



“NHPC Limited
Q4 FY’24 Earnings Conference Call”
May 20, 2024



MANAGEMENT: **MR. R. P. GOYAL – CHAIRMAN AND MANAGING DIRECTOR AND DIRECTOR (FINANCE) – NHPC LIMITED**
MR. UTTAM LAL -- DIRECTOR (PERSONNEL) – NHPC LIMITED
MR. R.K. CHAUDHARY – DIRECTOR (TECHNICAL) AND DIRECTOR (PROJECTS) – NHPC LIMITED

MODERATOR: **MR. RUPESH SANKHE – ELARA SECURITIES PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to NHPC Limited Q4 FY'24 Earnings 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 star then zero 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. Thank you, and over to you, sir.

Rupesh Sankhe: Good afternoon, everyone. On behalf of Elara Securities, we welcome you all for the Q4 FY'24 conference call of NHPC. I take this opportunity to welcome the management of NHPC represented by: Mr. R.P. Goyal sir, who is Chairman and Managing Director and also Director (Finance) and we have Mr. Uttam Lal, Director (Personnel); also Mr. R.K. Chaudhary, Director (Technical) and Director (projects). So, we will begin the call with a brief overview by the management followed by Q&A session.

I will now hand over the call to Mr. R.P. Goyal sir for his opening remarks. Over to you, sir.

RP Goyal: Thank you, Rupesh. Good afternoon, friends. The NHPC Board has announced annual financial results for the period ended 31st March'24, in its meeting held on 17th May'24 and the same has already been communicated to stock exchanges. By now, I hope you all would have got chance to go through the quarterly and yearly set of numbers.

- Detailed analysis of financial results of the company is as follows:
- During FY'24, our power stations have achieved generation of 21,773 million units as against 24,619 million units generated in corresponding period of previous financial year which is lower by about 12% i.e.

2,846 million units. This is mainly due to heavy flash flood in Teesta basin in October'23, which has resulted into complete shutdown of Teesta-V Power Station. The restoration works are underway and are expected to be completed by March'25.

Further, overall lower water availability and intense rain and flood in some parts of Himachal Pradesh in August'23 has also impacted the generation in the region, especially the outage of all units of Parbati-III Power Station, which were got fully operational in the month of September'23.

During fourth quarter'24, our power stations have achieved generation of 2,304 million units as against 2,891 million units generated in corresponding period of the previous year which is lower by about 20% i.e. 587 million units lower due to the reasons which I just explained.

- Our PAF for FY'24 stands at 77.60% against the corresponding previous period PAF of 88.75%, which is lower by around 11%. This is mainly due to outages of some of our power stations like Teesta-V, Parbati-III, Kishanganga, Chamara-III and lower water availability.

Our PAF for fourth quarter for FY'24 stands at 54.65% against the corresponding previous period year PAF of 67.96% which is about 13% lower on account of same reasons.

- For FY'24, company has earned Revenue from Operations of INR8,405 Crore as against INR9,316 Crore in the corresponding previous period, which is about 10% lower or by INR911 Crore. The decrease in revenue is mainly due to lower generation.

During fourth quarter FY'24, company has earned Revenue from Operations of INR1,652 Crore as against INR1,717 Crore in the corresponding previous period, which is about 4% lower or by INR65 Crore. The decrease in revenue is again mainly due to lower generation.

- Other income for FY'24 is of the order of INR1,620 Crore in comparison to INR835 Crore during the corresponding previous period which is about 94% higher or by INR785 Crore. This is mainly due to increase in dividend income by INR121 Crore from one of our subsidiaries i.e NHDC and increase in realization of business interruption loss against insurance claim by INR108 Crore and increase in income from exchange rate variation by INR74 Crore. Further, there is income from insurance claim of INR382 crore on account of material damage mainly in respect of Teesta-V power station. However, this has no impact on profit as the same has also been booked in Other Expenses as well.

Other income for fourth quarter FY'24 is of the order INR591 Crore in comparison to INR254 Crore during the corresponding previous period, which is about 133% higher or INR337 Crore. This is mainly due to increase in dividend income by INR97 Crore, realization of business interruption loss against insurance claim against Teesta-V Power Station of INR112 Crore, increase in income from exchange rate variation by INR41 Crore and other miscellaneous items.

- During FY'24, the Generation Expenses have come down from INR936 crore to INR814 Crore, means by INR122 Crore due to lower generation and reversal of water cess booked earlier in respect of Himachal Pradesh and Sikkim.

During fourth quarter FY'24, the Generation Expenses have come down from INR152 Crore to negative INR247 Crore means by INR399 Crore mainly due to reversal of water cess during the current quarter in respect of Himachal Pradesh and Sikkim to the tune INR412 Crore in view of outcome of the Honorable High Court of Himachal Pradesh against imposition of water cess.

Basically, we have won the case in the High Court of Himachal against the Government of Himachal Pradesh and we are expecting to win the case in case of Sikkim also.

- During FY'24, the Employee Cost has come down from INR1,301 Crore to INR1,297 Crore means by INR4 Crore, which is almost flat.

During fourth quarter FY'24, the Employee Cost has come down from INR417 Crore to INR369 Crore, means by INR48 Crore, which is mainly on account of retirement of employees.

- During FY'24, there has been decrease in the Finance Cost from INR476 Crore to INR425 Crore, means by INR51 Crore, which is mainly due to change in rate of interest and repayment of loans.

During fourth quarter FY'24, there has been decrease in the Finance Cost from INR112 Crore to INR95 Crore, means by INR17 Crore which is again mainly due to change in rate of interest and repayment of loans.

- During FY'24, the Depreciation and Amortization Expenses have come down from INR1,145 Crore to 1,111 Crore means by INR34 Crore, which is mainly due to completion of 12 years of life in respect of Sewa-II power station in FY 2022-23. So, the expense in depreciation charges in respect of Sewa-II has come down drastically.

During fourth quarter, the Depreciation and Amortization Expenses have come down from INR286 Crore to INR280 Crore means by INR6 Crore, which is again mainly due to completion of 12 years of life of Sewa-II Power Station in FY 2022-23.

- During FY'24, Other Expenses have gone up from INR1,708 Crore to INR2,316 crore means by INR608 Crore. This is mainly due to increase in Insurance Expenses by INR125 Crore and increase in Interest on Arbitration/ Court Cases by INR183 Crore. Further, there is accounting of material damage of INR441 Crore mainly in respect of Teesta-V Power Station, which has been offset by insurance claim of INR382 Crore as shown under Other Income.

During fourth quarter, Other Expenses have gone up from INR486 Crore to INR788 Crore means by INR302 Crore. This is mainly due to increase in Insurance Expenses by INR49 Crore, increase in Interest on Arbitration/ Court Cases by INR183 Crore, increase in Interest to Beneficiaries by INR49 Crore etc.

- During FY'24, MAT Credit of INR529 Crore has been recognized and MAT Credit of INR355 Crore has been utilized during the period. This has resulted in a positive impact on profitability by INR174 Crore.

During fourth quarter FY'24, MAT Credit of INR129 Crore has been utilized during the period. This has resulted in a negative impact of INR129 Crore on PAT for the quarter.

- During FY'24, we have earned PAT of INR3,744 Crore as against INR3,834 Crore of corresponding previous period, which is down by INR90 Crore i.e. around 2% and the reasons for decrease/ increase in the line items, we have just discussed.

During fourth quarter FY'24, we have earned PAT of INR698 Crore as against INR569 Crore of corresponding previous period, which is up by INR129 Crore or 23% approx and the reasons, we have just discussed.

➤ During FY'24, the incentive position is as under:-

- We have earned Secondary Energy of INR102 Crore as against INR123 Crore in the corresponding previous year.

PAF Incentive for FY'24 is INR316 Crore as against INR405 Crore of corresponding previous year, so this is down by INR89 Crore.

- Deviation Charges are INR41 Crore for FY'24 as against INR147 Crore we earned in FY'23. So, it is also lower by INR106 Crore. So, total incentive on these three accounts for FY'24 is INR459 Crore as against INR675 Crore we earned in the corresponding previous year. So, there is a dip of INR216 Crore in respect of all of the incentives.

- During fourth quarter FY'24, the incentive position is as under:-
 - We earned the Secondary Energy to the tune of INR80 Crore as against INR110 Crore in the corresponding previous quarter. So, it is also lower by INR30 Crore.
- PAF based incentive is INR252 Crore as against INR349 Crore in the corresponding previous quarter, so it is lower by INR97 Crore.
- Deviation Charges are INR7 Crore against negative INR2 Crore in the corresponding previous quarter, so this is up by INR9 Crore. So total incentive for the current fourth quarter of FY'24 is INR339 Crore as against INR457 Crore in the corresponding previous quarter. So there is total dip of INR118 Crore, so far the quarter is concerned.
- We incurred capex of INR8,652 Crore during FY'24, against target capex of INR10,857 Crore on consolidated basis.
- The Board of Directors have recommended the payment of final dividend at the rate of 5%, i.e. INR0.50 per equity share in addition to interim dividend at the rate of 14%, resulting in total dividend at the rate of 19% i.e. INR1.90 per equity share on the face value of paid up equity share of INR10 each for the financial year 2023-24.
- Other major highlights of the company are as follows:
 - On realization front, NHPC has received INR9,606 Crore from the beneficiaries against Sale of the Energy during FY'24 as compared to INR7,435 Crore in the corresponding period of previous year. Trade Receivables as on 31st March'24 stands at INR3,984 Crore as against INR5,887 Crore as on 31st March'23. This includes INR2,263 Crore as unbilled debtors as on 31st March'24 as against INR2,757 Crore as on 31st March'23.
 - The net receivables out of total reported Trade Receivables as on 31st March'24 are as under:- Reported trade receivables are INR3,984

Crore. This includes unbilled debtors INR2,263 Crore. If you subtract the unbilled debtors, then net billed receivables are INR1,721 Crore. This includes INR191 Crore, for which, we have already received the money through bill discounting, but due to accounting compulsion, it is being disclosed as outstanding debtors. Then INR712 Crore is on account of debtors for which we will be receiving money in instalments as per late surcharge rules notified by the Ministry of Power and we are receiving this INR712 Crore in the coming period in instalments. So, net amount due as on 31st March'24 is only INR818 Crore and more than 45 days dues are only INR277 Crore as on 31st March'24. So, position of outstanding debtors is very comfortable.

- Unbilled debtors, mainly include impact of Effective Tax Rate on Return on Equity of INR521 Crore, Unbilled Sales for the month of March to the tune of INR500 Crore, Energy Shortfall of INR425 Crore. Impact of AFC billed and recoverable as per new regulations 2019-24, including Security Expenses of INR415 Crore, Normative IDC claimed for Kishanganga Power Station of INR144 Crore and Water Usage Charges of INR104 Crore.
- Net Trade Receivables as on 16th May'24 stands at INR1,192 Crore, which includes more than 45 days dues of INR160 Crore only.
- On physical front, as we have been sharing that the active construction work at Subansiri Lower Project Site is going on in full swing. Recently, we achieved a major breakthrough in the completion of the project, with the successful installation of Spillway Radial Gates number 7, 8 and 9, along with sealing arrangement on 25th April'24. We are very hopeful that we can commission 3 units of the project by March'25 and rest of the units one-by-one by May'26. The estimated cost of the project is INR21,248 Crore, out of which we have already incurred INR20,834 Crore till March'24. The estimated levelized tariff based on the anticipated cost is INR5.60 per unit.

- In respect of Parbati-II Project, as we have already shared that we have achieved the daylighting of 31.5-kilometer long Head Race Tunnel of the project. We are trying our best to complete the project by December'24. The anticipated cost of the project is INR12,160 Crore out of which we have already spent INR11,127 Crore till March'24. The estimated levelized tariff based on the anticipated cost is INR6.59 per unit.
- In the respect of Dibang Multi-Purpose Project, 2,880 megawatt, contracts related to Design and Engineering, infrastructure work, construction of HRT and E&M works already have been awarded. We have achieved the crucial Dirki Nalla diversion, a significant stride towards ensuring all-weather road access to the project site. The estimated cost of the project is Rs. 31876 Crore which includes Grant of Rs. 6735 Crore for Flood Moderation and enabling infrastructure works out of which we have already incurred Rs. 2307 Crore till March'24. Further, estimated levelized tariff of the project is Rs. 4.46 per unit and the scheduled completion of the project is February'32.
- In respect of Lanco Teesta Hydro Power Limited's Teesta-VI Project, as we have shared that work was progressing well at site. However, due to flash flood in the region on 4th October,'23, the work was affected to some extent. Now, the work is progressing well. However, all assets and works for this project are insured under Construction All Risk Policy. The estimated cost of the project is INR5,748 Crore out of which we have already incurred expenditure of INR3,444 Crore till March'24. Estimated levelized tariff of the project is INR4.07 per unit and expected commissioning schedule of the project is December'27.

Further, we are in the process of merger of LTHPL with NHPC. Second motion application has been filed with MCA and the hearing of the same is on 30th May'24.

- Jalpower Corporation Limited's Rangit-IV Project is also progressing well. The estimated cost of the project is INR1,871 Crore out of which

we have already incurred expenditure of INR1,007 Crore till March'24. Further, we are in the process merger of this company also with NHPC. The project is expected to be completed by May'25.

- In respect of Ratle HE Project, UT of J&K, 850 megawatt, the work is going well at the project site. The estimated cost of the project is INR5,282 Crore and we have incurred expenditure of INR672 Crore till March'24. Estimated levelized tariff for the project is INR3.92 per unit and the project is expected to be completed by December'26.
- Presently, NHPC through its subsidiary CVPPL is executing three projects in Chenab Basin of UT of J&K:-
 - Construction work at Pakal Dul HE Project of 1,000 megawatt is progressing well. The estimated cost of the project is INR8,112 Crore out of which we have incurred expenditure of INR4,187 Crore till March'24. The estimated levelized tariff of the project is INR4.28 per unit and the project is expected to be completed by September'26.
 - In respect of Kiru HE Project, we have incurred expenditure of INR1,730 Crore till March'24 out of estimated cost of INR4,288 Crore. Estimated levelized tariff of the project is INR4.64 per unit and estimated completion of the project is September'26.
 - In respect of Kwar Hydroelectric Project, 540 megawatt, the work is progressing at site. The estimated cost of the project is INR4,526 Crore out of which we have incurred expenditure of INR631 Crore till March'24. Estimated levelized tariff of the project is INR4.44 per unit and the project will be completed by December'27.
- Apart from above under-construction projects, NHPC is also working on some projects such as Teesta-IV, 510-megawatt; Sawalkot, 1,856 megawatt; Uri-I Stage-II, 240-megawatt; Dulhasti Stage-II, 260 megawatt; Kirthai-II, 930-megawatt; and Dugar Project, 500 megawatt, which are at the different stages of clearances.

- In respect of our hydroelectric projects in Nepal, DPR preparation is under progress for 750-megawatt West Seti Project and the Inception Report submitted by NHPC has been accepted by Investment Board of Nepal in respect of 450-megawatt Seti River-6 Hydroelectric Project. Further, Review Report of DPR has been submitted to Vidhyut Utpadan Company Limited, Nepal on 30th March'24 in the respect of Phukot Karnali Hydroelectric Project, 480-megawatt in Nepal.
- PPAs for all under construction projects of NHPC including its subsidiaries have been signed or consent has been received from the discoms for the same.
- In respect of 1,000 megawatt capacity Solar Power Projects, the work is progressing well in respect of 300-megawatt project in Bikaner, Rajasthan and land acquisition is in progress in respect of 600-megawatt project in Gujarat and 100-megawatt project in Andhra Pradesh.
- NHPC has received Letter of Intent for setting up of 200-megawatt Grid Connected Solar Photovoltaic Power Projects located in GSEC's Renewable Energy Park (Stage-III) at Khavda, Gujarat at the rate of INR2.66 per unit through Tariff-based competitive bidding from Gujarat Urja Vikas Nigam Limited on 14th March'24.
- NHPC is also exploring to develop some of the solar projects in the states of Andhra Pradesh, Odisha, Jharkhand, Madhya Pradesh, Gujarat, Tripura, Punjab and Maharashtra with total indicative capacity of approx 20,000 megawatt. We have submitted PFR of Indirasagar-Omkareshwar, 525 megawatt; Tekwa-2, 800 megawatt; and Satpura-2, 1,500 megawatt pumped storage projects situated in the state of Madhya Pradesh. Further, PFR of Savitri Pumped Storage Project 1,800 megawatt and Kengadi PSP, 600 megawatt situated in Maharashtra have also been submitted. For other projects, as of now, the PFR is in progress.

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

Moderator: The first question is from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: Sir, my first question is on the Subansiri and Parbati-II. If I remember, earlier the schedule was March'24 for Parbati-II and June'24 for Subansiri. It looks like it has slipped, Parbati-II to December'24 and Subansiri complete plant commissioning in May '26. Is that number correct, sir?

RP Goyal: Yes, yes.

Mohit Kumar: Why there's so much delay at Subansiri, sir, I think you were looking to complete this project in FY'25, if I am not wrong?

RP Goyal: Our Director (Technical), Mr. Chaudhary will answer this question.

RK Chaudhary: Yes, you have correctly mentioned that earlier Subansiri commissioning and the Parbati commissioning was as you have mentioned. In Subansiri, during the last year in October, there was a subsidence in Diversion Tunnel 1, which triggered a hill slope slide on the left bank and that damaged a portion of the hill slope and also damaged the portion of the Diversion Tunnel 1. Diversion Tunnel 1, unfortunately, got connected with the river at the second point, apart from the diversion tunnel inlet. So, a lot of restoration works is necessitated and we started the works and we are on the job. Now, major portion of the restoration works are completed. Although hill slope restoration work is still going on. In Diversion Tunnel 1, there was a lot of seepage and it was even to the tune of 8 to 9 cumecs. Now it has come down to less than 1 cumec, and we have completed the blind portion of the plug in Diversion Tunnel 1. Now we are hopeful and we are going well. The balanced portion of Diversion Tunnel 1 plug shall be taken up after the current monsoon season. So, this is the

main reason of shifting the commissioning schedule of the Project Subansiri Lower.

So for Parbati is concerned, there was delay in excavation. But now the excavation of the Parbati-II is completed, day lighting was achieved and only concrete lining is left. We are presently going ahead with the concrete lining with the help of 4 steel gantries and we are going well and we are comfortable. We are confident that we will achieve the commissioning by December'24.

Mohit Kumar: When do you expect the first unit of Subansiri to be up and running?

RK Chaudhary: March'25 because the unit is ready. Unit 1, Unit 2 and Unit 3 is almost ready. Unit 3, just we are going to lower the stator and thereafter rotor. Unit 1 and 2 already boxed up. So, only this civil works and some portion of hydro mechanical works will be completed and we are hopeful that we are going to commission the first, second and third unit in March'25.

Mohit Kumar: Understood. My second question is, what is our capex target for FY'25? And is there any chance of starting the work on any pumped storage hydro projects?

RP Goyal: Our capex target for FY'25 is to the tune of INR11,761 Crore and this expenditure does not include any expenditure on pumped storage projects because it will take some time to complete the DPR of our first pump storage project i.e. Indra Sagar Omkareshwar pumped storage project. So, we have not kept any expenditure for pump storage facility in this financial year.

Mohit Kumar: Is it possible to give the breakup of this capex, sir?

RP Goyal: Certainly. We have kept INR456 Crore for the Parbati-II Project. Then, INR1,000 Crore for Subansiri Lower; INR950 Crore for Dibang. Then, we have kept around INR950 Crore for new upcoming projects, which include Sawalkot, Dugar, Dulhasti Stage-II, etc.

Then we have kept INR1,623 Crore for solar projects, which include 1000 CPEC Scheme projects and other projects which we have won in bidding process in Gujarat. So, INR1,623 Crore is planned for solar projects and total capex in NHPC stand-alone basis INR5,131 Crore.

Then we have planned INR3,371 Crore for our Chenab Valley projects, which consists 3 projects i.e. Pakal Dul, Kiru and Kwar. For Pakal Dul, we have kept INR1,750 Crore; Kiru, INR1,181 Crore; and Kwar, INR427 Crore. Then, we have kept INR550 Crore for our solar projects, which we are doing in our one of the subsidiaries i.e. BSUL. It consists 3-4 projects, which are at different stages.

Then we have kept INR1,198 Crore for our Lanco Teesta-VI Project in the state of Sikkim and for Rangit-IV, INR460 Crore. For Ratle, we have kept INR950 Crore. So, this is the breakup of INR11,761 Crore capex which we have planned for FY 2024-25.

Mohit Kumar: So one clarification as I'm talking about your joint venture projects, are you talking about the equity requirement or the total capex?

RP Goyal: So this is total capex. It includes loan also.

Moderator: Next question is from the line of Anuj Upadhyay from Investec India.

Anuj Upadhyay: So this question again belongs to Subansiri and Parbati. Because of the delay in the COD, that is the commissioning date, I believe there is a revision in the tariff rate on the upper direction. I'm aware that the PPA has been signed, but how will the beneficiaries are placed to take up this project at a revised tariff rate?

RP Goyal: First of all, PPAs are in place. In case of Subansiri, rate is slightly higher, i.e. around INR5.60 per unit. But we will do some reengineering to lower the tariff and to get the power sold and in respect of Parbati-II, the rate is INR6.59 per unit. So, we will do some reengineering to lower the tariff. We will accept lower operation maintenance charges for the first 5 years and we can plan for a longer

period of depreciation. So we will try to keep it within the range of INR6 and there will be no loss to the company. So far Subansiri is concerned, the latest tariff is coming at INR5.60 per unit and that is well within the saleable range and there will be no loss to the company on account of ROE or any other things.

Anuj Upadhyay: Okay. So this will be on a cost-plus basis, right, sir? There's nothing as such a fixed price...

RP Goyal: In case of Dulhasti, in the year of 2007, the tariff was INR5.50 per unit, and there was no issue. So, this tariff will also not be the issue in selling the power.

Anuj Upadhyay: Okay, sir. Secondly, on the capex, you mentioned the capex for FY'25 would be INR11,761 Crore on a consol basis. Is it right, sir?

RP Goyal: Correct.

Anuj Upadhyay: An approximate figure for FY '26 as well?

RP Goyal: For FY '26, our capex is in the range of INR13,317 Crore. So, again, it will be in the same range. There is a plan for INR13,000 Crore plus.

Anuj Upadhyay: Got it, sir. So roughly, it's like INR25,000 Crore is what we are planning over the next 2 years. And how...

RP Goyal: In the next 7 to 8 years, it is in the same range. We will be incurring capex in the range of INR13,000 to INR15,000 Crore every year.

Anuj Upadhyay: Okay, okay. And sir, how well our cash flows are placed to meet the equity capex requirement of this quantum? I just saying INR13,000 Crore is a roughly capex requirement that entails roughly INR3,000 Crore to INR3,500-odd Crore at an equity requirement, considering 70-30 kind of a debt equity investment. So how well our cash flows are placed? Could be helpful you can take us through that?

RP Goyal: We are very comfortable on account of cash flow because only 30% is to be arranged for equity. So keeping in view of our internal accruals,

there will be no issue of cash flow. We have to arrange maximum equity of around INR4,000 Crore annually.

Anuj Upadhyay: Okay. So INR4,000 Crore equity can be, I mean like internal cash flow can be easily made through the operation.

RP Goyal: Our current PAT is in the range of INR3,800 Crore and the depreciation is in the range of around INR1,200 Crore. So our internal cash accrual is in the range of INR5,000 Crore. So after deducting the outflow on account of dividend, around INR3,200 Crore is available for capex on account of equity. So going forward, our PAT will increase and our internal accrual will also increase for meeting out capex.

Moderator: Next question is from the line of Bhavesh Patel from Patel Investments.

Bhavesh Patel: My question is regarding the recent news of us signing of floating solar power-related technology player. When do we expect implementation of this and where initially, if you have any idea?

RK Chaudhary: Recently, we have signed MOU with a Norway company, Ocean Sun. So, both NHPC and Ocean Sun will identify the water bodies where we can go ahead with the floating solar. So as of now, first of all, the job is to identify the water bodies and business opportunities and jointly, Ocean Sun Norway and NHPC is going to develop the floating solar. Presently, we are executing the floating solar of 88 megawatt in Omkareshwar reservoir through NHDC.

Also, we are exploring in Rengali, Odisha, 300-megawatt floating solar. So last few months back, we went for the tendering. Unfortunately, there was only 1 tender. So again, we are going for the retendering.

Bhavesh Patel: Okay and you mentioned about 20,000 megawatt hydro storage power plants over the next 10 years? Is that a fair assessment?

- RP Goyal:** Yes. It is in the survey and investigation stage. So, firstly, we will take up those projects which are easy. And as per our plan, within 2 years, work will start on the ground in case of 3-4 projects with the capacity of around 5,000 to 6,000 megawatt in the pumped storage space and these projects will be commissioned by FY '30.
- Bhavesh Patel:** All right. And again, we will continue with our dividend distribution policy, which is the current one?
- RP Goyal:** We will continue to pay dividend as per our policy and which is as per DIPAM guidelines only.
- Moderator:** Next question is from the line of Prashant from Unived Corporate Research.
- Prashant:** Yes. Just wanted to reconfirm with the Subansiri hydroelectric project. When will, as you mentioned, the unit should be commissioned in March'25. So, all the units would be commissioned in 1 month or it will be staggered?
- RP Goyal:** Basically, 3 units of this project will be commissioned in the month of March'25 and balance 5 units will be commissioned one by one by May'26.
- Prashant:** May'26. Yes. My question is whether all the 3 units will be commissioned in March?
- RP Goyal:** Yes, because 3 units are going to be ready by March'25. Basically, some civil work and some hydromechanical work is pending. Otherwise, our 2 units are boxed up already and third unit is also going to be boxed up by October or November'24. So from electromechanical side, there is no issue in these 3 units. Only the balance civil work and HM works is to be completed. So, that's why I'm saying that 3 units will be commissioned at a time in the month of March'25.

Prashant: But is there a possibility that 1 or 2 units may be commissioned before March or, say, Jan, Feb or something.

RP Goyal: Because civil works and HM related works is to be completed and these balance works are expected to be completed by February or March'25. That's why there is no possibility of commissioning 1 or 2 units before that.

Prashant: And secondly, sir, regarding one of the project Bursar, the company has written off also an amount. Is there a possibility of revival from the government side of that project?

RK Chaudhary: For Bursar, we have prepared the DPR and in 2008, that project was declared as a national project by the Ministry of Water Resources and we completed the DPR and submitted the DPR to CEA, CWC and Ministry of Jal Shakti. So what is happening, if all the cost of the Bursar is going to be loaded for the power generation, then the rate of the power generation is coming quite high. So, the second aspect is storage. A portion in the cost is for the storage for irrigation purpose and unfortunately, for command area for the irrigation in Jammu & Kashmir and Himachal Pradesh, the government is not getting the required command area for irrigation. But still we feel that the country should go ahead with that because the storage project is very rare in our country, very scarce and wherever the storage project is available, we should develop it. So once the Government rethinks and the Government directs NHPC, then certainly, we would like to develop Bursar.

RP Goyal: Prashant, for your clarity, I want to say that this project will be viable only when the Government will provide grant for the storage component. Otherwise, tariff is coming very high. It is coming in the range of INR25 to INR30 per unit. So, in case Government wants to consider this project from a strategic point of view or any other point of view, only then it will happen. Otherwise, we have already provided the expenditure, which we had incurred in the past.

- Prashant:** One more question, sir, is on the Dibang project. When do you expect the work to start at the ground level in that project?
- RK Chaudhary:** In Dibang project, the work had already started on the ground. The construction of the roads, bridges, culverts in the package awarded to L&T already going on well on the ground and one more package for the construction of powerhouse and other adits, tunnels awarded to Patel and GR Infra, a joint venture and those works are also going on well on the ground. Recently, myself and the Chairman Sahab visited the project. Works are going well and we are getting ready to float the tender for construction of the main concrete dam.
- Prashant:** So I just wanted to ask you, is all the land acquisition for the project over?
- RP Goyal:** Total land acquisition has already been done, and we have ordered all the packages except civil works for Dam and 2 small packages of hydromechanical work, which will also happen in the next 3-4 months.
- Moderator:** Next follow-up question is from the line of Mohit Kumar from ICICI Securities.
- Mohit Kumar:** My question is on the EPC tender. Sir, are you looking to award EPC tender for Sawalkot and Dugar this year?
- RP Goyal:** Yes. We are in the process for awarding the work for Sawalkot subject to approval by the CCEA. So, we have already taken up the issue with the J&K Government as well as Ministry of Power for approval of this project. So far, Dugar is concerned, as you know, Government of Himachal Pradesh has withdrawn all the concessions which were agreed by them and for which, we are in the court. So it depends on outcome of the court case and follow-up of the Himachal Government to provide concessions. Otherwise, this project may not be viable.
- Mohit Kumar:** So is it right to say that we are looking to award both the projects in 1 single EPC package?

- RP Goyal:** Yes, we are in the process of tendering. Tenders have already been quoted for Dugar and for Sawalkot, we are preparing packages. So we will be doing the tendering work simultaneously. In case Government approval is received or the court verdict is in our favor, only then we will award but we are preparing simultaneously.
- Mohit Kumar:** Understood. My second question is on this, on the last year, I think we did a fair amount of tendering on behalf of discom for purchasing renewable power, right? So what is the progress on the PPAs for those tenders? And how much tenders are you looking to award in this fiscal?
- RP Goyal:** We have already signed PPA and PSA for 3,000 megawatt capacity in the REI mode and for 1,400 megawatt, the process is going on. So you can say that we will be able to sign PPA and PSA for 4,400 megawatt against the capacity, which was allocated by the MNRE to the tune of 10,000 megawatt.
- Mohit Kumar:** 10,000 megawatt you have conducted bids for 7,400 megawatt? Is that right?
- RP Goyal:** 4,400 megawatt.
- Moderator:** Next question is from the line of Rajesh Mangal Agrawal from Rajesh Mangal and Company.
- Rajesh Agrawal:** Yes. Sir, I'm a retail investor and many congratulations to you that retail investors have too much faith in NHPC right now. Say in last December quarter, number of retail investors was 10.32 lakhs and it is almost increased 3x. Right now, the retail investors in March'24 quarters is 33.35 lakhs. Sir, I am going to your website and I think, this March'24 presentation is missing there. Am I correct?
- RP Goyal:** Sorry, you are talking about number of shareholders.
- Rajesh Agrawal:** No, I am talking about Investor Presentation for March'24.

- Management:** Okay. So March'24 presentation will be uploaded after this con call. So most likely, you would be getting the presentation by end of the day.
- Rajesh Agrawal:** But sir, I think it will be better for future to present the investor presentation beforehand so that investor can go through it. And if at all, anything he want to discuss with you, then he can.
- RP Goyal:** Mr. Rajesh, we have noted your suggestion. It will be done in the future.
- Rajesh Agrawal:** Okay. Second question is, sir, what is the expected ROE, return on equity for financial year 2024-25?
- RP Goyal:** You're talking about company level?
- Rajesh Agrawal:** Yes, Consolidated level.
- RP Goyal:** At company level, it will be in the range of 10% to 11%.
- Rajesh Agrawal:** 10% to 11%. Yes. Okay and may I know, sir, what revenue, top line growth we will achieve during 2024-25 by way of the new commissioning of our plants, etc.?
- RP Goyal:** As we have discussed, there is no new capacity being added prior to March'25. So, there will not be any increase in the top line because capacity is the same. Only few megawatt of the solar can be added.
- Rajesh Agrawal:** Okay and last question is, sir, we have shown it in our company that the capital work in progress is around INR29,800 Crore. Okay. So can you throw some light on this INR29,800 Crore?
- RP Goyal:** There are 2 big projects in our case. One is Subansiri, 2,000 megawatt and capital work in progress is in the range of INR21,000 Crore plus. And again, Parbati-II, 800 megawatt, in which the expenditure incurred is in the range of INR11,000 Crore plus. So taking these 2 projects, total INR32,000 Crore is coming and balance is in the other projects like Dibang and other projects.

Rajesh Agrawal: Yes. No issue, sir. Sir sorry for the question again. So when we wish to commence this plant, all these big 2 plants?

RP Goyal: As we've told, Parbati-II will be commissioned in the month of December'24. And 3 units of Subansiri will be commissioned in March'25 and balance 5 units will be commissioned in phased manner by May '26.

Rajesh Agrawal: Okay. Okay. And last one, sir, I have missed in the con call about this floating solar power plant and 300 megawatt in Rengali and 88 megawatt in Omkareshwar. So when do you expect to commissioning this project and earning revenue from this?

RP Goyal: So far, 88 megawatt Omkareshwar project is concerned, it will be commissioned by October'24. But so far, 300 megawatt Rengali is there, it is in the re-tendering stage and in case everything goes well, we will be commissioning this project in FY 2026-27.

Rajesh Agrawal: FY 26-27. Sir, whom do you give this 88 Omkareshwar contract?

RP Goyal: We have given contract to Tata.

Rajesh Agrawal: Tata Power?

RP Goyal: Tata Power.

Moderator: Next question is from the line of Sourin Mehta, individual investor.

Sourin Mehta: Congratulations, sir. I'm very proud that you have given clarity about the Subansiri and Parbati Projects and I wish to know that as Met Department has predicted normal to excess rainfall. Will it affect our company in a positive way?

RP Goyal: Mr. Sourin, excess monsoon impacts us in a negative sense and lower monsoon also impacts in a negative sense in respect of our power stations, which are under operations. But moderate monsoon is always welcome. So in case excess monsoon comes, our construction projects gets affected.

Moderator: Ladies and gentlemen, due to time constraint, we will take the last question from the line of Bhavesh Patel from Patel Investments.

Bhavesh Patel: And my question was additional capacity coming up and you answered that in the earlier question. So once again, all the very best for the upcoming execution and continue on the great work the company doing, and we are really excited.

Moderator: I now hand the conference over to Mr. Rupesh Sankhe for closing comments.

Rupesh Sankhe: Thank you, Goyal sir, thank you for giving us an opportunity to host this call and thank the analysts for joining this call.

RP Goyal: Thank you.

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