



“NHPC Limited Q3 FY’2019 Earning Conference Call”

February 08, 2019



Analyst: Mr. Harshit Kapadia – Elara Securities

Management: Mr. Balraj Joshi - Chairman and Managing Director
Mr. Ratish Kumar - Director (Projects)
Mr. Nikhil Kumar Jain - Director (Personnel)
Mr. Mahesh Kumar Mittal - Director (Finance)
Mr. Janardan Choudhary - Director (Technical)



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Moderator:

Ladies and Gentlemen good day and welcome to the NHPC Limited Q3 FY2019 Earning Conference Call, hosted by Elara Securities Private 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 would now like to hand the conference over to Mr. Harshit Kapadia from Elara Securities Private Limited. Thank you and over to you Sir!

Harshit Kapadia:

Thanks Janis. Good evening everyone. On behalf of Elara Securities, we welcome you all for the Q3 FY’2019 conference call of NHPC Limited. I take this opportunity to welcome the management of NHPC Limited represented by Mr. Balraj Joshi, Chairman and Managing Director, Mr. Ratish Kumar, Director (Projects), Mr. Nikhil Kumar Jain, Director (Personnel), Mr. Mahesh Kumar Mittal, Director (Finance) and Mr. Janardan Choudhary, Director (Technical). We will begin the call with a brief overview by the management followed by a Q&A session. I will now hand over the call to Mr. Joshi for his opening remarks. Over to you Sir!

Balraj Joshi:

Good evening. My name is Balraj Joshi. I am CMD, NHPC and it will be my privilege to give you very good news at the outset.

Let me start by saying that Government of India has given clearance to go ahead for 2880 MW Dibang Project in Arunachal Pradesh. The PIB has decided to recommend it to the Government of India and the pre-investment approval for Rs. 1600 crores is on the way.

The next one is that we have signed a MOU with J&K Power Development Department (JKPDD) and J&K State Power Development



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Corporation (JKSPDC) for execution of 850 MW Ratle Hydroelectric Project in the august presence of Prime Minister of India, Shri Narendra Modi and good news is just continuing, recently only two days ago, PIB has recommended Teesta VI Project which is being acquired through NCLT route from Lanco Hydro Teesta Power Limited. It is a 500 MW project in Sikkim that has also been recommended by the PIB to the Government, so a number of projects are now upcoming and hydro scenario of the country is certainly going to change and is looking up already.

Before I handover to Mr. Mittal for detailed financial results and figures, I would say that we have been doing consistently well and we are continuing to make profits, which we have been making despite various issues of weather and climate as our generation during the current nine months remains at 20799 MUs which is almost the same like the last nine months 20789 MUs. PAF also remained almost same at 88.26% as against 89.30% and for the nine months ended December 31, 2018, the company has achieved sales of Rs.6195 Crores as against Rs. 5797 Crores in the corresponding previous period, which is about 6.87% higher that is about Rs. 398 Crores.

During the current nine months, we have earned a PAT of about Rs. 2138 crores vis-à-vis Rs. 2569 crores of the corresponding period. It is down by 16.78%. Even though our generation has been quite on the mark, but because of other reasons like other income (dividend from the subsidiary etc.), a slight drop has been there.

During Q3, FY'19 PAT is Rs. 182 crores and on capacity additional front as you know, Kishanganga, H.E. Project have already started commercial operations with effect from May 18, 2018 and the project



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was duly dedicated to the nation by the Honorable Prime Minister last year.

On Construction front, Parbati II is also doing well. We have had a good progress in the tunnel, which was stuck because of geological issues. The Subansiri Project everyone is looking at and let me give you a slightly optimistic view that the Expert Committee, which was formed by MoEF in line with NGT direction, has stated functioning again and it is almost now culminating its meeting. They have had site visits also of not only of Subansiri, but other projects also and I am expecting this report would be available to us by mid March or end of March 19 and hopefully whatever interaction we had at the committee, I think the committee has seen the reason and they are likely to give a report and let us hope for the best and see that the Subansiri Project is started in coming two or three months' time. So now, I hand over to Mr. Mittal who will give you a detailed overview of the entire financial figures.

Mahesh Kumar Mittal: Good Evening everyone. Our board had adopted the nine months financial accounts ended December 31, 2018 in its meeting held today on February 8, 2019 and the same has already been communicated to the exchanges. The brief highlights of the financial results and important updates of the company are as under:

During the current nine months, our power stations have achieved generation of 20799 MUs vis-à-vis 20789 MUs generated in the corresponding period of the previous year.

For Q3 ended December 31, 2018 power stations have achieved generation of 4171 MUs vis-à-vis 3437 MUs generated in the corresponding period, which is about 21.36% higher. The higher generation during Q3 is primarily on account of new capacity addition



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from Kishanganga Power Station 330 MW, Solar Power Plant 50 MW and better water availability during Q3.

Our PAF for the current nine months stands at 88.26% against corresponding previous year of 89.30%. For Q3 ended December 31, 2018 Power Stations have achieved PAF of 79.26% against corresponding previous year PAF of 76.57%.

For the nine months ended December 31, 2018, the company has achieved sales of Rs. 6195 crores as against Rs. 5797 crores in the corresponding previous period, which is about 6.87% higher. The increase in revenue is mainly because last year we had reversal of revenue of Rs. 276 crores in Q2 in respect of Parbati III and the additional income has come from Kishanganga Power Station, which has contributed Rs. 149 crores in the current fiscal year.

During Q3 FY2019, we have recorded sales of Rs. 1571 crores against Rs. 1498 crores during corresponding previous years, which is about 4.87% higher. The increase in sales is mainly due to commissioning of Kishanganga Power Station and higher generation in Q3.

Other income for nine months is of the order of Rs. 704 crores vis-à-vis Rs. 1192 crores during the corresponding previous year and there is a decrease of Rs. 488 crores. The decrease is mainly on account of lower dividend income of Rs. 350 crores, lower surcharge income of Rs. 75 crores, reduction in realization of loss from insurance company by Rs. 45 crores and interest income by Rs. 31 crores.

During Q3 FY'19, other income is of the order of Rs.120 crores versus Rs. 568 crores last year. The decrease of Rs. 448 crores is mainly on account of lower dividend income by Rs. 238 crores and lower surcharge income by Rs. 197 crores.

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During the nine months ended December 2018, the generation cost has gone up from Rs. 632 crores to Rs. 644 crores, which is Rs. 12 crores higher and which is mainly because of the higher water cess we have paid because of the higher generation in the J&K project.

During Q3, the generation cost have gone up from Rs. 92 crores to Rs. 126 crores, which is Rs. 34 crores higher from last year again because of the higher water cess on account of higher generation in J&K project.

During nine months ending December 2018, the employees cost have gone up from Rs. 1140 crores to Rs. 1264 crores, which is Rs. 124 Crores higher and this is because we have added Kishanganga Power Station where we have the employees cost of Rs. 51 crores and there is a provisioning of Rs. 190 crores in the salary on account of regularization of pay scales and the increase has been offset by the superannuation of the employee.

During Q3 of FY'2019, the employee cost has gone up from Rs. 375 crores to Rs. 551 crores, which is Rs. 176 crores higher and this is primarily due to Kishanganga Project where we have charged for Rs. 23 crores towards employees benefit and due to provisioning of Rs. 190 crores in the salary of executives on account of revision of pay scale partly offset by superannuation of employees.

During the current nine months, there has been a saving in the finance cost from Rs. 704 crores to Rs.672 crores, which is lower by Rs. 32 crores despite additional interest of Rs. 41 crores due to commissioning of Kishanganga Project. Rs.57 crores has been saved due to repayment of loans and Rs. 17 crores has been saved due to refinancing of high cost debt with the lower interest loan.



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During Q3 of FY'2019, there has been a saving in finance cost from Rs. 228 crores to Rs. 223 crores, which is Rs. 5 crores lower despite additional interest of Rs. 17 Crores due to commissioning of Kishanganga Project. Rs.25 crores has been saved due to repayment of loan and Rs. 1 crores has been saved due to refinancing of high cost debt with the lower interest loan.

During the current nine months, we had earned PAT of Rs. 2138 crores versus Rs. 2569 crores in the previous year. This is down by Rs. 431 crores because of the reasons explained above and this is primarily due to decline in the other income.

During Q3, FY'19, PAT is Rs.182 crores against Rs. 688 crores in the previous year. It is down by Rs. 506 crores and the reasons for decrease have been explained above.

Our first Solar Project of 50 MW was commissioned in March 2018 in Tamil Nadu, which has generated 55 MUs and contributed Rs. 12.35 crores PBT during the nine months.

Our first Wind Power Project of 50 MW was commissioned in October 2016 and that has also contributed 57 MUs and Rs.19.71 crores profit before tax during the nine months.

During the nine months, the incentive position is as under:

PAF based incentive last year it was Rs. 326.40 crores and this year it is Rs. 393.41 crores so there is an increase of 20.53%. Deviation charges in the last year nine months were Rs. 141.24 crores and this year nine months it is Rs.175.60 crores, so there is an increase of 24.33%. Secondary Energy last year, it was Rs. 66.97 crores and this year in the nine months, it is Rs. 40.11 Crores. There is a decline of 40.11% in the



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secondary energy. As an aggregate, the incentives in the nine months of last year were Rs. 534.61 crores and this year we have earned Rs. 609.12 crores, so overall there is an increase in the incentive by 13.94%. CAPEX during first nine months of the current year is Rs. 1718 crores as against Rs. 1831 crores in the corresponding period of the previous year.

On capacity addition front, all units of Kishanganga Project (3x110 MW) have already started commercial operation.

Construction work of 800 MW Parbati II project is under progress and we are expecting to get the project commissioned by FY'2021. The anticipated cost of the project is Rs. 9395 crores out of which we have already spent Rs. 7146 crores till December 2018. Two units of Parbati II have been synchronized with the grid in the current year and likely to be commissioned by April 2019 when the water level is expected to be sufficient for COD.

So far, Subansiri lower project is concerned, the NGT on November 19, 2018 and December 14, 2018 dismissed the applications of petitioners and the committee constituted by MoEF in line with the direction of NGT has resumed its functioning. The Expert Committee has also visited the project site and the final meeting of the committee has been concluded recently. The Expert Committee is expected to submit the final report in early March 2019. The revised cost of the project now stands at Rs. 19496 crores out of which we have incurred Rs. 10422 crores till December 2018. During Q2 FY'19, management had assessed recoverability of Regulatory Deffered Account (RDA) and based on such assessment, additional RDA due to IDC & IEDC beyond currently expected completion cost of Rs. 19496 crore were not found to be recoverable. Accordingly, Rs. 110 crore on account of IDC & IEDC was



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charged to P&L in Q-2FY19 and further, during the current quarter IDC & IEDC of Rs. 132 crore has been charged to P&L. The recoverability shall further be assessed during the 4th Qtr. FY.19.

The status of clearances of our forthcoming projects are as under:

Pre-investment clearance of Teesta-IV 520 MW Project in Sikkim is already available. The FRA compliance is underway. The reply to the various agencies on draft PIB memo is being adhered to.

In respect of Dibang Multipurpose Project of 2880 MW, Ministry of Environment, Forest, and Climate Change, Government of India has accorded forest clearance stage 1 and environmental clearance. The material for investment approval towards pre-investment activities and the balance clearance have been submitted on January 22, 2019.

Approval of pre-investment activities in respect of Tawang II 800 MW Project has been accorded by MoP and FRA compliance is underway.

Other major highlights of the company till December 31, 2018 are as under:

NHPC has been declared highest bidder by NCLT for acquisition of Teesta-VI H.E. project of 500 MW with bid amount of Rs. 907 crores. The hearing is going on in the NCLT and the outcome shall be shared on award of the project to NHPC by NCLT.

An MoU has been exchanged between NHPC Limited and J&K State Power Development Department and J&K State Power Development Corporation for execution of 850 MW Ratle Hydroelectric Project in the august presence of Honorable Prime Minister of India.



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The Honorable Prime Minister has laid down the foundation stone of 624 MW Kiru Hydroelectric Project on February 3, 2019. The project is owned by Chenab Valley Power Projects Private Limited a joint venture between NHPC, JKSPDC Ltd. and PTC Limited.

The company has completed buyback of 21.43 crores number of equity shares at Rs. 28 per share with total issue size of Rs. 600 crores.

On realization front, NHPC has received Rs. 4407 Crores from beneficiaries against the sale of energy during the nine months as compared to Rs. 6046 crores in the corresponding period of the previous year. Total receivables on account of sale of energy stands at Rs. 2525 Crores as on December 31, 2018 as against Rs.1784 Crores as on December 31, 2017. This is all from our side. Now the forum is open for question and answer. Thank you.

Moderator:

Thank you very much ladies and gentlemen. We will now begin the question and answer session. We will wait for a moment while the question queue assembles. We take the first question from the line of Apurva Bahadur from ICICI Securities. Please go ahead.

Apurva Bahadur:

Thanks a lot for taking my question. Sir wanted to know how much could be the project cost for Kiru hydroelectric Project ?

Mahesh Kumar Mittal:

Around Rs. 4287 crores.

Apurva Bahadur:

Over what period of time would we be likely to spend this?

Mahesh Kumar Mittal:

Five years.

Apurva Bahadur:

Over the next five years?

Mahesh Kumar Mittal:

Yes.



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- Apurva Bahadur:** Sir also if you could share your incentive income for Q3 2019? I think you have shared 9M?
- Mahesh Kumar Mittal:** Only Q3, the secondary energy is Rs. 40.11 crores as against Rs. 46.12 crores last year. PAF based incentive is Rs. 81.76 crores versus Rs. 9.81 crores last year and deviation charges it is Rs. 66.02 crores versus Rs. 52.31 crores last year. In total in the last year Q3, we got Rs. 108.24 crores and this year in Q3, we have got Rs. 187.89 crores.
- Apurva Bahadur:** Fine Sir. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Dhruv Bhosal from Motilal Oswal Securities. Please go ahead.
- Dhruv Bhosal:** Thank you. Sir we have about five projects where the capital cost approval is pending if you can share the status of the projects?
- Mahesh Kumar Mittal:** We have filed the tariff petitions with CERC in respect of Uri-II, Sewa-II, TLD-III, Chamera-III, and Parbati-III and the hearing on these petitions was held yesterday in the CERC and we are hopeful that the tariff orders will be issued before March end.
- Dhruv Bhosal:** Sir under the new process this will not require any further approvals for the project cost? This will be the final project cost approval?
- Mahesh Kumar Mittal:** Final, post approval from the CERC side because CERC says that they will accept the cost as vetted by CEA and as approved by the Board of NHPC, so we have submitted our tariff petitions with these documents and of course there is a requirement of the DIA report, which is also submitted. So from our side all the compliances have been made and the hearing is also over yesterday.
- Dhruv Bhosal:** Sir one project is remaining Parbati-III I believe for that?



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- Mahesh Kumar Mittal:** Parbati-III I told. There are five.
- Dhruv Bhosal:** For all the five you have submitted the petition?
- Mahesh Kumar Mittal:** Yes.
- Dhruv Bhosal:** Sir if you can remind us what is the revenue boost we can see once the tariff approval happens the revised tariff approval?
- Mahesh Kumar Mittal:** The entire tariff, which we have asked for, if approved then it may add almost Rs. 700 crores as revenue in respect of the earlier years as well as the current year.
- Dhruv Bhosal:** The annual revenue run rate is about Rs. 700 crores?
- Mahesh Kumar Mittal:** Total accrual of the revenue will be Rs. 700 crores since the commissioning of the project till now.
- Dhruv Bhosal:** Accrual is Rs. 700 Crores and Sir for the annual run rate will be how much, the annual revenue boosts incremental revenue?
- Mahesh Kumar Mittal:** Almost Rs. 200 crores.
- Dhruv Bhosal:** Rs. 200 crores of internal revenue. Sir the second question is on the tariff regulation there is some confusion on whether the new O&M norms, which are proportionately draft regulations do they include the pay revision allowance or it will be allowed separately to you?
- Mahesh Kumar Mittal:** In the O&M norms, which were circulated by CERC in the draft regulations that did not include the pay revision impact and subsequently we have submitted them the O&M expenses including the pay revision impact and the GST. After discussing with the CERC, the



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O&M expenses, which are going to be notified, will include both these elements.

Dhruv Bhosal: The final allowance we will consider even the pay revision?

Mahesh Kumar Mittal: Yes.

Dhruv Bhosal: Sir should we expect a reduction in the O&M under recovery, which we have currently I think about Rs.500 crores to Rs. 600 Crores annually? Should that reduce in the next tariff regulation?

Mahesh Kumar Mittal: Certainly, however the under recovery will be very minimal.

Dhruv Bhosal: Sir I believe the current under recovery is about Rs. 400 crores to Rs. 500 crores annually right?

Mahesh Kumar Mittal: Yes in that range of course.

Dhruv Bhosal: In that range so that should come down almost to zero?

Mahesh Kumar Mittal: Almost negligible.

Dhruv Bhosal: Great and Sir last question was on Subansiri so the EC report, which comes will that be the final stage or post that also they could be further hurdles to be cleared?

Balraj Joshi: There are no hurdles actually per se because once the EC gives the report they have to submit this report to the EAC, which is Environment Appraisal Committee of MoEF. They have to consider again whatever findings of the EC are and then submit these recommendations to the government.

Dhruv Bhosal: The EC report is expected by March and then it will go to the EAC?



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- Mahesh Kumar Mittal:** Yes.
- Dhruv Bhosal:** Thank you so much. I have more, but I will join the queue.
- Moderator:** Thank you. We take the next question from the line of Pulkit Patni from Goldman Sachs. Please go ahead.
- Pulkit Patni:** Sir on Subansiri you said the revised cost would be about Rs.19496 crores could you tell us what would be the tariff per unit on the basis of this cost?
- Mahesh Kumar Mittal:** We have moderated the tariff to make the power saleable and the levelized tariff based on moderation it comes around Rs. 4.99 per unit so almost Rs. 5 per unit you can say.
- Pulkit Patni:** Moderated?
- Mahesh Kumar Mittal:** Moderated means because it is a big size project, so we have taken the O&M expenses at 1.5% and we have taken ROE as 15% as against 16.5% and we have taken the borrowing period as 18 years as against the normal borrowing of 12 years and we have spent the depreciation over a period of 18 years and in the new norms even the tariff may further go down a little bit because in the new norms the O&M expenses are likely to be lower and even the borrowing period may be further relaxed. We have taken levelised Tariff around Rs. 5 per unit at the moment.
- Pulkit Patni:** Understood Sir. Sir my second question is can you give an update on the hydro policy?
- Balraj Joshi:** As you know that hydro policy is in the making for quite some time and whenever such a policy comes out the Government has to go for consultations. From NHPC side, we have given our inputs to see that



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hydro sector starts looking up and I am sure any time soon our Government will be coming out with a policy.

Pulkit Patni: Any time line Sir approximately before election possible?

Balraj Joshi: It is to be perpetuated by the Government of India so it should not be fair on our part to say any timeline, but I can just share with you that the Government is really seriously looking forward to push hydro sector up and particularly in the wake of renewable energy as it starts entering our system, so far the volumes are not enough to actually disrupt the operations but as and when the Renewable Energy starts having a larger share in the total generation capacity and by the evening or by the season comes certainly the hydro power is going to be in much demand, so the Government has realized that and I am sure that in the coming policy also hydro sector will certainly get some kind of relaxation of course.

Pulkit Patni: Sure. Thanks a lot Sir.

Moderator: Thank you. The next question is from the line of Dhruv Bhosal from Motilal Oswal Securities. Please go ahead.

Dhruv Bhosal: Thank you Sir. Sir you said that you have employee provision of about Rs. 190 crores in this quarter, so this relates to the pay revision and respectively there will be also a regulatory deferral account for this amount or no?

Mahesh Kumar Mittal: This is in addition to the pay revision. Pay revision is already implemented. There was some pending dispute relating to the pay scale of 1997 till 2006 and in the line of the court order, the Cabinet has recently taken a decision to regularize that pending dispute so because of that this is the impact, which has come up now.



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- Dhruv Bhosal:** This is part of the normal operation because it does not take back to the balance sheet as of yet?
- Mahesh Kumar Mittal:** No. We will claim from CERC through tariff and they may allow or may not allow, but at the moment we have taken it as revenue expenditure.
- Dhruv Bhosal:** In the likely scenario, this could be allowed because this is driven by the Government? It is similar to the pay revision or no?
- Mahesh Kumar Mittal:** We have reasonable confidence that it will be allowed.
- Dhruv Bhosal:** Sir the second question was on the Teesta-VI project if you can share some pointers into when the can the project be completed? Do we have a PPA or some other highlights in the project?
- Balraj Joshi:** We will be starting the project once the entire process of clearances, which includes the CCEA approval also, is accorded. Then it will take around four to five years time because as you know that the strata in this particular part of Himalayas is quite poor, but then we have provided for that in our estimates and I am sure that within five years, we will be able to complete the project and as regards to the cost of the project we have also built-in for whatever work has already been done and as you know that we had to pay Rs. 907 crores bid for that amount as against the actual work done at site of Rs. 2000 plus crores, so we hope that with a reasonable time we get all the credentials and start the work right away.
- Dhruv Bhosal:** Sir what would the project costs be including this Rs. 907 crores the remaining expenditure will be?
- Mahesh Kumar Mittal:** Rs.5748 crores and that include Rs. 907 crores.
- Dhruv Bhosal:** Sir thanks a lot.



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- Moderator:** Thank you. The next question is from the line of Kayur Asher from Reliance Nippon Life Insurance. Please go ahead.
- Kayur Asher:** Sir wanted to understand our debtor's position as of December 31, 2018?
- Mahesh Kumar Mittal:** As on December 31, 2018, the total receivables were Rs.2525 crores as I mentioned in my speech, but as of now on February 6, 2019 and it is Rs.2536 crores and it includes J&K Rs.1082 crores and UP Rs.921 crores.
- Kayur Asher:** Sir what was this corresponding number last year fiscal?
- Mahesh Kumar Mittal:** Last year it was around Rs. 1784 crores.
- Kayur Asher:** Thank you.
- Moderator:** Thank you. The next question is from the line of Prashant Shivsagar from Unived. Please go ahead.
- Prashant Shivsagar:** Good evening Sir. Just wanted to check the status of Jal Power Project in Sikkim can you share some details?
- Balraj Joshi:** Jal Power I think it has been referred to NCLT, but they are yet to come out for bidding. We are looking eagerly for that project. As and when the bids are asked for, we will try and compete there also.
- Prashant Shivsagar:** You conducted a site visit so it is approved from the NHPC side that project?
- Balraj Joshi:** I personally went there and I find it is a good project. It can be done. It is a doable one.
- Prashant Shivsagar:** It is a doable one. Thanks a lot.



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- Moderator:** Thank you. The next question is from the line of Anuj Upadhyay from Emkay Global. Please go ahead.
- Anuj Upadhyay:** Thanks for the opportunity. Sir you mentioned about the CAPEX during the nine month was around Rs. 1718 Crores whereas I believe our full year target was somewhere close to around Rs. 2700 plus odd crores, so are we falling short of committing our full year guidance and also can you provide the spread of this Rs. 1718 crores across the project that is across the Parbati, Subansiri, Pakal Dul, etc.?
- Mahesh Kumar Mittal:** Initially we had a CAPEX projection of Rs. 2740 crores and that has been now revised to Rs. 2577 crores. Now up to Jan'19 as per the revised plan we were supposed to spend Rs. 1577 crores and against that we have spent Rs. 1744 crores, So we have spent Rs. 167 crores more than what we had projected and the spending has primarily been on Parbati-II where we have spent Rs. 494 crores, on Subansiri we have spent Rs. 482 crores, and on Kishanganga there were some leftover activities where we have spent around Rs. 80 crores. We have invested around Rs. 100 crores in Pakal Dul. We have spent around Rs. 38 crores in renovation and modernization of Bairu Siul and we have paid almost Rs. 396 crores against arbitration award, which pertains to four to five projects.
- Anuj Upadhyay:** Against Bairu Siul how much Sir sorry?
- Mahesh Kumar Mittal:** Around Rs. 38 crores, so that way our total spending is Rs. 1744 crores against the target of Rs. 1577 crores.
- Anuj Upadhyay:** In the case of Teesta Sir was there any major?
- Mahesh Kumar Mittal:** Rs.14.61 crores on Teesta - IV.



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- Anuj Upadhyay:** Fine and you are saying we will be meeting this Rs. 2579 crores target for this year?
- Mahesh Kumar Mittal:** Easily.
- Anuj Upadhyay:** Fair enough Sir. Thank you.
- Moderator:** Thank you. We take the next question from the line of Harshit Kapadia from Elara Securities. Please go ahead.
- Harshit Kapadia:** I have just one question at the opening remarks you have mentioned that you are acquiring Teesta, which was part of NCLT cases and could you please give some insights on what is the project status right now? Is it in the costless model or what model it is? Is the PPA being signed? What is the timeline for completion of the project, etc.?
- Balraj Joshi:** The timeline for completion I had already stated to be five years and let us say approximately 50% work stands done if you talk of E&M equipment, 95% supplies have been made for the equipment. For the PPAs we are in discussions with the number of states. They have shown willingness. As of now we have projected that the tariff, which we have actually calculated now ultimately it will depend on what kind of approvals we get from the Government, but the people have shown their interest to buy power for this project. So it is not that even it appears to be a costly power, but with the REs coming in people are very hopeful that they will be certainly requiring hydro in a big way, so I do not think there is going to be any difficulty in selling this power.
- Mahesh Kumar Mittal:** One more point. The levellised tariff of the project is Rs. 4.07 per unit and we have got a provisional consent from Bihar and Jharkhand to buy the power.



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Harshit Kapadia: Janice do we have more questions?

Moderator: Sir no further questions in queue.

Harshit Kapadia: I will thank the management. I just want to thank Mr. Joshi, Mr. Ratish Kumar, Mr. Jain, Mr. Mittal and Mr. Choudhary for giving us an opportunity to host this call. We also thank all the investors and analysts for joining the call. Sir any closing remarks that you want to give.

Balraj Joshi: Thank you Harshit. As always we look forward to such a telecon in which we can actually show whatever we have done, and what is in store for the sector and as a closing remark, I would say that I am very happy that we have performed properly, nicely and the sector is looking up yet again. That is the most important thing for us if the sector is looking up and we will be giving you much good news in the coming times. Thank you for having this telecon with us.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of Elara Securities Private Limited we conclude today's conference. Thank you all for joining us. You may disconnect your lines now.