



NTPC Limited Q4 / FY24 Earnings Conference Call
24 May 2024

Management: Mr. Jaikumar Srinivasan, Director (Finance)

Mr. Shivam Srivastava, Director (Fuel)

Mr. K. Shanmugha Sundaram, Director (Projects)

Mr. Ravindra Kumar, Director (Operations)



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Moderator: Ladies and gentlemen, good day and welcome to the NTPC Q4 FY24 Conference Call hosted by Nuvama Wealth Management.

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.

I now hand the conference over to Mr. Subhadip from Nuvama. Thank you and over to you, sir.

Subhadip: Thank you. Good evening, friends. On behalf of Nuvama Institutional Equities, welcoming you all to the fourth quarter FY24 Results Call of NTPC.

We have with us today, the top management of NTPC represented by Mr. Jaikumar Srinivasan, Director (Finance); Mr. Shivam Srivastava, Director (Fuel); Mr. K Shanmugha Sundaram, Director (Projects) and Mr. Ravindra Kumar, Director (Operations). I would now like to hand over the call to Mr. Srinivasan for his opening comments. Over to you, Sir.

Management: Thank you so much. A very good evening to all the participants. I, Jaikumar Srinivasan, Director (Finance), welcome you all to the Q4 FY24 Earnings conference call of NTPC Ltd. I have with me Shri Shivam Srivastava, Director (Fuel), Shri K. Shanmugha Sundaram, Director (Projects) and Shri Ravindra Kumar, Director (Operations). I also have with me other key members of the NTPC team.

Today, the Company has announced the audited financial results for the financial year 2023-24 along with the financial results for Q4 FY24. Keeping up with the expectations of our stakeholders, NTPC has yet again recorded multi-fold progress in its operational and financial performance. The key highlights of our performance in FY24 are as follows.



Operational Highlights of FY24

- During FY24, NTPC group has added 3924 MW of commercial capacity to its portfolio. As on 31 March 2024, the commercial capacity of NTPC stands at 59078 MW on standalone basis and 75958 MW for the Group as a whole.
- NTPC Group generated 422 Billion Units in FY24 as compared to 399 Billion Units in FY23, an increase by around 6%. The standalone gross generation in FY24 was 362 Billion Units which is an increase of ~5% over previous year gross generation of 344 Billion Units.
- During FY24, average PLF of NTPC coal stations was 77.25% as against the National Average of 69.49%, a spread of ~8%. For FY24, 4 coal stations of NTPC viz. Korba, Singrauli, Vindhyachal and Rihand were among the top 10 performing stations in the country in terms of PLF.
- During FY24, there has been an improvement in scheduling by the beneficiaries thereby reducing the backing down from 91.86 Billion Units in FY23 to 86.39 Billion Units.

Status of Fuel Supply

- Total coal supply during FY24 was 241.21 MMT including 9.57 MMT of imported coal as against 223.85 MMT in the previous year which included 14.56 MMT of imported coal.
- There has been an increase of ~48% in the NTPC's captive coal production from 23.20 MMT in FY23 to 34.39 MMT in FY24.

Now I will update on various other financial highlights:

- Total Income of NTPC for FY24 is ₹165,707 crore as against previous year Total Income of ₹167,724 crore, Profit After Tax (PAT) for FY24 is ₹18,079 crore, as against ₹17,197 crore in the previous year, registering an increase of 5%.



- Total Income of the group for FY24 is ₹1,81,166 crore as against previous year Total Income of ₹177,977 crore. PAT of the group for FY24 is ₹21,332 crore as against previous year PAT of ₹17,121 crore registering an increase of almost 25%.
- During FY24 our share of accounted profits in our Joint Ventures and subsidiaries is ₹5,533 crore as compared to ₹2,246 crore in the previous year. This steep increase indicates the better performance of our investments in these ventures, which have contributed to the company's overall financial performance.
- During FY24, we have received dividend income of ₹1,630 crore from our Subsidiaries and Joint Venture Companies as against ₹2,336 crore received during FY23.
- For FY24, the Board has recommended final dividend @ ₹3.25 per share, subject to the approval of shareholders in the ensuing Annual General Meeting. As you are aware, interim dividends for the FY24 totalling ₹4.50 per share has already been paid to the investors in the months of November 2023 and February 2024. Thus, total dividend for FY24 works out to ₹7.75 per share as compared to ₹7.25 per share in the previous year.
- Standalone Regulated equity as on 31.03.2024 was ₹87,713 crore as against ₹77,628 crore as on 31.03.2023, an increase of 13% while Consolidated Regulated equity as on 31.03.2024 was ₹104,331 crore as against ₹94,180 crore as on 31.03.2023 an increase of 11%.

Gross Property, Plant & Equipment (PPE) and Capital Work in Progress

- The Gross PPE of NTPC stood at ₹298,418 crore as on 31 March 2024 and on group level Gross PPE has increased by ₹35,260 crore to ₹373,696 crore.
- CWIP of NTPC stood at ₹47,154 crore as on 31 March 2024 as compared to ₹61,744 crore as on 31 March 2023. At the Group level CWIP stood at ₹87,593 crore as on 31 March 2024 compared to ₹89,133 crore as on 31 March 2023.



- Overall, this indicates a better effort in conversion of investments into completed assets.

Fund Mobilization

- A syndicated unsecured term loan of EURO equivalent to US\$750 million was executed under the automatic route of the Reserve Bank of India's External Commercial Borrowing (ECB) regulations. Proceeds of the loan shall be utilized towards capital expenditure for ongoing and/or new capacity addition programs including Flue Gas Desulphurisation (FGD) projects, renewable energy including hydro based projects, and refinancing of existing ECBs/Rupee loans availed for CAPEX in the past.
- Another unsecured term loan of JPY 15 billion under JBIC's GREEN initiative in India was executed under the automatic route of the RBI's ECB regulations. The loan proceeds shall be utilized by NTPC for funding its capex requirements for FGD projects.
- Rate of Interest on borrowings in FY24 was 6.67% as compared to 6.40% in FY23.

CAPEX

- In FY24, we have incurred a group CAPEX of ₹34,943 crore as compared to ₹35,204 crore in the previous year. Standalone capex in FY24 was ₹19,319 crore as compared to ₹24,597 crore in the previous year. Cumulative expenditure of ₹10,733 crore has been incurred on the development of coal mines till 31 March 2024.
- On a standalone basis, Capital outlay has been estimated at ₹22,700 crore for FY25.



Commercial

- Robust Payment Security Mechanism has proven highly effective in managing trade receivables and ensuring timely and reliable payments from customers, resulting in highest-ever realization of more than ₹1.56 lakh crore during FY24.
- Trade receivables (excluding unbilled revenue and bill discounting) as on 31 March 2024 are equivalent to 31 days of sales in comparison to 36 days of sales as on 31 March 2023.

Further, I would like to list a few other highlights:

- The NTPC group is deeply committed to advancing Renewable Energy initiatives. As of now, we have successfully commissioned 3.6 GW of Renewable Energy projects. Currently, an additional 8.4 GW of Renewable Energy projects are in various stages of construction. Moreover, we have 11.2 GW of Renewable Energy Projects under tendering process, further 6.6 GW Equivalent land with connectivity tenders are under process, and a substantial 4.8 GW Equivalent Land Bank is at our disposal already.
- As part of our overall energy security plans, we are actively considering awarding thermal capacity of 15.2 GW in near future. This is in addition to 9.6 GW thermal capacity already under construction for the group. Furthermore, to have greater fuel security we are enhancing our coal mining capacity as well and expect to reach annual production of 50 Million Tonnes in the next 3 years.
- "Going Higher on Generation, Lowering GHG Intensity," remains our motto for environment management & drives our efforts to comply with new environment norms.
- For ensuring a substantial reduction in SO_x emissions, 66.8 GW capacity of FGD projects have been undertaken, out of which 8.9 GW is already commissioned.



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- NTPC successfully conducted first-ever Biomass Pellet auction through a digital marketplace selected through a Startup India Grand Innovation Challenge for the consistent supply of biomass pellets for co-firing in power plants and resulted in a significant seller response.
- NTPC has achieved a new milestone by successfully and safely demonstrating co-firing of 20% torrefied biomass in Unit #4 Stage-I of NTPC Tanda Plant on 30 March 2024. The initiative is the first of its kind in the Indian power sector, which may go a long way in decarbonising the existing coal-fired fleet and achieving the Net Zero Emission targets.

Amongst the several MOUs signed by NTPC and its subsidiaries, a few are being highlighted

- NTPC Green Energy Limited (NGEL) has signed MOUs with Gujarat State Petroleum Corporation Ltd. (GSPC) and Gujarat Pipavav Port Ltd. (GPPL). The MOU with GSPC focuses on blending Green Hydrogen into its gas networks and establishing Green Hydrogen fuelling stations in Gujarat. The MOU with GPPL aims to develop a Green Hydrogen ecosystem, including producing Green Ammonia on GPPL land for export and domestic markets. Additionally, it seeks to explore Pipavav Port as a base for offshore wind farm operations in Gujarat.
- An MOU was signed with Numaligarh Refinery Limited (NRL) to explore opportunities in proposed bamboo-based biorefinery at NTPC Bongaigaon and other green projects. The collaboration seeks to expand presence in green chemicals and sustainable solutions to support the nation's NetZero targets.
- MOU on cooperation in the power sector between NTPC and Nepal Electricity Authority (NEA) was signed during the 7th India-Nepal Joint Commission Meeting. Under this MOU, both NTPC and NEA shall jointly work on the identification and finalisation of power Projects.



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- NGEL signed an MOU with the Government of Maharashtra to develop up to 1 million metric tonnes per year of green hydrogen and its derivatives (Green Ammonia, Green Methanol), 2 GW of Pump Hydro Projects, and up to 5 GW of renewable energy projects with or without storage. This MOU, part of Maharashtra's Green Investment Plan for the next five years, envisions a potential investment of approximately ₹80,000 crore.
- Green Valley Renewable Energy Limited (GVREL), a subsidiary of NTPC Green Energy Limited, signed Power Purchase Agreement with Damodar Valley Corporation for 310 MW Solar Projects (Floating + Ground Mounted). GVREL is developing 705 MW Floating SPV and 50 MW ground mounted SPV at reservoirs of DVC in the states of Jharkhand and West Bengal.
- NTPC and Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (RVUNL) signed an MOU to explore capacity expansion opportunities and collaborate for performance improvement in existing units at Chhabra. The MOU also aims to explore the possibilities of annuity-based R&M of other units of RVUNL.

Awards and Accolades

- NTPC Limited has been named a winner at the ATD BEST Awards 2024. This is the seventh time that NTPC has been declared as winner of this award that recognizes organizations that have achieved enterprise-wide success via talent development.
- NTPC Limited has been certified as a Top Employer in India by the Top Employers Institute. The certification showcases NTPC's dedication to its "People before PLF" approach, progressive HR policies and people practices.
- NTPC has been conferred with the prestigious "Sportstar Ace Award -2024" in the category "Best PSU for the promotion of Sports" for contributing significantly to Archery Sport in the Country.



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- NTPC has been conferred with “Excellence in Corporate Social Responsibility” award in the prestigious 18th CII-ITC Sustainability Awards 2023.
- With the trust our shareholders have placed in the Company, we now have the largest market capitalization among non-financial PSU companies.

These were some of the key highlights I wanted to share with all the participants in this earning conference call before we begin the question-and-answer session. Thank you all of you for patient listening.

Subhadip:

Thanks a lot Sir for the detailed comments. It is also my pleasure to inform everyone on the call that Mr. Jaikumar Srinivasan, Director (Finance), NTPC, has been conferred with the Best CFO Award under the Excellence in Corporate Governance for large enterprises by The Economic Times. The award was presented to him for his outstanding contribution in the field of corporate governance by exemplifying innovation and adopting best corporate governance. Many congratulations, Sir.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Mohit Kumar from ICICI Securities Limited. Please go ahead.

Mohit Kumar:

The first question is on the thermal power plant. I think you mentioned 15.2 GW which you were looking to award in near future. Can you give us a year wise plan for this capacity which you are looking to award, fiscal year wise?

Management:

The coal capacity planned for tendering during FY25 would be around 10,400 MW. So, this would follow in different quarters Q2, Q3, Q4. This includes Sipat 3 - 800 MW, Darlipalli 2 - 800 MW, Meja 2 - 2400 MW, Nabinagar 2 - 2400 MW and Telangana 2 - 2400 MW, Gadarwara 2 - 1600 MW, so that totals to 10,400 MW during FY25. During the FY26, it would be Anpara 1600 MW, Obra 1600 MW, so totaling 3200 MW and for the FY27, it would be Patratu which would be 1600 MW. So, this adds up to 15,200 MW and this does not include 1600 MW of Singrauli 3 already awarded to BHEL during Q3 of FY24



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and this would be implemented both by NTPC on a standalone and JV & subsidiary taken together, 53% would be standalone and 47% would be through JV and subsidiary.

Mohit Kumar: My second question is on the under recovery in the full fiscal on the standalone and consolidated basis and what is the outlook for the under recovery?

Management: Yes. For the whole year it was Rs. 776 crore and for Q4 it was Rs. 36 crore. Significantly, a major part of this is coming from 2 power plants, one is Barh, and one is Barauni. Barauni, which was very vintage plant has been decommissioned, so this problem will not remain and the problem with Barh has been significantly arrested. So, apart from these 2 units, the disincentive was close to Rs. 150 crore only and this has been significantly due to the requirement of high and low demand season regulation, which has now been discontinued. So, this compartmentalization of low demand and high demand season and which was pre-decided thing, whereas the actual realities were different, system demands were different while creating this, but through a policy advocacy, we have been able to discontinue that with persuasion and so these problems will not continue. So, we are hopeful that in the coming years, disincentive would be brought to the minimum level.

Mohit Kumar: My last question is, is it possible to give the revenues, EBITDA and profit for the NTPC renewables subsidiary for FY24?

Management: EBITDA of NGEL is Rs. 1,820 crore. The PAT for FY24 was Rs. 343 crore.

Moderator: Thank you. The next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore: My first question is related to the renewable pipeline projects. So, in auctions which were concluded in FY24, what was the NTPC's win across wind-solar, hybrid, FDRE basically all RE auction, that is the first question?

Management: So, that figure is more than 5 GW.

Sumit Kishore: Aggregate 5 GW?



Management: Yes.

Sumit Kishore: So, why in the past quarter only about 0.2 GW of renewable was commissioned, while on the third quarter conference call you expected about 1 GW could get commissioned in the fourth quarter. Just want to understand here what are the execution impediments and now what is the RE capacity likely to be commissioned in FY25, 26 and 27?

Management: So, there were primarily 2 reasons which led to this situation. One was the delay in the procurement of modules because we got a late clearance from the government to import the modules from the countries outside India. And the second was, there are some delays on the land acquisition front. So, both have been now largely addressed. The modules are already at our sites. We have been able to procure 1.5 GW and they have been already at site by March. So, this capacity should progressively come in the first half of this year, so the total capacity addition which we target for this year is about 3 GW, the next financial year, we will commission about 5 GW and subsequent to that 8 GW.

Sumit Kishore: Could you also provide an update regarding your medium-term plans for green hydrogen, pumped storage hydro and nuclear. So, we are looking at may be the next 5 to 10 years, what is NTPC thinking about the scale of investments and what quantifiable sort of targets have been outlined in your vision plan?

Management: We have got one PSP order from Tamil Nadu for Upper Bhavani 1000 MW. We are in the DPR stage and the construction will begin after 2 years (pre-construction) and take around 5 years (construction). Then we are expecting more PSP orders from Chhattisgarh, Himachal Pradesh, Karnataka, Gujarat, Maharashtra and Meghalaya. We are holding to our earlier target of 10 GW in PSP. Coming to nuclear, the joint venture with NPCIL, ASHVINI has moved up. It is expected to get the cabinet clearance, may be by next month end and where it is likely that Mahi Banswara project in Rajasthan shall be allotted to this joint venture wherein 4x700 MW capacity is there. So, this project is expected to achieve its FPC in the FY26 and expected to be commissioned by FY32.

Sumit Kishore: And on green hydrogen?



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- Management:** On green hydrogen, we are running various pilot projects as on date. We have a few projects on the mobility side and one of the projects is at Leh where we are planning to run 5 buses by the time frame of July 2024 and another e-mobility project is in Delhi, where also we are planning to run 5 buses by December 24. In addition to that, we have signed an agreement with Army for establishment of a microgrid based on green hydrogen and that project is already awarded and underway. We are also establishing a hydrogen hub at Pudimadaka and as far as the other pilot projects are concerned, we have tied up with Gujarat Pipavav for export of ammonia. So, as the offtake gets crystallized, I think the clarity will emerge on what is the quantum of this market.
- Sumit Kishore:** One book keeping question if I may, the dividends from subsidiaries and JV, if you can mention for FY24 and how has it grown and similarly what is the profit from subsidiaries and JV in FY24 and how has it grown year-on-year?
- Management:** For Subsidiaries, the profit has grown by around Rs. 2,430 crore, which was earlier Rs. 1,466 crore, current year it is Rs. 3,897 crore. The share of profit of JV has increased by Rs. 856 crore that is from Rs. 780 crore to Rs. 1,636 crore. So, as far as the dividend is concerned, the dividend from subsidiaries is Rs. 904 crore and for joint ventures, it is Rs. 726 crore which totals to Rs. 1,630 crore. Last year, it was Rs. 2,336 crore.
- Sumit Kishore:** Why has there been a reduction?
- Management:** Reduction in the sense that although there is a profit, there are some retained earnings in order to plough back in the various projects on the hydro/renewable side.
- Moderator:** Thank you. The next question is from the line of Subhadip from Nuvama. Please go ahead.
- Subhadip:** Just wanted to check, if you can help us with the adjusted PAT number for the fourth quarter and for full year FY24?



Management: As you know, the reported PAT for the Q4 is Rs. 5,556 crore, the adjusted PAT is Rs. 5,107 crore, which is a 6% raise over the previous year. As far as the full financial year is concerned, as against Rs. 16,032 crore during the last year, adjusted PAT would be Rs. 16,405 crore, increased by 2%. But there is one thing I would like to share just as a perspective that while we are trying to give you the figures of adjusted PAT, always while reporting the current year, there is certain disadvantage because we are effectively discounting or deducting the previous year sales. In a regulatory mechanism, always there is deferred realization due to the regulatory process. So, it has been our experience that every year on an average around Rs. 1,600 to Rs. 1,700 crore is the revenue that is received pertaining to past years, but the same standard the current year's revenue, which is rightfully due with the current year, we might be getting in a year later or couple of years later, so that has been the average. So, we should keep that in mind also, because only deducting this amount will not give a complete picture.

Subhadip: Sir, also just clarifying on a point that I think the regulated equity has gone up by 11% and 13% on the standalone and consolidated basis, so is there also a lead lag effect that is there because maybe some of the regulatory equity addition has happened in the middle of the year and hence you might see a higher growth coming into next year?

Management: Absolutely, so typically, if you see the regulated equity, we start reckoning once the plant achieves a COD, but, however, while the denominator has increased suddenly, the full year effect of the earnings will not be there. So, the complete effect of this capitalization and the incremental regulated equity benefit will be seen in the next year.

Subhadip: Lastly, with regard to the renewable portfolio, I understand that we had talked about 20 GW plus portfolio with PPA signed and around 50% of that being corporate PPA. Have those same numbers gone up over the last few months? Are we seeing higher PPA sign number or any color on that?

Management: More or less it is at the same. There will be some differential numbers, but broadly speaking it is the same. We have given you an account previously also that right now we have a 23 GW which is visible with 3.6 GW commissioned,



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8.4 GW under execution with PPA available, construction contracts awarded and roughly 11 GW is in pipeline where we have either won the bid or LOA has been received, PPA signed or the JVA signed, term sheet signed, or a consent is received. So, the break up if you want, I can give that LOA, PPA available is 4.08 GW. We have one LOA awaited for SECI tranche, around 0.2 GW. For JVA, term sheet signed or under advanced discussion stage it is 5.49 GW and consent received is close to 0.8 GW. So, that adds to 10.57 GW. So, under execution and in pipeline, adds up to around 22 GW, out of this, Solar constitutes around 16 GW and Wind constitutes around 6 GW.

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

Dhruv Muchhal: Sir, the government is seeking gas-based plants to run and giving an allowance of about 1.2 times the gas cost. I believe we have this Ratnagiri plant which I think is not under PPA, so do we stand to gain there and are there any other gas plants that will also probably benefit out of this scheme?

Management: Primarily, the RGPPL plant which you mentioned is under PPA. It is not out of PPA, PPA is there with predominantly Maharashtra and a small portion with Goa, Diu & Daman. So, that is point number one, but yes, as per the directives, it is being continuously being declared and depending on the schedule that we are receiving, we are generating.

Dhruv Muchhal: So, all plants have PPA, so from a merchant basis it does not benefit us?

Management: No, as far as RGPPL, we do have some plants in NTPC where it is at present which are 25 year plus plants where the customers have voluntarily relinquished it at some certain point of time, and these are the plants where we are selling it under various segments of the market or as per the system requirements of the grid operator and trying to optimize the revenue there.

Dhruv Muchhal: So, on standalone, how much capacity would be without PPA, I believe that would be largely gas. So, how much would be without PPA?



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- Management:** 908 MW as far as gas is concerned and a little portion of thermal was relinquished, but it has since been reallocated. So, right now you can treat it as 908 MW.
- Moderator:** Thank you. The next question is from the line of Girish from Morgan Stanley. Please go ahead.
- Girish:** I may have missed this. So, can you help us with the commissioning outlook for the coal based plants for the FY25 and FY26 and if you can help with the plant names?
- Management:** The COD expected during FY25 is 2178 MW on a standalone basis and for JV subsidiary, it is 4602 MW. So, on a group basis we are expecting 6780 MW for FY25. And this would be thermal 2780 MW, hydro would be 1000 MW and renewable 3000 MW, so that accounts for 6780 MW. For FY26, this would be 6460 MW, the break up being 1460 thermal and 5000 renewable and for FY27 we are expecting 9244 MW with the breakup of thermal 800 MW, hydro 444 MW and renewable 8000 MW. So, the next three years that aggregates to 22.5 GW.
- Girish:** Sir, just in terms of consolidated CAPEX, you mentioned standalone CAPEX of Rs.22,700 crore, can you articulate for FY26 standalone and consolidated CAPEX and for FY25 consolidated CAPEX?
- Management:** See going forward, we are expecting Rs. 35,000 to Rs. 50,000 crore per annum in the next 2-3 years and just to give you an idea for FY24, the standalone CAPEX was Rs.19,319 crore. At a group level it was around Rs.35,000 crore. So, the figure I mentioned Rs. 35,000 to Rs. 50,000 per annum was on a group level.
- Girish:** So, this includes all types of CAPEX around coal mining as well as renewable as well as FGD as well as everything?
- Management:** Entire gamut of our operations.
- Girish:** Just other point, Sir, other income, if you can help us with FY24, just like surcharge income and others?



Management: See, as far as surcharge is concerned for Q4, it was Rs. 118 crore and for the total year it is Rs. 303 crore as far as the surcharge is concerned that occupies a significant portion of the other income. But evidently, as we have shared with you in the past that with the more robust collection mechanism, security mechanism and surcharge is incidental, and if it goes down, it is a mark of a better collection efficiency.

Girish: Sir, just final one on subsidiary and joint venture profit, I know you have highlighted the delta, is it possible to just call out which are the key subsidiaries which are driving this delta and the joint ventures as well, like which are the key joint ventures which are leading to the increase?

Management: See, the significant upside as far as subsidiary is concerned would be BRBCL, which from Rs. 248 crore it has gone to Rs. 517 crore, RGPPL is another one where there is a significant variation and NTPC Green Energy Limited has doubled its profit and increased by Rs. 169 crore. NEEPCO again it has gone up from Rs. 396 crore to Rs. 548 crore. And these are the upside and there are marginal reduction in NVVN and THDC. All put together, it is upside by Rs. 2,430 crore as far as subsidiary is concerned. Coming to joint venture, all of our major joint ventures have done significantly well. HURL, Hindustan Urvarak & Rasayan Limited, the profit is up by Rs. 411 crore, BIFPCL, the Bangladesh plant after achieving COD of both the units, the profit is up by Rs. 309 crore. Meja, the other joint venture with the UP is up by Rs. 131 crore. Aravali Power is up by Rs. 125 crore and EESL, the differential is Rs. 83 crore.

Girish: Sir, last question on monetization of renewable, can you comment on anything around timelines expected and how the process will be based on whatever you can share at this stage?

Management: See, as far as the monetization goes, we are going ahead with the IPO plans. This would be tentatively around October or November. That is the broad plan. So, post June, it will be, DRHP activities and other due diligence process would take shape.



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- Girish:** And sir, can you comment on whether this will be like exact split of the current entity or NTPC will be the holding company, can you call out on the structure as to how the IPO will pan out?
- Management:** No, NTPC would of course be the holding company, NGEL would remain a subsidiary of NTPC even post IPO.
- Girish:** So, what I meant was that will the existing shareholders exactly get the same proportion of shares in the new entity because there are two ways of doing it, right, so just wanted to check?
- Management:** It could be in the nature of a fresh issue.
- Moderator:** Thank you. The next question is from the line of Atul Tiwari from Citi. Please go ahead.
- Atul Tiwari:** Sir, could you just mention the standalone regulated equity again, I just missed that?
- Management:** Standalone the regulated equity is Rs. 87,713 crore which has grown up by nearly Rs. 10,000 crore. It was around Rs. 77,628 crore last year.
- Moderator:** Thank you. The next question is from the line of Nikhil Nigania from Bernstein. Please go ahead.
- Nikhil Nigania:** My question is on the renewal listing plans. In the earlier discussion that was brought up that you want the business to be a certain size before it is listed, but given that the renewable commissioning has been slow due to the reasons mentioned earlier, land, module availability, just wanted to understand, if you could share, why the rush to list it so soon in October, November, why not wait for some time and wouldn't equity funding become a challenge once it is separated from the parent for the big pipeline?
- Management:** No, we don't think that it would be any kind of a rush because we are going as per our plan and our conviction and there is immense value capturing which we foresee and given the visibility of almost 22 GW which I was sharing with you and the plans for going ahead and reaching a 60 GW by FY32. So, we are



of the view that the market is quite conducive, and investors are upbeat as regard investment opportunity in the green area. So, we are of the view that it will be right time to go ahead with that. Coming to the support of NTPC, depending on our investment plans and expansion plans, the equity requirement would be taken care primarily through follow on public issue which in any case we are mandated to reach 25% progressively and besides that in case of need, of course the holding company will stand behind to support any kind of supplementing the equity requirement.

Nikhil Nigania: My second question is on the renewables, again. So, module prices are down significantly last year, the tender of tariffs were up as well. So, wanted to get a sense of the equity IRRs one can expect in upcoming renewable projects, any uptick do you see on that compared to the earlier guidance given of around 12% equity IRR for renewable projects?

Management: The equity IRR is something, it would be a strategy which is internal to the company because predominantly we are going through the bidding route. So, however, broadly the indications which we gave you given the level of competition and given the level of expected IRR, so it would much remain the same. However, as I mentioned that we will have a blend of both auction route as well as forging joint ventures with other PSUs and tapping the C&I segment. So, the other advantage in the renewable side is the lower gestation period. So, that would also help to bring us an IRR which is comparable with our existing line of business in thermal where you have a bigger, although you have a regulated return close to 15.50% because of the larger gestation period. We are trying to see that our strategy matches to the expectations in line with our existing business.

Nikhil Nigania: My last question is on the thermal side, just wanted some clarification, the 15 GW to be ordered on the thermal side, the PPA for that, if you could just share some color, it is all in place or how much is left?

Management: We have got PPA for Sipat 3 - 800 MW, Darlipalli 2 - 800 MW, Meja 2 - 2400 MW and Nabinagar 2 - 2400 MW where PPA is for 2x660 MW are available. We have to sign 3x800 to increase capacity. So, in short, out of 15,000 broadly 8,000 tie-up is available and 7,000 we will be taking up for higher tie up? There



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is ample demand. As you know, PPA and allocation to different states also comes under the domain of the ministry, so we are in discussion with the states as well as the Ministry to tie it up, firm it up.

Moderator: Thank you. The next question is from the line of Shashi Ranjan. Please go ahead.

Shashi Ranjan: Can you just help us that for the CAPEX there is 70:30 debt equity that we are planning and in view of the interest that we are incurring is 6.67%, any measures to cut down the gearing ratio for better valuation of the company or investing those money into green technologies like battery energy storage system?

Management: Are you suggesting that are we rethinking on the debt equity in the existing business? Is that your question?

Shashi Ranjan: I mean trying to improve the debt equity ratio and whatever we say we can?

Management: Let me try and answer that as far as our thermal business is concerned, it has been and it will remain a cost plus where there will be regulated equity and in order to optimize over there, so there is a clear stipulation, normative stipulation of 70:30. So, we would definitely be trying to invest optimally over there up to 30% and as far as the renewable business is concerned, while this will again depend in tune with the segment which we are trying to get the business, whether it is a bidding route or whether it is some kind of a hybrid cost plus through a memorandum of understanding with other entities. So, again there in order to do a higher gearing, the auction route would be the one where we would do higher gearing in order to be competitive in the bidding process, whereas it is a negotiated deal, we will try to see that the equity component is more so that you have assured return on equity.

Sashi Ranjan: Are we moving towards newer technologies like battery energy storage system or small modular reactor with collaboration with NPCIL?

Management: Absolutely. We have plans on the nuclear side in terms of newer technology, be it in terms of SMR or you have PHWR also. So, these are at a more



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exploratory stage. We are planning to provide an SMR, predominantly in integral type. And of course, most of uranium fuel, then MBR and coming to battery storage also we are working on that.

Moderator: Thank you. Ladies and gentlemen, we would take that as our last question for today. I would now like to hand the conference over to Mr. Subhadip for closing comments.

Subhadip: Thank you. I would like to thank the management of NTPC for giving us this opportunity to host the call. Any closing remarks from your side, Sir?

Management: Thank you so much for that good level of participation and all these questions were very informed and pertinent. So, it was a pleasure interacting with you and sharing our plans and numbers with you. Thank you so much, Subhadip and all the participants.

Moderator: Thank you. On behalf of Nuvama Wealth Management, that concludes this conference. Thank you for joining us. You may now disconnect your lines.
