



## "NHPC Limited Q4 FY'26 Earnings Conference Call"

**May 18, 2026**



**MANAGEMENT:** **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 (INDIA)  
PRIVATE LIMITED**



**Moderator:** Ladies and Gentlemen, Good Day and Welcome to NHPC Limited Q4 FY'26 Earnings Conference Call hosted by Elara Securities (India) 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 (India) Private Limited. 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'26 Conference Call of NHPC.

I take this opportunity to welcome the management of NHPC, represented by 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.” I will now hand over the call to Mr. Sanjay Kumar Singh, Director (Projects) for his Opening Remarks. Over to you, sir.

**Sanjay Kumar Singh:** Good afternoon, friends.

NHPC Board has adopted Annual Financial Results for the period ended 31<sup>st</sup> March'26 in its meeting held on 15<sup>th</sup> May'26 and the same has already been communicated to the exchanges. By now, I hope you all would have got a chance to go through the quarterly and yearly set of numbers.

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

- Brief highlights of the consolidated financial results and important updates on the Company are as under:



- During FY'26, our power stations have achieved generation of 29,619 million units as against 25,548 million units generated in corresponding period of the previous year, which is higher by about 16% or 4,071 million units. This is mainly due to the commissioning of Parbati-II Power Station and a subsequent increase in generation of Parbati-III Power Station, commissioning of Karnisar Solar Power Station, part commissioning of Subansiri Lower Project, increase in generation of Uri-I Power Station and power stations of NHDC.
  - Our PAF for FY'26 stands at 74.75% against the corresponding previous period PAF of 78.87%, which is about 4% lower. This is mainly due to shut down for some period in Dulhasti, Chamera-III, TLDP-IV Power Station on account of MIV repair works, restoration of sill beam and repair of radial gates etc.
  - During FY'26, company has earned revenue from operations of Rs. 11,615 Crore as against Rs. 10,380 Crore in the corresponding previous period, which is about 12% higher.
  - During FY'26, company has earned PAT of Rs. 3,766 Crore as against Rs. 3,007 Crore of corresponding period, which is 25% higher.
- I am very pleased and proud to share that we have commissioned four units of Subansiri Lower Project (250 MW each) out of total eight units. Remaining four units are expected to be commissioned one-by-one till March'27. The anticipated cost of the project is Rs. 30,072 Crore and we have incurred Rs. 26,092 Crore till March'26.
- Investment approval for implementation of Uri-I Stage-II HE Project of 240 MW and Dulhasti Stage-II HE project of 260 MW in UT of J&K at an estimated cost of Rs. 2,709 Crore and Rs. 2,994 Crore respectively at completion level has been accorded by NHPC Board on 20<sup>th</sup> February'26. Further, an implementation agreement has been signed between NHPC Limited and J&K State Power



Development Corporation Limited on 27<sup>th</sup> March'26 for development of these projects. Civil Contracts for these projects have also been awarded in March'26 and scheduled completion of both the projects is November'29.

- Cabinet Committee on Economic Affairs has approved investment of Rs. 26,070 Crore for construction of Kamala HE Project of capacity 1,720 MW in Arunachal Pradesh on 8<sup>th</sup> April'26. The project will be implemented through a joint venture company between NHPC Limited and the Government of Arunachal Pradesh. The formation of subsidiary is in progress. Further, environment and forest clearances are also in process for the project.
- In respect of Dibang Multipurpose Project of 2,880 MW, all major contracts have been awarded including the dam package of Rs. 14,446 Crore which has recently been awarded in the month of April'26. We have already shared that we have achieved the crucial Nalla diversion, a significant stride towards ensuring all-weather road access to the project site and the work is going on in full-fledged manner. The estimated cost of the project is Rs. 31,876 Crore which includes grant of Rs. 6,716 Crore for flood moderation and enabling infrastructure works, out of which we have already incurred Rs. 4,504 Crore till March'26 and the scheduled completion of the project is February'32.
- In respect of Teesta-VI HE Project of 500 MW capacity, the work is progressing well at site. Overall, 72% physical progress of the project has been achieved. The estimated cost of the project is Rs. 9,167 Crore out of which we have already incurred expenditure of Rs. 5,231 Crore till March'26. The expected commissioning schedule of the project is September'29.
- Jal Power Corporation Limited's Rangit-IV HE Project of 120 MW is also progressing well. Overall, 96% physical progress of the project has been achieved. Boxing up of all three units has been completed. The project is expected to be commissioned by November'26. The estimated cost of the project is Rs. 1,889 Crore out of which we have already incurred expenditure of Rs. 1,792 Crore till



March'26. Further, we are in process of merger of JPCL with NHPC and second motion application has already been filed with Ministry of Corporate Affairs.

- In respect of Ratle HE project of 850 MW in UT of J&K, the work is progressing well at the project site. Overall, 29% physical progress of the project has been achieved. The estimated cost of the project is Rs. 5,282 Crore and we have incurred expenditure of Rs. 1,538 Crore till March'26. The project is expected to be commissioned by November'28.
- Presently, NHPC through its subsidiary, CVPPL is executing three projects in Chenab, that is in UT of J&K.
  - Construction of Pakal Dul HE Project of 1,000 MW is progressing well. Overall, 80% physical progress of the project has been achieved. The estimated cost of the project is Rs. 12,728 Crore out of which we have incurred expenditure of Rs. 9,141 Crore till March'26. The project is expected to be commissioned by the 4<sup>th</sup> quarter of FY'27.
  - In respect of Kiru HE Project of 624 MW, overall 82% physical progress of the project has been achieved. We have incurred expenditure of Rs. 3,637 Crore till March'26 out of the estimated cost of Rs. 5,409 Crore and estimated commissioning of the project is 4<sup>th</sup> quarter of FY'27.
  - In respect of Kwar HE Project of 540 MW, the work is progressing well at site. Overall, 33% physical progress of the project has been achieved. The estimated cost of the project is Rs. 4,526 Crore out of which we have incurred expenditure of Rs. 1,708 Crore till March'26 and the project is scheduled to be commissioned by March'28.
- The restoration work of Teesta-V Power Station is under progress and it is expected that the power station will start generation in June'26.

- Apart from the above under-construction projects, NHPC is also actively pursuing to start works of projects such as Sawalkot of 1,856 MW, Subansiri Upper of 1,605 MW and Etalin of 3,097 MW which are at different stages of clearances.
- In respect of 1,000 MW capacity solar power projects allotted under CPSU Scheme, Tranche-II, we have already commissioned 300 MW Project in Bikaner, Rajasthan. Further, 100 MW Project in Andhra Pradesh and 600 MW Project in Gujarat are expected to be commissioned by June'26 and December'26 respectively.
- Our other construction solar projects like 40 MW Solar Power Project in Ganjam, Odisha and 50 MW Floating Solar Project in Kerala are expected to be completed by October'26 and March'27 respectively.
- Further, two projects of 200 MW Grid Connected Solar Photovoltaic Power Projects located in Gujarat State Electricity Board Corporation Limited's, RE Park at Khavda, Gujarat (Stage-I & Stage-III) are expected to be commissioned by June'26 and December'26 respectively.
- NHPC is exploring to develop Pumped Storage Projects in the State of Maharashtra, Odisha, Madhya Pradesh, Gujarat, Chhattisgarh, Rajasthan and Andhra Pradesh. Currently, we have 18 GW PSPs which are at DPR/PFR stage. Further, we are expecting to start construction of Indira Sagar-Omkareshwar PSP of 640 MW in the current financial year.

This is all from my side. Now, I request Director (Finance), Shri Mahesh Sharma ji to discuss financial results in detail.

**Mahesh Kumar Sharma:** Thank you. Good afternoon, friends. I am going to share with you detailed quarterly and annual set of numbers with the detailed analysis.

NHPC Board has adopted annual financial results for the period-ended 31<sup>st</sup> March'26 in its meeting held on 15<sup>th</sup> May'26 and the same has already been communicated to exchanges.

Detailed highlights of the consolidated financial results and important updates on the company are as under:

- During FY'26, our power stations have achieved generation of 29,619 million units as against 25,548 million units generated in corresponding period of the previous year, which is higher by about 16% or 4,071 million units.

During 4<sup>th</sup> Quarter FY'26, our power stations have achieved generation of 3,770 million units as against 3,150 million units generated in corresponding period of the previous year which is higher by about 20% or 620 million units.

- Our PAF for FY'26 stands at 74.75% against the corresponding previous period PAF of 78.87% which is about 4% lower.

Our PAF for 4<sup>th</sup> Quarter FY'26 stands at 62.47% against the corresponding previous period PAF of 66.84% which is about 4% lower.

- For FY'26, Company has earned Revenue from Operation of Rs. 11,615 Crore as against Rs. 10,380 Crore in the corresponding previous period which is about 12% higher or by Rs. 1,235 Crore. The increase in revenue is mainly due to higher generation on account of commissioning of Parbati-II Power Station, part commissioning of Subansiri Lower Project and commissioning of Karnisar Solar Power Station.

During Q4 FY'26, company has earned Revenue from Operation of Rs. 2,816 Crore as against Rs. 2,347 Crore in the corresponding previous period which is about 20% higher or by Rs. 469 Crore. The increase in

revenue is mainly due to higher generation on account of newly commissioned power station.

- Other income for FY'26 is of the order of Rs. 1,071 Crore in comparison to Rs. 1,235 Crore during the corresponding previous period, which is about 13% lower or by Rs. 164 Crore. This is mainly due to decrease in realization of business interruption loss against insurance claim by Rs. 466 Crore mainly related to Teesta-V Power Station (current period – nil and previous period - Rs. 466 Crore). This decrease is offset by increase in income from insurance claim by Rs. 321 Crore mainly in respect of Teesta-V Power Station of Rs. 254 Crore and Parbati-II Power Station of Rs. 121 Crore.

Other income for Q4 FY'26 is of the order of Rs. 305 Crore in comparison to Rs. 211 Crore during the corresponding previous period, which is about 45% higher or Rs. 94 Crore. This is mainly due to increase in income from insurance claim by Rs. 69 Crore mainly related to Teesta-V Power Station and increase in dividend income by Rs. 32 Crore.

- During FY'26, the Generation Expenses have gone up from Rs. 799 Crore to Rs. 821 Crore i.e. by Rs. 22 Crore which is due to higher water cess on account of higher generation in power stations situated in J&K and Uttarakhand.

During Q4 FY'26, the Generation Expenses have gone up from Rs. 98 Crore to Rs. 103 Crore i.e. by Rs. 5 Crore which is due to higher water cess on account of higher generation in power stations situated in J&K and Uttarakhand.

- During FY'26, the Employee Benefits Expense has come down from Rs. 1,823 Crore to Rs. 1,498 Crore i.e. by Rs. 325 Crore which is mainly due to decrease in Employee Remuneration - Pay Anomaly by Rs. 383 Crore which is offset by increase due to increment, DA and other factors.

During Q4 FY'26, the Employee Benefits Expense has come down from Rs. 421 Crore to Rs. 402 Crore i.e. by Rs. 19 Crore showing marginal decrease.

- During FY'26, there has been increase in the Finance Costs from Rs. 1,189 Crore to Rs. 1,423 Crore i.e. by Rs. 234 Crore which is mainly due to increase in interest on bonds, term loans, etc. by Rs. 877 Crore related to Parbati-II, Subansiri Lower and Karnisar Solar Power Station charged to P&L since their commissioning which is offset by decrease in interest on arbitration and court cases by Rs. 677 Crore.

During Q4 FY'26, there has been increase in the Finance Costs from negative Rs. 12 Crore to Rs. 574 Crore i.e. by Rs. 586 Crore which is mainly due to increase in interest on bonds, term loans, etc. by Rs. 359 Crore mainly related to Parbati-II, Subansiri Lower and Karnisar Solar Power Station charged to profit & loss since their commissioning, increase in interest on arbitration and court cases by Rs. 110 Crore and interest to beneficiary by Rs. 108 Crore.

- During FY'26, the Depreciation, Amortization and Impairment Expenses have gone up from Rs. 1,193 Crore to Rs. 1,976 Crore i.e. by Rs. 783 Crore which is mainly due to depreciation and amortization in respect of power station commissioned during FY'25-26.

During Q4 FY'26, the Depreciation, Amortization and Impairment Expenses have gone up from Rs. 315 Crore to Rs. 642 Crore i.e. by Rs. 327 Crore which is mainly due to depreciation and amortization in respect of power station commissioned during FY'25-26.

- During FY'26, Other Expenses have gone up from Rs. 2,122 Crore to Rs. 4,060 Crore means by Rs. 1,938 Crore mainly due to increase in general network access charges by Rs. 822 Crore, increase in insurance expense

by Rs. 476 Crore , increase in losses out of insurance claims by Rs. 225 Crore, increase in provision by Rs. 168 Crore and increase in R&M expenses by Rs. 111 Crore etc.

During Q4 FY'26, Other Expenses have gone up from Rs. 623 Crore to Rs. 1,115 Crore i.e. by Rs. 492 Crore which is mainly due to the increase in provision by Rs. 173 Crore, increase in insurance expense by Rs. 154 Crore, increase in losses out of insurance claims by Rs. 66 Crore, increase in R&M expenses by Rs. 40 Crore etc.

- During FY'26, Tax Expenses have come down from Rs. 1,355 Crore to negative Rs. 327 Crore i.e. by Rs. 1,682 Crore due to deferred tax adjustment and recognition of MAT Credit.

During Q4 FY'26, Tax Expenses have come down from Rs. 247 Crore to negative Rs. 1,823 Crore i.e. by Rs. 2070 Crore due to deferred tax adjustment and recognition of MAT Credit.

- During FY'26, we have earned Profit After Tax of Rs. 3,766 Crore as against Rs. 3,007 Crore of corresponding previous period which is up by Rs. 759 Crore or 25% approx. and the reasons for decrease or increase is in the line items, we have just discussed.

During Q4 FY'26, we have earned Profit After Tax of Rs. 1,460 Crore as against Rs. 854 Crore of corresponding previous period, which is up by Rs. 606 Crore or 71% approx. and the reasons for increase in the line items, we have just discussed.

- During FY'26, the Incentives positions are as under:  
FY'26 - Secondary Energy was Rs. 570 Crore, PAF-based Incentive was Rs. 297 Crore, Deviation Charges was Rs. 46 Crore and total was Rs. 913 Crore. In the corresponding FY'25 - Secondary Energy was Rs. 545 Crore,

PAF-based Incentive was Rs. 269 Crore, Deviation Charges was Rs. 51 Crore and total was Rs. 865 Crore.

- During Q4 FY'26, the Incentives Position are as under:  
Q4 FY'26 - Secondary Energy was Rs. 109 Crore, PAF-based Incentives was Rs. 245 Crore, Deviation Charges was Rs. 12 Crore and total was Rs. 366 Crore. In corresponding Q4 FY'25, the position of Secondary Energy was Rs. 124 Crore , PAF-based Incentive was Rs. 217 Crore, Deviation Charges was Rs. 9 Crore and total was Rs. 350 Crore.
- CAPEX during FY'26 is Rs. 13,689 Crore as against Rs. 11,596 Crore in the corresponding period of previous year on consolidated basis.
- The Board of Directors has recommended the payment of final dividend @ 2.10% i.e. 21 paise per equity share in addition to interim dividend @ 14%, i.e. Rs. 1.40 per equity share, resulting in total dividend @ 16.10%, i.e. Rs. 1.61 per equity share on the face value of paid-up equity share of Rs. 10 each for the FY'25-26.

#### **Other Major Highlights of the Company:**

- On realization front, NHPC has received Rs. 10,499 Crore from the beneficiaries against sale of energy during FY'26 as compared to Rs. 9,943 Crore in the corresponding period of previous year.
- Trade receivables as on 31<sup>st</sup> March'26 stands at Rs. 2,630 Crore as against Rs. 2,573 Crore as on 31<sup>st</sup> March'25. This includes Rs. 1,887 Crore as unbilled debtors as on 31<sup>st</sup> March'26 as against Rs. 1,587 Crore as on 31<sup>st</sup> March'25.
- The net receivables out of total reported trade receivables as on 31<sup>st</sup> March'2026 are as under:

Reported Trade Receivables is Rs. 2,630 Crore, less unbilled debtors of Rs. 1,887 Crore, Billed Receivables is Rs. 743 Crore less Debtors dues converted into installments under Electricity (Late Payment Surcharge Rules) and other orders is Rs. 39 Crore, net amount due is Rs. 704 Crore. Dues more than 45 days is Rs. 242 Crore.

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

- Moderator:** We will now begin the question-and-answer session. The first question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.
- Mohit Kumar:** Good afternoon, sir and thanks for the opportunity. My first question, is it possible to share the Adjusted PAT for the quarter? And what was the profit in Subansiri and Parbati-II in Q4 and the fiscal?
- Saroj Kumar Roy:** Mohit, You have seen the Reported PAT. So, if you want to reach at the Adjusted PAT, as D(F) sir has shared with you that there was one-off tax adjustment in DTL, because we all know that we have opted for the lower tax regime of 25% under Sec. 115BAA as MAT Credit facility is going to be discontinued from FY'27 onwards. Therefore, whatever deferred tax liability we had created at higher rate, that needs to be restricted at 25%. So, their impact is around Rs. 1,156 Crore which we have already reported under note #8 of our financial results. So, net impact of this deferred tax liability adjustment comes to around Rs. 900 Crore. So, if you reduce Rs. 900 Crore from the Reported PAT, you will arrive at Adjusted PAT. That is the one adjustment you have to carry out in our Reported PAT vis-à-vis our Adjusted PAT.
- Mohit Kumar:** Understood. That was standalone and consolidated also, right?
- Saroj Kumar Roy:** Of course.

**Mohit Kumar:** What is the profit in Subansiri and Parbati-II in Q4 and fiscal? We understand that the PAF was lower in quarter for Subansiri and Parbati-II. What is the status of the petition of those two assets?

**Saroj Kumar Roy:** So far the profitability of Parbati-II and SLP is concerned, we have earned Rs. 104 Crore profit from Parbati-II in Q4 and Rs. 487 Crore profit from SLP in Q4. On yearly basis, Parbati-II has given a loss of Rs. 150 Crore whereas on yearly basis, SLP has given a total profit of Rs. 495 Crore.

**Mohit Kumar:** Why Parbati-III seems to have been shut for the last few months, is there any particular reason?

**Saroj Kumar Roy:** Yes, actually some maintenance was going on there and these units are already resumed.

**Mohit Kumar:** Okay, understood sir. Thank you and all the best. I will come back in the queue.

**Moderator:** We have next question from the line of Aniket Mittal from SBI Mutual Fund. Please go ahead.

**Aniket Mittal:** Thank you. Just a follow-up on the previous question actually. So, you said that Parbati reported a profit in the 4<sup>th</sup> Quarter versus a loss for the full year. What is leading to the profit improvement?

**Saroj Kumar Roy:** Yes, so basically at the end of the financial year, we compute the shortfall of energy which we are supposed to recover. So in Parbati-II, we have shortfall of energy to the extent of Rs. 200 Crore which has been booked under revenue. That is the reason Parbati-II has given the profit of Rs. 104 Crore in Q4.

**Aniket Mittal:** Okay. What is the percentage at which we are billing Parbati and Subansiri?

**Saroj Kumar Roy:** We have already started billing of Parbati-II based on the interim tariff notification of CERC. So 75% billing, we are already doing there.

**Aniket Mittal:** And in case of Subansiri?

**Saroj Kumar Roy:** For Subansiri, we are waiting for the interim tariff notification of CERC and we will be starting it once we get the interim tariff notification of Subansiri Lower.

**Aniket Mittal:** Okay, but currently till the time the interim order comes in, what is the billing looking like?

**Saroj Kumar Roy:** We have been booking our revenue based on the 80% of the total expected AFC in Subansiri Lower and Parbati-II, both. But billing, we can start only after getting interim tariff order from CERC.

**Aniket Mittal:** Understood. So now the billing for Parbati is 75 and just on the tariff adoption, I know the hearing for Parbati has been delayed. When do we see this tariff reduction come through for both Subansiri and Parbati?

**Mahesh Kumar Sharma:** Aniket, we have the next hearing date of Parbati-II on 25<sup>th</sup> of this month only. So, there we are expecting that orders will be reserved. Hopefully, on 25<sup>th</sup> May, this tariff petition hearing will be completed and the order will be reserved. We will be expecting the final orders by the end of this quarter.

**Aniket Mittal:** And Subansiri, we have done the tariff filing?

**Mahesh Kumar Sharma:** For Subansiri, we have already filed the tariff petition and we are expecting interim tariff order first, thereafter, there will be a hearing for provisional order. As in case of Parbati-II, first interim order was issued by CERC. After that, we have been able to bill at the rate of 75% of the filed tariff. Similarly, in case of Subansiri Lower, CERC will be issuing this interim order first and thereafter, we are expecting in another six months or so after this interim tariff is issued by CERC in respect of Subansiri Lower.

**Aniket Mittal:** Just to understand, so let us say if you were to bill at 75% of revenue, what is the under-recovery on profits that comes through, what is the expected profit?

**Mahesh Kumar Sharma:** The point is that, as Mr. Saroj has said, that we are booking the revenue at 80% of the tariff filed with the CERC as we are taking a conservative approach. We are booking at the rate of 80% of the revenue and 75% is just for the billing part. Once

this order is there and our expectation is not less than 80%, in case there is a higher interim order, in that case we will book the difference and along with interest, the total billing will be done at that point of time after the order is issued.

**Saroj Kumar Roy:** Aniket, just to reply to your question, so far we have booked Rs. 1,320 Crore of revenue in Parbati-II at 80% of the AFC. If you gross up this Rs. 1,320 Crore, you will arrive at somewhere Rs. 1,600-odd Crore. So, there is an under-recovery of Rs. 300 Crore if you look at the filed tariff petition of Parbati-II. So, Rs. 300 Crore kind of under-recovery in Parbati-II and similarly, if you calculate the total AFC of Subansiri Lower also, there also we have Rs. 150 Crore kind of under-recovery. So, altogether Parbati-II and Subansiri Lower, Rs. 450 Crore of revenue has not been booked in our book of accounts if you look at the tariff petition filed in respect of these two projects.

**Aniket Mittal:** Understood. Fairly clear. Just on Teesta-V, just to recollect, what has been the impact in this year? Just to clarify, in Teesta-V, there is no insurance coverage over here anymore. When do we expect that project to restart as well?

**Saroj Kumar Roy:** So, there is no revenue, only expenditure has been there in Teesta-V. So, there is nothing top-line contribution from Teesta-V, but going forward, we are very much sure that June onwards, we are going to have operation to get resumed in respect of Teesta-V. So, by end of June onwards, you can see some top-line activity in Teesta-V also.

**Aniket Mittal:** And the under-recovery full year would have been how much in Teesta-V?

**Saroj Kumar Roy:** In respect of Teesta-V, we have total AFC of around Rs. 500 Crore. So, if you exclude the tax element, it would be around Rs. 400 Crore.

**Aniket Mittal:** And just a clarification. This Rs. 150 Crore of under-recovery in Subansiri is for how many units?

**Saroj Kumar Roy:** Three units.

**Aniket Mittal:** I got that. I will come back for any further questions. Thank you.



- Moderator:** We have next question from the line of Murtaza from Kotak. Please go ahead.
- Murtaza:** Hi, sir. A lot of my questions were related to Parbati-II and Subansiri. But, just to understand this correctly, when you talk about Rs. 1,600 Crore revenue for Parbati-II, is it reasonable then to say that Rs. 150 Crore loss which you have for FY'26 would have been about Rs. 150 Crore profit. Is that the right way to think of it or is there anything out of it?
- Saroj Kumar Roy:** Exactly, you have explained very correctly.
- Murtaza:** Okay and just to understand on this 4<sup>th</sup> quarter where you talked about booking the additional revenue because of the shortfall in generation, but does that still come within? So, is it fair to say that in your reported financials for Parbati-II, for instance, you accounted Rs. 1,320 Crore of revenue or is it slightly more because of that additional Rs. 200 Crore that you talked about?
- Saroj Kumar Roy:** So, that includes Rs. 200 Crore as well.
- Murtaza:** Rs. 1,320 Crore includes Rs. 200 Crore as well?
- Saroj Kumar Roy:** Of course.
- Murtaza:** Okay. Thank you.
- Moderator:** We have next question from the line of Ragini Pandey from Elara Capital. Please go ahead.
- Ragini Pandey:** So, from which year we can see the commissioning of your PSP projects? And what will be the realization for this plant and the CAPEX for these projects?
- Saroj Kumar Roy:** Ragini, we have not started any construction of PSP projects. So, it is very early to say about realization and other thing because the fastest running project in the ambit of this PSP project is Omkareshwar-Indira Sagar (640 MW) Project. We are expecting to start construction activities there during the current fiscal. Once we get everything in place and we start construction activities, we will have better

clarity about the realization, the tariff and everything. So, give us some time to share more facts about this Omkareshwar-Indira Sagar Project.

**Ragini Pandey:** Yes and as a REIA, are you seeing any slowdown in your renewable tendering this year? And there was a backlog of around 40 GW in PPA signing. So, any improvement on that?

**Saroj Kumar Roy:** So, we have not done any tendering in recent past. Whatever tendering we had made, we have already awarded around 23 GW kind of capacity, out of which 13 GW kind of likely PPA and PSA signing we are hoping, out of which 7 GW approx. we have already signed. So, going forward, we will again have more clarity in months to come in respect of REIA projects also.

**Ragini Pandey:** Okay. And are you expecting any slowdown in generation given this is a El Nino year and there are expectation of weaker monsoon this year?

**Saroj Kumar Roy:** No. As you are aware, you have been tracking NHPC for years, most of our power stations are snow-fed. So, certainly good monsoon will be helping us for better generation but our generation currently also is going fairly well.

**Ragini Pandey:** I want to know the normative PAF of your plants?

**Saroj Kumar Roy:** Consolidated it is 82%, standalone it is 80%.

**Ragini Pandey:** Okay. This year the overall PAF was less than 80%, right?

**Saroj Kumar Roy:** There are two things. If you look at the actual PAF with Teesta-V, it is certainly lower, 75%. But if you exclude Teesta-V, it is 80%. So, Teesta-V has not contributed anything during the last fiscal as well as the corresponding fiscal. In both the fiscal, if you exclude Teesta-V, you will get 80% kind of PAF. But, if you include Teesta-V, certainly it is 75%.

**Ragini Pandey:** Yes, okay. Thank you.



**Moderator:** We have next question from the line of Riya Mehta from Equitas Investments. Please go ahead.

**Riya Mehta:** Thank you so much for giving me the opportunity. Sir, my first question is in terms of what will be our equity value for next year and if you could just help me for the next couple of years?

**Saroj Kumar Roy:** I think, you are talking about regulated equity?

**Riya Mehta:** Yes.

**Saroj Kumar Roy:** Current regulated equity, including Parbati-II, is Rs. 18,309 Crore. In next financial year, if you consider the capacity addition, we are having capacity addition of 1,250 MW of Subansiri, out of which 250 MW we have already commissioned. So, balance 1,000 MW would be coming from Subansiri, then we have 120 MW Rangit-IV, then 1,000 MW Pakal Dul, 624 MW Kiru. So, all these hydro assets, we are going to commission 2,994 MW in FY'27. Apart from that, we have 1,190 MW of solar assets also, which are going to be commissioned in the current fiscal. So, altogether, if you look at the hydro regulated equity by end of FY'27, it would be Rs. 30,672 Crore.

**Riya Mehta:** Okay. Got it. My second question is in terms of what kind of construction cost increase are we seeing? Do we have a methodology that we can pass on the cost or this will just increase the regulated income?

**Mahesh Kumar Sharma:** As far as this increase in construction cost is concerned, this being a cost plus, everything is allowed by CERC. Once it is beyond our control, things are all passed on. So, there is no such concern as far as this is concerned. We are having checks and balances regarding how the cost can be kept in check. Just because of certain reasons beyond our control, like geological surprises, sometimes there are design changes and other events happen in the project site, definitely, there are some increase. In any case, all those increases are taken care of as per the regulations. Whatever cost beyond our control, that is definitely allowed by the CERC. So, we do not have any issues on that front.

**Riya Mehta:** Okay. What is the reason for a negative regulated income for this quarter?

**Saroj Kumar Roy:** You are talking about regulated deferral account?

**Riya Mehta:** Yes, regulated income.

**Saroj Kumar Roy:** That is basically, as we have discussed, in our opening remark, there has been reversal of Rs. 1,156 Crore of DTL in the line item of deferred tax liability. So, similar kind of reversal we have to make under rate regulated asset also. That has been reflected under regulated deferral account. That impact is there basically. This we have disclosed in note #8 of our financial results. That is taking care of this concern.

**Riya Mehta:** Right. With the Subansiri all the three units functioning and Parbati also coming and Teesta-V, what is the kind of volume number which we would see for the next year, if you could help us?

**Saroj Kumar Roy:** So, as of now, four units have already been commissioned. The design energy of this project is 7,421 million units. Going forward, more four units are coming in a phased manner. If you look at the expected generation of Subansiri Lower, we are expecting somewhere 5,000 million units to 5,500 million units of generation from Subansiri Lower.

**Riya Mehta:** This is incremental for FY'27, right?

**Saroj Kumar Roy:** This is expected generation from Subansiri Lower, not incremental. We have seen generation of 506 million units in Subansiri Lower during the last fiscal.

**Riya Mehta:** Got it. Thank you so much. That is it.

**Moderator:** We have next question from the line of Akash Mehta from Canara HSBC Life. Please go ahead.

**Akash Mehta:** Hi, sir. Thanks for taking my question. Can you just help us again with the timeline in terms of the CERC tariffs that you have mentioned for Parbati and Subansiri

both? If everything goes well, from when can we see the recognition of revenue at 100% for both of them?

**Mahesh Kumar Sharma:** Akash, as I already explained, Parbati-II petition is in the final stage of hearing and we are expecting an order from CERC by 30<sup>th</sup> of June.

**Akash Mehta:** Once the order comes, after that you said that you will take around few months after which you can recognize it or immediately from the quarter?

**Mahesh Kumar Sharma:** No. As far as recognition is concerned, in case the order comes within a quarter, then we will definitely account for the differential revenue along with interest component also, because the interest is allowed from the date of COD. In that case, we will completely be billing, part billing will be over and we will be recognizing the revenue in this quarter itself if the order comes. As far as recognition is concerned, there is no deferral.

**Akash Mehta:** Sure. Similarly, for Subansiri, you said after five to six months we could expect?

**Mahesh Kumar Sharma:** For Subansiri, we have already filed the petition for our interim tariff. So, first, we are just waiting how much interim tariff CERC is going to allow us and thereafter, in subsequent hearings, like in case of Parbati-II, after interim we are expecting that within three to four months. But in case of Subansiri, as this is a very old project, so we expect that not more than six months CERC will take to issue the final order. In that case, we will be having a fair idea of where we are landing in terms of revenue. As of now, we are booking 80% of the revenue of the AFC as per tariff petition which we have filed.

**Akash Mehta:** This Subansiri, it will be for the entire capacity, right, that whatever?

**Mahesh Kumar Sharma:** For Subansiri, we have filed for three units which were commissioned and as the units adds on, we will be filing supplementary tariff petitions with CERC. We will keep on updating. CERC will be allowing us on projected basis also. But, once all the units are complete, the final petition will be filed at that point of time. But, in that case, CERC will be allowing us interim tariff for billing purpose also.

**Akash Mehta:** For the three units once the final order comes through, then you can start recognizing it for Subansiri, right?

**Mahesh Kumar Sharma:** Yes.

**Akash Mehta:** Okay. Just the second question, are there anything else in terms of the future projects other than, I mean, Pakal Dul or Kiru or any other project where you are seeing cost escalation where something similar could kind of happen?

**Saroj Kumar Roy:** Akash, cost escalation in hydro projects are very inherent. You cannot rule out. Even though if there is no time overrun, there will be cost overrun. Because when we award at a particular price level, that award cost is not freezed. That is basically at a particular price level. So, if you are going forward with that award for four, five, six years, we have to pay the price variation. So, cost overrun is very inherent in any hydropower project. Now if any time overrun is there, that can also lead to cost overrun. So, that varies project-to-project. It is not necessary that every project will have their time overrun. There are many projects which we have commissioned in past ahead of schedule also. So, it is not that every project will see its time overrun. It depends. And accordingly, based on the two broad factor as we have discussed - beyond the control of the management and within the control of the management, based on which CERC allows the cost overrun.

**Akash Mehta:** Sure. That is helpful. Any of the future projects are facing material changes in cost or it is not that much?

**Saroj Kumar Roy:** Not material because projects like Pakal Dul, Kiru, Kwar are doing pretty well and whatever timeline we have shared with you, we are going to commission these projects by that timeline. So, nothing extraordinary you will find there.

**Akash Mehta:** Okay, that is quite helpful. Thanks a lot.

**Moderator:** We have next question from the line of Mohit Kumar from ICICI Securities. Please go ahead.

**Mohit Kumar:** Thank you for the opportunity once again. My first question, what led to profit for Subansiri in the quarter, given that the PAF and generation is lower in the quarter, and also you are booking at lower tariff, right? Have you booked any shortfall in generation in Subansiri also?

**Saroj Kumar Roy:** No. Mohit, we need to understand that whatever AFC of any project we file, that is basically based on the capital cost of the project. If we are going to the CERC with the original cost of the project without any deduction and then whatever expected AFC is there from that particular project, 506 million units of generation we have from Subansiri in the last fiscal, so their income has been booked corresponding to the capital cost of these units which we have commissioned. If you are taking the entire capital cost of those units, for example, if we have commissioned three units of Subansiri, their corresponding capital cost is coming around Rs, 20,000-odd Crore. If you take tariff based on Rs. 20,000 Crore of capital cost and if you multiply the number of units generated, then certainly this is the top line, and apart from that, whatever actual expenditure has been there, after that you are going to have profit. If any cut is there in the top line and expenditure are coming 100%, then only you will look at some losses and everything. But if revenue and expenditure both are compatible to each other in line with the AFC component, why any loss would come?

**Mohit Kumar:** This is my question, because we are looking at a much lower tariff, that is the reason I am asking.

**Saroj Kumar Roy:** So, we have not taken any much lower tariff. The only thing we have done 80% of the AFC, and there if you gross it up, then Rs. 150 Crore of under-recovery we have seen in Subansiri Lower, which we have discussed.

**Mohit Kumar:** Understood. My second question, why shortfall in generation has been booked in Parbati-II? Are we going to argue for lower design energy for the power plant?

**Saroj Kumar Roy:** No, it is too early to argue for the lower design energy. Parbati has seen only one year and you have seen that some cloudburst issue and everything had incurred

there in Parbati-II just one year back, early monsoon. For challenging the design energy, you have to wait for at least three years.

**Mohit Kumar:** How can you book the shortfall in generation? Is it allowed in the regulation?

**Saroj Kumar Roy:** It is allowed.

**Mahesh Kumar Sharma:** Mohit, basically, shortfall in generation, regulation allows us. In case we are not able to achieve design energy and the reasons for non-achievement are beyond our control, in that case, CERC regulation allows us even to bill. So, in that case, we are having order of interim tariff of 75%. We are going to bill that too at the rate of 75% of the tariff filed. So, this is as per regulation what we are doing. There is no issue. We are going to bill and get it from the beneficiaries.

**Mohit Kumar:** Why is that TLDP-III and TLDP-IV has shown lower PAF in the quarter. Is there any particular reason? Are they impacted by something?

**Saroj Kumar Roy:** If you remember October'23 events where we got heavy damages in Teesta-V, these flash floods had impacted our TLDP-III and TLDP-IV projects also. A lot of silt issues are there, which we are trying to come out of. Last year also, we had carried out some process to remove the silt and all, but again it has accumulated. Those issues we are now basically facing and hopefully, we will be able to come out of these issues within three months I believe.

**Mohit Kumar:** Understood. Which are the power plants you are likely to tender in this fiscal, my question is Sawalkot, Kamala, Subansiri Upper, Etalin, all these four will get tendered out this fiscal or do you think two will be this fiscal and two next fiscal?

**Saroj Kumar Roy:** Yes, we are also thinking from the same line and hopefully, we will be able to do it.

**Sanjay Kumar Singh:** Actually, we have a target to bring five projects of hydro bring into construction stage during this financial year. Two have already been awarded, Uri-I Stage-II and Dulhasti Stage-II. Three more projects like Etalin, Sawalkot and Kamala are also likely to be brought into the construction stage during this financial year. One

more PSP also, we are targeting to bring into the construction stage which is Indira Sagar-Omkareshwar.

**Mohit Kumar:** Any update on Subansiri Upper, sir?

**Sanjay Kumar Singh:** Subansiri Upper, we may not be going this year. Next year, we may be going for that.

**Mohit Kumar:** Understood, sir. Thank you for answering.

**Moderator:** We have next question from the line of Murtaza from Kotak. Please go ahead.

**Murtaza:** Hi, sir. Just wanted to reconfirm, when you talked about Parbati-II doing a full year profit of Rs. 150 Crore is it not that very less against the regulated equity and project cost of Parbati-II like taking Rs. 150 Crore as the normalized profit? That is number one. Number two on Subansiri Lower, when you talked about that 80% revenue, given that you only part commissioned the capacity, you are well within the 80% and therefore you are booking the whole revenue for these early units, is that understanding correct?

**Saroj Kumar Roy:** Let me take your question first for Parbati-II. As we have shared that the revenue which we have recognized to Parbati-II is Rs. 1,320 Crore. The design energy of Parbati-II is 3,125 million units, whereas we have actually generated 1,642 million units in FY'26. If your generation is not there, you have not been able to book the entire expected revenue of Parbati-II. That is the reason you have not achieved the expected PAT level of Parbati-II.

**Murtaza:** It is only half the generation?

**Saroj Kumar Roy:** Yes. We have shared earlier also that in Parbati-II there was some cloudburst issue in June last year. So, that has basically stopped the expected generation of Parbati-II.

If I take your question for Subansiri Lower, we have shared that 80% of the revenue we have recognized i.e. around Rs. 613 Crore only. Total revenue against the 506

million units is Rs. 613 Crore only. That is 80% of the expected AFC. If you gross it up, you will find Rs. 150 Crore under-recovery in Subansiri Lower also.

**Murtaza:** Two things. One is the actual generation is still much lower than the design energy, therefore the revenue is low and then it is at 80% of that, so even lower. Fair enough.

**Saroj Kumar Roy:** Exactly.

**Moderator:** Ladies and gentlemen, due to time constraint, that was the last question. I now hand the conference over to Mr. Rupesh Sankhe for closing comments.

**Rupesh Sankhe:** We thank the NHPC management for giving us an opportunity to host this call and we also thank all the investors and the analysts for joining this call.

**Sanjay Kumar Singh:** On behalf of NHPC, I would like to convey my thanks. Thank you so much all the investors.

**Moderator:** Ladies and gentlemen, on behalf of Elara Securities (India) Private Limited, that concludes this conference. Thank you for joining us, and you may disconnect your lines.