many of these projects do you have go ahead from the state government to start constructing if all these procedures are done already if you have approvals from the state government.

Management: I told you that out of this 14000 MW, roughly 6000 MW has been identified by Government of India and among that we have already discussed with Tamil Nadu, which is going for the cabinet approval now once it is approved, we will sign the agreement with them. The rest of the projects are roughly 8000 MW. These are at various stages of identification. Like in Himachal there are two projects, 1200 MW each, which is Koldam-I and Koldam-II PSP. These are very easy projects and only Himachal government should agree to award it to us. There are some issues going on regarding water safety which has been going so there are some delay on that front, but we expect to get it soon. Karnataka we are negotiating at the last stage for Netravati, and we are also discussing for some more projects with Karnataka. Maharashtra, we have already identified, and we are discussing with them around 800 MW immediately and maybe another 2000 MW going forward. Then we are also discussing with Meghalaya. We have signed an MOU for around 3100 MW, but we are in the process of preparing the



PFR first. Chhattisgarh 1200 MW we are discussing for joint venture route and Madhya Pradesh 800 MW has been identified and Gujarat 1000 MW. These are at the different stages of pre-feasibility report, and we have sounded the state governments and while some of the state governments like Meghalaya signed an MOU. Rest of the cases, except Gujarat where Gujarat has evinced interest that is why we moved in. So, you can say 4100 MW is also agreed de facto. Rest are at the different stages of negotiation.

Dhruv Muchhal: Got it Sir. This is helpful, Sir. Sir, just on renewables you mentioned that there are 9 to 11 gigawatt of projects which are under construction. Sir just to clarify, which means that you have already awarded the EPC contract and probably some set of modules or what stage are they?

Management: Let me clarify that it about 3.3 GW is already operational and another 7 GW is under construction so that adds up to 10 if that is what you are referring to.

Dhruv Muchhal: No, I am saying when you refer to under construction of what 7 odd GW.

Management: So, when we say under construction so we have already cleared the EPC award or the balance award so what is being executed on the ground.

Dhruv Muchhal: Got it so that means at least this much would be commissioned over the next 18 months or 24 months closer to EPC.

Management: Yes, whenever we have started the work, the target is to complete it by max 24 months if not earlier.

Dhruv Muchhal: Sir one more question was on the thermal addition. Now we are seeing some tightness in the power markets and probably government is also pushing a lot. Sir is there any scope what we see from current ordering is that it takes about four to five years to execute these projects, new thermal projects, even they are Brownfield yet? Is there any scope to quicken this probably I am not sure three and half years, four years or whatever is there any scope to do that or what do you think is four or five years is the best possible way that can be done?

Management: As an optimist project manager I am saying it is there, the scope is always there, and we will try everything to do it. But in Indian context, I will tell you, there are



some basic problems that we face. First of all, the first two years when we are doing lots of civil the four months of rainy season completely takes away the eight months from the schedule. So even if I do it in four years, I have effectively doing it in 40 months that you have to understand. Secondly some of the projects depending on the accessibility, the logistics, sometimes are required extra like in one of our projects the generator stator was stuck up for eight months. So, project specific only I can tell you whether I can prepone or postpone like Talcher Thermal which is under construction now which we awarded last year. We have very optimistic position even after 14 months of working that we are ahead four months that of schedule. If that gives you some kind of reasons to say cheers, that is good.

Dhruv Muchhal: Got it, this is helpful. And Sir, last clarification in one of your previous questions you mentioned that the gap between consolidated and standalone should be about 15-20%, just to understand Sir because all the renewable is coming up in subsidiaries, which will add only in the consolidated profit, should not this gap only increase every year this 15-20% probably increasing every year.

Management: I have indicated because there are several JVs and subsidiaries and the net figure what would emerge should depend on interplays and peculiarities of each year financials. So, it would only be fair to assume that it would be around 15 to 20% but it depends on several factors.

Dhruv Muchhal: Thank you so much and all the best.

Moderator: Thank you. The next question is line is from the line of Atul Tiwari from Citi. Please go ahead.

Atul Tiwari: Yes, Sir thanks a lot. Sir on these 14 GW of PSP project will you be filing a regulated ROE PPA or is it like a fixed tariff for per kilo watt of power storage. For the pump storage projects I am asking.

Management: Pump storage projects that we are developing will be developed mostly through the cost plus model that is what we are discussing with government of Tamil Nadu, government of Karnataka, everybody.



- Atul Tiwari:** Okay Sir so in that cost plus model I mean what is the ROE or ROC you are discussing on the employed equity or capital?
- Management:** Generally, the PSP also follows the same ROE that is allowed under the regulation for a hydro project.
- Atul Tiwari:** Okay and Sir, any idea about the cost of the storage, I mean after say allowing for ROE what is the per unit cost of the storage currently.
- Management:** Storage cost would be on the order of say ₹3.50.
- Atul Tiwari:** Okay so about ₹3.50 to ₹4.00 roughly.
- Management:** The figure that was indicated is purely the storage. What is called as the price adder will have an inherent tariff for that and all put together could be in the range of ₹7.25 to ₹8.25. Storage is the cost which is in my control. So that will be of the order of ₹3.50 to ₹4.00 depending on the type of project and location.
- Atul Tiwari:** Okay Sir got it. Thank you.
- Moderator:** Thank you. That was the last question. I now hand the conference over to the management for closing remarks.
- Management:** Thank you. On behalf of NTPC management, I would like to thank all of you for participating in this conference call for the Q2 financials. Thank you so much.
- Moderator:** Thank you. On behalf of B&K Securities that conclude this conference. Thank you for joining us and you may now disconnect your lines.
