



“NHPC
Q3 FY2021 Earnings Conference Call”

February 16, 2021



ANALYST: MR. RUPESH SANKHE – ELARA SECURITIES PRIVATE LIMITED

MANAGEMENT: MR. N.K JAIN – DIRECTOR (PERSONNEL) – NHPC LIMITED
MR. Y.K CHAUBEY – DIRECTOR (TECHNICAL) – NHPC LIMITED
MR. R.P GOYAL – DIRECTOR (FINANCE) – NHPC LIMITED
MR. B. BASU – DIRECTOR (PROJECTS) – NHPC LIMITED



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Moderator: Ladies and gentlemen, good day, and welcome to the NHPC Q3 FY2021 results 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 phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rupesh Sankhe from Elara Securities Private Limited. Thank you, and over to you, Sir!

Rupesh Sankhe: Good morning everyone. On behalf of Elara Securities, we welcome you all for the Q3 FY2021 concall of NHPC. I take this opportunity to welcome the management of NHPC, represented by Mr. N.K. Jain. He is the Director (Personnel), Y.K. Chaubey – Director (Technical), R.P. Goyal – Director (Finance), and B. Basu – Director (Projects). 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 the management for his opening remarks. Over to you, Sir!

N. K. Jain: Good morning friends. Our CMD has to go for an emergent call, so he is not available at present. I sincerely



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hope that you and all your family members are keeping yourself healthy and safe. The vaccination drive has started now and I sincerely hope that all of us will get protection at the earliest.

Friends, the Board had adopted nine months financial results for the period ended December 31, 2020, in its meeting held on February 11, 2021 and the same has already been communicated to the exchanges. By now, I hope you all would have got the chance to go through the quarterly and nine monthly set of numbers. First, I will just touch upon major highlights and then detailed analysis of the results shall be discussed by our Director (Finance) Shri Goyal.

The brief highlights of the financial results and important updates on the company are as follows:

During nine months FY2021, our power stations have achieved generation of 21,262 million units vis-à-vis 22,152 million units generated in the corresponding period of the previous year during nine months FY2020, which is about 4% lower. That is 890 million units lower. This is mainly on account of low water availability and complete shutdown of Sewa-II power station with effect from September 25, 2020. Restoration work is under progress on the station.



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Our PAF for the nine months FY2021 stands at 88.59% against the corresponding previous period PAF of 87.47%, which is about 1% higher. During nine months FY2021, the company has earned revenue from operations of Rs.7,165 Crores as against Rs.6,822 Crores in the corresponding previous period, which is about 5% higher, that is about 343 Crores higher.

During nine months FY2021, the company has earned PAT of Rs.2,829 Crores vis-à-vis 2,624 Crores of the corresponding period of last year, which is about 205 Crores that is 8% higher.

On the physical front, as we have shared earlier, the active construction work at Subansiri Lower Project has been fully resumed with effect from October 15, 2019 after clearance by Honorable NGT and the work at site is going on in a full-fledged manner. Our hope is that we shall commission one unit by March 2022 and the complete commissioning shall be done by August 2023.

We have already shared that unit-I and unit-II of Parbati-II hydroelectric project got resynchronized on April 28, 2020 and April 29, 2020, respectively. Further unit-III and unit-IV of 200 megawatt each of the Parbati-II HE project were also resynchronized with the grid on July 6, 2020 and July 7, 2020, respectively. We are trying to complete the



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remaining tunneling works with the help of Tunnel Boring Machine and Drill Blast Method, both to complete the project in FY2022.

In respect of the Dibang Multipurpose Project which is a 2,880-megawatt project where Forest Clearance stage-II approval has been granted and investment approval towards pre-investment activities for Rs.1,600 Crores obtained. PIB memo for the implementation of projects stands submitted to the Ministry of Power.

NHPC has emerged as a successful bidder with a bid of Rs.165 Crores in respect of Jal Power Corporation Rangit project, in Sikkim this is 120-megawatt project. The Honorable NCLT Hyderabad has approved NHPC's resolution plan vide its order dated December 24, 2020. The definitive agreement for implementation of the approved Resolution Plan was signed on January 13, 2021. The estimated cost of the project is Rs.943 Crores and estimated levelized tariff is Rs. 4.40 per unit. As you are aware, the Jal Power Corporation is the second company after Lanco Teesta Hydropower Limited which we have acquired through the NCLT route. We are constantly on the lookout for such strategic acquisitions as a part of our portfolio building process.



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In respect of Ratle Hydroelectric project in Jammu & Kashmir, which is an 850-megawatt project and MoU was signed on February 3, 2019 for implementation through a JV between NHPC and JKSPDC. A supplementary MoU to the initial MoU has been signed on January 3, 2021 in line with recommendations of the PIB. The Union Cabinet has accorded investment approval of 5,281 Crores on January 20, 2021 for implementation of the project.

The levelized tariff of the project would be Rs.3.92 per unit. Tendering for the execution of the project is under progress. MoU was signed on September 25, 2019 with the Government of Himachal Pradesh for execution of Dugar hydroelectric project by NHPC on BOOT basis for a period of 70 years. Installed capacity of the project has been increased from 449 megawatt to 500 megawatts as per power potential study by the CEA resulting in increase in design energy from 1610 million units to 1758 million units. Detailed Project Report has been submitted to the CEA on November 25, 2020. Survey and investigation of the project is under progress.

MoUs have been signed with Jammu & Kashmir State Power Development Corporation on January 3, 2021 for execution of Kirthai-II Hydroelectric Project which is 930 megawatt. Sawalkot Hydroelectric Project, which is 1856



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megawatt, Uri-I Stage-II HEP which is 240 megawatts and Dulhasti Stage - II HEP 258 megawatt and Ratle HEP 850-megawatt in the Union Territory of Jammu & Kashmir.

Kirthai-II HE project shall be implemented by CVPPL which is a Joint Venture among NHPC, JKSPDC and PTC India Ltd. While Sawalkot, Uri-I Stage-II, Dulhasti Stage-II HEP shall be executed by NHPC, Ratle HE project shall be executed through a separate JV consisting of NHPC and JKSPDC where NHPC shall have 51% equity.

NHPC has been allotted the states of Telangana, Odisha, and J&K for development of floating solar power projects under Ultra Mega Renewable Energy Power Parks Schemes of MNRE. MoU has been signed with Odisha for 500 megawatt on July 20, 2020. The project shall be developed by JV between NHPC and GEDCOL, which is Green Energy Development Corporation of India Limited. In principal approval has been obtained from MNRE on December 8, 2020 for setting up of 100 megawatt floating solar by the proposed JV Company under Solar Power Park scheme. MoU with Telangana for 500 megawatt is under consideration for approval.

Development of Solar Power Projects in other states like Uttar Pradesh and Rajasthan is also being explored. In



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principal approval has been obtained from MNRE on September 17, 2020 for development of 1200 megawatt Solar Park Power scheme by Bundelkhand Saur Urja Limited under Ultra-Mega Renewable Energy Power Parks Mode of the Solar Park Scheme in the Jalaun District of Uttar Pradesh. We are also in discussion with the State of Rajasthan for development of Solar Power Project of 600-megawatt capacity in the state under UMREPP.

Besides the above, we are also in the process of development of 50 megawatt floating solar power project in Kerala and 140-megawatt solar park in Odisha. In principal approval has been obtained from MNRE on December 8, 2020 for setting up of 50 megawatt floating solar power project in Kerala under the solar park scheme.

Now I would request, our Director (Finance) Shri Goyal to discuss the financial results in detail. Thank you.

R.P Goyal: Good morning friends. I am going to share with you detailed quarterly and nine monthly set of numbers with the detailed analysis. The Board had adopted nine months financial results ended December 31, 2020 in its meeting held on February 11, 2021, and the same has already been communicated to exchanges.



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Brief highlights of the financial results and important updates on the company are as under. During nine months of FY2021 all power stations have achieved a generation of 21,262 million units vis-à-vis 22,152 million units generated in corresponding period of previous year, excluding interim power of Parbati-II, which is about 4% lower in comparison to previous nine months.

Our PAF for nine months FY2021 stands at 88.59% as against the corresponding previous period PAF of 87.47% which is around 1% higher. Our PAF for Q3 FY2021 stands at 83.11% against the corresponding previous period PAF of 81.43% which is about 2% higher.

For nine months FY2021 Company had earned revenue from operations of Rs. 7,165 Crores as against Rs.6,822 Crores in corresponding previous period which is about 5% higher. The increase in revenue is mainly due to increase in sales pertaining to previous years on account of tariff order for TLDP-IV Power Station which has resulted in addition of Rs. 323 Crores.

During Q3 FY2021, Company has earned revenue of Rs.2092 Crores as against Rs.1795 Crores in the corresponding previous period which is about 17% higher. The increase in revenue is mainly due to increase in sales pertaining to previous years on account of tariff order



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TLDP-IV as I had mentioned for nine months period. This increase is partly off set by lower secondary energy by 17 Crores and lower incentive by Rs.9 Crores.

Other income for nine months FY2021 is of the order of 714 Crores vis-à-vis 651 Crores during the corresponding previous period which is about 10% higher. This is mainly due to increase in late payment surcharge by Rs.34 Crores and increase in dividend income by Rs.27 Crores from NHDC, one of our subsidiary.

Other income for Q3 FY2021 is of the order of Rs. 202 Crores versus Rs.65 Crores during the corresponding previous period, which is about 211% higher. This is mainly due to increase in late payment surcharge. During current period, we recognised surcharge of Rs.156 Crores as against Rs.15 Crores recognized during corresponding previous quarter.

During nine months FY2021, the generation expenses have come down from Rs.736 Crores to Rs.723 Crores i.e. by Rs.13 Cores which is mainly due to lower water cess on account of lower generation in J&K projects.

During Q3, FY2021 generation expenses have come down from Rs. 158 Crores to Rs. 119 Crores i.e. decrease by



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Rs.39 Crores. This is mainly due to lower water cess on account of lower generation in J&K projects.

During nine months FY2021, the employees cost has come down from Rs.1133 Crores to Rs.1049 Crores i.e. lower by 84 Crores. The decrease is mainly due to superannuation of the employees, which has impact of Rs.138 Crores and capitalization of employee cost of Subansiri project by Rs.36 Crores which was earlier been charged to profit and loss account for halting of construction work. This has been partly offset by increase due to DA, increment, promotion etc. by Rs. 90 Crores.

During Q3 FY2021, the employees cost has come down from Rs.399 Crores to Rs.379 Crores i.e. decrease by Rs.20 Crores. The decrease is mainly due to superannuation of employees having impact of Rs. 46 Crores which is partly offset by increase due to DA, increment etc. by Rs.26 Crores.

During nine months FY2021, the depreciation and amortization expenses have come down from Rs.1160 Crores to Rs.998 Crores i.e. by Rs.162 Crores. This is mainly due to completion of 12 years of life of Dulhasti Power Station in FY2019-2020.



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During Q3, FY2021 the depreciation and amortization expenses has come down from Rs.387 Crores to Rs.335 Crores i.e. by Rs. 52 Crores. This is again mainly due to completion of 12 years of life of Dulhasti Power Station in FY2019-2020.

During nine months FY2021, other expenses has gone up from Rs.860 Crores to Rs.1009 Crores i.e. by Rs.149 Crores. This is mainly due to increase in provisioning in respect of Tawang-II HE projects which is under survey and investigation. Provisioning of Tawang-II has the impact of Rs. 133 Crores on other expenses.

During Q3, FY2021 other expenses has gone up from Rs. 267 Crores to Rs. 417 Crores i.e. by Rs. 150 Crores. This is again mainly due to increase in provisioning in respect of Tawang -II project which is under survey and investigation.

During nine months FY2021 there has been decrease in the finance cost from Rs.644 Crores to Rs.435 Crores resulting in saving of Rs.209 Crores mainly on account of capitalization of the finance cost in respect of Subansiri Lower project post resumption of active construction in the project and balance decreases of Rs.51 Crore is due to repayment of loans.



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During Q3 FY2021 there has been decrease in finance cost from Rs.156 Crores to Rs.142 Crores, decrease by Rs.14 Crores which is mainly due to repayment of loans.

During nine months FY2021, an exceptional item of Rs.185 Crores on account of onetime rebate has been passed on to beneficiaries due to COVID-19.

During nine months FY2021, we have earned PAT of Rs.2829 Crores vis-à-vis Rs.2624 Crores for corresponding period which is up by Rs.205 Crores, i.e. 8% increase approx and the reasons for the decrease and increase in the line items, we have just discussed in forgoing paragraphs.

During Q3, FY2021, we have earned PAT of Rs.808 Crores vis-à-vis Rs.404 Crores of corresponding previous period which is up by Rs.404 Crores i.e. 100% approximate increase and the reasons for decrease and increase in the line items, we have just discussed in the forgoing paragraphs.

During nine months FY2021, the incentives position are as under: secondary energy for current nine months is Rs.69.68 Crores as against corresponding previous nine months of Rs.100.69 Crores resulting in decrease by 31.01 Crores. PAF based incentive for current nine months is 359.90 Crores as against Rs. 346.12 Crores during



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corresponding previous nine months resulting in increase by 13.78 Crores. Deviation charges for current nine months are Rs. 118.51 Crores as against 87.94 Crores in corresponding previous nine months resulting in increase by 30.57 Crores, total incentive amount is Rs.548.09 Crores in current nine months as against Rs.534.75 Crores during corresponding previous nine months.

CAPEX during nine months FY2021 was Rs.2268 Crores as against Rs.2855 Crores in the corresponding period of previous year.

The Board of Directors has declared and approved payment of interim dividend at the rate of 12.5% i.e. Rs. 1.25 per equity share on the face value of paid up equity shares of Rs.10 each for FY2020-21 against 11.80% i.e. Rs.1.18 per equity share in previous financial year. The board has fixed Tuesday i.e. February 23, 2021 as record date for the purpose of ascertaining eligibility of shareholders for payment of interim dividend.

The anticipated cost of Parbati-II project is Rs.9,898 Crores, out of which we have already spent Rs.8,705 Crores till December 2020. The estimated levelized tariff based on the anticipated cost is Rs.5.58 per unit as per CERC formula. The revised cost of Subansiri project now stands at Rs.19,992 Crores, out of which we have already



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incurred Rs.12,855 Crores till December 2020. The estimated levelized tariff based on the anticipated cost is Rs. 5 per unit that is again as per CERC formula.

Other highlights of the company are as under: on realization front, NHPC has received Rs. 6991 crores from the beneficiaries, against sale of energy during nine months period FY2021 as compared to Rs.5,531 Crores in corresponding period of nine months. Trade receivables as on December 31, 2020 stands at Rs.4170 Crores as against Rs.3,818 Crores as on March 31, 2020.

The major receivables are as under: UP Power Corporation i.e. UP State figure as on December 31, 2020, 1,458 Crores. These are total dues out of which more than 45 days dues are 1,384 Crores. PDD, J&K including newly formed Discom total dues are Rs.1,080 Crores out of which dues more than 45 days are Rs.945 Crores. Punjab, 353 Crores total dues out of which more than 45 days are 318 Crores, Rajasthan 143 Crores, out of which Rs. 133 Crores is more than 45 days. West Bengal 119 Crores more than 45 days dues are 79 Crores and others are Rs.1017 Crores, out of which dues more than 45 days are 387 Crores.

This is all from our side, now the forum is open for question and answers. Thank you.



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

Mohit Kumar: Good morning Sir. First question is on why the revenues were up by 500 Crores and how much is in part of the Teesta lower dam 4 tariff order, can you please quantify that?

R.P Goyal: Revenues are up mainly due to earlier year sales of Rs. 323 Crores in respect of TLDP-IV power station and increase in Late Payment Surcharge by Rs. 141 Crore.

Mohit Kumar: Secondly Sir, on the upcoming projects Subansiri and Parbati-II, do we have the PPAs for the entire quarter Sir?

R.P Goyal: Yes, we have PPAs for entire quarter with respect to Parbati II as well as Subansiri minus 113 megawatt in respect to Subansiri for which we are in talk with Delhi Discoms.

Mohit Kumar: 130 megawatt is left.

R.P Goyal: 113 megawatt.

Mohit Kumar: Sir, lastly on this Hydropower Purchase Obligation which has been recently notified by the Ministry of Power. How



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does it help us in near term to tie up if anything which is left, does it help at all?

R.P Goyal: Basically, discoms will be under obligation to purchase hydropower to fill up the gap of renewable energy. So, hydropower will have a boost for development and to attract purchases of hydropower by discoms.

N.K. Jain: This will help us in upcoming projects also and the discoms have an obligation to buy hydropower, any power which has not been coming under a PPA we will be able to sell it through the HPO route.

Mohit Kumar: Understood Sir, does it help us in immediate basis given that we already have almost all the power tied up, am I right in saying that?

R.P Goyal: Projects commissioned after the Ministry Direction i.e. after April 2019 have been covered under HPO route.

N.K. Jain: At present they do not make a material difference, because all power is tied up. We already have PPAs for the existing projects, but it will definitely help us for any untied power in the projects which are going to come up.

R.P Goyal: Subansiri and Parbati-II both will come under HPO.



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Mohit Kumar: One more question if I may be excused. Sir, will Chenab Valley Power Project get consolidated post the acquisition of 2% from PTCL, am I right in saying that?

R.P Goyal: Yes, we are in the process of acquisition of 2% from PTC. Our board has already approved the agenda and we are just waiting for government approval otherwise all the parties have already agreed for 2% transfer to NHPC.

Mohit Kumar: Understood Sir. Thank you sir, best of luck.

Moderator: Thank you. The next question is from the line of Dhruv from HDFC Asset Management Company. Please go ahead.

Dhruv Muchhal: Thank you so much. First, question was on the receivables if I remember correctly the last quarter end the receivables were about Rs.5000 Crores which have reduced by about Rs.1000 Crores now. But Sir, under Atmanirbhar I think UP and J&K have got a decent amount in this quarter but it seems we have not benefited much from it, any thought there Sir?

R.P Goyal: Yes, just taking figures for the September ending quarter and vis-à-vis as on date. So, in respect of J&K, we were having total bill of Rs.2247 Crores and as on date we are having Rs. 1226 Crores in respect of PDD, J&K. For Uttar



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Pradesh, it was Rs.1272 Crores and as on date, it is Rs.827 Crores. For Punjab as on September 30, 2020 it was Rs.354 Crores which has been reduced to Rs.146 Crores as on date. For West Bengal, it was Rs.167 Crores as on September 30, 2020 which has been reduced to Rs.148 Crores. For Himachal Pradesh, it was Rs.152 Crores which has become almost nil and in respect to others, it was Rs.813 Crores which has been reduced to Rs.369 Crores. So in totality, in September ending quarter, we were having total dues of Rs.5005 Crores which have been reduced to Rs. 2778 Crores as on date.

Dhruv Muchhal: Rs.2000 Crores or Rs.4000 Crores?

R.P Goyal: Rs.2778 Crores as on today.

Dhruv Muchhal: Okay, so the total receivables are currently Rs.2272 Crores?

R.P Goyal: Rs.2778 Crores as on date.

Dhruv Muchhal: With the approval of Teesta now the capital cost is approved I believe. So, what is the incremental annual revenue you benefit from is it Rs.100 Crores odd?

R.P Goyal: It is Rs.125 Crores around.



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Dhruv Muchhal: That was not there in the last year, will it benefit in the future year?

R.P Goyal: Yes. Therefore, we have recognized earlier sales of Rs.323 Crores around.

Dhruv Muchhal: There were five or six projects which were pending for capital cost approval. Now, capital cost of all of them are approved or is anything pending now?

R.P Goyal: There is no as such pending as on date.

Dhruv Muchhal: Okay, so there is no impact already and if there is no impact there is no benefit also. Sir, on Sewa, probably this is a small amount but how much is the AFC impact annually of the shutdown?

R.P Goyal: Actually, in case of Sewa, the shutdown was after peak season. Shutdown has been taken place in lean season. So, there is hardly any impact on the revenue. This can be around Rs.30 Crores, Rs.40 Crores.

Dhruv Muchhal: Sir, you have written off Tawang II. Does it mean you are not going ahead with the project, that is the reason of Rs.133 Crores written off?

N.K. Jain: We are not getting a good response from the state government for Tawang. So, for the time being we have



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done this and when we will get proper response, then we will go ahead.

Dhruv Muchhal: That is the reason you have taken it off for now. Last thing was on Parbati. In our last interaction, you had mentioned that you had started the work from both the sides now and the tunneling work has to achieve a run rate of about 200 meters per month. So, sir is that on track, is that achieved.

B.B.Basu: Yes, we are on the track and around 2.3 kilometers are left and in next financial year, we are planning to commission the units, I mean COD of the units.

Dhruv Muchhal: Sir, what is the drilling rate right now. I mean what monthly run rate level have been reached.

B.B.Basu: We have achieved 100 meters monthly from both the ends together.

Dhruv Muchhal: Okay, so we have to move towards 200 which you believe we are on track to achieve that?

B.B.Basu: Yes, we might get more than 200 also.

Dhruv Muchhal: That is good to hear. That is all from me. Thank you.



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Moderator: Thank you. The next question is from the line of Aniket Mittal from Motilal Oswal. Please go ahead.

Aniket Mittal: Thank you for the opportunity. The first question is on the CAPEX. Sir, could you provide me the project wise CAPEX details for FY2021 and FY2022.

R.P Goyal: Project wise capex for FY2020-21 as per the estimate is as under: Parbati-II Rs.1318 Crores, Subansiri lower Rs.2136 Crores, Kishanganga left over works Rs.281 Crores, Dibang Rs.1367 Crores, then solar projects around Rs.80 Crores and RMs also. CAPEX for RM for Bairasuil Power Station is Rs.70 Crores, RM for Loktak at Rs.12 Crores and total CAPEX for FY2020-21 as we have planned for Rs.5401 Crores.

Aniket Mittal: Sir for FY2022?

R.P Goyal: Total capex for FY2021-2022 is Rs.8202 Crores it includes Parbati-II Rs.1058 Crores, Subansiri lower Rs.2355 Crores then Dibang Rs.635 Crores, Teesta IV if all goes well it will be Rs.431 Crores. Then solar power projects Rs.460 Crores and solar projects under CPSU scheme Rs.1600 Crores. This is a broad detail of capex for FY2021–2022.

Aniket Mittal: Thank you Sir. Just there was similar thoughts that there are lot of that you are implementing. Let us say if we were



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to take a three years to four years view. Would it be fair to assume that our CAPEX could be somewhere around Rs.7000 Crores to Rs.8000 Crores?

R.P Goyal: Yes, after two or three years, our CAPEX will be around Rs.8000 Crores annually.

Aniket Mittal: Okay, one question on TLDP, if I recollect that current year in FY2020 as well we have revised our booking for TLDP-IV based on the fact that we were expecting the final truing up order to come?

R.P Goyal: Yes.

Aniket Mittal: Yes, so it is to what certainty is still FY2020 now we have revised the further base on the final tariff is it?

R.P Goyal: During next year it will impact around Rs.125 Crores on revenue.

Aniket Mittal: Okay, just could you tell me then the capital cost may be what would we are booking at?

R.P Goyal: Capital cost has been approved Rs.1698 Crores that has been considered by CERC for fixation of tariff.

Aniket Mittal: Thank you.



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Moderator: Thank you. The next question is from the line of Anuj Upadhyay from HDFC Securities. Please go ahead.

Anuj Upadhyay: Thanks for the opportunity Sir. Just one clarification on the debtor side initially you mentioned that the total outstanding is around Rs.4170 Crores. But later on, the follow up question one of the participants, you mentioned it around Rs.2778 Crores?

R.P Goyal: You are right; actually that figure was as on December 31, 2020 that is cut of date and another one is as on date current figure.

Anuj Upadhyay: Okay, Rs.2778 Crores as on date?

R.P Goyal: Yes Sir.

Anuj Upadhyay: So, this is total debtor Sir, or the overdue part?

R.P Goyal: No, total debtor Rs.2778 Crores.

Anuj Upadhyay: Can I get the overdue part?

R.P Goyal: Overdue is Rs.2199 Crores that is more than 45 days old.

Anuj Upadhyay: Got it Sir. Thanks for the clarification. Another thing on the CAPEX statement as you mentioned somewhere around Rs.3000 Crores odd of solar project in your initial remark. So, the entire 3000 megawatt of solar project



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would be acted as a developer or we would act as an EPC for this project or it is a combination of both?

R.P Goyal: Combination of both.

Anuj Upadhyay: Combination of both. Okay, the 300 megawatt which we are planning to commission next year again it is a combination both because the current year CAPEX in the solar segment is only Rs.80 Crores so that is why just need a clarification this front. So, how much we would be developing on our own portfolio?

R.P Goyal: That is also combination of both.

Anuj Upadhyay: Okay, but any quantum Sir, that we will be developing for our own portfolio, how much would be for NHPC's own project for FY2023?

R.P Goyal: Should be around 100 megawatt.

Anuj Upadhyay: 100 megawatt. Okay, fine Sir and lastly on Parbati Sir. Any commissioning date, Sir? The target I think the COD of Parbati in FY2022?

R.P Goyal: We are planning to commission this plant in next financial year.

Anuj Upadhyay: First half, second half any timeline Sir?



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R.P Goyal: Probably first half.

Anuj Upadhyay: First half, because in the capex front you have mentioned that you would be incurring another Rs.1000 Crores in FY2022. That is again a huge sum so I was just wondering whether this Rs.1000 Crores would be spent within that first half period or it includes some maintenance capex as well?

R.P Goyal: We will try to commission in first half.

Anuj Upadhyay: Got it Sir. Thank you. Thanks for the opportunity.

Moderator: Thank you. The next question is from the line of Dhruv from HDFC Asset Management Company. Please go ahead.

Dhruv Muchhal: Sir, just to clarify on Parbati, I believe the commissioning in September – October FY2022 so when you are referring first half of next financial year are you saying FY2022 or FY2023?

R.P Goyal: FY2021-2022.

Dhruv Muchhal: Okay, so first half that means within six months?

R.P Goyal: No, after March only it would.

Dhruv Muchhal: Yes, it will be March only.



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R.P Goyal: It will be in second half of the financial year 2021-2022 that is what we expect, second half.

Dhruv Muchhal: Second half of financial year FY2022. Got it, that is what we wanted to understand. Secondly, I got the clarification on the receivables number; you mentioned Rs.2778 Crores is at the spot date I mean currently it is this level versus Rs.4100 Crores. Would we expect it big LPS income in the next quarter because you book it cash basis?

R.P Goyal: Actually, we still have around Rs.400 Crores on account of LPS for which we are trying to get from our discoms.

Dhruv Muchhal: Sir, just one last question was on the solar project. You mentioned that you are developing 2 gigawatt of projects. This all is under the development mode or the EPC mode.

R.P Goyal: We are just acting as middleman.

Dhruv Muchhal: Okay, got it. So sir, then Rs.1600 Crores CAPEX will not be there, right? it is just because you will not be investing the CAPEX amount, this Rs.1600 Crores capex that you mentioned that is separate?

R.P Goyal: In the opening remark, you have already seen that we have lot of solar power projects under pipeline like floating



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solar power, solar park etc. So, we have kept provision for CAPEX for these projects.

Dhruv Muchhal: Okay, got it. So, this is not linked to the 2 gigawatt projects.

R.P Goyal: It is not linked to that.

Dhruv Muchhal: That is very clear. Thank you so much.

Moderator: Thank you. The next question is from the line of Ankur Deore from Bank of America. Please go ahead.

Ankur Deore: Sir, this is Ankur here. Sir, you mentioned the incentive position for the nine-month period split across secondary energy pack and deviation charges. Can you share the same for this quarter Q3 FY2021 and what was the number for Q3 FY2020?

R.P Goyal: For Q3 FY2021, incentive position is: Secondary Energy - Rs.47 Crores, PAF Incentive - Rs.75 Crores, Deviation Charges - Rs.39 Crores, thus totaling to around Rs.161 Crores.

Ankur Deore: And Sir, what were these number for the corresponding quarter last year?



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R.P Goyal: In corresponding previous quarter, incentive position was: Secondary Energy - Rs.64 Crores, PAF Incentive - Rs.91 Crores, Deviation Charges - Rs.35 Crores, thus totaling to Rs.190 Crores.

Ankur Deore: Okay and Sir, for surcharge income if you can give quarter wise number for this quarter as well as corresponding quarter last year?

R.P Goyal: During this quarter, we have somewhere around Rs. 156 Crores.

Ankur Deore: Rs.156 Crores, okay. Just last question. Rs.156 Crores is for this quarter, then what was the corresponding amount for the last quarter that could be my last question?

R.P Goyal: During corresponding previous quarter, it was Rs.15 Crores only.

Ankur Deore: Rs.15 Crores okay. Thank you, Sir, I will take the rest of the questions offline.

Moderator: Thank you. The next question is from the line of Mohit Kumar from BM Capital Services. Please go ahead.

Mohit Kumar: Thanks for the opportunity once again Sir. Sir, my question pertains to your tendering activities. Which are



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the projects where you are likely to award tenders in next three months to six months?

B.B. Basu: During next six months, we will be awarding Rangit IV which has been acquired by NHPC through NCLT route. Teesta VI Gammon package, which was cancelled by NHPC and we have reinvited tenders, then loktak downstream which is EPC contract. Then Ratle, newly formed joint venture for 500 megawatt. These are the projects which we will be awarding in next six months.

Mohit Kumar: For Dibang sir. I think there was something in Dibang?

B.B. Basu: Dibang is in litigation mode so we are trying to resolve the issue and in case the issue is resolved in our favor, immediately we will go for awarding the work. Tendering process is going on.

Mohit Kumar: So, what is the issue there in Dibang, Sir?

N.K. Jain: We are in the process of land acquisition. The land was awarded but because of high cost, there is an issue of compensation being demanded by the people there.

Mohit Kumar: What is the reason we cancelled the Gammon contracting award?



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R.P Goyal: There was some non-performance of contract conditions, so we have cancelled the tender.

Mohit Kumar: so, we have to re-award, am I right?

R.P Goyal: Yes. We have already invited fresh tenders.

Mohit Kumar: Okay, understood. Sir, lastly on the solar portfolio. Can you please repeat the number which we are looking to commission in the next couple of years in megawatt terms on our own Balance Sheet?

R.P Goyal: Our own Balance Sheet, we are planning to commission solar projects of the magnitude of 300 megawatt in different states and that we will require a CAPEX of around Rs.1600 Crores which I have mentioned in my remarks.

Mohit Kumar: These are all floating solar, am I right in saying that and how will the tariff get decided in these cases?

R.P Goyal: These are floating and ground mounted as well.

Mohit Kumar: What about tariff Sir. We will participate in the bid or is it something like kind of feed in tariff or kind of something negotiated tariff?

R.P Goyal: It is negotiated one.



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Mohit Kumar: Okay, and are we going to participate in the upcoming solar tenders? We have seen NHPC not participating but I do not see us participating in any of the competitive bid tenders?

R.P Goyal: We are participating but somehow, we are not able to compete the low tariffs which the companies are quoting.

Mohit Kumar: Understood but, you are willing to participate?

R.P Goyal: Yes. We have participated in some tenders, but we did not get them.

Mohit Kumar: Understood Sir. Thank you Sir and best of luck.

Moderator: Thank you. Ladies and Gentlemen, due to the time constraint we will be closing this call now. I would now like to hand the conference over to Mr. Rupesh Sankhe from Elara Securities Private Limited, for closing comments.

Rupesh Sankhe: We thank management of NHPC for giving us an opportunity to host this call and we also thank all the investors and the analyst for joining this call. Bye and good day.



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Moderator: Thank you. On behalf of Elara Securities Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.