



“NHPC Limited Analyst Meet”

June 2, 2016



MANAGEMENT: **MR. K.M. SINGH – CHAIRMAN AND MANAGING DIRECTOR, NHPC LIMITED**
MR. R.S. MINA – DIRECTOR (PERSONNEL), NHPC LIMITED
MR. JAYANT KUMAR – DIRECTOR (FINANCE), NHPC LIMITED
MR. RATISH KUMAR – DIRECT (PROJECTS), NHPC LIMITED
MR. BALRAJ JOSHI – DIRECTOR (TECHNICAL), NHPC LIMITED

Moderator: Namaskar and Good evening, Ladies and Gentlemen. It is my proud privilege to extend a very warm welcome to you all on behalf of NHPC Limited to this Analyst Meet. NHPC Limited, a Government of India enterprise was incorporated in the year 1975 with an objective to plan, promote and organize an integrated and efficient development of hydroelectric power in all aspects. At present, NHPC is a Mini Ratna Category-I Enterprise of the Government of India with an authorized share capital of Rs.15,000 crore. NHPC is ranked as a premier organization in the country for development of hydropower.

May I now introduce to you the Senior Management on the dais? First let me introduce the Chairman and Managing Director of the Company, Shri K.M. Singh and the Directors present on stage are Shri R.S. Mina – Director (Personnel), Shri Jayant Kumar – Director (Finance), Shri Ratish Kumar – Direct (Projects) and Shri Balraj Joshi – Director (Technical).

Now, I invite our Chairman and Managing Director, Shri K.M. Singh to make his opening remarks.

K.M. Singh: Dear friends, ladies and gentlemen. NHPC Limited, India's premier hydropower company and a Mini Ratna Category-I Enterprise of Government of India, has achieved significant targets and milestone for the financial year 2015-16. The NHPC Board approved the Financial Year 2015-16 Audited Financial Results in their meeting held on May 28, 2016. NHPC has reported a 15% growth in the standalone net profit of Rs.2,440 crores in the Financial Year 2015-16 compared to Rs.2,124 crores for the corresponding period in the last fiscal year.

Regarding the performance of your Company in brief, I sum it, as under:

During the year, your Company has added 80 megawatt in its installed capacity, energy generation has been achieved at 7.5% increase over last year. Similar in plant availability factor, it has also recorded 4.3% increase. Revenue from sale of power, due to increase in generation it is recorded 9% over and above previous year. Accordingly, profit before tax has also been recorded 13.1% increase over previous year. Profit after tax has also been recorded 14.9% increase over previous year and comes to Rs.2,440.14 crores. Accordingly, this year your Corporation has decided to give the dividend of Rs.1661 crores in total which is 15% of the face value of the share. Debt-equity ratio, there is no change. Net worth also recorded increase from Rs.28,286 crores to Rs.28,752 crores.

Present install capacity, as I have already told you, it has recorded 80 megawatt increase totaling to 5,067 megawatt. It is in addition to 1,520 megawatt through joint venture of NHDC. Number of power stations, earlier it was 18 number, 19th number two units of 40-megawatt each, it is commissioned and balance 2 units we are going to commission by June and July of this fiscal. Accordingly, number of projects under construction, it has reduced by one, earlier previous year it was 4 numbers, now it is 3 numbers. Under various clearance, there is no change, 5 number projects, our total capacity of 4,995 megawatt, it includes Teesta-IV Project of 520 megawatt in state of Sikkim, Tawang-I 600 megawatt in Arunachal Pradesh, Tawang-II

800 megawatt in Arunachal Pradesh, Dibang that is also in Arunachal Pradesh, its capacity is 2,880 megawatt. One more project Kotlibhel, it is 195 megawatt in Uttarakhand. Number of projects in survey and investigation, it is 3, totaling capacity of 1,130 megawatt, it includes Bursar 800 megawatt in J&K, Dhauliganga Intermediate 210 megawatt in Uttarakhand and Gauriganga III-A 120 megawatt that is also in Uttarakhand.

In addition to this, your Corporation has diversified to the renewable energy. In the field of wind, we have planned 138 megawatt, out of that 50 megawatt we are going to commission very soon and 88 megawatt it is in pipeline, of that 72 megawatt in Kerala, 16 megawatt in Andhra Pradesh.

In renewable energy, solar side, it is 100 megawatt in pipeline, 50 megawatt in Tamil Nadu and 50 megawatt in Maharashtra. In addition to that, NHPC has made joint venture with Government of UP for 50 megawatt for which PPA is finalized but it is not signed, waiting the land allotment by Government of UP. Your Corporation has also signed MoU with Solar Energy Corporation of India for 250 megawatt.

There is one project Chamkharchhu of 770 megawatt that is under process of finalization in state of Bhutan, it will be developed under a joint venture between the Druk Corporation of Bhutan and NHPC.

On consultancy assignments, there are three projects, one, Teesta-III 1,200 megawatt in state of Sikkim, Mangdechhu 720 megawatt it is in Bhutan and third is Loktak Downstream 66 megawatt in the state of Manipur Government apart from other consultancy assignments.

Your Management is always trying to meet your expectation and I hope to achieve it very soon and one day your Corporation will come up to your expectation.

Some of the projects which is in pipeline, we are expecting to start it within a year. Regarding lower Subansiri project which is at halt since last five years it can be started by September as the new government has formed in Assam. Even your new CM Arunachal Pradesh is ready to talk to the Assam CM and Ministry of Power has also given assurance to solve the problem as it is totally political problem, not technical or financial. In all this condition, I hope by maximum latest by September we will be able to start this Lower Subansiri 2,000 megawatt.

Regarding further capacity addition, we are going to add 410 megawatt in this financial year. We are sure to commission 80 megawatt from TLDP-IV and 330 megawatt from Kishanganga project. In addition to these two projects, one unit of Parbati-II we are expecting, we are putting whole efforts to bring it within this financial year by getting the water from various Nala. Parbati-II project, it is spread in three valleys, in one valley it is river Parbati, other two valleys there are some Nalas from where water is being collected and it will be fed through tunnel of HRT to the machine.

We have started the progress in Tunnel since October, due to poor strata of the HRT area we are not getting the expected result but we are putting our whole effort to improve the performance and we are very hopeful to get it commissioned by November 2018.

These are the highlights of your Company and further brief presentation is there. I request Mr. Roy to start it.

Saroj Roy:

Very warm greeting to all of you. I am Saroj Roy from NHPC. I have small presentation for you. First I will get you through the presentation and then we will get opportunity to get your queries answered from the management of the Company sitting on the dais.

So this first slide of this presentation talks about the physical profile of the Company, as sir has already explained you, right now we are having installed capacity of 5,067 megawatt. You must be aware we have commissioned two units of TLDP-IV, 80 megawatt, so it has taken our install capacity from 4,987 megawatt to 5,067 megawatt, this is on standalone basis. And on consolidated basis our install capacity is 6,587 megawatt.

So far our market share is concerned, we contribute 15% to the sphere of hydropower and you will be happy to know that NHPC is the only hydropower company which has added 1,292 megawatt during 12th Plan, i.e. F.Y. 2012-13 to till date. Other features of this slide is unchanged, you are very familiar with our presentation so I will not take much time on it.

This slide shows our year-on-year generation over the years. So this year 2015-16 we have given highest ever generation of 23,679 million units which is 7.5% higher in comparison to previous year and generation wise our market share is 20% on standalone basis and 22% on consolidated basis.

This is the most important slide where you all have lot of interest and lot of questions. So by now you must have seen our financial results and you can see that our net sales has gone by 9%, this is basically on account of two factors – first is better operational performance, of course and second, due to tariff finalization of our seven power stations out of 18 power station. So on account of better operational performance, due to higher PAF our capacity charges has been higher by Rs.225 crores, due to higher incentive, higher secondary energy and higher UI charges this income has been high by 120 crores and on account of tariff finalization of seven power station their income has been higher by Rs. 230 crores.

Other line items are almost comparable except one item which is other expense which has significant variation and by now you will be aware that this is basically on account of provisioning of two of our projects, against Bursar Rs.206 crores provision we have made and against Kotlibhel Rs.154 crores provision we have made. In Bursar we have been doing survey and investigation works there and at the initial stage only we have come to know that this project is not looking commercially viable and since survey investigation work we have been doing since long, so taking conservative approach the management has decided to make provision of Rs.206 crores. In case of Kotlibhel, you must be aware that in year 2013 June

there was devastating flood in Uttarakhand and post this flood all such kinds of projects are subject to under consideration by Supreme Court of India and since considerable time has already been taken, more than three years, so again management taking abundant precaution, we have made provision of Rs.154 crores otherwise all line items you can see it is almost in line.

Graphically we have tried to express our major sources of income and expenditure. So as you can see most of our income comes from sale of energy i.e. 88% of our revenue comes from sale of energy, 11% from other income and 1% from other operational income i.e. consultancy basically.

Expenditure, also you can see that generation constitute 36% of the total expenditure, then depreciation 25%, employee cost 20% and finance charges 19%. You can also see that our dividend has gone northward, as management had decided to pay 15% of our face value including our interim dividend of 9.2% which has already been paid in the month of March '16.

Next, this is basically snapshot of our balance sheet. We have been getting so many questions from our analyst friends that they are interested in the breakup of regulatory assets of Subansiri, so you can see our regulatory assets is Rs.2,180 crores out of which borrowing cost is Rs.1,577 crores and administrative and other cost is Rs.603 crores. Other items of balance sheet is also very comparable. Cash and bank balance you can see Rs.5,900 crores, trade receivable has come down significantly by 20%, it is around Rs.2,000 crores, so other items you can see it is comparable.

Then debtors position, you would be happy to know that our debtors position has come down significantly and this is basically on account of J&K has paid almost Rs.1,700 crores during FY16 and out of Rs.1,700 crores Rs.1,057 crores is on account of implementation of Uday scheme. So more than 60 days debtors also you can see it has come down from Rs.1,241 crores to Rs.575 crores, so more than 50% decrease you can observe here. Our top debtors are still J&K at Rs.806 crores, UP Rs.240 crores, BSES Yamuna Delhi Rs.231 crores, Punjab Rs.130 crores and West Bengal Rs.90 crores. Our debtor's efficiency has also improved a lot, it is now 79%. Collection period has gone down significantly at 114 days. Out of this Rs.1,956 crores of total debtors, our more than 60 days debtors is Rs.790 crores, as you can see from the slide.

Then incentive position, this is also one of the important slide for our analyst friends. We have tried to show quarter-to-quarter secondary energy incentive and deviation charges. You will be happy to know that incentive has gone by 25% to Rs.596 crores as compared to Rs.480 crores to the corresponding year. Our PAF has been higher at 81.6% in comparison to 77.3% last year. Other bullet information for your interest, we have put down.

Then we have tried to share regulated equity and tariff of our 18 power stations. Our total regulatory equity as of now is Rs.10,545 crores and out of total regulated equity, 25% of our regulated equity is in ROR projects where we are earning 15.5% and 75% of our regulated equity is earning 16.5%. So you can see geographically our maximum revenue comes from

J&K, 49% of our revenue comes from J&K and 40% of our installed capacity, i.e. 2,009 MW is in J&K only. Then Himachal, 36%, so J&K and Himachal both contribute to more than 75%, then Sikkim, Uttarakhand and others.

We have tried to share key financial of standalone and consolidated. Revenue, you must be aware, our EBITDA margin is 64%, our net profit margin is 29%, and our EPS is Rs.2.20 out of which we have paid Rs.1.50 per share as dividend, so this year our dividend payout ratio has been 68% and you can see from the graph that at 68% payout, our graph has gone northward. You must be aware that government has done disinvestment through OFS and post OFS the share of Government of India stands at 74.60% and it has gone to DII hands and individual hands.

Again, we have tried to compare our fundamentals with index and BSE. Our EPS at Rs.2.20, book value Rs.26 per share, PB ratio 0.87 times which is far below than our power index of 1.49 and BSE Sensex 2.82. Similarly, our PE is very much below the benchmark, i.e. 10.32 in comparison to power index 18.83 and Sensex 19.56, but our dividend as you can see it is beating the benchmark, we have also shared the information with analyst community regarding NHDC subsidiary, their performance is also very good, they have generated 2,932 million units in FY16, their PAF has been higher during this year at 94.18%, sales revenue is also very good and they have earned profit of Rs.630 crores.

Some friends from analyst community ask about the secondary energy and PAF incentive of NHDC also, so we have shared. Secondary energy during this year is Rs.31 crores as compared to Rs.100 crores last year and incentive has been higher by Rs.15 crores in comparison to last year. Graphically you can see year-on-year generation of NHDC and financial performance also.

This is also one of the slide which may give you interest. Our Progressive Physical Chart, right now we are at 5,067 level and going forward we are adding TLDP-IV 80 megawatt two units and Kishanganga 330 megawatt. So by end of FY'17 we are expecting 410 megawatt addition and we will be 5,477 megawatt company. Then in FY19 we are expecting Parbati-II 800 megawatt which will take our total installed capacity to 6,277 megawatt. Subansiri Lower Project, once start it will take four years and we are expecting as sir has told you, if we start construction activities in this fiscal we will be completing it by FY22. So adding Subansiri will be 8,277 megawatt company. So right side you can see that progressive regulated equity is also increasing, right now we are at Rs. 10,545 crore, going forward by adding TLDP-IV and Kishanganga, we will be adding Rs. 2,400 crore into this basket and this may impact our bottom-line by Rs.396 crores. By adding 800 megawatt Parbati-II, our regulated equity will increase by Rs. 2,500 crores which will have additional impact on bottom-line by Rs.413 crores. And by adding Subansiri Lower Project, our regulated equity will be +20,000 crore which will have impact of almost Rs.900 crores.

So these are two foremost upcoming projects. CMD sir has already shared with you that for Teesta-IV and Tamang-II we have already got PIB clearance for pre-investment activities and going forward we will be going for PIB and CCEA approval before the construction of the projects.

This has been our CAPEX, in 12th Plan so far, typically we have been deploying Rs.3,000 crores as CAPEX and during FY'17 our CAPEX plan is for Rs.4,000 crores.

In CSR domain also NHPC has been very much involved since long and we have participated whole heartedly in the Government of India flagship program of Swachh Bharat Abhiyan. You will appreciate that NHPC has constructed more than 7,000 toilets in schools and we have spent Rs.59 crores on this Swachh Vidyalaya Abhiyan for the construction of toilets and total expenditure on CSR activities has been Rs.73 crores.

These are the major highlights which have already been shared, two units of TLDP-IV commission, the highest ever generation, we have made MoU with Government of Maharashtra for setting up 50 megawatt solar power, then we are providing management consultancy to Teesta Urja, we have MoU with SECI for development of 250 megawatt grid connected solar power. We have got four projects from West Bengal Government where we are doing S&I activities. Government has done, we have already discussed OFC by selling out 11.36% of the paid up capital of the Company and government share now stands at 74.60%.

In renewable sector, we have already installed a 50 megawatt wind power project in Rajasthan Jaisalmer where we are going to start generation very soon. We have also planned to setup 50 megawatt wind power in Kerala. Then in solar we are also planning to add 50 megawatt in UP and in thermal we are planning to add 1,320 megawatt supercritical thermal power in Bihar.

So these are the projects for your information, you can download our presentation from our website from tomorrow morning and you are very much familiar with these slides also, there is nothing to add in to these slides except these projects under construction where you have some interest. You can see that our TLDP-IV project, only two units are left, the revised cost of the project is Rs.2,193 crores and we have already spent Rs.2,000 crores over there. Subansiri Lower Project, now we are estimating to build at Rs.18,000 crores out of which we have already spent Rs.8,400 crores. Parbati-II Project, 800 megawatt, the revised cost comes at level of Rs.8,400 crore out of which we have already deployed Rs.5,500 crores. Kishanganga Project which we are planning into this fiscal has revised cost of Rs.5,700 crores out of which we have already spent Rs.4,500 crores.

So again these are projects under clearance, CMD sir has already explained. Under joint venture, these are the projects, you can get this presentation copy and these are the pipeline projects, it has already been explained. Thank you very much. Thank you.

K.M. Singh:

Any questions?

- Participant:** Sir, in your speech you had said that for 2016-2017 you will be commissioning Parbati-II one unit, there is a possibility of commissioning, so other units will be commissioned in 2017-2018 or beyond that, how does that thing work, sir?
- K.M. Singh:** You see, in Parbati-II we are facing geological problem along with tunnel, that is taking time. In the same time we are going to complete to get the water from channels, various nalas, and from those water we can commission one unit and of course one by one all the four units will be commissioned and accordingly Parbati-III, which is just downstream of Parbati-II, generation will increase. But other three units of Parbati-II, that will be able to generate power only after completion of the HRT.
- Participant:** So that would be 2017-2018 or 2018-2019, or how it will work?
- K.M. Singh:** It is November 2018.
- Participant:** The other units, all the other units?
- K.M. Singh:** Yes, all other units.
- Participant:** For one unit possibly you can do it in 2016?
- K.M. Singh:** By March 2017.
- Participant:** Sir the second question is, you have written-off in the other expenses Bursar and Kotlibhel, Rs.206 crores and Rs.154 crores, so what has been the total expenditure on that which is capitalized as of today?
- K.M. Singh:** You see, Kotlibhel in Uttarakhand, as you know Supreme Court has put some ban but this project is not in the Bhagirathi River directly, it is in tributary. And already ministerial committee has visited and we are having hope this project will get through and we can start it.
- Participant:** So what are the expenses capitalized up till now in this Kotlibhel and Bursar, both?
- Jayant Kumar:** See, so far these two projects are concerned, nothing has been capitalized because these projects have not factually taken off, clearances was not there so active construction on these products has not yet started.
- Participant:** So it must be in the capital work in progress?
- Jayant Kumar:** Yes, it was in capital work in progress and out of capital work in progress these projects have been provided, the necessary provision has been made.
- Participant:** How much is the capital work in progress for Bursar and...?

- Jayant Kumar:** Yes, that is there, Rs.360 crore what has been provided, Rs.206 crores was in Bursar...
- Participant:** No, that has been provided but how much has been the total expenditure?
- Jayant Kumar:** This is the total expenditure, whatever expenditure that has been done.
- Participant:** So that means the entire expenses which have been made for Bursar has been paid off?
- Jayant Kumar:** Yes, yes entire finance provided.
- Participant:** Expenses were of what nature, it shows in the nature of survey investigation or...?
- Jayant Kumar:** Yes, survey investigation, all survey investigation is being done.
- Participant:** Sir, you have talked about lower Subansiri possibility of September 2016, now this Green Tribunal has halted the project for some reason, whatever reasons it is, so what do you feel, will they... just your comment on that?
- K.M. Singh:** On Lower Subansiri, last hearing I think it was in April or May, they have restricted to petitioner, you restrict to the points whatever you have mentioned in the petition, do not spread other issues in front of Green Tribunal. That is why we have already given the seismic problems whatever they have raised the question, that has already sorted out and POC has given the reports it is more than sufficient what is required for that reason for the project. However, the members from Assam Government, they have not agreed, they have separated themselves from POC and two reports has come. Their argument was there, they were asking experts from international body, not from India. But Indian Government is already having experts in Roorkee and Himachal Government, they have given the factors taken by the design, it is more than the required value, that is the same thing.
- Participant:** So you expect a favorable order from the Green Tribunal?
- K.M. Singh:** Yes, certainly.
- Participant:** I agree with you. There was one more question, can I continue?
- K.M. Singh:** Yes.
- Participant:** There is a Lower Dibang Valley project which is there, now what is the status of that? In the sense, the environmental clearance has come through with the height of dam coming down but there is a petition in the Calcutta High Court, so how does one reconcile?
- K.M. Singh:** Director – Technical wants to explain something in detail.

Balraj Joshi: I would make a small comment about Dibang. Dibang as you know that previous DPR was approved by CEA, later on there were issues regarding the height of the dam and the submergence of large forest area, by virtue of which the Forest Ministry has said that so much of forest cannot be submerged so you reduce the height. So after reduction of the height there were certain other issues related to as Jayant sir said, we said that whatever has happened in Subansiri we are taking abundant precaution so that the same thing does not happen in Dibang because Dibang is going to be one of the highest dams in the world, it is about 278 meter high. And therefore additional investigation has been done now, we are in the process of preparation of the DPR, we would be submitting in July and by October they have promised us DPR will be cleared. In addition to your question about NGT is considering the matter of Dibang, there have been three applications in NGT basically, Subansiri as well as Dibang and in general there is one other application which says that hydro projects of 4-hour peaking should not be constructed. When we say four hour peaking we mean that you create certain reservoir which is sufficient for providing your peaking power of four hours whereby you stop the river for remaining 20 hours and in four hours you generate power, so which is likely to render the river stretch dry. Now these are the issues which are concerning and the environmentalists are mainly concerned with. We have said that we will be operating one unit continuously, so it is not that we are stopping the river entirely for 20 hours and then only we are releasing the water, we said we have one unit that will be releasing continuously. And similar solution we have proposed to Subansiri also which has been widely acclaimed and accepted by environmentalists at large, they say okay as long as you are able to maintain a proper flow in the river we do not have much issues. So with all such factors and such measures which we are taking, I hope that NGT will be giving us a fair judgement. Thank you.

Participant: So this DPR of Dibang you said by July it should be...?

Balraj Joshi: By October.

Participant: So sir, final clearance, what timeframe you feel?

Balraj Joshi: I hope by December end everything will be sorted out completely.

Participant: And the project can start by 2017 or 2018?

Balraj Joshi: It is a very big project of course, and we are working out modalities and how to execute such a project because the dam is high, it is in seismic areas so we are trying to involve the international community on this issue. Last week only two of our officers had the discussions with the international consultants also who had already constructed such projects. So I hope that in the next year we will be able to start work on that.

Participant: So that project would take how many, five-six years or seven years or...?

Balraj Joshi: It's actual period of construction is nine-year because it involves a lot of infrastructure including road and other networks also, so total nine years, it is a very big project.

Participant: Sir can I continue one more?

K.M. Singh: Yes.

Participant: One more thing I wanted to ask you, this Dibang Valley which you have got, which Brahmaputra Board has said that you transfer the assets to the private companies or private players, so how does now the reconciliation because now that thing is still pending and they have not sorted out and then the private parties have again offered you the same projects which they wanted to win. So what is the status on that now or we should be full with those orders also?

Balraj Joshi: I am not very clear about your question but if you say that the private parties have been given those products and now they are asking us to take back those projects?

Participant: Yes, that was in the press actually.

Balraj Joshi: Yes, even though there have been offers by many private companies to offer both projects back to us. We say that we do not have any qualms about that, earlier also we were very sincerely we had investigated those projects and at that point in time the private people thought that there is a lot of money in this project and later on when they came to know that it is not so, so they are trying to avoid the project. NHPC does not only look about the profit itself, we have a quasi-governmental role to play. And if we talk of Brahmaputra river as such, there are concerns that China is building those dams and what is going to happen to Dibang, so we have that role also to play. So in that case as our national policy requires, for example for managing floods in Brahmaputra we have to have storages in Subansiri, in Dibang and also in Siang basin. So if that is required from the national perspective we are open to that. But we are saying the projects when they were with us we had formulated certain layouts and private parties because of only commercial interest they have changed those layouts, so we will not be able to actually move in through those layouts. And if the government requires us to take these projects we will again revert back to our original layouts so that the national interest of flood moderation in Brahmaputra basin which was a prime aim of the Brahmaputra Board, that is also fulfilled.

K.M. Singh: Regarding this you asked about Brahmaputra Board, mainly Brahmaputra Board was formed to look after the solution for the flood in upper Assam. Originally they have proposed some high dams, for that lot of portion of Arunachal Government was coming under submergence. After that Brahmaputra Board was advised to go for not one single dam but many dams and that was only restricted to Siang basin area. And then they started proposal and examining for so many dams. And after that NHPC has taken over in the interest of the power generation as well as flood moderation.

Participant: Just one small thing, just to confirm, this rate regulated which you have assured return, it applies as per the new hydro policy till year 2023 or how does...?

- K.M. Singh:** See, hydro policy, again it is under review and you will get I think within a year new hydro policy.
- Participant:** Revised rate, assured return is there or...?
- K.M. Singh:** See, until and unless project is viable it will not be recommended by the ministry and approval will not be given by the Government of India, until and unless it is approved, being as a government company we cannot spend a single money.
- Jayant Kumar:** And so far return is concerned, so far there is no change in hydro policy, still up to year 2022 the new policy they have said that it will go non-bid basis, there is no change.
- Participant:** Can you just update on the Bihar project in Pirpainti?
- K.M. Singh:** Yes, in Bihar Pirpainti we have already circulated the PIB note, on 13th of this month there is a meeting for the PIB of pre-investment activities as well as formation of the joint venture, as soon as it is approved we will sign the JV with the Bihar Government and we will start it. Regarding the coal linkage, it is already there but that coal blocks is of six states, that is allotted to six states and it will take time. Then Coal Ministry have thought for tapered linkage till this coal block is developed. Then for coal or other things, we do not have any problems for Pirpainti.
- Participant:** Good evening, sir, good to see good dividend from the Company given the substantial cash which is there in the books. But can you comment that going forward will this, at least Rs.1.5 will remain as it is or is there room to go down in future?
- K.M. Singh:** You should not create any doubt on this, as you know as I told you we are going to add the generation capacity, as it will be added, it is sure shot then revenue income will be more and profit will also be more and then of course dividend will be continued with northeast.
- Participant:** My second question is, can you comment on how fast these solar projects can be developed in the next one year in terms of capacity addition, can we really see in FY2017-2018, 200 megawatt coming and contributing to the P&L?
- K.M. Singh:** You see your Company is commercial company not purely government company and as you are seeing the rate of solar is going down, we have to see how much return we are getting, accordingly we will move. Already it is under process, discussion with the state governments are going on, but final we have to see the return.
- Participant:** Like even NTPC has gone ahead with Rs.5 tariff per unit for solar project in AP, so would be okay with that kind of tariffs?
- K.M. Singh:** You see, in case of NTPC because RPO obligation is there, renewable power obligation, 8% of their power, any discom has to take from the renewable energy either solar or other. NTPC is

providing renewable power also along with thermal, in hydro it is not compulsion, and moreover recently Government of India has decided this hydro power will be out for calculation of this RPO, there is no requirement of renewable power for hydro taken by the state discoms.

Participant: Sir, this year we had these exceptional expenses on two projects which we ultimately found non-viable, the Rs.360 crores which we are referring as other expenses which are exceptional in nature. Going forward do we have such kind of a reoccurrence in some other projects where we are doing survey and investigation and we are not hopeful that we will be able to execute them or start them or whatever?

Balraj Joshi: These two projects are one Bursar and other is Kotlibhel, so I will just make a small comment about Bursar. We have a treaty with Pakistan which is called Indus Water Treaty under which we are allowed to make a storage on Chenab and distributaries. And this project is only place where we can have that particular storage. And in lieu of that storage we can have additional irrigation in the Jhelum basin. So that is the real perspective of Bursar project, that means you have a very high dam there, create a lot of storage, in lieu of that you can get later on the irrigation. But this project is not viable, this is national project because we have national interest in that, it is not only power project. But when it comes to NHPC, we being a commercial company and also in hydropower sector, so we see it from that angle. So therefore we are saying it is not viable. If you see purely hydropower component it is coming to about Rs.31 per unit that's why we are saying it is unviable, in future if government decides to build this project, certainly they will have to give us some grant or something, so it is not exactly money gone waste and I do not find any such project coming in future because there are no more signs. So that is as far as Bursar is concerned. About Kotlibhel project, the case is sub-judice, we have presented our case at various forum and our view point has been taken, but now if the government decides that we have to have Namami Gange and in Ganga we do not want to build any more projects then definitely we will also not be interested in carrying out any such investigation in that basin also. So all said and done, I do not think we are going to repeat this particular.

Participant: Thank you very much.

K.M. Singh: Anybody else?

Participant: Your long-term borrowings are nearly Rs.20,000 crores and you have made a provision for long-term Rs.417 crores, it is on account of what?

Jayant Kumar: You see, Mr. Roy will check with you and he will provide you the correct data and information, I am not able to grasp what you are telling, he will collect and do that.

Moderator: Well, if there are no more further questions, then on behalf of NHPC Limited thank you so much for joining us, taking time out of your busy schedule on a Thursday evening. Please join us for dinner. Have a good night.