



NTPC Limited Q2 FY2021 Earnings Conference Call

November 2, 2020

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Moderator: Ladies and gentlemen, good day and welcome to the NTPC Limited Q2 FY2021 Earnings Conference Call hosted by JM Financial 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. Subhadip Mitra of JM Financial. Thank you and over to you Sir!

Subhadip Mitra: Thank you, Neerav. On behalf of JM Financial, I welcome you all of NTPC Q2 FY2021 Earnings Call. We are joined today by the senior management of NTPC led by Director Finance, Mr. A.K. Gautam. I would now like to hand over 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 Mr. Gautam!

A.K. Gautam: Thank you. A very good evening to everybody. I, A. K. Gautam, Director (Finance) welcome all of you to Q2 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 also have with me other key members of NTPC team.

Today, the Company has announced the unaudited financial results for the second quarter of FY21. The Key Performance Highlights for the quarter and half-year ended 30 September, 2020 have already been disclosed on both the stock exchanges. The Company has also disclosed the approval of Board of Directors for the Buyback of not exceeding 19,78,91,146 equity Shares of the company at a price of Rs. 115 for a total amount not exceeding Rs. 2,275.75 crore as a part of Capital restructuring.

Operational Highlights for Q2/H1 FY21

1. NTPC’s standalone gross generation in Q2 FY21 is 67.67 Billion Units and in H1 FY21 is 127.86 Billion Units as compared to 61.64 Billion Units and 130.14 Billion Units in corresponding previous periods.



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Gross Generation of NTPC Group in Q2 FY21 is 77.93 Billion Units and H1 FY21 is 145.87 Billion Units as compared to 68.67 Billion Units and 145.30 Billion Units in corresponding previous periods.

NTPC Group posted highest ever day generation of 977.07 MUs on 28 July, 2020 surpassing previous highest day generation of 935.46 MUs on 12 March, 2019.

NTPC Hydro and RE stations recorded generation of 2.05 Billion Units and 3.39 Billion Units in Q2 FY21 and H1 FY21 respectively.

2. In H1 FY21, we have added 984 MW to our commercial capacity, comprising 660 MW at Khargone, 300 MW at NEEPCO and 24 MW at THDC.

With these additions, the commercial capacity of NTPC has become 50355 MW on standalone basis and 62110 MW for the Group as on 30 September 2020.

3. For H1 FY21, 6 coal stations of NTPC were among the top 10 performing stations in the Country in terms of PLF. It includes Korba with 96.87%, Sipat with 95.45%, Rihand with 94.57%, Talcher TPS with 90.44%, Vindhyachal with 90.31% and Nabinagar with 86.74% PLF.

4. During H1 FY21, PLF of coal stations was 61.26% as against the National Average of 49.51%.

5. 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 61 Billion units for H1 FY21. For the gas based stations the loss was 12 Billion units.
- The generation loss on account of fuel supply constraints was 0.11 Billion Units for H1 FY21.

6. Status of Fuel Supply:

- During H1 FY21, Materialisation of coal against ACQ was 88.11% as against 89.64% in H1 FY20.
- Coal supply during H1 FY21 was 78.99 MMT, comprising of 78.47 MMT of domestic coal and 0.52 MMT of imported coal. The coal supply during the corresponding previous period was 80.72 MMT, with 79.21 MMT of domestic coal and 1.51 MMT of imported coal.



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7. During H1 FY21, 3.52 Million Metric Tonnes (MMT) of coal (H1 FY20- 4.50 MMT) has been excavated from Pakri Barwadih coal mine. Cumulatively 22.65 MMT coal has been excavated till 30 September 2020.
0.94 MMT coal has been excavated from Dulanga and Talaipalli coal block together in H1 FY21 (H1 FY 20-0.35 MMT).
Cumulative expenditure of ₹7,273.22 crore has been incurred on the development of coal mines till 30 September 2020.
8. NTPC has incorporated a wholly owned subsidiary, NTPC Renewable Energy Limited, on 7 October 2020 to undertake Renewable Energy Business. The company would help to achieve its target of 25% share of renewables based generation capacity in its portfolio and push way towards increased renewables in the country.
9. NTPC has signed MOU with BHABHA Atomic Research Centre (BARC) for developing technologies in the areas of Waste-to-Energy, Hydrogen, sensors, robotics, ash, renewables, water etc. and shall contribute towards “AATMANIRBHAR Bharat”.
10. NTPC is exploring opportunities for setting up Energy Intensive Industries at NTPC’s Power Stations. In Phase-I, three plants of NTPC i.e. Solapur, Kudgi and Gadawara are identified for setting up Energy Intensive Industries. As per revised MOP guidelines, a National DISCOM with NTPC & REC is to be formed and modalities for the same are being also explored
11. NTPC and International Solar Alliance (ISA) announced their partnership to collaborate on implementation of solar projects in 47 Least Developed Countries (LDCs) & Small Island Developing States (SIDS) member countries of ISA
12. NTPC has signed a MOU with L&T Hydrocarbon Engineering (LTHE), to build CO₂ to Methanol project.
13. 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



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capacity. FGD system packages for 58.94 GW have been awarded 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 5 units with 2 GW of Thermal Power capacity, awards for contracts for supply and installation of low NOx combustion system for 19 GW of capacity have been awarded/to be awarded. Awards of De-NoX systems packages for 43 GW are under process.
- NTPC has invited bids for procurement of biomass pellets for its thermal plants with an aim to reduce burning of crop residue on farmlands that cause air pollution. The Company has envisaged consumption of 5 million tonnes of pellets in the current financial year at its 17 power plants including Korba, Dadri, Kudgi, Sipat and Rihand. NTPC had first undertaken this unique initiative on pilot basis in 2017 for biomass co firing by replacing some of the coal with pellet based fuel at NTPC Dadri. Post successful implementation, NTPC now plans to replicate the model in 17 of its thermal stations.

14. Ash Utilisation.

Ash utilisation for 2020-21 (upto Sept 2020) is 55.85% for NTPC Stations and it was 59.45% for the Group companies as a whole. As a step towards total ash utilisation, NTPC has developed new infrastructure for loading dry fly ash Silo storage systems for transferring fly ash to Railway wagons. First of such transfer took place from Rihand to ACC cement plant in Amethi district.

Financial Highlights

- Gross Sales for Q2 FY21 is ₹ 24,617.53 crore as against corresponding quarter of previous year Gross Sales of ₹ 22,706.53 crore, registering an increase of 8.42%. On half-year basis, there is an increase of 2.56% in the Gross Sales i.e. from ₹ 46,836.11 crore in H1 FY20 to ₹ 48,033.77 crore in H1 FY21.
- Total Income for Q2 FY21 is ₹ 26,023.33 crore as against corresponding quarter of previous year Total Income of ₹ 23,658.23 crore, registering an increase of 10%. On half-year basis, there is an increase of 3.88% in the Total Income i.e. from ₹ 48,177.04 crore in H1 FY20 to ₹ 50,044.33 crore in H1 FY21.



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- PBT for Q2 FY21 is ₹ 3,666.93 crore, as against ₹ 3,497.72 crore in the corresponding quarter of previous year registering an increase of 4.84%. On half-year basis, PBT is ₹ 6,564.72 crore as against ₹ 6,660.11 crore in H1 FY20.
- PAT for Q2 FY21 is ₹ 3,504.80 crore, as against ₹ 3,262.44 crore in the corresponding quarter of previous year registering an increase of 7.43%. On half-year basis, PAT is ₹ 5,974.96 crore as against ₹ 5,865.23 crore in H1 FY20.
- As a part of Aatmanirbhar scheme announced by the Government, NTPC has realised ₹6,736 crore from the amount released by PFC/REC under Tranche-1 to beneficiaries. NTPC group as a whole realised ₹ 8,088 crore.

An update on various other financial activities:

The regulated equity as on 30 September 2020 was ₹ 63,514.10 crore.

Fund Mobilization

- During H1 FY21, NTPC has signed term loan agreements of ₹5,000 crore, ₹1,000 crore and ₹900 crore with HDFC Bank, Bank of India and Axis Bank respectively totalling ₹6,900 crore.
- Average cost of borrowing for H1 FY21 was 6.37% as compared to 6.91% in H1 FY20.
- NTPC has issued the following Bonds with a door to door maturity:
 - ₹ 1,000 crore @ 6.29% p.a on 31 July 2020 for a period of 10 years 8 months and 11 day.
 - ₹ 4,000 @ 5.45% p.a on 15 October 2020 for a period of 5 years.
- NTPC has signed a Foreign Currency loan agreement with Japan Bank for International Cooperation (JBIC) for JPY 50 billion (approximately \$480 million or ₹ 3,500 crore) for funding of FGD & Renewable Energy projects of the Company. This is the first loan for NTPC under JBIC's GREEN operations in India.

CAPEX

- In H1 FY21, we have incurred a CAPEX of ₹ 7,139.50 crore as against ₹ 9,143.86 crore in H1 FY20. The CAPEX by the other group companies has been ₹5,843.64 crore. Thus, the total group CAPEX for the H1 FY21 was ₹ 12,983.14 crore.
- The Capital outlay for FY21 has been estimated at Rs. 21,000 crore for NTPC.



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

- NVVN, our trading subsidiary, transacted 8.36 Billion Units during the H1 FY21 as against 7.92 Billion Units during the H1 FY20.
- NVVN has won 50 MW Solar capacity in Damodar Valley Corporation (DVC) Solar Tender for setting up the grid-connected PV Solar plant under Developer model in Design-Build-Operate-Transfer mode at DVC, Jharkhand. The project is worth ₹204.40 crore and will be completed within 12 months of signing the 25 years PPA.
- NVVN, has signed a MOU with Greenko Energies Pvt. Ltd. to explore the possibility of entering into an arrangement for trading/collaboration/partnership in Integrated Renewable Energy Storage Projects set up by GREENKO with the aim to offer Round the clock (RTC) Renewable energy power to potential customers in India.
- Hindustan Urvarak Rasayan Limited, a Joint Venture company of NTPC has signed a MOU with Rashtriya Chemicals & Fertilizers Limited (RCF) to source Urea to undertake seeding programme.
- During H1 FY21, we have received dividend of ₹ 563.33 crore from our subsidiaries and Joint Venture Companies as against ₹ 83.65 crore received in the corresponding period of the previous year. The Major contributors of dividend in the H1 FY21 are as follows:
 1. ₹300 crore from THDC India Limited
 2. ₹101.48 crore from Bhartiya Rail Bijli company Ltd.
 3. ₹100 crore from Aravali Power Company Private Limited
 4. ₹ 25 crore from NEEPCO and rest from other JVs and Subsidiaries.

NTPC continues to win laurels and awards in various fields. Some of the major awards received in H1 FY21 are:

- NTPC has featured on the top in the list of Indian PSUs under “World’s Best Employer 2020”, published by Forbes.
- NTPC has won prestigious CII-ITC Sustainability Awards 2019 in the domain excellence of Corporate Social Responsibility.



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- NTPC Pakri Barwadih Coal Project has been awarded for best Environment Management System for 2019-20 by Federation of Indian Mineral Industries (FIMI).
- NTPC has received the CSR Health Impact Awards in two categories (1) Swachh Bharat & WASH Initiatives and (2) Main Stream CSR Health Projects (PSU).
- NTPC has been conferred with Greentech CSR Award 2020 in the category of Promotion of Farm Irrigation (Agriculture Development Programme)
- NTPC has been conferred with Best Practices in CSR Awards 2020 by the Institute of Public Enterprise, Hyderabad for Girl Empowerment Mission.

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

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Atul Tiwari from Citigroup. Please go ahead.

Atul Tiwari: Sir, just wanted to understand the thought process behind the amount of buyback. If just 2% of equity, the same could have been achieved by simple dividend payout, so just some kind of color on why did the company decide to go for buyback and not dividend payout, so that is my question?

Management: You are right, but to reward our equity shareholders as last year we have paid lesser dividend, we decided to go for buyback of shares.

Atul Tiwari: Okay, the same thing could have been done for dividend also, you could have paid that dividend this year?

Management: That will be there also.

Atul Tiwari: Sir second one, given the government stake is 51% so potentially can the government stake go below 51%, is that possible?

Management: No that possibility is not there, Government of India will tender shares only to the extent so that its holding in NTPC does not fall below 51%.

Atul Tiwari: Okay Sir, so how much receivables as on September end were more than 45 days due and how does this amount compare with the June end number?



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Management: Our receivables beyond due days, that is 45 days as at September end, were around Rs. 19,000 crore. As at June end it was Rs. 16,400 crore.

Atul Tiwari: More than 45 days dues in the quarter has gone up from Rs. 16,400 crore to Rs. 19,000 crore, so this DISCOM liquidity infusion scheme, it is not benefiting as of now and is it happening on the ground that DISCOMs are getting money from REC and PFC and paying?

Management: We have received Tranche-I of the PFC and REC loan from some of the DISCOMs. However, even Tranche-I has not been taken fully by J&K as well as Tamil Nadu and some other DISCOMs. Tranche-II will also be released in future which is yet to be received. So far we have received around Rs. 6,700 crore from this scheme and once we receive the Tranche-II as well as the balance of Tranche-I plus Karnataka who might be paying through bank loan, our receivables will come down.

Atul Tiwari: Okay, thank you Sir.

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

Apoorva: Hi Sir, just a couple of questions from my end. Sir, whether any under recoveries in the quarter, in case you said in the opening remarks I missed that and secondly, Sir, what is the expectations of commercial capacity addition now in FY2021 and FY2022, is there any change at all because of the COVID-19 linked delays on the ground and lastly Sir what is the surcharge income in this quarter and the first half?

Management: The AFC under recovery during H1FY20 was Rs.448 crore and in H1FY21 it was Rs. 497 crore. In Q1FY20, it was Rs.332 crore while in Q2FY20 it reduced to Rs.271 crore. Now, coming to COD targets, in FY21 we have a COD target of 5,324 MW and in FY22 it is 7,578 MW. These are COD targets. If you want commissioning target, they are 6,050 in FY21 and 6,668 MW in FY22. Further, you asked about surcharge income from customers, in H1FY21 it was Rs. 1,130 crore as compared to Rs. 823 crore in H1FY20. For the current quarter it is Rs.657 crore as against Rs.651 crore in the corresponding quarter of the previous year.

Apoorva Great Sir. Thank you.

Moderator: Thank you very much. The next question is from the line of Kirti Jain from Sundaram Mutual Fund. Please go ahead.



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- Kirti Jain:** In terms of receivables, what is our expectation over the next three and six months?
- Management:** We are expecting to receive around Rs. 7,500 crore from PFC-REC by March. Further, other than this PFC-REC tranche, an average of Rs. 5,000 to 6,000 crore in a month will be realized up to March, and these are all estimates. So, up to March including the PFC-REC around Rs. 35,000 to Rs. 40,000 will realized, that is our estimate.
- Moderator:** Thank you very much. The next question is from the line of Aniket Mittal from Motilal Oswal. Please go ahead.
- Aniket Mittal:** Sir, first question on fixed cost under recovery and how much of this will remain at year end.
- Management:** From Rs. 497 crore under recovery as at H1FY21 end, we target to end the year at around Rs.200 to Rs.250 crore, this amount may be lesser also, as you recall last year also it was around Rs.448 crore at half-year end and we ended year at Rs. 249 crore, so more or less similar situation. Further we have also taken care of the high demand, low demand season, in fact we have also approached the commission for this but in spite of all this it will be around Rs.200 to Rs.250 crore. Darlipalli unit is now running smoothly at more than 100% DC so therefore we will be able to recover a lot of money at Darlipalli.
- Moderator:** Thank you. The next question is from Mohit Kumar from IDFC. Please go ahead.
- Mohit Kumar:** Just two questions, first question what is the size of offshore bonds which you are refinancing and the second question is what is your progress on ESG front so far?
- Management:** We had raised around Rs.4,000 crore of Masala bonds. We are in the process of refinancing these bonds and the same is in very advanced stage and I think within next one month, it will be completed.
- On the ESG front we have, for the first time, published our integrated annual report where the sustainability as well as annual report have been published together and we have also released our ESG brighter plan 2032 wherein we have given targets to be achieved in time bound manner. We have set targets and this will assure that our ESG score is going to improve because we have given specific targets in terms of the energy consumption reduction, carbon emission reduction, specific water reduction, auxiliary power consumption reduction, so these are some of the targets that we have put for ourselves and since there is a definite action plan now, our ESG score is going to improve.



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Further, we have started interaction with various investors, to understand their expectations and we are clearing their doubts, it is a learning process for us also, various investors have appreciated our interactions with them because whatever misbelief they were having, we are clearing them.

Moderator: Thank you very much. The next participant is Ankit. Please go ahead.

Ankit: Actually, I just wanted to know that government is moving towards clean energy so what are NTPC target in future?

Management: As per our corporate plan we want to be 130 GW Company by 2032 of which around 30% of our capacity will be from the non-fossil sources. So we are moving ahead in that direction.

Ankit: Okay, all right, thank you.

Moderator: Thank you very much. The next question is from the line of Swarnim Maheshwari from Edelweiss Financial. Please go ahead.

Swarnim Maheshwari: Couple of questions Sir, so first if you can just highlight the top states with overdues?

Management: As on today UP is having outstanding of Rs.4,400 crore, which is beyond the due date, then J&K, Rs.3700 crore beyond the due date and next is Karnataka which is having Rs.2,990 crore, then MP is having Rs.1,900 crore and Telangana is having around Rs.1,350 crore.

Swarnim Maheshwari: Sir, secondly if you look at the other expenses, there is a sharp jump sequentially also and even Y-o-Y also so any off over there?

Management: You should not to see jump in other expenses on a standalone basis because certain assets have been created with respect to these expenses, which is appearing in the movement in regulatory deferral account balance. ERV and ash related expenditures, we have booked in other expenses for which corresponding regulatory asset has been created which is appearing in the movement in regulatory deferral account balances. The increase in other expenses, if you want the numbers also, for the quarter ash utilization expenses has increased by around Rs.190 crore, then provision for arbitration cases Rs.100 crore and foreign exchange rate variation around Rs.83 crore, so against these expenses corresponding effect has been created under movement in regulatory deferral account balances.



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Swarnim Maheshwari: Okay, on your commercialization target you mentioned about 5.5 GW for FY21 so we have yet to go about 4.5 GW in the next five months so if you just highlight the plant wise commissioning targets for the next five months and also does this also include any renewable capacity?

Management: We expect to commercialize unit 2 of Lara of 800 MW in this month itself, everything has been done including trial operations, then we are targeting Gadawara unit 2, another 800 MW unit by December this year, then we are expecting Meja unit 2 which is 660 MW unit and we are expecting it to be also commercialized in December itself, then we are targeting NTPC Nabinagar, we will do it by March, that is a 660 MW unit. Then we are also targeting unit 1 of Barh which is 660 MW unit and Unit 4 of BRBCL 250 MW unit and those are also targeted to be done within March itself so that gives you the total target capacity of commercialization. Coming to the RE in this year, we are planning to complete 160 MW capacity. This is the position of our coal as well as RE projects. Besides these, on a consolidated basis NEEPCO a subsidiary company of ours, will also complete their third and fourth units of 150 MW each at Kameng by December itself and at THDC we expect commissioning of 50 MW of Solar capacity in Kerala. So if we add all these things we will be achieving 5,324 MW of commercial capacity additions by March 31, 2021.

Swarnim Maheshwari: Right Sir. Thank you so much.

Moderator: Thank you very much. The next participant is Kirti Jain from Sundaram Mutual Fund. Please go ahead.

Kirti Jain: Can you give the regulated equity?

Management: Regulated equity as on September 30, 2020 was Rs.63,514 crore.

Kirti Jain: Sir, with regard to receivables what is the expectation from September to March level?

Management: You want the position of receivables more than 45 days which is now Rs. 19,164 crore what will be the position of these debtors as on March 31, 2021?

Kirti Jain: Yes Sir, what will be the positioning of Rs. 19,000 crore which we are showing more than 45 days now, what will be its position as of March 31, 2021?

Management: We have signed an MoU with Government of India that our receivables will be within 45 days so we are trying our best to keep it within 45 days but of course it will all depend on



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how much we are able to do bill discounting etc., so as of now we are targeting that we will be keeping our receivables within 45 days.

Kirti Jain: My last question, Sir, with regard to the late payment surcharge the new rule has been floated, what is the applicable date Sir?

Management: I think the new regulation which you are talking about, they are only at the draft stage, nothing concrete has been decided on that so it all depends, they will be asking our comments and all so that will come only after hearing various stakeholders then only final regulation will be decided. It is basically the draft rule Government of India circulated so after receiving the comments, the government will decide something, but they are at draft stage as of now.

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

Rahul Modi: Just one question Sir, on the renewable ordering and commissioning and work in hand, can you give a little more clarity as to what is the under construction capacity currently in our own book and developed more and how much of are we planning to order out in the next 12 to 18 months?

Management: In respect of NTPC Group own projects: Commissioned capacity is 1,070 MW, under implementation is 2,404 MW and under tendering it is 2,088 MW so that makes a total of 5,562 MW. Under developer mode commissioned capacity is 3,983 MW, under implementation capacity is 1,400 MW and under tendering capacity is 1,170 MW so that makes total of 6,553 MW. In addition to that as I told you that we have formed a wholly owned subsidiary namely NTPC Renewable Energy Limited for focusing on Renewable Energy business. It has been incorporated October 7, 2020 under the Companies Act 2013. We have also appointed one consultant for providing transaction advisory for this new company. Further for inorganic growth through acquisition, we have issued tender for green asset acquisition for 1,000 MW.

Rahul Modi: Okay, that is very helpful. Sir, just lastly to reiterate can we expect receivables to come back to Rs.15000 crore levels by March?

Management: We are trying our best to bring it to that level and that is what we have signed in the MoU with the Government of India.



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- Rahul Modi:** Okay great Sir. Thank you and all the best.
- Moderator:** Thank you very much. We will take the last two questions from the line of Atul Tiwari from Citigroup. Please go ahead.
- Atul Tiwari:** Just on these receivable thing again, so if you could share some light on this tripartite mechanism, which obviously we have been having for the long time, under what condition this mechanism for recovering the payment from overdue states can be triggered? I am asking because this receivable situation has gone on for now almost more than a year and it is not getting resolved, so does somebody need to decide that this mechanism will be triggered or is there some kind of automatic trigger clause in there and if it is not to be triggered than what is the point of having this mechanism?
- Management:** As far as tripartite agreement is concerned, yes there is a trigger clause that if outstanding dues remain beyond 90 days, we can get it from state's RBI account, for that triggering is not automatic, we have to write to the Ministry of Power and then Ministry of Power in turn will write it to Ministry to Finance and that is how it gets operated. If need be, we will write to Ministry of Power for recovery from the RBI account.
- Atul Tiwari:** So Sir, as on date how much of the receivables is due for more than 90 days, which qualifies for the recovery under this tripartite agreement?
- Management:** I think around Rs. 11,000 or 12,000 Crore but out of that lot of money we will get back from PFC and REC.
- Atul Tiwari:** Okay, but in case you do not then you guys are reasonably certain that you will write to the ministry for recovery, I mean is that well understood thing or you will need to take a call?
- Management:** Can you repeat your question.
- Atul Tiwari:** All I am asking is that Rs. 11,000 Crore which is now outstanding for more than 90 days, in case the money through PFC-REC mechanism does not come through because either states do not qualify for that or there is some kind of delay, NTPC will for sure be going for recovery of that money through tripartite agreement, there is a reasonable certainty on that point?
- Management:** Yes. In addition to that one more submission is also there, that on outstanding amount we are accounting surcharge also and in the past, we have never written off any surcharge.



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- Atul Tiwari:** And in this tripartite mechanism this surcharge is also included.
- Management:** Yes.
- Atul Tiwari:** Okay, thank you very much.
- Moderator:** Thank you. The last question is from the line of Abhishek Puri from Axis Capital Limited. Please go ahead.
- Abhishek Puri:** Why consolidated PAT is lower than standalone PAT?
- Management:** In the current quarter, firstly we have received significant dividend from our JV and subsidiary companies and while preparing consolidated financial statements it is eliminated, that is one. Secondly one of the plants at NEEPCO has met with an accident, so this current half year there is a loss as compared to profit in the previous corresponding period, so basically these are the two main reasons.
- Abhishek Puri:** Thank you for that Sir and secondly on the tax rates to be lower, so I was wondering is there any one off?
- Management:** It was only one time rebate.
- Moderator:** Thank you very much. Ladies and gentlemen that was last question. I now hand the conference over to Subhadip Mitra for closing remarks.
- Subhadip Mitra:** On behalf of JM Financial, I would like to thank the management for giving us the opportunity to host the call. Mr. Gautam any closing remarks for your end.
- A.K. Gautam:** Thank you very much, to take care of the aspirations of the shareholders we have gone for buyback of shares, it is around 2% and rate is also very good, it is book value of Rs.115 so I think that would fulfill the expectations of the shareholders to some extent. Thank you.
- Moderator:** Thank you very much. Ladies and gentlemen on behalf of JM Financial Limited that concludes this conference call. Thank you for joining us. You may now disconnect your lines.