



“NHPC Limited Q3 FY'26 Earnings Conference Call”

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MR. UTTAM LAL – DIRECTOR (PERSONNEL), NHPC LIMITED
MR. SANJAY KUMAR SINGH – DIRECTOR (PROJECTS), NHPC LIMITED
MR. SUPRAKASH ADHIKARI – DIRECTOR (TECHNICAL), NHPC LIMITED
MR. MAHESH KUMAR SHARMA – DIRECTOR (FINANCE), NHPC LIMITED

MODERATOR: **MR. RUPESH SANKHE - ELARA SECURITIES LIMITED**

Moderator: Ladies and gentlemen, Welcome to Q3 FY'26 NHPC Limited Earnings Conference Call hosted by Elara Securities 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 presentation concludes. Should you need assistance during this 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. Thank you and over to you, sir.

Rupesh Sankhe: Good afternoon, everyone. On behalf of Elara Securities, we welcome you all for the Q3 FY'26 Conference Call of NHPC.

I take this opportunity to welcome the Management of NHPC represented by Mr. Bhupender Gupta, Chairman and Managing Director; Mr. Uttam Lal, Director (Personnel); Mr. Sanjay Kumar Singh, Director (Projects); Mr. Suprakash Adhikari, Director (Technical) and Mr. Mahesh Kumar Sharma, Director (Finance).

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. Bhupender Gupta sir, for his opening remarks. Over to you, sir.

Bhupender Gupta: Thank you, Rupesh. Good afternoon, friends. NHPC Board has adopted Nine Months Financial Results for the period ended 31st December'25 in its meeting held on 4th February'26 and the same has already been communicated to the exchanges. By now, I hope that you all would have got chance to go through the quarterly and nine-monthly set of numbers.

Firstly, I will touch upon major highlights of the financial results and the detailed growth plan of the company. Further, detailed analysis of the results shall be shared by our Director (Finance), Shri Mahesh Kumar Sharma ji.

➤ Brief highlights are as follows:-

- During Nine Months FY'26, our Power Stations have achieved generation of 25,849 MUs as against 22,397 MUs generated in the corresponding period of the previous year, which is higher by about 15% and this is mainly due to commissioning of our Parbati-II Power Station (800 MW) and subsequent increase in generation of Parbati-III Power Station, which is due to the more

water availability from the Parbati-II and increase in power generation in some of the other Power Stations.

- Our Plant Availability Factor for the Nine Months FY'26 stands at 79.27% and it is 3% lower than the previous period, which is mainly due to shutdown at Dulhasti, Salal, Chamera-I and Chamera-III Power Stations during monsoon, which were beyond our control. That's why there has been a decrease, but we are hopeful that it will be recovered during the entire financial year.
 - During Nine Months FY'26, Company has earned Revenue of Rs. 8,800 Crore as against Rs. 8,033 Crore which is about 10% higher and Company has earned PAT of Rs. 2,306 Crore as against Rs. 2,153 Crore of the corresponding period, which is 7% higher.
- I am very pleased and proud to share that we have commissioned and declared the commercial operation of two units of Subansiri Lower Project (2000 MW) comprising of 8 units of 250 MW. Third Unit is expected to be commissioned within this week and we will commission fourth unit and declare the COD by the end of March'26. We are targeting to commission all the remaining four units by December'26. So, the project is almost in the final stages. We have already spent around Rs. 25,691 Crore against the revised cost of Rs. 27,949 Crore.
- NHPC has also fully commissioned 300 MW Karnisar Solar Project under CPSU Scheme in Bikaner and the project has become NHPC's largest operational Solar Project as of now. This shows our commitment towards the renewable energy expansion of the company, to have aligned with the vision of our Honorable Prime Minister, Shri Narendra Modi Ji.
- In respect of Dibang Multipurpose Project (2880 MW), we have already awarded all major contracts except one, which we will be awarding this month only. All the works are in full swing and we hope that whatever target we have fixed for 2032, we will do our best and make all the efforts to achieve that target. This is a very good project for us, because the levelized tariff of this project is Rs. 4.46 per unit and we intend to complete it as early as possible.
- Now, regarding Teesta-VI, which we took over from NCLT, is also going well. We have achieved 71% physical progress. The estimated cost of this project is Rs. 8,449 Crore and we have already incurred expenditure of around Rs. 5,000 Crore till December'25. We are also expediting this project though we are facing a very big

geological issue in our Head Race Tunnel and because of that, slightly slow progress is there. However, we are going very methodological and careful, because one small incident can delay the project for several months. But, we are very much sure that we will achieve the targeted commissioning of 2029 in this project also.

- The progress of Rangit-IV (120 MW) in the state of Sikkim is almost 95% as of now. We have completed all the electromechanical works and only HRT work is left. Here, we were facing a severe geological problem. So, we have tackled it and now, we have left with certain lining works, where some minimum timeline is required for that. We are hopeful that we will complete this project and commission all the three units by October or November'26 which will add 120 MW to our NHPC kitty.
- In respect of Ratle Hydroelectric Project (850 MW) in UT of J&K, the work is progressing well as we have completed the excavation of the dam pit, which is actually a major milestone for any hydro project and the most critical one also. We have started the concreting of dam in the presence of our Honorable Power Minister Shri Manohar Lal Khattar Ji. The overall physical progress of the project is 26% and we are targeting to complete it by November'28. Considering the current status of the project, we are fully confident that we will not miss this deadline.
- As you all know that we have a subsidiary, Chenab Valley Power Projects Limited, where we are constructing three projects in Chenab Basin in the UT of J&K:-
 - The first project is Pakal Dul Hydroelectric Project (1000 MW), whose overall physical progress is around 77%. We are targeting to commission all the units by December'26 and considering the current pace of the progress, we are confident that we will achieve this target.
 - Second one is Kiru HE Project (624 MW) whose overall progress is around 77%. This project has a very attractive tariff, at around Rs. 5.68 per unit. We are hopeful and very sure that we will complete this project by December'26.
 - Third one under this JV subsidiary company is Kwar HE Project (540 MW) in the Chenab Basin. Its physical progress is around 27% and the targeted date of completion for this project is March'28 and the way we are getting progress every month, we are sure that we will achieve this target. This project also has a very attractive tariff, at around Rs. 4.44 per unit and we are just targeting to complete this as scheduled.

- Apart from this, NHPC has 3-4 new projects, which we are going to start very soon, namely, Uri-I Stage-II Project (240 MW), Dulhasti Stage-II (260 MW), Sawalkot (1856 MW), Subansiri Upper (1605 MW), Etalin (3097 MW) which is currently the largest hydro power project of India and Kamala (1720 MW). These are at the different stages of clearances and approvals. I want to assure all of you that we are going to start these projects during 2026. Some of them will be commenced in the 1st quarter of FY'27 while others may begin in 2nd and 3rd quarter of FY'27. In total, we are planning to start 5-6 projects this year itself, comprising around 10,000 MW of capacity.
- Regarding 1,000 MW Solar Power Projects allocated to NHPC under the CPSU Scheme, we have already commissioned 300 MW, as shared earlier. The remaining 100 MW in Andhra Pradesh and 600 MW in Gujarat are expected to be commissioned by June'26 and December'26 respectively. Additionally, 200 MW Grid-Connected Solar Power Project at GSEC's Park in Khavda (Stage-III) is progressing well and we are expecting to complete it by March'26. So, I believe that during this calendar year alone, we will be commissioning more than 1000 MW of solar power, which will further add to NHPC's total capacity.
- NHPC is also exploring the possibility of Pumped Storage Plants (PSPs) in various states, including Andhra Pradesh, Odisha, Madhya Pradesh, Chhattisgarh, Gujarat, Punjab, Rajasthan and Maharashtra. The Detailed Project Reports (DPRs) are currently under process. Some of these Pumped Storage Plants seem very attractive and the DPRs are at different stages as of now. We are planning to start construction of at least two projects during this calendar year, which will add around 2000 MW or more, comprising 2-3 PSPs.
- So I think, these are the highlights and growth plan of NHPC which we are looking forward to. From what I see, that we have a very bright future, considering the emphasis on the clean and RE power. Our plan is to expand our solar power business also and for that, we are in discussion with various stakeholders. We are hopeful that we will be coming out with more solar projects in future, in addition to the hydro and the pump storage, which I just discussed about.

This is all from my side. Now, I request our Director (Finance) – Shri Mahesh Sharma ji, to give the brief idea about our financial results, which all the investors must have already gone through. Thank you everyone. Thank you so much.

Mahesh Kumar Sharma: Good afternoon, friends. I am going to share with you reasons for major variations in line items reported in the results for quarter and Nine Months ended 31st December'25.

- For Nine Months FY'26, Company has earned Revenue from Operations of Rs. 8,800 Crore as against Rs. 8,033 Crore in the corresponding previous period, which is about 10% higher i.e. by Rs. 767 Crore. The increase in revenue is mainly due to higher generation on account of commissioning of Parbati-II Power Station.

During Q3 FY'26, Company has earned Revenue from Operations of Rs. 2,221 Crore as against Rs. 2,287 Crore in the corresponding previous period, which is about 3% lower i.e. by Rs. 66 Crore. The decrease in revenue is mainly due to decrease in sales pertaining to previous years on account of Pay Anomaly and Interest on Arbitration accounted in previous corresponding quarter to the extent of Rs. 500 Crore approx.

- Other Income for Nine Months FY'26 is of the order of Rs. 766 Crore in comparison to Rs. 1,024 Crore during the corresponding previous period, which is about 25% lower i.e. by Rs. 258 Crore. This is mainly due to decrease in Realization of Business Interruption Loss against insurance claim by Rs. 352 Crore, mainly related to Teesta-V Power Station (Current period -Nil and Previous Period Rs. 352 Crore), decrease in Provision not required written back by Rs. 108 Crore, mainly related to Bursar Project. This decrease is offset by increase in Income from Insurance Claim by Rs. 251 Crore, mainly in respect of Teesta-V Power Station (Rs. 132 Crore) and Parbati-II Power Station (Rs. 121 Crore).

Other Income for Q3 FY'26 is of the order of Rs. 272 Crore in comparison to Rs. 330 Crore during the corresponding previous period, which is about 18% lower i.e. by Rs. 58 Crore. This is mainly due to decrease in Realization of Business Interruption Loss against insurance claim by Rs. 160 Crore, mainly related to Teesta-V Power Station. (Current period NIL and previous period Rs. 160 Crore), which is partly offset by increase in Income from Insurance Claim by Rs. 124 Crore, mainly in respect of Parbati-II Power Station.

- During Nine Months FY'26, the Employee Cost has come down from Rs. 1,402 Crore to Rs. 1,096 Crore, means by Rs. 306 Crore, which is mainly due to decrease in Employee Remuneration Pay Anomaly by Rs. 363 Crore, which is offset by increase due to increment, DA and other factors.

During Q3 FY'26, the Employee Cost has come down from Rs. 687 Crore to Rs. 346 Crore, means by Rs. 341 Crore, which is mainly due to the reasons I just mentioned.

- During Nine Months FY'26, there has been decrease in Finance Cost from Rs. 1,201 Crore to Rs. 849 Crore, means by Rs. 352 Crore, which is mainly due to decrease in Interest on Arbitration and Court cases by Rs. 894 Crore, which is offset by increase in Interest on bonds, term loans, etc. by Rs. 518 Crore, related to Parbati-II, Subansiri Lower and Karnisar Solar Power Station, charged to Profit and Loss Account since their commissioning.

During Q3 FY'26, there has been decrease in Finance Cost from Rs. 649 Crore to Rs. 310 Crore, means by Rs. 339 Crore, which is mainly due to decrease in Interest on Arbitration and Court cases by Rs. 557 Crore, which is offset by increase in Interest on bonds, term loans, etc. by Rs. 175 Crore, mainly related to Parbati-II, Subansri Lower and Karnisar Solar Power Station, charged to Profit and Loss Account since their commissioning.

- During Nine Months FY'26, the Depreciation and Amortization Expenses have gone up from Rs. 878 Crore to Rs. 1,334 Crore means by Rs. 456 Crore, which is mainly due to Depreciation and Amortization in respect of Power Station commissioned during FY'26.

During Q3 FY'26, the Depreciation and Amortization Expenses have gone up from Rs. 297 Crore to Rs. 457 Crore, means by Rs. 160 Crore, which is mainly due to Depreciation and Amortization in respect of power stations commissioned during FY'26.

- During Nine Months FY'26, Other Expenses have gone up from Rs. 1,499 Crore to Rs. 2,946 Crore, means by Rs. 1,447 Crore, which is mainly due to increase in General Network Access Charges by Rs. 781 Crore, increase in Insurance Expenses by Rs. 323 Crore, and increase in R&M Expenses by Rs. 71 Crore etc.

During Q3 FY'26, Other Expenses have gone up from Rs. 481 Crore to Rs. 1,537 Crore, means by Rs. 1,056 Crore, which is mainly due to increase in G&A charges by Rs. 781 Crore, increase in Insurance Expenses by Rs. 121 Crore and increase in R&M Expenses by Rs. 28 Crore.

- During Nine Months FY'26, Tax Expenses have gone up from Rs. 1108 Crore to Rs. 1496 Crore, means by Rs. 388 Crore, due to Deferred Tax Adjustments and recognition of MAT Credit.

During Q3 FY26, Tax Expenses have gone up from Rs. 104 Crore to Rs. 573 Crore, means by Rs. 469 Crore, due to Deferred Tax Adjustments and recognition of MAT Credit.

- During Nine Months FY'26, the Incentives positions are as under:-
 Secondary Energy for Nine Months FY'26 is Rs. 461 Crore as against corresponding previous period of Rs. 422 Crore. PAF based Incentive is Rs. 52 Crore during Nine Months FY'26 as against Rs. 52 Crore during corresponding previous period. So, PAF based Incentives are flat. Deviation charges are Rs. 34 Crore in Nine Months FY'26 as against Rs. 41 Crore in Nine Months FY'25. So, total Incentives amounting to Rs. 547 Crore as against Rs. 515 Crore in the corresponding previous period.
- During Q3 FY'26, the Incentives positions are as under:-
 Secondary Energy for Q3 FY'26 is Rs. 230 Crore as against Rs. 110 Crore in the corresponding previous period. PAF based Incentive is Rs. 39 Crore in Q3 FY'26 as against Rs. 35 Crore in Q3 FY'25. Deviation charges are Rs. 13 Crore in Q3 FY'26 as against Rs. 14 Crore in Q3 FY'25. So, total Incentives during Q3 FY'26 Rs. 282 Crore as against Rs. 159 Crore in the corresponding previous quarter.
- CAPEX during Nine Months FY'26 is Rs. 8,844 Crore as against Rs. 7,405 Crore in the corresponding period of previous year on consolidated basis.

This is all from my side. Now the forum is open for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ragini Pande from Elara Capital. Please go ahead.

Ragini Pandey: Thank you for taking my question. So, I just want to know your CAPEX guidance for FY'27 and FY'28 and if you can just repeat the CAPEX that you have incurred for FY'26?

Mahesh Kumar Sharma: CAPEX for Nine Months FY'26 is Rs. 8,844 Crore as against Rs. 7,405 Crore in the corresponding period of previous year on consolidated basis.

Saroj Kumar Roy: The CAPEX plan for the current fiscal year is Rs. 13,300 Crore and next year, we are planning to spend Rs. 15,000 Crore. Thereafter, on an average, our annual CAPEX will be in the range of Rs. 12,000 to 13,000 Crore.

- Ragini Pandey:** Thank you, sir. Now, while you told about the project pipeline for future years, can you just tell the total capacity addition which you intend to do for FY'27 and FY'28 bifurcated between hydro and renewable and for the current year as well? Just the total capacity addition number.
- Saroj Kumar Roy:** In the current year, we have already added 1350 MW till December'25. In February'26, we have added one more unit of Subansiri (250 MW) and two more units are also going to be added. So, by the end of March'26, we are going to add additional capacity of 2100 MW. Next year, our capacity addition will be 2744 MW from hydro.
- Ragini Pandey:** Okay and on the renewables?
- Saroj Kumar Roy:** Renewable as CMD sir has shared with you that currently our solar capacity under construction is 1,190 MW and most of the solar capacity, we are planning to add by end of next financial year.
- Ragini Pandey:** Yes, okay. Thank you. On the generation front, in Q3 FY'26, I can see that the generation is increased by 23%, but for Q3 on the revenue, I can see a decline of 3%. So, any reason for this deviation?
- Saroj Kumar Roy:** Yes, as DF sir has already shared with you while sharing the variance in the line item that during Q3 of the corresponding period, we had a one-off revenue to the extent of Rs. 500 Crore, on account of pay anomalies and interest on arbitration. So, if you exclude Rs. 500 Crore from the previous year, then you will find that our Revenue is higher than the corresponding period.
- Ragini Pandey:** Okay and sir, any under-recoveries you have currently?
- Saroj Kumar Roy:** No, not at all. We are going fine with normative ones.
- Ragini Pandey:** And on the secondary energy front, I can see that the secondary energy incentive has almost doubled. Can you just throw some light on the reasons for this?
- Saroj Kumar Roy:** Yes, this is due to better generation by our subsidiary, NHDC. The design energy of NHDC has already been achieved. So, whatever incremental generation we are getting, we are accounting as secondary energy. So, there is increase of Rs. 123 Crore in our quarterly total incentive.
- Ragini Pandey:** Lastly, on the pump storage projects front, I just wanted to know what is the project pipeline and when can we see the construction begin and when can we expect the first

commissioning to take place? Also, on the cost economics front, what kind of a CAPEX you foresee for these projects and what is the realization of the revenue potential for these projects?

Saroj Kumar Roy: I think CMD sir may like to answer this question.

Bhupender Gupta: Yes, Saroj. Ragini, I told earlier also, most of the PSP projects are under DPR stage as of now and as you rightly said, we need to have viable projects only. So, we are looking at viable projects. As per the preliminary analysis we have done based on the PFR, Omkareshwar PSP in Madhya Pradesh (640 MW) seems to be attractive one. Then there is Savitri PSP, Kalu PSP in Maharashtra and one project in Odisha also, which is Masinta (1,000 MW). So, total capacity of these projects comes out to be around 5500-6000 MW. Once the DPR is finalized, we need to get approval of the Central Electricity Authority also on both the fronts, technical feasibility as well as financial viability. So, we are planning to start at least two projects of around 2,000 MW out of these four during this calendar year and I am 100% sure whatever projects we will start, they will be very attractive one with generation cost of around Rs. 4.50/- per unit and total cost including pump, that will be around Rs. 7.00/- per unit. Considering the requirement of the storage which is mainly from two sources only, either battery energy storage or pump storage plants only. So, considering this addition of solar in the grid, we definitely require the storage power and I think whatever we generate, I am 100% sure that we will be very easily able to sell that with beneficiaries who have a solar power in their portfolio.

Ragini Pandey: Thank you, sir. I will get back in the queue.

Moderator: Thank you. The next question is from the line of Murtuza Arsiwalla from Kotak Securities. Please go ahead.

Murtuza Arsiwalla: Hi, sir. I just want to check we commissioned Parbati in this year and Subansiri a couple of units as well. Are we accounting for the revenues based on the revised cost? Or there is some under-accounting of revenues till we get a formal order for the revised cost approval? So, is there some under-recovery because of which we are not seeing the full benefits in the earnings? That is the first one. Second, during the quarter, there were certain transmission charges associated with Subansiri which are recoverable, which were accounted. We want to know if that is for the entire 2,000 MW or it's only for the units which have been commissioned and so you would have more such sort of transmission charges which should come.

- Saroj Kumar Roy:** Yes. Mr. Murtuza, coming back to your first question regarding revenue recognition in Parbati-II, we have already filed tariff petition based on the revised cost of Parbati-II, Rs. 13,600 Crore and based on that, whatever estimated tariff we have envisaged, we have been accounting 80% of that as revenue in our Q1, Q2 and Q3 accounts. Now, for example, till December'25 for 9 months, we have already accounted Rs. 900 Crore revenue from Parbati-II which is 80% of the estimated revenue. If you gross up it, you will arrive at Rs. 1,125 Crore. So, almost Rs. 225 Crore has not been considered as revenue and that will be accounted after the tariff notification by CERC. So, that is the accounting treatment we are giving to Parbati-II generation and revenue. Am I clear? Anything related to Parbati-II?
- Murtuza Arsiwalla:** Absolutely. So, should we just, if we want to annualize that Parbati, should it be like a Rs. 1,200 Crore number or given the seasonality in generation, that number would be sort of lower for the 4th Quarter?
- Saroj Kumar Roy:** Yes, absolutely. Now, we have already received the interim order for Parbati-II. So, we will continue to account 80% of the revenue till the final tariff notification by CERC in respect of Parbati-II and that accounting treatment would be even continued in Q4 also.
- Murtuza Arsiwalla:** Okay and has similar treatment in the case of Subansiri, could you give us what Subansiri would look like in 80 versus 100?
- Saroj Kumar Roy:** Yes, same treatment, same policy in case of Subansiri also. We will be filing tariff petition in respect of Subansiri, likely to be in the first week of March'26 and then 80% of the estimated revenue will be accounted till the final notification by CERC. So, we will be taking same policy in case of SLP also.
- Murtuza Arsiwalla:** So, would it be fair to say that because 20% is a fairly large amount set aside when one considers the equity contribution, that till you get the final order, while it's not a drag on earnings, it's not actually contributing to profit, because 20% of revenue is where the profit of Parbati and Subansiri would lie?
- Saroj Kumar Roy:** In that sense, you are absolutely right, because we will be taking 100% expenses and 80% of the revenue. So, our profit will not be reflected in true manner. But fact remains that, this is the practice, because being conservative in accounting, we never take 100% of the revenue, as CERC is the final authority. And once they notify the tariff for any project, then only we should consider 100% revenue for that.
- Murtuza Arsiwalla:** Sure. Any visibility we have when the final tariff order will be approved by CERC?

- Saroj Kumar Roy:** For Parbati-II, we are expecting within 5 to 6 months.
- Murtuza Arsiwalla:** Okay. And Subansiri?
- Saroj Kumar Roy:** For Subansiri, we are going to file tariff petition by first week of March. So, interim tariff will be expecting very soon, maybe within 2 months. And then final tariff petition based on the final commissioning of the Subansiri.
- Murtuza Arsiwalla:** Which will be when the last unit gets commissioned. Then you will file the final tariff petition and then depending on how much time the regulator takes, accordingly, you will get better recovery?
- Saroj Kumar Roy:** Absolutely.
- Murtuza Arsiwalla:** Okay. Any reason to believe, given that these projects are high tariff and substantially delayed, that the regulator may ask you to consider some concessions, that, okay, instead of 80% you account for 90% right now and we will reduce some amount of a back-ended revenue and profile in these projects?
- Saroj Kumar Roy:** Yes. So, 90% of the revenue is one way to consider it. As I told you that Parbati-II and Subansiri both have taken exceptional time in commissioning. 20-25 years kind of timeline has been there. So, we are just taking conservative view. Let CERC decide the final tariff and accordingly, that amount is going to our P&L sooner or later. So, it is just timing difference, Mr. Murtuzaji.
- Murtuza Arsiwalla:** Sure. And just on the second one, which is on that tariff charge raised into Subansiri, which is again a recoverable, just getting a sense that Rs. 800 Crore number is for the entire 2,000 MW or as more capacities get commissioned, you will recognize the remaining also?
- Saroj Kumar Roy:** Power Grid had commissioned its assets in March'23 and March'24. So, from that date, whatever Rs. 781 Crore has been calculated, that is up to December'25. Now, in incremental order, we are going to add our unit one by one. So, that amount would be decreasing as by March, we are going to add four units. So, ATC will be on balance four units. So, in decremental order, it would be coming. But Rs. 781 Crore is not the final figure. Some amount will come from ATC in next financial also, but not to that extent.
- Murtuza Arsiwalla:** Sure. Thank you so much for the clarity on these two issues. Thank you.

Saroj Kumar Roy: Our pleasure.

Moderator: Thank you. The next question is from the line of Prashant Kshirsagar from Unived Corporate Research Private Limited. Please go ahead.

Prashant Kshirsagar: I just wanted to ask about Subansiri Lower Hydroelectric Project. What is the levelized tariff finalized for?

Saroj Kumar Roy: So, considering Rs. 28,000 Crore of CAPEX, the levelized tariff is around Rs. 7.50/- per unit.

Prashant Kshirsagar: And will you be able to pass it on to the states or how, because they will be slightly reluctant to absorb. Or you will be getting some concessions from the Government in terms of period of the project?

Saroj Kumar Roy: Prashantji, you have been tracking NHPC for more than 15 years and we are in regular touch. So, you have seen what the reasons for the delay in Subansiri Lower were. All these delays were beyond the control of the management and CERC is very much clear in their regulation that any cost overrun beyond the control of the management shall be part of the capital cost for tariff determination. So, we are very much sure that whatever tariff and whatever cost we are going with to CERC, they will consider definitely. Our Director (Finance) also wants to add something in this regard.

Mahesh Kumar Sharma: Yes, as far as PPAs are concerned, all the PPAs are in place. So, we don't find any problem because once CERC determines the tariff, we will be getting all the tariff determined by CERC. So, we don't find any issue as of now as far as this tariff acceptance by the beneficiaries is concerned.

Prashant Kshirsagar: But sir, do you think CERC will go for Rs. 7.50/- or they will slightly give you some concessions?

Mahesh Kumar Sharma: Yes, I got your point. CERC goes as per CERC regulations and in the regulations, it is clearly defined that whenever any expenditure has been incurred, which is beyond the control of the company, in that case, it is allowed by the regulator. So, in this case, all the instances as Mr. Saroj has explained, are beyond the control of the company. So, in all probability, CERC is going to allow that. We are pretty much sure about it. The petition which we are going to file, we are going to put up these facts very strongly so that there are very less chances of any sort of disallowance of any expenditure from CERC side. We are confident about it and we will take up the tariff petition very strongly.

- Bhupender Gupta:** I think Mr. Saroj and Director (Finance) have already explained the things regarding the high tariff. We all know that the reasons which were beyond the control of the management as well as the company for which the project stalled almost for 9 years and that fact is known to all the stakeholders including CERC also. As per the PPA, all the beneficiaries are already honoring that. Considering the power for 25 years, Rs. 7.50/- is not a very high tariff. It is a peaking power as well as the clean power. We had discussions internally as well as with other stakeholders and we do not foresee any deduction from the CERC side on the cost which we have incurred or which we have projected in our petition.
- Prashant Kshirsagar:** Okay, sir. Second question is on the Dibang Hydroelectric Project. In the opening remarks, sir, you said that one tender is pending. So, it is regarding which contract because in the earlier conference call, they had said about the dam tender was pending. So, can you help us with that?
- Bhupender Gupta:** Dam tender is pending but just want to share a good news. Today only, we opened the price bid and we are going to award this contract within this month only. With this, all the contracts will stand awarded and I am hopeful that the way the project is progressing, we are not looking back. The dam package which you were talking about was there in the last call. The same is in this call also which I just told you but today only, we opened the bids and during this month, we will award that also.
- Prashant Kshirsagar:** So, this month you will be awarding that. Okay and just for the information, sir, how many players have bided for this dam?
- Bhupender Gupta:** Four bidders were there in this.
- Prashant Kshirsagar:** Four players, okay and the third question is about the Etalin Hydroelectric Project. You have been assigned the project from SJVN by the Power Ministry. So, just wanted to ask you whether this project will come in your balance sheet or it will remain in the SJVN's balance sheet, what is the understanding now?
- Bhupender Gupta:** No, now this will be in the balance sheet of NHPC only. Due to some reasons like the size of the project and also our presence in the Dibang Valley already as this is in the Dibang Basin only, Ministry of Power decided that we can handle this in a much better manner. That was the only reason. So, now this will remain in the balance sheet of NHPC only.
- Prashant Kshirsagar:** And regarding the expenditure made by SJVN, you will be reimbursing them or is it like?

- Bhupender Gupta:** No, we will be reimbursing them based on their balance sheet because that is also a Navratna PSU and so, we will be definitely reimbursing that amount whatever they have incurred and main expenditure on the plant is basically of the land procurement only. That is the main expenditure on this project as of now.
- Prashant Kshirsagar:** Okay. Sir, the other questions on the projects of Kamala and Upper Subansiri, the land acquisition has been done or is it in the process now?
- Bhupender Gupta:** For Kamala, we are in very advanced stages and the property survey and everything has already happened and now, only the award has to come from the district administration. But due to some Panchayat election, it got slightly delayed. But now, we are expecting this award anytime for Kamala, which we call Middle Subansiri also (1720MW). I just want to share with you that the PIB has already cleared this project. So, I hope that by the end of March, we will be having all the clearances including the land part also and we will be awarding the contract in April or May and start the construction accordingly.
- Prashant Kshirsagar:** And so, you expect it to start in FY'27 by any chance?
- Bhupender Gupta:** Yes. After April, it can be started anytime because we have already tendered out one package for Kamala and I told you that PIB is already cleared. Some of our Environment Clearance, Forest Clearances and the Land Acquisition are in the last stage of approval. So, I am expecting that we will get all the approvals and clearances by the end of March and from May or maximum June onwards depending upon tenders. Sometimes, tenders get delayed due to one or the other reason of the bidders. If it doesn't happen, then I think we may conclude the tendering process of at least one package by April itself. So, from May onwards, the construction may get start in the Kamala Project.
- Upper Subansiri, you just talked about, I think there may be a gap of around 4 to 5 months between the Middle Subansiri (Kamala) and Upper Subansiri. There also, we have property surveys going on and we are in advanced stage of Forest Clearance. We may get Environment Clearance also by April or May. So, there will be a gap of 4 to 5 months between Middle Subansiri and Upper Subansiri for construction start.
- Prashant Kshirsagar:** And for Etalin, when should one expect FY'27 or FY'28?
- Bhupender Gupta:** We will start the construction of Etalin from July or August.
- Prashant Kshirsagar:** From 2026?

- Bhupender Gupta:** Because everything is in place. Environment Clearance (EC) is in place, Forest Clearance (FC) is in place and almost 90% land acquisition has been done. Only 10% is remaining. Now, only 2-3 days back, Honorable CM along with the Cabinet had a meeting there in Etalin. Some small issues which we are just facing at site, those will be resolved very soon and I am expecting that we may start the construction of Etalin also by June or July.
- Prashant Kshirsagar:** Okay, sir. And last question is regarding the terrain. Sir, you had experienced terrain, geological issues and various issues in Lower Subansiri. So, in case of Upper Subansiri and Middle Subansiri, that's Kamala, you expect that sort of hindrance to the project or it will be smooth kind of thing?
- Bhupender Gupta:** No, terrain is definitely very good there and better than Lower Subansiri. So, we don't expect much of issue which we faced in Lower Subansiri because the geological conditions are much better in these projects including Etalin also.
- Prashant Kshirsagar:** Also in the Dibang Valley also, you feel the terrain is much better than?
- Bhupender Gupta:** Dibang is much better. Now, I just want to tell you, in the powerhouse, which is underground cavern basically, we are progressing very well and we are in very advanced stage of excavation, which is a major critical component of any hydro project. Also the diversion tunnel portion, there are six diversion tunnels and we are almost at the fag end of completing those diversion tunnels. So, it shows itself that the geology is much better. Now the dam package will also be awarded, so once we start that, then definitely we will come to the exact geology of the dam. But as per our investigation and geological surveys, the geology is very good in that area and we don't foresee any issue or any delays because of these accounts. You can understand that we can never avoid any surprise. But as per our investigation, we don't foresee much surprises in that area.
- Moderator:** Thank you. The next question is from the line of Rupesh Sankhe from Elara Capital. Please go ahead.
- Rupesh Sankhe:** Sir, do you have Adjusted PAT number for Q3?
- Saroj Kumar Roy:** Yes, Rupesh. So, while arriving at Adjusted PAT, you have to add just Rs. 116 Crore loss given by Parbati-II. So, whatever reported number of PAT of Q3 is there, you just add Rs. 116 Crore, you will arrive at Adjusted PAT because there is no any exceptional or one-off item in this quarter.

- Rupesh Sankhe:** Okay. The second question is, Sir, as a nodal agency, we have many projects on the solar side where PPA and PSA are yet to be signed. So, how is the progress there?
- Bhupender Gupta:** Regarding this REIA, I think you are talking about.
- Rupesh Sankhe:** Yes, absolutely.
- Bhupender Gupta:** So, in that case, you know that the demand has slightly dried down in the RE sector across the India in fact. All the REIAs are trying their best to do the PPAs. But recently we got a very good response for our 2-3 recently awarded renewable energy contract, which is mainly FDRE. And for wind also, we are getting a very good response. We got a mandate of 1,200 MW from Punjab. We got almost 15 bidders in that. As you know that we have almost bid out around 20,000 MW. And out of that, we have done the PPA only for 6,000 MW as of now. So, recently, all the RE developers have done 2 or 3 rounds of meetings with MNRE, Ministry of Power. One meeting was chaired by Honorable Power Minister as well as Honorable MNRE Minister and they have told their issues in that forum. Some of them are definitely resolvable and they were sure to come out positively how we expedite the PPAs or PSAs to be signed as early as possible. But ultimately, this has to be signed by the ultimate user or beneficiaries and those are the distribution companies. So, there is some mismatch of adequacy plan, as well as the demand, as well as the power which is available as of now. Majorly 2-3 hindrances are there for PPAs. One is the connectivity issue, because connectivity which are now available are coming in 2029-30. So, Discoms are slightly hesitant to sign the PPA when the power will be available after 2-3 years and there is a source of power. Discoms are now planning that they will not sign the PPA for like standalone solar. And they want that solar with the battery or some other alternative like solar plus wind plus battery, because they want now 24-hour round the clock (RTC) supply or they want assured peak. So, because of this now change in requirement, some of the PPAs are definitely getting stuck up. But I am still hopeful that in next 2 to 3 months, we may sign PPA of around 2,000 to 3,000 MW also.
- Rupesh Sankhe:** Yes. Thank you, sir.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for the day. And now, I would like to hand over the conference to the management for closing comments.
- Bhupender Gupta:** I think we really had a very good conversation with our friends and I really appreciate the queries which they have raised because whenever we had conversation, we learn a lot from our stakeholders, what are the short comings we have and how to fulfill those shortcomings. So, I really thank Elara Securities as well as all querists who have joined

through this call. I really thank all of you and I assure everyone that NHPC has a bright future in terms of completion of the project which are under construction, in terms of expansion, the new projects which are coming up, whether these are in hydro sector, whether these are in pump storage sector, whether these are in RE sector. We are trying to see how we can have some inorganic or organic growth, whatever possible. So, that also we are working upon and I assure everyone that our results of this entire 12 months will be very good and we will have a much better year this year. Thank you so much.

Moderator:

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