

ladies and gentlemen good day and welcome to the Q1 FY24 earnings conference call of NHPC Limited hosted by ARA Securities Private Limited as a reminder all participant lines will be in the listenonly 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 touchstone phone please note that this conference is being recorded i now hand the conference over to Mr rupank from ARA Securities Private Limited thank you and over to you Mr sani yeah uh good morning everyone uh on behalf of securities we welcome you all for the Q1 FI24 conference call of NHPC so I take this opportunity to welcome the management of NHPC represented by Mr rk Vishno sir a chairman and managing director Mr rp sir director of finance so we'll begin the call with a brief overview by the management and followed by Q&A session I will now hand over the call to Mr arkisha for his opening remarks over to you sir thank you Rupes and uh good morning everybody who is connected to this conference it's really my pleasure uh to interact with you on this quarterly uh financial results Q1 of FI24 of NHBC uh in fact uh before we really discuss the detail let me broadly uh tell you that uh this particular quarter of FY24 we have sustained the performance which we have achieved in the past few quarters and that's the broader uh impression uh which can be drawn uh the details are really uh uh available i think uh all the uh participants must have gone through the numbers but broadly let me tell you the major highlights that uh as far as generation is concerned uh we have almost uh generated 5% lower than the last quarter corresponding quarter in the last FY23 and that was mainly because of low water availability in the rivers which is of course beyond the control of anybody it's a natural uh resource and uh uh the plant availability factor which is the real uh you know uh the measure of the performance of the plant there we have performed very well and we have remained above 90% uh in fact 94% uh this quarter also now that shows that uh machines availability were there had there been enough water in the river we would have generated almost the similar uh uh amount of energy what we generated last year but uh nevertheless I mean this next quarter uh particularly July onwards we have been generating quite a good amount of energy so Q2 would be much better than Q2 corresponding Q2 of last year as regards to the uh uh revenue uh let me tell you uh this revenue was approximately 3% higher than the corresponding quarter last year and that was mainly Because though the generation was less uh because we had certain uh areas because of the tariff tariff finalization of 14 to 2014 2019 period and we uh we received certain uh amount on account of that so the revenue was 3% higher than the corresponding quarter last year but we have maintained the pat is almost the same the level of the PAT is same this quarter also so broadly as I told you in the beginning that we have almost sustained the same performance as last quarter in the corresponding uh quarter in the last financial year so this was on the uh broadly on the numbers uh then there were other uh uh achievements on the physical trends also uh in this quarter where we are trying to you know uh focus mainly on two things one is that we have two major assets which we want to capitalize gradually and uh uh improve our balance sheet and that is there are two projects one is subsuri and the other one is parvati 2 and then second is this financial year we are focusing more on the capital expenditure so the last year capital expenditure was of the order of something like 7,700 crores this year we have kept a target of something like 25% to 30% more than that And this particular quarter what we are discussing today we have been able to achieve the target and uh subsequently also we are doing that so this is a big thing where we are focusing so this financial year we'll be uh achieving more cap more of capex uh that is by ensuring the constant uninterrupted execution of the activities at all the projects which are under construction so uh this is just a broader uh impression of what we uh uh achieved in this quarter um I think uh then uh of we I have with me in case he has to say anything then otherwise we can hand it over to the participants for for some questions or the queries uh good morning friends i'm going to share with you quarterly set of numbers with the detailed analysis the NFC board has adopted quarterly financial results for the period ended 30 June 23 in its meeting held on 11th August 23 and the same has already been communicated to exchanges brief highlights of the financial results and important updates on the company are asenders during first quarter FY24 our power stations have achieved generation of 7,787 million units as against 8,165 million units generated in corresponding period of the previous years which is about 5% lower this is mainly due to lower water availability in Kishana Roak and Zolinga power systems our PF for first quarter FY 24 stands at 94.13% against the corresponding previous period of PF of 98.57% which is about 4% lower this is mainly due to less EPF in Kishanga Lo and T for power stations for given FI24 company has earned revenue from operations of rupees 2,571 cr against rupees 2,491 cr in the corresponding previous period which is about 3% higher the increase in revenue is mainly due to increase in interest from

beneficiaries account of finalization of tariff for FY 2014-15 by rupees 70 cr other income for human FY 24 is of the order of 279 cr against rupees 216 cr during the corresponding previous period which is about 29% higher this is mainly due to increase in dividend income from HDC by rupees 28 cr and increase in insurance claim on account of business interruption cost by rupees 34 cr for sabar to power station during fuel effort FY 24 the generation expenses have gone up from rupees 270 cr to 518 cr net increase of 248 cr which is mainly due to applicability of water sales in state of Uttarakhand and Himachal Pradesh during Q1 FY24 the employee cost has come down from rupees 37 cr to 297 cr during Q1 FY24 there has been increase decrease in finance cost from rupees 137 cr to 115 cr net saving of 22 cr which is mainly due to change in average rate of interest by rupees 5 cr and decrease due to repayment of loans by rupees 17 cr during Q1 FY24 the depreciation and amortization expenses have come down from rupees 287 cr to rupees 276 cr which is mainly due to completion of 12 years of life of several assets during this year during Q1 FY24 other expenses have come down from rupees 57 cr to 370 cr this is managed due to impairment of investment of rupees 106 cr in respect of tech downstream hydro electric power corporation limited a subsidiary company during corresponding previous periods further CSR expenses also decreased by rupees 30 cr in current quarter during Q1 FY24 we have earned P of rupees 1,53 cr as against 150 cr of corresponding previous period which is marginally higher and the reasons for decrease increase in the line items we have just discussed within Q1 FY24 the incentive position is as under PF based incentive is zero in this quarter as against 171 cr in corresponding period of previous year deviation charges are 12 cr as against 72 cr in corresponding previous period the PF incentive for the quarter is nil due to change in methodology for recognizing incentive income the PF incentive shall be recognized once the capacity charges of a particular power system is fully recovered and thereafter we will recognize the PF incentive so the PF recovery of PF will be back ended now capex during Q1 FY24 is rupees 1,96 cr as 1,161 cr in the corresponding period of previous year on consolidated basis the annual general meeting of the company for FY 2023 is scheduled to be held on 31st August 23 other major highlights of the company on relation front NBC has received 1,647 cr from the beneficiary states against sale of energy during Q1 FY24 as against 1,357 cr in the corresponding period of previous year trade receivables as on 30 June 23 stands 6,736 cr as against 5,887 cr as on 31st March 23 this includes rupees 3,59 cr as unbilled as on 30 June 23 as against 2,757 cr as on 31st March 23 the net receivable out of total reported trade receivables as on 30th June are as below reported trade receivables are 6,736 cr this includes unbilled 3,59 cr so billed receivables are 3,147 out of that data score billed discounting for which we have already received the amount from B states but due to accounting compulsion we are unable to reduce the data the amount is 847 on this account that then data dues converted to installments under lease and other orders that is 1,483 so net amount of data due is 1,347 and out of that more than 45 days only 363 cr so our data position has improved a lot unbilled data mainly include impact of AFC billed versus AFC claimed as per revelations 2019-24 including security expenses rupees 1,584 cr unbilled day sale for the month of June 2023 of rupees 851 cr and energy shortfall of rupees 347 cr netles as on 9th August 23 that is current position of the data stands at rupees 1,728 cr only which includes more than 45 days dues of rupees 230 cr the major receivables out of billed receivables are as under Jharkhand 443 cr up 349 cr Punjab 233 cr Haryana 139 cr West Bengal 110 cr and others 454 cr so total billed data as on 9th August are 1,728 cr out of that more than 45 days are for GNK 156 cr up only 10 cr and other 64 cr so more than 45 days data are only 230 cr this is all from my side now the forum is open for question answer thank you thank you very much we will now begin the question and answer session anyone who wishes to ask questions may please press star N1 on their touchstone phone if you wish to remove yourself from the question queue you may press star and two participants are requested to use handsets while asking a question ladies and gentlemen we will wait for a moment while the question cue assembles

participants you may press star and one to ask questions at this time

we'll take the first question from the line of Muhitkumar from ICICI securities please go ahead good morning sir so first question is what is the status of Suri and Parvati 2 are we on the track because I saw the CA that Parvati 2 is sweeping to FY25 is that correct yeah in fact let me tell you first about Subanseri subanseri in fact physical progress is such that we are all set to now commission the project and we'll start restart the work immediately after the monsoon in the month of November and we'll try to complete everything including the

commissioning of the unit in the month of January uh uh and February so we propose to commission two units in FI24 there seems to be no uncertainty as such in Sansuri so this project is going to come in this FI24 as regards to Parvati 2 uh yes in fact we had planned to commission at least couple of units in this FY24 but because of the recent floods which you know that in Hajj um know there were torrential rains and because of which it was almost a disaster kind of a situation this project is the one which got impacted the most and uh uh which has in fact uh uh disturbed all the approaches access roads everything so there is certain kind of uh uh you know impact on the schedule and we are trying to minimize that but yes at the moment there is uh very uh there is uh very little uh possibility of commissioning the first unit in this financial year but we'll still try to reassess the situation next month as soon as the monsoon is over we'll try to do something but if it goes to FI 24 uh 25 it'll be early FI25 in the month of April only understood sir my second question is on the uh on the change in accounting especially for the PA based incentives is any reason for us to change the uh change the recation and make it more backended now uh no there is no change in the regulations it has been changed at our own only uh uh actually what uh was happening in first and second quarter we were recognizing PP incentive but in some uh some of the power but in last quarter or third quarter of the financial year uh there were situation that we had to reverse the uh PF incentive due to non achievement of the uh NAPF that's why we have recognized the system we will recognize the PF incentive in latest later transformation Sorry to sir so my last question is on do you see any the impact of the IGC code which expected to be uh expected to be you know uh expected to be uh uh to be to happen on 1st October 2023 uh would it impact our earnings by in any way on account of PA or or or DSM uh DSM has impact on our revenue or due to change of uh the

system my question is on the IGC code sir which is going to come which is going to come or applicable from 1st of October 2023 ibc code I don't think uh it's going to really impact the the the IGC it's really going to impact uh uh you know much on this but still I think we have to assess the situation uh I think at the moment we are not in a position to comment anything on this so uh we'll make a statement uh maybe after uh ascertaining what what exactly is going to happen sure sir understood sir thank you ambassador Thank you thank you a reminder to all the participants anyone who wishes to ask questions may please press star and one we'll take the next question from the line of Prashant Shir Sagar from Uni Corporate Research please go ahead uh good morning sir uh hello am I audible sir yes sir please proceed yeah uh yeah uh good morning sir just uh a query question on the Subanseri middle and Subansuri upper hydro projects which you have been allotted uh just wanted to reconcile the capacity of those projects in your uh press release you have stated that Subansuri upper is 2,000 megawatt capacity and Subansuri middle is 1,800 megawatt while in the annual report of yours on page 81 the capacity mentioned is subansuri middle is 1720 megawatt and subansuri upper is 1,500 megawatt can you help us with the reconciliation sir how is the figures how how are the how are the figures capacity if you to actually uh see these uh two projects have been recently taken over and we are in the process of getting the uh DPR also of these two projects so the capacities which were earlier uh marked for these two projects have been revised now and uh we we foresee that we can generate uh we can install a larger capacity at these two plants though it'll be uh clear once we update the DPRs at both the projects so at the moment what we see is that 2,000 megawatt is the upper subansi uh capacity potential and 1,800 uh is is the middle subsuri capacity potential so with these two figures we are going ahead at the moment yeah but uh in the annual report when you had mentioned 1,500 for sponsor uh what was the basis of the calculation or is it just the that you didn't have the data with you or how does it I think we need to check uh in what uh respect that has been mentioned uh but this is the fact what I just mentioned to you okay and uh second question is about subsuri both middle and this thing land acquisition has been done or is it uh because you have taken it over from the private players so had they done the land acquisition or they have just incurred the initial cost for it oh that is an activity uh at a later stage at the moment uh they have done some initial activities uh uh where some investigations have been done and uh uh some kind of uh pre DPR uh stage uh activities have been done so at that stage itself we have taken over these two projects so all other things we have to complete ourselves okay sir thanks a lot that was my question thank you thank you we'll take the next question from the line of Rohit Natrajan from Antic Stock Broking please go ahead thank you for Thank you for the opportunity uh so my question is more to do with the regulated equity uh we guided in the uh uh last quarter that the regulated equity will be 162 billion or 16,239 cr by the end of FI24 now that there are some slippages expected from Parbati how does that number look like both for FI24 and FI25

uh for the last quarter of FI24 there may be some addition into regulatory equity on account of subsub otherwise it will remain the at the present level okay you mean to say it will broadly remaining at 13,400 as such okay for last one or two months there may be some addition but you are reasonably sure that this number will be by the end of FI25 going to 220 uh 226 600 cr uh that number that is for sure okay my second question is to do with the the IPO or the stake sale of clean energy arm if you could just elaborate on that part uh there is no plan at present as such uh in case we add some capacity in the uh solar uh RN and that is transfer to our subsidiary 100% subsidiary company and if we require the resources then only we will go for IPO of that our subsidiary company otherwise there is no plan at the moment I think yes please and my final question is on the uh the pump hydro storage project if you could just elaborate how much is the MOU that you have tied up till date and which are the projects that are expected to go in construction at least in the near term what could be the uh timelines for it debang PTA is asking you are asking about Zang Pal storage farm dy stories in fact is the new business uh uh domain of NHPC where we are trying to enter in very very aggressively and uh uh we have recently signed uh one MOU for four for the implementation of four projects about 7,000 megawatt in state of Maharashtra also we have entered into an MOU with state of Gujarat also uh for development of PSPs uh and then government of Bodisa and government of Andhra Pradesh so there are four states where we are already uh you know moved ahead And uh this is going to be one big business uh opportunity for NHPC in the near future because we see uh pump storage plants as the the as the most emerging opportunity in the power sector and uh uh you know we tried to uh jump on it uh at an early stage so this is uh how we are doing now uh our all teams are there on the ground they have started working on this so uh pumped storage yes is going to uh be the main stay for for an HPC now in the near future sir I is this part but sir if you could give us some uh you know target as in the projects that you are looking for in the near term as in one or two projects that will be commissioned by FI27 or 28 i mean what are the timeline that you would want to see in these projects any pump storage plant uh once you start the construction activities on the ground is going to take not less than uh 4 to 5 years so that is after the start of construction activities activities but before that there are certain investigation uh matters there are certain clearances there are certain complexes so all that we have started uh doing and now that period is something like 1 to one and a half years so what we see now is the first comp storage commissioning maybe by uh uh uh the year 2029 or FY29 uh that is the first uh project which we can commission in Maharashtra that is the vision at the moment but not before that okay and what will be the costing like what could be the costing per megawatt uh is it fairly uh uh good to say that number will be close to uh 9 cr per megawatt or you know there are multiple figures that floating around what is your assumption at this point in time yeah in fact if you see there see there are different kinds of uh pound storage plant schemes there is one which is uh on the main river stream where you if you really make a project is going to cost you much more than what you are making of the stream so now we are focusing uh of the stream projects also which are uh costing us less uh if you ask me per megawatt cost uh if it is on the river stream it is uh around 8 to 9 crores per megawatt but if it is off the stream then it is uh 6 to 6 1/2 crores per megawatt now depending upon the type of scheme then depending upon the topography the comp the the the uh particular uh uh you know uh outcome of the investigations there of course this figure may vary 5 to 10% here and there but this is broadly the number sure sir thank you that's it from my side thank you we'll take the next question from the line of Anikit Mutar from SPI mutual fund please go ahead yes thank you a few questions firstly in your opening remarks you mentioned that you're planning for a 20 to 25% higher capex than FI23 if you could uh one provide what that amount is for FI24 and break that up across different plans i think this the total is 10,700 crores d 10,857 crores he'll give the direct finance will give the detail uh total capex as if we have learned is 10,857 cr include in including our subsidy and joint ventures and uh if you are interested in project wise numbers I can share the same the par 2 we have planned 49 595 cr so we have planned 787 cr dang 7 712 cr then uh sist one our project which is under insection 25 cr uh dugar 320 cr then uh s code 143 cr subansri upper 121 cr subansi middle 217 cr then uh solar as a whole uh 2517 cr then uh our uh pakalur in subsidiary company uh 1215 cr kiru 857 crav 220 cr then uh uh lenopista uh six project 1151 cr uh rangit 4 455 crat 454 uh their soul

yes and the uh the numbers that you've given for the subsidiaries and JVS those are your share of the capex or is it the entire cape this is entire capex the entire okay the next question was in your opening remarks you also mentioned that there are certain areas that you've received for this quarter um just

wanted to understand uh you know what has been the total amount for what purpose has it come and is there any portion in that that is uh that is sustainable in nature there is a small number only 80 cr which is on account of area itself including interest okay so this uh so this is like a one time item that's this is one time okay fair just from parvati actually wanted to understand you know what is the type of uh work that is remaining on the tunnel I mean has the tunnel been completed you know have we started with the lining work could store some light there yeah in fact uh see the main issue was uh there in the parvati was the excavation of the tunnel which was becoming too challenging and uh we were doing excavation by two different uh construction technologies one was through tunnel boarding machine the other was through drill and uh blasting meth Now uh while we were about to complete this excavation and this all uh disaster took place last month uh we are left with hardly anything now I think less than 100 m 65 65 65 m is the only portion which is left for uh excavation now and we have made preparations to start lining immediately uh uh and we have also planned you know to do this lining uh in an exped manner you know by deploying the most efficient construction technology so that is what we are trying to do here but uh this has been a setback i mean the the flux in July in March uh otherwise uh uh Parvati 2 everything is online machines are boxed up the uh tunnel is also excavated fully almost except the 65 m so we don't see any other uncertainty except that we get some time now to complete this excavation and start the lining okay what is the amount of lining work that's remaining

is 2,900 m so approximately 3 km you can say fair just one clarification so you mentioned that there could be some amount of regulatory equity addition to subansri as the two units commission uh just to understand how would the tariff over here get determined i mean would you take the entire capital cost and you divide that by four how does that process work uh in fact tariff will be fixed by uh dividing four in case we commission two units total capital expenditure uh will be divided by four and tariff will be fixed accordingly so in the initial period t will be high and uh in books expenditure will be more then what we we would be able to recover in tariff but that will be for some period only so you will essentially take the estimated project costs for subsurfree and then divide it by four if you're let's say commissioning two units each and count that as regulated equity yes for purpose actual expenditure will be divided by four and uh the T will fix accordingly okay thank you those are my questions thank you we'll take the next question from the line of Ria Ma from Ecuador's Investments please go ahead uh thank you for giving me the opportunity my first question is in regard with uh by when do we expect it to commission and what kind of cost overruns have we seen on this sorry I couldn't uh your voice was not clear can you say it again please uh for subri when do we expect it to get commissioned and what kinds of cost overance have we seen for parvati to as well as subantri yeah as I said in the beginning uh Subansuri lower now we are all set to commission the project is uh all because of this intervening monsoon season that we had to put everything on hold to commission the project now we will restart the activities in the month of October uh say middle of October and uh in another 3 months time we'll try to commission everything uh you know at least the first unit and uh the second unit subsequently so uh as I said uh as far as the lowest one city is concerned there is no uncertainty left now these two units will come in this financial year uh Parvati 2 I just mentioned uh we had a plan to commission two units in this financial year but uh there has been a setback because of some flats in Hima Pradesh so uh I think these two units will go in FY early FY25 and what kind of cost overruns have we seen because of uh this delay uh once as we are doing it on schedule hardly any cost overrun uh except that 3 4 months IDC would be there but uh uh regarding Parvati 2 yes there could be uh some additional costs which you'll be incurring on making you know damages good where which have happened because of the floods and some other uh uh expenditure like you know expeditiously completing the lining and then uh deploying some construction technologies which are normally non-conventional so uh uh because of that some cost increase could be there but it's not really substantial which is going to cost much on the or impact much on the tariff okay and in terms of comp hydro storage projects what kind of what is the business model and what kind of margins do we expect from these and when how long and when do we see their exhibition starting from yeah see uh power storage plants at the moment is an essential component of the grid of the country now uh this this particular uh asset can be used in many ways but as far as our margin is concerned of course it'll be a regulated margin and uh uh but how we are going to use it what model we'll be implementing uh for this there are several options like we can even combine this pump storage plant with the renewable energy assets where we can have uh you know the un uh intermittent power from the renewable energy uh day power which we can convert into round-the-clock power by using the

pump storage plants and then finally supplying it to the consumers like who need uh round-the-clock power like the railways and you know the other industries the other could be that uh uh the great stability where the transmission system particularly uh you know whether it's a state transmission system or the national transmission system because of some kind of overload or under uh load conditions if we have to either inject the power or absorb the power then these are the assets which can immediately come handy for this so there are ancillary services where we can monetize the uh you know these are ancillary services for uh pumped to storage plants but uh uh what I'm trying to say is it's much different from the uh normal hydropower projects where we generate electricity and we supply the electricity it's not only generation alone it's the conversion of electricity from one form to the other and that could be that could happen in many ways you know it could assist the transmission system it could assist the generators like the renewable power generators uh it could also assist the discoms you know where discoms are under stress so uh this is how you know uh these pump storage plants are very very useful but in what manner we are going to use it uh that will of course depend upon where this particular uh asset is situated and what could be the best use of that asset in that particular topography so there are several what kind of margins will we see in this kind of projects like per megawatt or something uh per megawatt cost as I said uh it would vary from anything between uh 6 and 1/2 crores to 8 and a 2 crores per megawatt that's the cost of development uh but uh as far as margins are concerned we will be at the rate of 16 and 12% as in case of hydropower In case of pump hydro project 16 and a half 16 and a half and uh these also include the escalation like we have in the normal project that will be on cost plus basis cost plus basis cost plus basis okay similar to project okay thank you thank you we'll take the next question from the line of Nici Abanker from ICIC securities please go ahead thank to say thanks for the opportunity uh so we have been handed to uh bid out renewable project this year so uh what is the expected bidding from our side this year and how much has been given and what what all things are in pipeline okay so in fact there are different modes uh we have already uh bid out capacity of something like 1,000 megawatt uh under CPSU scheme but at the moment recently we are without a 3 gawatt that is 3,000 megawatt capacity that is uh part of the total 10 gawatt capacity which we have to uh roll out this particular financial year so 3 gawatt we already done it and 7 gawatt will come gradually uh that is the mandate which has been given to NHPC and uh as soon as we finalize this capacity then immediately we'll roll out the the further uh uh tender for this so of the seven the entire tendering process is also yet to start 43 gawatt we already started tendering process and it has been floated and uh but one thing I want to clarify that there will be no capex from our side we will be just intermediary understood understood but uh we are confident of achieving 10 gawatt yes we are we confident and any update on Saval Court tender yeah Savalot is a is a project in the pipeline and uh there are certain uh last uh uh you know stage compliances and some kind of uh uh understanding with the state government which is almost now through we have we are ready with the tender document and uh very shortly we'll uh issue the NIT for for the civil works as well as uh the other packages for SAR code so you mentioned that the console capex is around 109 billion uh so what what will be the standalone number just hold on for 5,7,700

5,700

okay uh and so uh just the last question if I may add uh you mentioned that we might even look at monetizing ancillary services for pumped hydro storage so how will it actually happen so will it be on bilateral bilateral basis short-term medium long-term uh agreements or will it be through exchanges yeah uh see government has issued the guidelines now and there are certain more guidelines which are in the making at the moment where you know uh uh the the developer of pump storage plant would be free to enter into bilateral agreements with any of the industry directly or the end user also and uh he's also free to convert that power into uh either the peak power or not round the glove power and sell it through the exchanges so uh both the options options are available and uh this has been thrown open uh now and uh this has been left to the market so this is how it is going okay and so right now can you see is there any traction in the ancillary market to exchanges or even say bilateral market yes already we have started feeling the uh you know demand and uh as you know the uh compliances are getting stricter day by day you know these uh requirement of uh uh compliances on account of ancillary services are becoming uh more stringent and because of which the the importance and significance of this pump storage plant asset is is coming to form understood uh sir if you can reveal this uh so what can you quantify the bit that we are already quoting in ancillary

market no not I mean nothing of that sort has been yet done but uh see first we are focusing on starting the project and then we'll focus on which what model will enter into the market okay sir okay thank you and all the best thank you participants who wishes to ask questions may please dal an we'll take the next question from the line of Gopal Navandar from SBI live yeah yeah yeah thanks a lot uh sir uh I want to know the renewable uh projects which are uh you know getting commissioned in FI24 and uh 25 and 26 and the projects we target to uh bid for uh our capex uh for next 2 three years i think we have a detail uh can you read yes uh uh we uh at present we are working on uh one pulpy solar power project 65 megawatt in our sub 100% subsidiary that is BSL and then uh we are working in uh CPC scheme 1,000 megawatt out of that 300 megawatt is being constructed by Tata power in bikane that is sure for that we commission current financial year and rest of the capacity 700 megatt will be commissioned in FY 2425 and we are we have just uh received a letter for from Gujarat for 200 megawatt solar capacity uh for which we are uh in the process of forwarding EPC contract so this is the solar uh capacity which is likely to be come up in FI 23 24 and 2425 and one more uh 1888 megawatt uh floating solar project is being uh done by our uh subsidiary company that is NSDC that will also come up in current financial year and any any target we have in terms of uh the building for uh every year for next 2 three Actually we are keeping our return on equity at least 12 12% so uh in case we we are able to achieve this 12% are we only then we will take solar projects that's why we have not kept the a high target for solar capacity we are doing selective projects only okay sure uh if you can just highlight uh some of these uh these regulations which are uh going to come for uh next year how do you see uh uh impact of these regulations on NHPC do you see any uh more incentives being given to hydro or uh is there any uh expectations of uh uh return return being cut or something which you can just give some highlight please uh in nut we will be uh not loser on uh part on account of new regulations to come uh there there may be some benefit but uh uh we are waiting for the uh draft regulations as of now we have given our comments we we are we have demanded more return on equity but that is to be seen sure sir thanks a lot sir thank you we'll take the next question from the line of Ria Ma from Equitas Investments please go ahead uh thank you for the following stories hydro budget I think we have uh signed the MOU so any concrete plans so when these revenues would start flowing or what kind of opportunity are we seeing further on this because I think lot of watering is happening on the same so uh what will be the revenue potential from this yeah see uh as I said these are the first memorandum of understanding with the state governments where we have agreed to develop these part plans in in in in that particular state now uh left to NHBC now NHBC will start work on the ground and the first thing is of course the investigation what kind of project what kind of scheme and then how uh this scheme can be optimized on account of uh cost and timeline so all these things will be done and they'll be completed in maybe next one to one and a half year time uh once that is complete then uh we'll start the construction also but before that of course there'll be another uh u agreement with the state government uh where uh you know the the permissions for starting the construction and then finally fetching the power and then operating the plant in that particular state would be there so and then the mode of operation of this pump storage plants would also be decided there so uh at the moment uh we are at a very early stage but yes we have already set the ball okay so in terms of cost of borrowing what was your average rate our average rate is around 74.7 7.7 as of now as of now it is 747

7.7 uh and in terms of um so for the uh September since we see torrential rain in the month of July as well uh do we expect a little lower BLF or something like that

uh in fact uh there were uh couple of plants which are which remained shut down for for about a week or 10 days but then because of the more uh water availability we generated quite a good amount of energy in the month of July uh so as far as PLF is concerned PL is not going to go down but PF certainly it got impacted uh because of the you know what got impacted I cannot tell you paf the plant availability where the machines need to be available that got impacted because the plants remain shut down for about a week or 10 days okay oh thank you thank you we'll take the next question from the line of Prashant Shir Sagar from Uni Corporate Research please go ahead uh thanks for the follow-up question sir uh just wanted to clarify one thing that uh you'd be preparing fresh DPRs and techno commercial due diligence for subsur middle and upper now or is it that you'll rely on the earlier DPRs and uh done by uh professional consultant EY no see NHPC is uh is a very competent engineering organization so we'll first update the DPR and uh review the DPR are ourselves and we'll try to optimize uh not only the cost uh of this but rather uh the technical competence of the project

also so uh we will uh upgrade the EPR completely so for both the projects so of course there'll be guidance from the previous DBR but not completely not completely okay and you in the question and answer session you mentioned the capital expenditure to be done for subsuri middle and upper also so what kind of capex is this uh if you can help this is just you know uh the cost incurred on takeover of these two projects see because the earlier developers they have spent a lot of amount on uh development of these projects so there was a scheme of government of India that whatever amount is visible on the site or which is meaningful at the moment can be reimbured to them and the project can be taken over so it is that capex which has which we are proposing now

thank you sir as a participant has left the queue thank you ladies and gentlemen due to time constraint that would be the last question for today i would now like to hand the conference over to Mr rupesh San for closing remarks over to you yeah so we thank you Mr ak Vishnu sir for giving us an opportunity to host this call and we also thank all the investors and journalists for joining this call thank you very much sir thank you everybody thank you everybody participated in this conversation thank you thank you sir ladies and gentlemen on behalf of ARA Securities Private Limited that concludes this conference we thank you for joining us and you may now disconnect your lines thank you