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“NTPC Limited Q4 FY19 Earnings Conference Call”

May 25, 2019

MANAGEMENT:

- MR. K. SREEKANT – DIRECTOR (FINANCE)**
- MR. SAPTARSHI ROY – DIRECTOR (HR)**
- MR. A. K. GUPTA – DIRECTOR (COMMERCIAL)**
- MR. S. K. ROY – DIRECTOR (PROJECTS)**
- MR. PRASANTA KUMAR MOHAPATRA – DIRECTOR (TECHNICAL)**
- MR. PRAKASH TIWARI – DIRECTOR (OPERATIONS)**
- MR. SUDHIR ARYA – CHIEF FINANCIAL OFFICER**



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Moderator: Ladies and Gentlemen, welcome to the NTPC Limited Q4 FY19 Earnings Conference Call hosted by IIFL Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand over the conference to Mr. Harshvardhan Dole from IIFL Securities. Thank you and over to you, sir.

Harshvardhan Dole: Hello everyone on behalf of IIFL I welcome you all to the fourth quarter FY19 Post Earnings Conference Call of NTPC. To discuss the results in detail, today we have the entire senior management team of NTPC with us. The team is represented by Mr. K. Sreekant – Director (Finance), Mr. Saptarshi Roy – Director (HR), Mr. A. K. Gupta – Director (Commercial), Mr. S. K. Roy – Director (Projects), Mr. Prasanta Kumar Mohapatra – Director (Technical), Mr. Prakash Tiwari – Director (Operations) and Mr. Sudhir Arya – CFO. I would request the management to give us an overview of the quarter gone by and how do they see year coming ahead. Without much of a delay I hand over the call to the management after which we would open the lines for the Q&A.

K. Sreekant: A very good afternoon to everybody. I am K.Sreekant, Director (Finance), NTPC Ltd. and I have with me Shri Saptarshi Roy, Director (Human Resources), Shri A.K.Gupta, Director (Commercial), Shri S.K. Roy, Director (Projects), Shri Prakash Tiwari, Director (Operations) and Shri Prasant Kumar Mohapatra, Director (Technical). I also have with me Shri Sudhir Arya, CFO & Executive Director (Finance) and other key members of NTPC team.

Today, the Company has announced the audited annual financial results for FY19 along with the unaudited financial results for Q4 FY19. The Key Performance Highlights for the financial year and quarter have already been disclosed on both the stock exchanges.

Operational Highlights for Q4/12M FY19

1. Annual generation of NTPC Group surpassed 300 Billion Units and the installed capacity crossed 55 GW. The Gross Generation of NTPC Group increased by 12



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Billion Units to 306 Billion Units, registering an increase of 3.95% during FY19. The group contributed over 22% to the Country's generation (excluding Bhutan import).

Q4 FY19 recorded a generation of 78 Billion units, registering an increase of 1.6 Billion units or 2.1% over Q4 FY18.

NTPC group posted highest ever single day generation of 935 Million units on 12th March 2019.

2. In FY19, NTPC's standalone gross generation increased by 8.7 Billion Units to 274 Billion Units registering an increase of 3.3% over the previous year.

In Q4 FY19 we generated 69.2 Billion units against 68.6 Billion units during Q4 FY18.

On a standalone basis NTPC posted highest ever single day generation of 836 Million units on 29 March 2019.

3. In Q4 FY19, we have added 1960 MW, comprising 800 MW at Gadawara, 660 MW at Solapur, 250 MW at Bongaigaon and 250 MW at BRBCL.

With these additions, the installed capacity of NTPC has become 47325 MW on standalone basis and 55126 MW for the Group as on 31 March 2019.

4. The total commercial capacity added to NTPC Group during Q4 FY19 was 1160 MW, comprising 660 MW at Solapur, 250 MW at Bongaigaon and 250 MW at BRBCL.

With this, the commercial capacity of NTPC has become 45725 MW on standalone basis and 52866 MW for the Group as on 31 March 2019.

5. In FY19, 5 coal stations of NTPC were among the top 10 performing stations in the Country in terms of PLF. Sipat with 91.58%, Vindhyachal with 90.03%, Talcher Thermal with 89.46%, Korba with 88.18% and Rihand with 86.33% were ranked 2nd, 4th, 5th, 7th and 10th respectively. 6 stations of NTPC clocked over 85% PLF in FY19.

6. During FY19, NTPC maintained a spread of above 15% over National PLF. PLF of NTPC coal stations was 76.68% as against the National Average of 61.07%. National PLF excluding PLF on NTPC generation works out to be 56.01%.

7. Due to grid restrictions:

✓ *Coal based stations suffered loss of generation of 12 Billion units in Q4 FY19 and 36 Billion units in FY19.*



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✓ Similarly, for the gas based stations the loss was 7 Billion units in Q4 FY19 and 26 Billion units in FY19.

8. The generation loss on account of fuel supply constraints in the coal based stations was 0.6 Billion units in Q4 FY19 and 8.2 Billion units in FY19 compared to 10.2 Billion units in FY18, there is an improvement in this regard.

9. NTPC RE stations recorded generation of 4.5 Billion Units in FY19, as against 4.6 Billion Units in previous year.

10. During the Q4 FY19, approximately 2 Million Metric Tonnes (MMT) of coal (Q4 FY18- 1.4 MMT) has been excavated from Pakri-Barwadih coal mine. Total 6.8 MMT coal has been excavated during FY19 (FY18- 2.7 MMT). The mine has been declared on commercial operation w.e.f 1 April 2019.

0.5 MMT coal has been excavated from Dulanga coal block during FY19.

Cumulative expenditure of ₹ 6,245 crore has been incurred on the development of coal mines till 31 March 2019. The total expenditure incurred in FY19 was ₹ 1,181 crore.

11. In Q4 FY19 NTPC had participated in the 250 MW tender floated by SECI for Dondaicha Solar Park and won 100 MW of capacity at a levelised tariff of ₹ 2.91 per unit, applicable for 25 years. This solar project shall be set up by NTPC under EPC (Engineering, Procurement and Construction) mode and shall add to the installed capacity of NTPC. With this, NTPC's total Solar capacity won under tariff based competitive bidding has gone up to 345 MW.

12. Investment approval has been accorded for ₹ 443 crore in February 2019 for a 85 MW Solar plant at Bilhaur Solar PV Project won by NTPC.

13. NTPC has signed an agreement with Indian Railways (ECR), Hazipur for transportation of fly ash by BTAP (Bogey Tank For Alumina Powder) rakes under



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SFTO (Special Freight Train Operator) scheme. This is first such SFTO agreement between Railway and any entity in India.

14. NTPC has placed an award for setting up 400 charging stations across various cities and highways. MoU has been signed with various State/Cities administrations and with major vehicle aggregators/fleet operators.
15. NTPC has signed a MoU to form a joint venture with East Delhi Municipal Corporation (EDMC) for setting up Waste to Energy plant. The plant is expected to process 2000 tonnes of municipal waste per day.
16. NTPC has signed a Supplementary Joint Venture agreement with GE Power Systems to make foray in EPC market for setting up FGD systems for State Utilities and Waste to Energy projects, both of which are emerging markets in the country.
17. NTPC has qualified for RFQ submitted for setting up a 600 MW Solar PV Project on west of Nile River, Egypt.
18. Environmental Management- Initiatives for preserving Environment:-
 - Flue Gas Desulphurisation Systems (FGD) are under various stages of implementation in 64.85 GW of group capacity. The first FGD of 500 MW has already been commissioned. FGD system package for 31.87 GW have been awarded. Awards of FGD system packages for 32.98 GW capacity are under various stages of tendering.
 - For compliance with NO_x control in coal-fired plants, units will require installation of appropriate de-NO_x system, based on the emission level. During FY19, NTPC had awarded contracts for supply and installation of low NO_x combustion system for 16 GW of Thermal Power capacity. The project involves modification of in-combustion system of the boiler to reduce the generation of thermal NO_x during the combustion process. Further, 8 Selective Catalytic Reduction and 2 Selective Non-Catalytic Reduction pilot tests are being undertaken in order to assess performance on high ash Indian coal and are likely to be completed by June 2019.
 - Further, as part of its commitment to the environment, NTPC had taken an initiative to utilise agro residue for power generation. The utilisation of agro residue based bio-fuel



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for power generation will not only reduce in-field crop residue burning resulting in lower air pollution, but will also reduce carbon footprint of coal based power plants. NTPC Dadri has become first plant in the country to commercialize the biomass co-firing and up to 10% of agro residue based bio-fuel co-firing with coal has been successfully operationalised. Cumulatively we have co-fired 240 tonnes of agro residue based bio-fuel till May 2019.

NTPC has invited expression of interest for supply of paddy straw and agro residue based pellets/ torrefied pellets to power plants located across country and received over 100 responses from vendors who are interested to supply biomass based pellets for co-firing. It is expected that after formalization of contract with vendors 120 tonnes of paddy straw and agro residue will be co-fired daily by NTPC.

Financial Highlights

- Gross Sales for FY19 is ₹ 89,765 crore as against previous year Gross Sales of ₹ 81,529 crore, registering an increase of 10.1%.
Sale of energy through trading has increased from ₹1,440 crore in FY18 to ₹2,895 crore in FY19. The profit on account of this has increased from ₹ 126 crore in FY18 to ₹ 181 crore in FY19.
- Total Income for FY19 is ₹ 92,180 crore as against previous year's Total Income of ₹ 85,208 crore, registering an increase of 8.2%.
- For FY19, there is an increase of 2.7% in the PBT i.e. from ₹12,339 crore in FY18 to ₹ 12,673 crore.
PBT for Q4 FY19 is ₹ 3,537 crore, as against ₹ 3,389 crore in the corresponding quarter of previous year, registering an increase of 4.4%.
- For FY19, there is an increase of 13.6% in the PAT i.e. from ₹ 10,343 crore in FY18 to ₹ 11,750 crore.
PAT for Q4 FY19 is ₹ 4,350 crore as against ₹ 2,926 crore in the corresponding quarter of previous year, registering an increase of 48.7%.
- The under recovery on account of fixed charges have reduced from ₹ 1,101 crore as at 31 Dec 2018 to ₹ 799 crore as at 31 March 2019. Thus, there is an improvement of ₹ 302



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crore in Q4 FY19 as compared to disincentive of ₹ 406 crore in Q4 FY18 leading to overall increase of ₹ 708 crore in Q4 FY19 as compared to Q4 FY18 on this account.

- The Company was recognising deferred asset for deferred tax liability as part of Deferred Tax Liabilities (Net). During the year, in line with the opinion of Expert Advisory Committee of Institute of Chartered Accountant of India, the same has been reclassified as a 'Regulatory deferral account debit balance'. As a result Net movement in regulatory deferral account balances has increased by an amount of ₹ 2,455 crore (FY 18-₹2,708 crore).
- The Company has recognized MAT credit entitlement of ₹ 8,257 crore till financial year 2018-19 and correspondingly an amount of ₹ 7,615 crore has been recognized as payable to beneficiaries through 'Regulatory deferral account balances'.
- During FY19, the Company has accounted for late payment surcharge from beneficiaries of ₹ 521 crore on accrual basis based on opinion of Expert Advisory Committee of the Institute of Chartered Accountant of India.
- For FY19, the Board has recommended final dividend @ 25% of paid-up capital i.e. @ ₹ 2.5 per share, subject to the approval of shareholders in the Annual General Meeting scheduled to be held in August 2019. As you are aware, interim dividend for the FY19 @ 35.8% of paid-up capital i.e. @ ₹ 3.58 per share has been already paid in February 2019.

An update on various other financial activities:

The regulated equity as on 31 March 2019 was ₹ 53,989 crore (31 March 2018-₹ 50,921 crore)

Total Assets The total assets of the company stood at ₹ 290,878 crore as at 31 March 2019 as compared to ₹ 267,832 crore as at 31 March 2018.

The Gross Block has increased by ₹ 13,569 crore to ₹ 152,976 crore as at 31 March 2019, mainly on account of capitalization of new units.

Capital Work in Progress including advances stood at ₹ 95,803 crore as at 31 March 2019 as compared ₹ 83,308 crores as at 31 March 2018.



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Fund Mobilization

- Average cost of borrowing for FY19 was 6.92% as compared to 6.99% in FY18. The decrease is on account of lower rate of interest on new borrowings.
- NTPC Limited has priced an issue of 3.75% U.S.D 450 million 5 year notes due 2024 on March 26, 2019. This is the tenth offering under the USD 6 billion MTN programme set up in 2006.
- During FY 18-19, we have also signed term loans of ₹ 10,000 crore, ₹ 4,000 crore and ₹ 2,000 with State Bank of India, HDFC and Corporation Bank respectively totalling ₹ 16,000 crore.
- Further, we have issued Bonds with a door to door maturity of 3 years aggregating to ₹ 3,056 crore at attractive coupon of 7.93% pa. on 3 May 2019.

CAPEX

- In FY19, we have incurred a CAPEX of ₹ 27,363 crore as against ₹ 24,134 crore in FY18. The CAPEX by the other group companies during FY19 was ₹ 6,092 crore. Thus, the total group CAPEX for the FY19 was ₹ 33,455 crore.
- The Capital outlay for FY20 has been estimated at ₹ 20,000 crore for NTPC.

Commercial

- NTPC has achieved more than 100% realization in FY19. This is 16th consecutive financial year of achieving 100% realization. Total amount realized is ₹ 91,714 crore.
- Further, the trade receivables are maintained at a level of 34 days sales.

Now, let me discuss the fuel supply position for FY19.

Coal:

- During the FY19, Materialisation of coal against ACQ was 95.12% as against 95.24% in FY18.
- Coal supply during FY19 was 176 MMT, this comprises 175 MMT of domestic coal and 1 MMT of imported coal. The coal supply during previous year was 168.5 MMT, with 168.2 MMT of domestic coal and 0.3 MMT of imported coal.



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- Coal consumption during FY19 was 173 MMT, this comprises 172 MMT of domestic coal and 1 MMT of imported coal. The coal consumption during previous year was 169.8 MMT, with 169.5 MMT of Domestic Coal and 0.3 MMT of imported coal.

Gas:

- The gas consumption during FY19 was 4.65 MMSCMD (i.e. Million Metric Standard Cubic Meter per Day) as against 5.33 MMSCMD in FY18.
- The gas consumption of FY19 procured under APM plus PMT mechanism was 2.95 MMSCMD, under Non-APM gas 0.71 MMSCMD, under Long Term RLNG 0.13 MMSCMD and under Spot RLNG was 0.86 MMSCMD.

Now, I will briefly touch upon some of NTPC Group Companies

- NVVN, our trading subsidiary, transacted 17.4 Billion Units during the FY19 as against 17.3 Billion Units during the FY18, registering an increase of 0.9 %. Units transacted during FY19 include 5.4 Billion Units of solar bundled power, 3.4 Billion Units traded through Bilateral Arrangements, 5.5 Billion Units under cross border trading and 3.1 Billion Units traded through power exchange.
- NVVN has signed Agreement with Nepal Electricity Authority (NEA) for supply of upto 350 MW power from July 2019 to July 2020. Presently 240 MW power is being supplied by NVVN to NEA.
- During the FY19, we have accounted dividend income of ₹ 124.19 crore (Previous year ₹ 189.17 crore) from our Subsidiaries and Joint Venture Companies, comprising ₹ 71.65 crore from Aravali Power Company Private Limited, ₹ 20 crore each from NTPC Vidyut Vyapar Nigam Limited and NTPC-SAIL Power Company Limited, ₹ 4.01 crore from Energy Efficiency Services Limited, ₹ 4.80 crore from PTC India Limited, ₹ 3.50 crore received from Utility PowerTech Limited and ₹ 0.23 crore received from NTPC-GE Power Services Private Limited.

NTPC continues to win laurels and awards in various fields, major awards received in Q4 FY19 are:



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- NTPC has been awarded for the category - World Class PSE Excellence in Asia for its leadership and most efficient power utility in the country.
- Awarded Certificate of Appreciation for the timely completion of Rural Electrification work assigned to it in the State of Odisha under Saubhagya.
- NTPC has been conferred with the "Apex India CSR Excellence Award 2018" in "Platinum Category" for outstanding achievement in CSR.
- Ranked among India's 25 Best Workplaces in Manufacturing-2019 in a study carried out by Great Place to Work and The Economic Times.
- NTPC has been awarded for Technology Adaptation & Best Performer (Financial) at 6th PSU Awards by Governance Now.

These were some of the highlights I wanted to share before the question and answer session. Thank you.

Now the field is open for Q&A.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Subhadip Mitra from JM Financial. Please go ahead.

Subhadip Mitra: If you could please help me with the adjusted profit number for the quarter and the full year for the current year as well as the last year?

Management: I think we will give you the adjusted PAT for the full year. The reported profit for the year is 11,749 crore. If we remove the one-off items it will be 10,616 crore.

Subhadip Mitra: And the corresponding number for FY18?

Management: Last year the reported number was 10,343 crore and if we remove the one offs in that year the number is 9,327 crore which shows a growth of 13.82%.

Subhadip Mitra: So, just wanted to check that the adjusted profit numbers that you just mentioned are they also taking into account the surcharge income as a one off?

Management: No it is not a one off, it is a normal item.

Subhadip Mitra: But that has caused a bump up I believe in this particular quarter and what would be that number that we were looking at the surcharge income that you register?



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Management: No, as I mentioned for the year the surcharge has increased by 792 crore, but you must also appreciate that the interest on short term borrowing has also gone up by 550 crore and this is routine continuous process depending upon the pace of payment by the discoms. So, it cannot be an exceptional number, we have not adjusted for this.

Subhadip Mitra: So, I completely understand that this is anyway an operational income because we are getting this income only because we are incurring the expense because there is a delay from the SEB side in terms of payments. Just wanted to check that for the upcoming year if you can also share which are the capacities which are expected to commission in FY20 and also what are your plans on the fuel on this upcoming capacity in terms of imports and your own domestic captive coal mine production.

Management: In financial year 2019-20 we have planned for capacity addition of around 5000 megawatts.

Subhadip Mitra: Okay if you could share the plant wise details please?

Management: Capacity additions means COD. Meja we have already done Unit-I of 660 MW. Then we will be doing Gadarwara Unit-I of 800 MW, then Lara Unit-I, 800 MW, then NPGCL Unit-I 660 MW, Khargone Unit-I 660 MW, Tanda Unit-I 660 MW, Barauni one unit of 250 MW and Darlipalli Unit-I of 800 MW. So, it is around 5,000 MW.

Subhadip Mitra: We are looking at most of these capacities to come in by the end of the year or would they be spread out?

Management: It will be spread out.

Subhadip Mitra: And lastly the earlier question I had asked on the coal supply if you can please help me with the same?

Management: About coal supplies for upcoming new plants/new units which are going to be operational this financial year, we have tied up coal adequately. To mention a few, 3 MMT imported coal yet to be supplied for which order is already in place, then our own mines at Pakri Barwadih and Dulanga are likely to ramp up supplies by another 5 MMT and in addition to this we are continuously following up with Coal India to enhance our ACQ and that is in advance stage of being fructified. So, I am sure that we are not going to face any problem as far as supply of coal is concerned.



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Moderator: We take the next question from the line of Abhishek Puri from Axis Capital. Please go ahead.

Abhishek Puri: I have two queries one if you can detail out one offs which you mentioned, specifically wanted to know on depreciation why it has reduced and as well as other income has shot up meaningfully so that would be surcharge income I am assuming in the fourth quarter, but if you can give out the details that will be one and secondly in terms of FGD you have already installed one of them, so how has been the deterioration on the OPEX side on the operational, maintenance cost side and what is the cost recovery mechanism which CERC is willing to give now?

Management: I think the FGD question will be answered by Director (Technical) after that I will answer you about the reduction and depreciation in Q4.

Management: As far as FGD is concerned already we have awarded around 30,000 MW of units and in our Vindhyachal unit number 13 our first FGD has been commissioned and it is working satisfactorily as per the requirement that is 90% reduction on the Sox value. As far as OPEX is concerned still I think we have to calculate all the figures, but since this will be covered under the environment law changes so it will be taken care of.

Abhishek Puri: Would there be any under recovery in the current quarter?

Management: As far as investment in FGD is concerned it is certainly assured that this will be added into the tariff by adding the capital cost of this FGD investment and also in terms of operation and maintenance the relevant provisions will be there to take care of those expenses. So, I think for FGD it will be covered by CERC regulations. Regarding depreciation in the the last quarter actually we have received the order of the APTEL and the supreme court regarding the commercial operational date for Barh and therefore we had to do accounting adjustment in the fourth quarter. We have reversed sales of 2,947 crore and reverse operational expenses which were booked in the previous years and the depreciation reduction you are seeing in Q4 is mainly on account of depreciation reversal for Barh unit of about 447 crore, the rest of the amounts are due to increase in new capacities and also reduction in the older units wherein after the 12th year the depreciation rates comes down from 5.28%.

Moderator: The next question is from the line of Apoorva Bahadur from Jefferies. Please go ahead.



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Apoorva Bahadur: Wanted to know if this year as well we have entered into some sort of agreement with the railways regarding the advance like the one we paid last year and what amount will that be? Can you also give Barh adjustment line by line?

Management: Yes, we have paid 5,769 crore as an advance to Railways as at 31st March. Now I will tell you about Barh adjustment line by line. The revenue from operations decreased by 2,947 crore, fuel cost decreased by 1,706 crore, finance cost decreased by 479 crore, depreciation decreased by 447 crore and other expenses decreased by 97 crore and provisions were written back to the extent of 277 crore. Overall this adjustment has resulted in an increase in profit by about 59 crore. So, when you compare quarter-on-quarter line items you have to make this adjustment to make it more meaningful.

Moderator: The next question is from the line of Sumit Kishore from JP Morgan. Please go ahead.

Sumit Kishore: My first question is related to the reduction in capacity charge under recovery to 800 crores as guided by the company, what is the broad breakup of capacity charge under recovery for the full year FY19 and what is your target now for FY20?

Management: Target for FY20 is zero. As far as breakup of 800 crore under recovery for FY19 is concerned we lost about 400 crore at Unchahar, at Badarpur we lost about 67 crore and then there was at Kudgi and Mauda about 270 crore. So, with better coal availability and Unchahar and Badarpur issues behind us there should be minimal disincentive in FY20.

Moderator: The next question is from the line of Mohit Kumar from IDFC Securities. Please go ahead.

Mohit Kumar: What is the impact of deferred tax accounting in the full year number?

Management: After PBT line the impact is 1,754 crore.

Moderator: The next question is from Rahul Modi from ICICI Securities. Please go ahead.

Rahul Modi: Sir, the consolidated profit has increased, so can you please throw some light on what is the improvements that we are seeing?

Management: See, there was loss in NTECL in last year, this year it has improved so it is back in black. So, that is the major improvement and then Aravali and Kanti have shown improvements, rest of the units are more or less the same.



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Moderator: The next question is from the line of Dhruv Muchhal from Motilal Oswal Securities. Please go ahead.

Dhruv Muchhal: Just to understand the quarterly profit in Q4 we have a reported number of 4,350 crore there seems to be some one-off here, so one point was the MAT credit at Note No.10 in your notes to accounts, is that impacting positively to our numbers or nothing?

Management: It is primarily on account of this MAT credit and the deferred tax adjustments. This has been done in the current quarter only.

Moderator: The next question is from Pulkit Patni from Goldman Sachs. Please go ahead.

Pulkit Patni: So, most of my questions are answered just one could you given an update on what is happening with the Rajasthan plant right now given that now elections are over?

Management: Our MoU with Rajasthan government is still live and we are continuing our discussion with them and hopefully we will have something this year as efforts are on and let us see what happens.

Moderator: The next question is from Girish Achhipalia from Morgan Stanley. Please go ahead.

Girish Achhipalia: Sir, can you help us with the PLF linked incentives for the year and for the quarter?

Management: Incentive for the full year is 352 crore last year it was 327 crore.

Moderator: The next question is from the line of Apoorva Bahadur from Jefferies. Please go ahead.

Apoorva Bahadur: Sir two questions firstly on the NVVN trading side so we were giving working capital support for some JNNSM projects so how much capital is stuck over there I mean our support on that end and secondly are we seeing fresh demand from states for capacity given the sharp increase in peak demands?

Management: Let me answer your second question first. There has been a tendency now for the states to ask for more power and whatever surrendered power we had by the different states now there are many states coming up to take that power. So, the situation is now reversing and all the states are looking for more power allocation from NTPC plants. As far as NVVN is concerned we will revert back to you.

Moderator: The next question is from the line of Swarnim Maheshwari from Edelweiss Securities. Please go ahead.



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Swarnim Maheshwari: Sir what is the status on the overdue situation with respect to UP, AP, Telangana and JK I believe there was almost about 6,000 crore of overdue from these four states?

Management: See if you look at this year as far as the last year is concerned, it was more or less squared-off. As far as this year is concerned till now as for UP it is around 1193 crore which is more than 60 days and major dues are again with Telangana, Andhra Pradesh, Karnataka and Tamil Naidu and also J&K.

Swarnim Maheshwari: Sir what is the overdue position at this point of time?

Management: As on date more than 60 days is 7,600 crore.

Moderator: The next question is from the line of Sumit Kishore from JP Morgan. Please go ahead.

Sumit Kishore: Few data points what is the addition to the regulated equity base post the commercialization of the Pakri Barwadih coal mine and also if you could tell us the absolute figure for late payment surcharge related income in FY19 versus FY18?

Management: Late payment surcharge income in FY19 was 1299 crore versus 507 crore last year. In Pakri Barwadih we have incurred an expenditure of 3,300 crore so far, 30% of the same will be the equity component.

Moderator: The next question is from the line of Rahul Modi from ICICI Securities. Please go ahead.

Rahul Modi: Sir just one question on the Talcher and Mauda plants sir, even Talcher was below normative PAF, are there issues over there with regard to coal availability and other law and order issues, how is it panning out?

Management: In Talcher there was under recovery because of very poor quality of coal available in the mines nearby. So, we have tried to tide-over the situation by getting good quality coal from Eastern Coalfields Limited and also good quality imported coal from East Coast ports, hopefully with these measures this year there will not be any fixed cost under recovery. In Mauda the fixed cost under recovery was on account of coal and as well as on account of stabilization of the plant. We are having enough stock at Mauda this year and regular supplies. This problem is not likely to recur and as far as plant non availability is concerned the plant is now fully stabilized and after initial hiccups the issues have been resolved. So, both these plants will not have fixed cost under recovery this year Mauda as well as Talcher Super.



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Moderator: We will take that as the last question. I would now like to hand the conference back to Mr. Harshvardhan Dole for closing comments.

Harshvardhan Dole: At first, I like to thank the management for giving us an opportunity to host the call and I would also like to sincerely thank all the participants for logging on to the call. Sir any last comments that you would want to make.

K. Sreekant: Thank you for taking time out on a Saturday, we appreciate it.

Moderator: Thank you very much. On behalf of IIFL Securities that concludes the conference. Thank you for joining us ladies and gentlemen, you may now disconnect your lines.