



NTPC Limited
Q4 FY2022 Earnings Conference Call
May 20, 2022

MANAGEMENT: SHRI A. K. GAUTAM - DIRECTOR (FINANCE)
SHRI RAMESH BABU V - DIRECTOR (OPERATIONS)
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(COMMERCIAL)



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Moderator: Ladies and gentlemen, good day and welcome to the 4QFY2022 Earnings Conference Call of NTPC Limited hosted by Batlivala & Karani Securities India Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rajesh Majumdar from Batlivala & Karani Securities India Private Limited. Thank you and over to you Sir!

Rajesh Majumdar: Good evening and a warm welcome to everyone. We have with us the NTPC management to present to us the Q4 and FY22 Earnings Call headed by Mr. A.K. Gautam, Director (Finance). I shall hand over the proceedings to Mr. A.K. Gautam and then he can take us forward from there. Over to you Mr. Gautam.

A.K. Gautam: Thank you Rajesh. Very good evening to everybody. I A. K. Gautam, Director (Finance) welcome all of you to the Q4FY22 con-call of NTPC Limited. NTPC continues to deliver phenomenal performance and support the nation by ensuring uninterrupted supply of power. I have with me, Shri Ramesh Babu V - Director (Operations), Shri Chandan Kumar Mondol - Director (Commercial). I also have with me other key members of the NTPC team. Today the company has announced the audited financial results for the FY2022 along with financial results for Q4 FY2022. The key performance highlights for the financial year and quarter ended March 31, 2022 have also been disclosed on both the stock exchanges.

Operational Highlights of FY22

- During FY22, NTPC has added 3372 MW capacity to its portfolio. Commercial capacity of 4032 MW including 502 MW capacity from renewable sources was added in FY22. The commercial capacity of NTPC has now become 54597 MW on standalone basis and 68302 MW for the Group, as on 31 March 2022.
- NTPC Group generated 361 Billion Units and recorded highest ever annual generation in FY22 as compared to 314 Billion Units in FY21, an increase of ~15%.
NTPC’s standalone gross generation in FY22 is 299 Billion Units as compared to 271 Billion Units in the corresponding previous year registering an increase of ~10%.
NTPC Group recorded highest day generation of 1.22 Billion Units on 16 March 2022.
- During FY22, PLF of coal stations of NTPC was 70.74% as against the National Average of 58.76%, thereby maintaining a spread of almost 12%. For FY22, 3 coal stations of NTPC viz. Korba, Vindhyachal and Rihand were among the top 10 performing stations in the country in terms of PLF.



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- NTPC group, being a leader in the Power Sector, has a strong commitment towards Renewable Energy and would be targeting RE capacity of 60 GW by FY32. NTPC has diversified into producing energy through cleaner and greener sources such as hydro, wind, solar and other green hydrogen solutions. Company has also forayed into a variety of business areas including fuel cells, e-mobility and waste-to-energy. NTPC Group has already commissioned 1852 MW of RE projects under EPC mode till FY22. 3440 MW of RE projects including ongoing projects of NTPC REL are presently under construction. Further Bids for 2830 MW have been won.
- During the period, we have suffered losses due to grid restrictions and fuel supply:
- The generation loss due to grid restrictions in FY22 was 97 Billion Units as compared to 122 Billion Units in the previous year.
- The generation loss on account of fuel supply constraints was 7 Billion Units in FY22.
- Status of Fuel Supply:
 - During the FY22, Materialisation of coal against ACQ was 92.83% as against 86.72% in FY21.
 - Coal supply during FY22 was 195.63 MMT including 2.47 MMT of imported coal. The coal supply during the corresponding previous year was 170.24 MMT including 0.92 MMT of imported coal.
- NTPC has registered a growth of over 27% in coal production from its captive coal mines. Total coal production of 14.02 Million Metric Tonnes (MMT) was recorded during FY22 as against 11 MMT in FY21.

Cumulative expenditure of ₹ 7,963.66 crore has been incurred on the development of coal mines till 31 March 2022.

Now I will update on various other financial activities

- Total Income of NTPC for FY22 is ₹120,042.43 crore as against corresponding previous year Total Income of ₹ 103,552.71 crore, registering an increase of 15.92%. PAT for FY22 is ₹ 16,111.42 crore as against ₹ 13,769.52 crore in FY21, registering an increase of 17.01%.
- Total Income of the group for FY22 is ₹ 134,994.31 crore as against corresponding previous year Total Income of ₹ 115,546.83 crore, registering an increase of 16.83%. PAT of the group for FY22 is ₹ 16,960.29 crore as against corresponding previous year PAT of ₹ 14,969.40 crore, registering an increase of 13.30%.
- The performance of our JVs and subsidiaries has been outstanding in FY22. Our subsidiaries have earned profit of ₹ 1,946.78 crore in FY22 as compared to ₹ 1,737.60 crore in the



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corresponding period of previous year registering an increase of 12%. The share of NTPC in JVs profit has increased by 49% from ₹ 683.87 crore in FY21 to ₹ 1,020.13 crore in FY22.

- During the FY22, we have accounted dividend income of ₹ 2,134.34 crore from our Subsidiaries and Joint Venture Companies as against ₹ 1,274.19 crore received during FY21.
- For FY22, the Board has recommended final dividend @ 30% of paid-up capital i.e., @ ₹ 3 per share, subject to the approval of shareholders in the ensuing Annual General Meeting. As you are aware, interim dividend for the FY22 @ 40% of paid-up capital i.e., @ ₹ 4 per share has been already paid in February 2022.

The regulated equity as on 31 March 2022 of NTPC standalone and group was ₹ 70,890 crore and ₹ 91,054 crore respectively.

We expect our regulated equity to grow at a double digit CAGR over coming years based on capacity already under construction, making NTPC a compelling investment pick.

Gross Block and Capital Work in Progress

The Gross Block has increased by ₹ 26,833.54 crore to ₹ 238,390.91 crore as at 31 March 2022 and on group level Gross Block has increased by ₹ 35,431.48 crores to ₹ 308,125.18 crore, mainly on account of capitalization of new units.

CWIP stood at ₹ 68,598.66 crore as at 31 March 2022 as compared ₹ 75,343.60 crore as at 31 March 2021. At the Group level CWIP stood at ₹ 91,025.21 crore as at 31 March 2022 compared to ₹ 97,404.16 crore as at 31 March 2021.

The ratio of Gross Block to CWIP is 3.48 in FY 22 as compared to 2.81 in FY21. We expect growth to continue going forward and believe the turnaround from CWIP to Gross Block would be quicker because of greater mix of Renewable capacity, having a shorter gestation period.

Fund Mobilization

- During the FY22, the Company has signed a syndicated term loan of US\$750 million with a door-door maturity of 10 years on 25 March 2022 with the consortium of Banks. The loan is first SOFR (Secured Overnight Financing Rate) based floating rate of loan.
- During FY22, NTPC REL has signed a term loan of ₹ 500 crore with Bank of India and received sanction for a total term loan of ₹ 2,070 crore.
- Average cost of borrowing for FY22 is 5.94% as compared to 6.24% in FY21.



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CAPEX

- In FY22, we have incurred a CAPEX of ₹ 21,035.87 crore on a standalone basis and total group CAPEX of ₹ 34,490.55 crore.
- The Capital outlay for FY23 on standalone basis has been estimated at ₹ 22,454 crore for NTPC.

Commercial

- During FY22, NTPC has realized ₹ 116,148 crores which is more than 100% of the billed amount.
- During FY22, ₹ 8,800.32 crore bills were discounted with banks as against ₹ 18,323.60 crore discounted during FY21.
- Further, the trade receivables are maintained at a level of less than 45 days of sales.

Further, I would like to list few other highlights:

- NTPC Renewable Energy Limited has obtained the highest domestic credit rating of 'AAA' within one year of its incorporation. NTPC REL has been issued Letter of Intent from Government of Rajasthan for development of 10 GW RE Parks/ Projects in Rajasthan. Also, it has signed a JVA with Damodar Valley Corporation to set up Ultra Mega Renewable Energy Power Parks and Projects on reservoirs and land owned by DVC. This JVA marks the preliminary step for the formation of a Joint Venture Company with equity participation from NTPC REL and DVC in the ratio of 51:49.
- NTPC has signed a MoU with Energy Vault Inc., USA for developing sustainable grid scale gravity energy storage solutions. The objective of the MOU is to collaborate and formalize a long-term strategic partnership for deployment of Energy Vault's gravity-based energy storage technology and software solutions. The technology also offers beneficial utilization of coal ash for manufacturing of composite blocks for Energy Vault's gravity-based energy storage system. Accordingly, this collaboration will promote a circular economy.
- NTPC in an innovative initiative, has provided the technology to fire the waste sludge at NCPS, Unit 4 Boiler at Dadri. This is a first of its kind initiative in India by NTPC. The green innovative technological solution shall be a new leap for converting STP sludge into energy in an environmentally friendly way. The technology shall help in reducing CO2 emissions and at the same time make available a locally made alternate biofuel for boilers.



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- With the continued focus on clean environment, NTPC has taken up an initiative of blending of green hydrogen in PNG network of GGL (Gujarat Gas Limited) at NTPC Kawas. A formal agreement between the two companies has been signed. Green Hydrogen will be produced by using electricity from the existing 1 MW floating solar project of NTPC Kawas. This will be blended with PNG in a predetermined proportion and will be used for cooking applications in NTPC Kawas township. Initially, the percentage of hydrogen blending in the PNG shall be around 5% and after successful completion, it shall be further increased.
- As an environmental management initiative, Flue Gas Desulphurisation Systems (FGD) are under various stages of implementation and tendering for our coal-based stations.
- NVVN, our trading subsidiary, transacted 24 Billion Units during the FY22 as against 19 Billion Units during the FY21 registering a growth of ~31%. This is highest ever trading volume achieved by NVVN.
- NTPC has been bestowed with the ‘India’s Best Work places in Manufacturing 2022–Top30’ recognition by the Great Place to Work Institute for the fifth year in a row.
- NTPC has been conferred “Excellence” in the prestigious CII-ITC Sustainability Award-2021 in “Corporate Social Responsibility” category, twice in a row. We have also won the ATD Best Award-2022.

These were some of the highlights, I wanted to share before we begin with the Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Mohit K from DAM Capital. Please go ahead.

Mohit Kumar: Good evening Sir and congratulations on a good set of numbers. My first question is where are we in the journey of monetization of our renewable portfolio and are we reasonably confident of completing some transaction in this fiscal?

Management: As you know that we have already created wholly owned subsidiary named that is NTPC Green Energy Limited under its umbrella the companies like NTPC Renewable Energy Limited will be there. In this company post getting clarification from the Ministry of Power regarding taxation issues renewable assets which are lying in NTPC will be transferred to this company and on getting transferred to this company we will be going for either the IPO directly in the market or through some strategic investor. Yes, we are planning to have certain amount of monetization during FY23.



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- Mohit Kumar:** Understood Sir. My second question is given the supply demand situation do you think there is some revival in thermal capacity addition, and we will have some role to play in the Indian terrain till the time the energy transition goes through?
- Management:** We are going to add approximately another 5000 MW of power in the days to come to meet additional requirement of the capacity.
- Mohit Kumar:** It is blue, or it will be pure thermal capacity?
- Management:** It will be brown field capacity addition. We have tendered to add 2 units of 660 megawatt capacity at our Talcher power station, so it is certain to come and apart from that 1600 MW at Singrauli, 1600 MW at Lara and 660 MW at Darlipalli is also in the pipeline.
- Mohit Kumar:** Understood thank you and all the best Sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Puneet Gulati from HSBC. Please go ahead.
- Puneet Gulati:** Thank you so much. My first question is with respect to the quarter-on-quarter improvement in profitability while the capacity addition was limited to about 300 MW can you talk about what has really driven this growth?
- Management:** I could not get; can you repeat your question please?
- Puneet Gulati:** Yes, your quarter-on-quarter profitability has been quite impressive 41 billion going up to 56 on standalone basis while the capacity addition for the quarter was only about 294 or 300 MW what has driven these earnings?
- Management:** In the previous quarter we made certain tax adjustments which had led to reduced taxation. In addition, I would like to add one more point, the capacity addition that you are talking about being added in the fourth quarter we also have to take in account the capacity added during the entire year if you are comparing quarter-to-quarter. Also, there are certain CERC orders which have been received during the current quarter.
- Puneet Gulati:** The second is also if I look at the standalone profit versus the consolidated profit it seems the subsidiaries were a negative number can you help clarify what really happened in this quarter?
- Management:** It is mainly because of in the standalone financial statement we accounted for dividends which on a consolidated basis is eliminated.
- Puneet Gulati:** What would be the profitability by subsidiaries?
- Management:** Profit after tax of the subsidiary companies is Rs. 1946.77 crore as against Rs. 1,737.60 crore in the previous year.



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- Puneet Gulati:** Okay got it. That is all. Thank you so much and all the best.
- Moderator:** Thank you. The next question is from the line of Rahul Modi from ICICI Securities. Please go ahead.
- Rahul Modi:** Thank you for the opportunity. A couple of questions. Sir what would be the bidding pipeline which you are expecting over the next 6 to 12 months in renewables that would come up and secondly how is the solar module market currently because I believe now with ALMM coming in we have got limited suppliers so how do you see the supplies panning out?
- Management:** Good afternoon Rahul. Bidding pipeline is actually guided more by SECI and MNRE rather than by us so our expectation is that they might go ahead with bidding of around at least 10 GW in the balance period of the year if not more. On the solar module side, yes, the supply is constrained because all these factors have come together i.e., ALMM plus BCD and overall inflation, so inflationary pressure is there, but everyone is hoping for some kind of grandfathering or something else which will release this.
- Rahul Modi:** Is it causing any delays as such, or do you think you are more or less comfortable in terms of timeline?
- Management:** Some of our existing projects will face a little bit of delay.
- Rahul Modi:** That is very helpful. Just last question broadly on coal availability with obviously we are reading out a lot in the headlines how is our coal availability currently and on the imports that we are targeting? Thank you.
- Management:** Right now, we have around 12 days coal available with us and as per the government guidelines we are also importing coal. We have already placed some orders and some coal has already started coming to the port and we are shipping them to our stations.
- Rahul Modi:** Sir what would be the price of imported coal just to understand the trend that is coming?
- Management:** The price of import coal is actually dependent on the index at the time of loading. So, it varies if the index goes high then we need to pay more if index is less we will pay less it is linked to the index, right now the index is at \$140.
- Rahul Modi:** Okay thank you very much and all the best.
- Moderator:** Thank you. The next question is from the line of Subhadip Mitra from JM Financial. Please go ahead.
- Subhadip Mitra:** Good afternoon and thank you for the opportunity. My first question is if you could please tell us what is the adjusted PAT number for fourth quarter and full year FY22?



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- Management:** For the fourth quarter it is Rs. 4,559.98 crore as against Rs. 3,831.01 crore in the corresponding previous quarter.
- Subhadip Mitra:** For the full year?
- Management:** For the full year it is Rs. 14,700.99 crore as against Rs. 14,218.07 crore.
- Subhadip Mitra:** So, it is Rs. 14, 218 for the last year versus Rs. 14,701 for the current year?
- Management:** Correct.
- Subhadip Mitra:** Sir secondly just to get an update on the capacity addition that we are looking at I think if I remember the numbers correctly as per the last call we are looking at about close to 4 GW of thermal additions in FY23 and a similar number for 2024 with maybe another 1.2 GW of renewables, if you can just give us an update as to how much we are planning to add in 2023 and 2024 and if possible split between thermal and renewables?
- Management:** We will be adding approximately 5 GW in FY23 and in FY24 we will be adding approximately 6 GW.
- Subhadip Mitra:** If possible if you can split this up between the thermal and the renewables?
- Management:** In FY23 the renewables will be approximately 1.5 GW and in FY24 the renewables will be approximately 950 MW.
- Subhadip Mitra:** Lastly a question with regard to one of the earlier questions where we talked about some of the renewable projects which may see delays because of GIB issues and also because of the modules is it possible for you to quantify that how much of our capacities are getting impacted by GIB?
- Management:** As of now I think roughly 900 MW is impacted by GIB because we have to get the permission from the committee appointed by the Hon'ble Supreme Court, so we are in that process.
- Subhadip Mitra:** So, is this 900 MW included in any of the targets of FY2023 or 2024 or these are not included?
- Management:** Yes, that is included, and we are expecting to get the clearance in the next few months.
- Subhadip Mitra:** So, in case there is a worst case scenario further delay that happens with regard to the Supreme Court rulings then the 2024 target number could get impacted am I right in understanding that?
- Management:** No, the applications have already been put.



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- Subhadip Mitra:** Yes, so maybe I am not understanding it correctly I just wanted to understand that this 900 MW that we are targeting for FY24 does that number get impacted in case these projects get delayed further?
- Management:** No, this 900 MW would largely be commissioned in this year only.
- Subhadip Mitra:** Okay understood. These are targeted basically for FY23. Thank you.
- Moderator:** Thank you. The next question is from the line of Anuj Upadhyay from HDFC Securities. Please go ahead.
- Anuj Upadhyay:** Thanks for the opportunity. One clarification the number which you quoted for capacity addition is on a consolidated basis and not the standalone am I right Sir?
- Management:** Yes.
- Anuj Upadhyay:** Any fixed cost under recovery which we have booked for the current fiscal?
- Management:** During the current financial year it is Rs. 453 crore as against Rs. 600 crore in the previous year.
- Anuj Upadhyay:** Thank you Sir and two things, again one the status on the Khavda where exactly we are positioned when we expect the project to get commission out there in the phase one firstly and secondly you also mentioned about the 10 GW of RE which where we have signed a LOI from the Rajasthan, so any timeline by when we expect to commission would it happen in a phase wise and over what period of time the entire 10 GW would get commission?
- Management:** In Khavda, we intend to start the work in the next one-and-a-half months or so and the timeline is to commission close to around 2-2.5 GW in the next 30 months, that is the timeline as of now.
- Anuj Upadhyay:** Sir, 2-2.5 GW over next 30 months right?
- Management:** Yes, about 2-2.5 GW in the next 30 months, we intend to start the work in the next one, one-and-a-half months. The Rajasthan Park thing is still under discussion in fact we have had a couple of meetings with the Rajasthan officials, and they have started identification of the land which they will offer to us so that is still too premature to talk about in terms of the capacity addition timeline.
- Anuj Upadhyay:** Fine Sir. One final clarification on this Rajasthan the 10 GW deal does this also fall under the area where we are facing GIB issues, or it is all together different land parcel?
- Management:** No, that is exactly the reason Rajasthan government is taking a bit more time to occupy the land because they do not want it to be covered under the GIB area.



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- Anuj Upadhyay:** Fair enough Sir. Thanks that is it from my end.
- Moderator:** The next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.
- Sumit Kishore:** Good evening and thanks for the opportunity. My first question is for Mohit Sir on renewables earlier you had expressed that NTPC would have a 15 GW renewable capacity by FY25 what is the scale down and realistic target now and if you could also give us the number on the operational RE capacity of NTPC today, what is in standalone, what is in subsidiaries and what is the total size of the portfolio including under construction and under implementation capacity?
- Management:** Too many questions in one go. I am not sure whether I remembered all of them but okay. So, we have I think it was already mentioned by Director Finance in his opening remarks we have 1,852 MW which is under operation today, in fact that number got increased by 35 MW yesterday because we started work on another capacity that is the number we have today. Your initial question regarding 15 GW obviously this discussion was when the impact of COVID had not started, to that extent we expect there to be a delay of about 12 months in achieving this capacity because there have been headwinds in terms of getting the work done and all these issues have been there, but we are not significantly delayed for what we had stated and what was the third part.
- Sumit Kishore:** What is the total size of your renewable portfolio today, so we know the operational RE capacity what is the size of the under construction portfolio right now and the under implementation of whatever you call it?
- Management:** Yes, so operational capacity is ~1.8 GW, under construction where the work is already in progress is about 3.4 GW and we have about 2.8 GW which is under tendering, that is pipeline as of now.
- Sumit Kishore:** Okay, 2800 MW under tendering and you had mentioned that there was this expression of interest for module sourcing, how has that progressed and has that got settled because the module prices have been elevated and there are uncertainties?
- Management:** Yes you are absolutely right we had come out with the EOI, but the module prices have been very high, so we in fact intended to go ahead with the long-term sourcing of the module, so that is something which is held back as of now because we are waiting for some more normalization in the module prices because even the bidders are not very confident to offer a price which they will be able to hold for some time.
- Sumit Kishore:** It was mentioned earlier that 6 GW of new coal based capacity is going to get added I am just wondering that with so much global opposition to addition of new coal based capacity which banks in India are going to fund the loan for these projects I understand overseas funding will be very difficult for new thermal projects?



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- Management:** We will get the funding.
- Sumit Kishore:** What will be the source of funding I am just trying to understand?
- Management:** Source of funding would be from domestic sources, and we will also go for bonds from the international market.
- Sumit Kishore:** Last question what was the late payment surcharge in FY22 versus FY21 and what was the PLF incentive in FY22 versus FY21?
- Management:** Surcharge in FY22 is Rs. 754 crore as against Rs. 2,316 crore in the corresponding previous year and if you want the quarter numbers also during the current quarter it is Rs. 161 crore as against Rs. 620 crore in the corresponding quarter of the previous year.
- Sumit Kishore:** PLF incentive?
- Management:** Incentive is almost similar Rs. 386 crore in current year as against Rs. 399 crore in the previous year, in quarter also it is almost similar Rs. 69 crore in current quarter versus Rs. 45 crore in the previous quarter.
- Sumit Kishore:** What is the figure of overdue receivable at the end of FY2022?
- Management:** As on March 31, 2022 it was Rs. 4,274 crore.
- Sumit Kishore:** This figure was about what Rs.60 billion as of FY21?
- Management:** Last year was it was Rs. 5,660 crore.
- Sumit Kishore:** Thank you so much Sir and wish you all the best.
- Moderator:** Thank you. The next question is from the line of Deepika Mundra from JP Morgan. Please go ahead.
- Deepika Mundra:** Thank you Sir. Just two questions firstly on captive mining what is the outlook in terms of potential for next few years in terms of output and capex and secondly for the gas based power plants can you walk us through the outlook for those in terms of regulated equity recognition?
- Management:** Well captive mining I can only tell that last year our captive production was 14.1 MT and FY23 we have a target of producing approximately 26 MT which is more than 80% increase and I will not be able to tell you how much we will be doing in FY24 because we are in the process of awarding a new contracts at our mines of Kerandari and Talaipalli and if it is awarded definitely it will be more than this capacity of 26 MT what we are planning this year and what was your second question.



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- Deepika Mundra:** Gas based?
- Management:** Yes, gas based. Right now gas price is very high so definitely it is very difficult for running the gas plants because ECR may not be sustainable and it may not come under this Merit Order Dispatch but still we will continue to have the fixed charge recovered there except for few capacity which some of the DISCOMs have already surrendered and that capacity is approximately 1000 MW out of the total capacity of 4000 MW and 1000 MW has been surrendered by various DISCOMs, but we are trying to allocate this capacity to other DISCOMs if they are willing and probably government is also going to take certain steps because of the power shortage in the current scenario and there our government has already approached GAIL to arrange the gas at best possible rates and we are most likely to run this capacity on emergency basis for the grid security.
- Deepika Mundra:** Okay Sir thank you very much.
- Moderator:** Thank you. The next question is from the line of Aniket Mittal from SBI Mutual Fund. Please go ahead.
- Aniket Mittal:** Thank you for the opportunity. Just a couple of questions from my side. Sir firstly just to understand on this incremental Brownfield capacity addition that we are doing in Singrauli, Lara, and Darlipalli what stages of discussion are we in, any of the DISCOMs come forth to ask for you for these incremental capacities and have you tied up PPAs for these incremental capacities?
- Management:** For Singrauli and Lara we are already having the PPA.
- Aniket Mittal:** Who are the DISCOMs with which we are doing this incremental PPAs
- Management:** In case of Singrauli it is northern region and in case of Lara it is western region.
- Aniket Mittal:** So, we have the go ahead in terms of the PPAs and these would be 25 year PPAs?
- Management:** We still have to have the environment clearance in case of Lara, for Singrauli it is already available.
- Aniket Mittal:** For Singrauli and Lara you are saying that the PPAs will get a go ahead from the DISCOMs and these would be 25-year PPAs?
- Management:** It will be 25 years PPAs definitely.
- Aniket Mittal:** As per your estimates when do you see Talcher, Singrauli and Lara then coming on board any rough timelines that you have in mind by when you can set up these incremental 5 GW?



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- Management:** In case of Talcher which is 1320 MW power station investment approval is likely to happen in August and thereafter for completion it will be taking four years time. As far as Lara and Singrauli is concerned NIT is yet to take place and they are under active discussions.
- Aniket Mittal:** One question on the Capex front. If I look at the NTPC renewable energy entity itself could you tell me what would be the capex for NTPC RE over the next three years and can we split that up between the solar capacity and green hydrogen?
- Management:** I think what we can share with you right now is the tentative numbers for the next year because beyond that a lot of things are linked to the projects which have accorded investment approval, so next year tentatively we are looking at a number of about Rs. 8,000 crore, next year meaning this current fiscal.
- Aniket Mittal:** Just to understand on the green hydrogen front because there are some pilot projects that we have started I think undertaking and ordering it at a couple of our plants I think Simhadri is one where also I think looking to do at one of our other plants as well, so if you could just highlight what is the sort of capex that we are looking to put over there any other incremental plans that we are trying to develop this on a pilot basis?
- Management:** You are right we talked about Simhadri earlier the other one was mentioned in the opening remarks by our Director Finance that we have signed an agreement with Gujarat Gas to blend hydrogen in the natural gas which they will supply as piped natural gas in the Kawas Township of NTPC then the other pilot which is already underway is at Vindhyachal where we are doing green hydrogen plus carbon capture and convert that into green methanol so that is the third pilot for which partly the work has started. Fourth of course is the mobility pilot for which we intend to place orders in the next two months or so for the hydrogen buses as well as the hydrogen filling stations and all these things, so that as of now is the broad thing.
- Aniket Mittal:** In general, what would be the capex related to these pilot projects right now?
- Management:** These are basically pilot projects.
- Aniket Mittal:** Sure, no problem. Thank you for taking my questions.
- Moderator:** Thank you. The next question is from the line of Swarnim Maheshwari from Edelweiss. Please go ahead.
- Swarnim Maheshwari:** Thanks for the opportunity. Sir you have mentioned about 6 GW of Brownfield capacity what could be the likely capex over here?
- Management:** It will be around Rs. 60,000 crore.



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Swarnim Maheshwari: That works out to be close to Rs.10 crore per MW but since these are Brownfield what is it actually causing such a high cost because I believe Greenfield is closer to Rs. 8 crore?

Management: Yes, it is because we have also to clear the areas in the brownfield project to make them available for generation of new powerhouse, we have to shift certain assets also, but I told you approximate expenditure it is not necessary it will be Rs. 10 crore it can be 8 or 9 and it will include FGD.

Swarnim Maheshwari: Safe to say that all of them will be only regulated right?

Management: Yes.

Swarnim Maheshwari: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Abhineet Anand from Emkay Global. Please go ahead.

Abhineet Anand: Thanks for the opportunity. Two things first I wanted to know on the thermal side what is the amount of capacity that is going out of PPA in 2023, 2024, 2025 or a cumulative number if you can give in the next few years?

Management: Well, I think at some point of time DISCOMs wanted that they will be exiting, now they are approaching us for the capacity if anything is available but unfortunately NTPC does not have a single MW available to be given to anybody, so we do not think for another four or five years there will be any question of exiting of capacity by any DISCOMs.

Abhineet Anand: The gas power plants that you talked about I think those can be at risk?

Management: Yes, this risk is only that we may not be getting the corresponding ROE from those stations nothing otherwise, these are all old power stations already we have recovered depreciation, etc. So, government is also rethinking how to run these gas-based power plants, so they are in active discussion.

Abhineet Anand: Secondly on the FGD side majority of the orders have been given if you can give a ballpark number in the next one, two years when everything all this is being installed what could be the incremental capex from NTPC side just on the FGD that would have been done?

Management: For FGD capex we are targeting Rs. 3,400 crore for this financial year and approximately Rs. 4,000 crore for the next financial year.

Abhineet Anand: So, these are the capex that you would be doing right?

Management: Yes.



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- Abhineet Anand:** So, what I was also trying to understand cumulatively what is the spend on FGD that we would have done because that would then come under our regulated part right?
- Management:** It is Rs. 29,330 crore.
- Abhineet Anand:** All these by FY2025 I presume will be spent right?
- Management:** Yes.
- Abhineet Anand:** Thanks Sir those were my questions. Thank you.
- Moderator:** Thank you. Ladies and gentlemen this was the last question for today. I would now like to hand the conference over to Mr. Rajesh Majumdar for closing comments.
- Rajesh Majumdar:** Thank you ladies and gentlemen for a very interactive session and thank you to the management of NTPC for conducted discussion for us. I wish all the participants' goodbye and thank you once again for attending the NTPC Q4 and FY2022 earnings call. Thank you very much everyone.
- A.K. Gautam:** Thank you very much.
- Moderator:** Thank you. On behalf of Batlivala & Karani Securities that concludes this conference. Thank you for joining us. You may now disconnect your lines.