



## “NHPC Limited Q3 and Nine Months FY15 Results Conference Call”

**February 04, 2015**



**MANAGEMENT: MR. R.S.T SAI – CHAIRMAN AND MANAGING DIRECTOR  
MR. RADHESHYAM MINA – DIRECTOR (PERSONNEL) &  
DIRECTOR (FINANCE), EXECUTIVE DIRECTOR**

**MODERATOR: MR. DEEPAK AGRAWALA – VICE PRESIDENT, ELARA  
SECURITIES PRIVATE LIMITED**

**Disclaimer:**

The transcript is an audio recorded version of the general discussions held with the analyst over the published result of the company for Q3/9 months ended 31.12.2014. The facts and figures disclosed in the transcript are indicative and unaudited. The company requests readers to get the data/facts reconfirmed from the Investor Relation Cell, NHPC at [investorcellnhpc@gmail.com](mailto:investorcellnhpc@gmail.com) /[sarokroy@nhpc.nic.in](mailto:sarokroy@nhpc.nic.in) before using the same for any kind of reporting purpose or otherwise.

**Moderator:** Ladies and gentlemen good day and welcome to the NHPC Q3 and 9MFY15 Results Conference Call hosted by Elara Securities 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, please signal an operator by pressing \* then 0 on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Deepak Agrawala from Elara Securities. Thank you and over to you sir.

**Deepak Agrawala:** Thanks Karuna. Good afternoon everyone. On behalf of Elara Securities we welcome you all for the Q3 and 9M FY15 conference call of NHPC limited. I take this opportunity to welcome the management of NHPC represented by Mr. R.S.T. Sai, the Chairman and Managing Director and his entire management team. The call will begin with a brief overview by the management followed by a Q&A session. I will now hand over the call to Mr. Sai for the opening remarks. Over to you sir.

**R.S.T Sai:** Thank you Mr. Deepak. Good afternoon everyone from the investor community and analyst and various members of the shareholding community. On behalf of NHPC Management and the Board of Directors, I am privileged to communicate you the various features of the operating results of the company for the first nine months of FY 2014-15 ending 31st December 2014.

The results are with you, the numbers are there so without repeating that I would like to explain certain qualitative features. The first and foremost thing is, the electricity generation during the nine month period has been quite comfortable, we have produced 3,183 million units in the current quarter as against 2,790 million units in the corresponding period of last year, this is about 14% higher. Of course the fact remains that we have about four power stations which have commenced the full year production from 1st April 2014, they were commissioned in the later part of the previous financial year so we have the benefit of extra generation. But good hydrology in the current year's monsoon was also one of the main reasons why we could produce better than last year.

The net profit earned during the nine months period has been 1,480 crores versus 1,686 crores of corresponding period. The quarterly profit has been 180 crores versus 259 crores of corresponding period. If you recall that in the first nine months of the previous financial year, the charge of the idling cost in respect of Subansiri and TLDP-IV was not made, the adjustment was made only in the account of 31st March, whereas in the current year we have made these adjustments right from beginning. So the position is much better than last year. The charge on profit and loss account on this account still continues though in TLDP-IV the construction has been resumed



from 1st November 2014. So from that day there is no need to charge off as regards the Subansiri project, I am glad to tell you that the Government of India made a very effective intervention in the project and a monitoring committee has been constituted by the Ministry of Power. It has about four representatives from the government side representing Central Water Commission, Central Electricity Authority, Geological Survey of India and IIT Roorkee and then from the Assam side the four academics mostly, the experts in different fields were nominated. This is a joint body, it will vet the project features and give necessary confidence to the public. The committee already had a meeting and I am sure with good efforts maybe in a couple of months' time we will have the green signal to commence the construction activity of Subansiri as well.

Then I also want to highlight that our operational performance inspite of few setbacks in some of the units has been quite healthy which is evident from the fact that our EBITDA for nine months stands at 3,856 crores vis-à-vis 3,535 crores for corresponding period last year, an increase of about 9%.

As you all know Uri-II power station had to face an unfortunate incident on 20 November, 2014, but the consolation is that the station has already crossed its design energy of 1,124 million units as on Jan-15. We have already produced about 1,188 million units which is more than the design energy for the total year. So that way the revenue impact is not expected to be much and whatever loss is there, it is covered by loss of business policy. We are expecting to restore the units in the last week of April or by first week of May. In TLDP-III we had an incident on 11th December 2014 where a line breaker had to be taken out for rectification and annual maintenance we took advantage and complete the annual maintenance during this period and all units of TLDP have been restored since, first unit was restored on 11th January and rest of the things were restored in 3-4 days' time thereafter. Similarly in Parbati-III power station annual maintenance was taken up on 19th November 2014, one unit has been just commissioned, synchronized on 2nd February and I think the rest of the units will also be completed in the course of this month. The power stations of NHPC have achieved cumulative PAF of 78.6% against excellent MoU target of 77.2% till Jan15 despite these shut downs. So whatever little hit we took in these stations was covered elsewhere. Similarly, 19,600 million units has been generated upto January 2015 against MoU target of 21,124 MoU for the year.

So far, of course I have already explained to you about Subansiri, we hope that the stalemate will be resolved by the end of this financial year. In my last communication I have intimated that we are starting work on 50 megawatt solar project in the state of UP, I am happy to inform you that a joint-venture company by name Bundelkhand



Saur Urja Limited has just been registered in the Registrar of Companies of Kanpur. The active construction of this project will start shortly, the tendering is at advanced stage.

Our debtors position continues to be a concern with J&K being the major defaulter, the outstanding is about Rs.1,065 crores as of now. Of course good feature is that in November we could collect in one go Rs.600 crores from the power development department of J&K. We are actively taking up to liquidate the outstanding through the good office of Ministry of Power as well as the government of J&K. The construction works in TLDP-IV as I have already informed, have resumed on 1st November and we hope to commission some units in the financial year 2016-2017. The Kishanganga project is also expected to come on stream towards the later end of 2016-2017. In Parbati-II we are stuck with the TBM in the matter of excavation of the HRT we have come into a shear zone and we are making necessary efforts to hand in this zone by strengthening the surrounding mass of the hill and then proceed further with the TBM. We hope to complete the ongoing treatment works of strengthening the surrounding hill mass by March 2015 and thereafter we will be able to progress with the tunnel boring machine.

As intimated earlier also, the PIB note for the 520 megawatt Teesta-IV project in the state of Sikkim and 800 megawatt Tawang Stage II project in state of Arunachal Pradesh are under the consideration of the government and in due course we will get investment approval.

Thank you. Now I request you all to put your questions. We will try our best to answer. I have my management team from various disciplines, we have from finance, operation and also the construction groups. So we will try our best to clarify any queries that you may have. Thank you. Over to you.

**Moderator:** Thank you very much sir. Ladies and Gentlemen, we will now begin the question-and-answer session. We have the first question from the line of Devang Patel from IL&FS. Please go ahead.

**Devang Patel:** Sir, the realization seems or the per unit realization seems to be down on a year-on-year basis, if you can throw some light on that?

**R.S.T Sai:** Can you speak loudly.

**Devang Patel:** Sir the per unit tariff seems to have come down on a year-on-year basis in this December quarter compared to the previous December quarter. Sir my question was

on the average realization per unit, now the units generated has gone up by 14% year-on-year for the quarter but the average realization seems to have come down by 9%, if you can please throw some light on that.

**R.S.T Sai:**

Yes, I can explain. See, the tariff structure for the hydro projects is based on the concept of annual fixed charges, so if we produce the design energy which is determined by the central electricity authority and approved by central electricity regulatory commission, our entitlement per annual fixed charges have changed and anything we produce more we have to sell as per the rate of secondary energy and it would fetch something like Rs.0.90 per unit. Now this year we had very good discharges during the first six months and typically that is so in the Indian hydro stations which are monsoon dependent mostly. So the predominant discharge is in the first six months whether it is by snowmelt or due to rains, so first six months we had very good time and the production was much more than like I said in Uri-II for example the real energy was achieved by mid-November so because of the bounteous discharges the generation has gone up but we are not allowed to charge unit rate on a uniform basis, once we cross the design energy what they allow is a small price of Rs.0.90 only. So that is why on an average if you see the realization is low. I hope you are satisfied.

**Devang Patel:**

Yes sir. the second question is on the TLDP project where some charges were made in the first half, the notes to accounts is about 45 crores is what is charged up to October but from the previous notes it seemed that the amount was closer to 70 crores so can you please clarify on the charges total in the expenses and the interest cost what it was cumulatively for this year?

**R.S.T Sai:**

Yes, I will ask our ED Finance to reply.

**R.P.Goyal :**

Yes. In fact there was a provision of Rs.64 in the previous year on account of doubtful recoveries so out of that recoveries certain percent has been reversed during current year due to restart of work by one of the contractor. So due to this reason around 40 crore of earlier provision has been reversed.

**Devang Patel:**

OkaySir, lastly on the Nimoo Bazgo project can you give us some sense of what is our threat perception there because of the landslide upstream?

**M.S.Babu:**

Yes. Situation is very normal, nothing to be worried about. The location of the slide is around 50 kilometers of the upstream of dam site so things are being closely monitored and several teams are also reviewing the situation. For us there is not much

danger as of date so we are keeping the dam level minimum so that in case of any sudden release of water can be taken care of.

**Moderator:** Thank you. Our next question is from the line of Sandeep Hemraj from PCS Securities. Please go ahead.

**Sandeep Hemraj:** Sir could you summarize your CAPEX plan and capacity addition for the next three years?

**Jayant Kumar:** See, for the current year our CAPEX plan is about 3,300 crores, four projects are there which are under active construction namely TLDP-IV, Kisanganga, Parbati-II and Subansiri, of course Subansiri the work is presently is at a standstill but we are expecting that active construction will start shortly. So as far as project commissioning is concerned, we are expecting that TLDP-IV where the active construction work has already has started, will commission by the fag end of the next financial year. Similar is the case in Kisanganga also. we are planning that the project will come on stream in 2016-17. So this is the position in this financial year, Parbati-II as CMD has already said in his opening remark we are facing some shear zone problem, their work is going in a slow fashion, though Parbati-II that may go in the next plan but at least Kisanganga and TLDP-IV will be coming in this plan. That is the position so far capacity addition is concerned.

**Sandeep Hemraj:** Sir, any new projects that are in the pipeline which are likely to start in the next year or so?

**R.S.T Sai:** As I have stated that the investment approvals for new projects are in competence of the Union Cabinet in respect of NHPC. So we have two projects which are under consideration of the government, one is the 520 megawatt Teesta-IV in Sikkim, 800 megawatt Tawang Stage II in Arunachal, so these are the two new projects whose DPR is under consideration of the Union Govt. of India for investment approval. There are quite a few other projects where efforts are on but they are not in the immediate development stage, preparatory investigations are going on so that's it.

**Sandeep Hemraj:** Sir one more question is that, has your debtors, come down?

**R.S.T Sai:** Yes, it has come down in one sense, Jammu & Kashmir debts were about 1600 crores top, now it is about 1000 crores because we could realize 600 crores now so to that extent it has come down.

**Jayant Kumar:** Otherwise also if you see our total debtor on September quarter was around 3800 crores which has come down to 3042 crores by December quarter, So there is



reduction in debtor, of course one of the beneficiaries their dues are mounting and J&K is one of them for which as CMD as explained in his opening remarks that we are taking up the matter at the ministry level and we are expecting that with their good office we will be getting something from Jammu & Kashmir also.

**Sandeep Hemraj:** And any policy changes or framework from the renewable side sir that you are expecting?

**R.S.T Sai:** We are not aware of any policy shifts, whatever encouragement was there it continues. But only thing is the government is giving a lot of importance for development of the renewable sources and since central government is actively pursuing with states they are also actively coming forward in identifying land parcels for developing the solar particularly. I think wind there is very limited scope, most of it is in South and West Coast and most of it has been exploited. So the major thrust these days is on the solar and a lot of push is being given not in terms of policy but active pursuit.

**Moderator:** Thank you. Our next question is from the line of Abhishek Puri from Deutsche Bank. Please go ahead.

**Abhishek Puri:** Sir firstly if you can give me the number of plant availability factor for the current quarter, I think you gave me 78.6% for nine month.

**R.S.T Sai:** Yes, even for the quarter?

**Abhishek Puri:** Yes sir.

**R.S.T Sai:** 69% is for the quarter, I am told that as per the verified figure it is 81.4% for the nine months.

**Abhishek Puri:** It is not 78.6%?

**R.S.T Sai:** 78 is up to January but for 31st December it is 81.4%.

**Abhishek Puri:** Got it. Sir your availability incentive is about 12 crores in the current quarter?

**R.S.T Sai:** Yes.

**Abhishek Puri:** Would there be any under recovery because this time the availability is below 70% this time in the current quarter and how have we got an incentive in this current quarter, just wanted to understand.

- R.S.T Sai:** See, it is basically given on station wise basis, so some of the stations have qualified, we got it. So it is not for the...
- Abhishek Puri:** Sir, under recovery for the quarter as such.
- R.S.T Sai:** I am told 70% is for the whole year, so on a cumulative year basis we got 81.4 up to December and by January it is 78, so we are above that. So any adjustment I am told will be done at the end of the year.
- Abhishek Puri:** Yes, that you typically do towards the fourth quarter when we have a small negative incentive or disincentive in availability. So for this year secondary energy are about 19 crores for the current quarter and if I look at the nine months data you have received almost like 40 crores from secondary versus almost like 106 crores in the last year so this time the methodology for secondary energy calculation has changed, so would it be right to assume that you will have a 50-60 crores secondary energy earning in the fourth quarter?
- R.S.T Sai:** See, what is happening, secondary energy you can account for when your entire design energy is fulfilled, so presently by December quarter there were two projects where we have exceeded our design energy and accordingly that 19 crores has been accounted for. But there are projects, there are about 6-7 projects where we are going to exceed design energy by March, certainly by the last quarter our design energy portion will be on the higher side so we will be booking a good amount as you said 50-60 crores whatever is there, we will put a good amount in the last quarter of the financial year.
- Abhishek Puri:** Understood. And the UI income will be over and above this if you cross the two hour or four hour mark in terms of your declared energy.
- R.S.T Sai:** Yes, it is over and above.
- Abhishek Puri:** Okay. Last data point that I need from you is on the regulated book value, what is the regulated equity sir on which you are earning your ROE?
- R.S.T Sai:** The regulatory equity is 9,750 crores, if there is no change in the regulatory equity it was the same what was there in the September quarter.
- Abhishek Puri:** Yes, was just checking in terms of if there is any change in terms of cost approvals or anything which has come.
- R.S.T Sai:** No.





- Moderator:** Thank you. Our next question is from the line of Abhishek Anand from JM Financial. Please go ahead.
- Abhishek Anand:** Sir, my question pertains to Subansiri, given the fact that the project is delayed, so if we are to assume that we get all the approvals in place in the next one to two months what is the timeline of commissioning for the project and also the revised cost of the project?
- R.S.T Sai:** See the timeline, once we resume the construction activity it will take four years, so assuming that say 1<sup>st</sup> April, 2015 we start we can expect the project to come on stream by 31<sup>st</sup> March, 2019. So the cost increase based on current indications, we are yet to factor in the compensations that have to be paid to the contractors for the period of suspension. But general indication would be for the period of delay the next session will take place and what got shifted beyond 2015. So some additional cost will also come into picture. Maybe to get a rough idea it may touch something like 13,000 crores, I mean this is on a very rough basis.
- Abhishek Puri:** Okay. And the proportion of debt and equity will be 70-30 in the project?
- R.S.T Sai:** Yes, yes that we will maintain.
- Abhishek Puri:** Okay. Sir also could you help us out with the UI incentive numbers because I...
- Jayant Kumar:** Abhishek, this secondary energy for this quarter is 19 crores, cumulative basis it is 41 crores nine months, incentive PAF based for the quarter is 12 crores and nine months cumulative it is 235 crores, current quarter UI charges is 31 crores and cumulative basis it is 135 crores.
- Abhishek Puri:** Okay. And finally sir how many of our projects have actually crossed the design energy by third quarter end or in the first nine months?
- M.S.Babu:** Two power stations namely Chamera-I and Uri-II have crossed design energy till Dec14.
- Moderator:** Thank you. We have the next question from the line of Mohit Kumar from IDFC. Please go ahead.
- Mohit Kumar:** Sir what was the PAF for the quarter, I missed out on the number sir.
- Jayant Kumar:** Yes, Mohit PAF for the quarter is 69% and for the nine months it is 81.4%.

- Mohit Kumar:** Sir my second question pertains to this TLDP-IV, TLDP where we have made this adjustment, the adjustment for the nine for the last for the seven month was lower than the adjustment which we had shown till the first-half can you please throw...?
- R.P.Goyal:** This is because of the reversal for some of the provisions made in earlier years as now contractor has started working on the project so we have reversed the earlier provision.
- Mohit Kumar:** So what the provisions made till first-half and how much is reversed?
- R.P.Goyal:** These provisions are on account of some recoveries towards insurance premium, car policy and interest reversal and some other recoveries of material etc.
- Mohit Kumar:** So net-net there is positive recovery, positive adjustment to the TLDP adjustment, am I right in saying that?
- R.P.Goyal:** Yes.
- Mohit Kumar:** And sir my last pertains to since we been hearing that there are lot of HPO we did in the amendment electricity bill there is a lot of HP obligations is being talked about. Have you heard anything along those lines?
- R.S.T Sai:** This the HPO obligation is there we are also reading the newspaper but so far no government communication has been there regarding the obligation on the part of discoms to purchase from hydro. It is only newspaper reports are there and some media reporting is there but we have not received anything on this account.
- Mohit Kumar:** And sir is there any progress during the quarter on our thermal power plant?
- R.S.T Sai:** Thermal power plants, of course the clarity has come in the sense our coal allocation has been cancelled by the Supreme Court so that now stands terminated and we were pursuing one mega power project in Orissa for tendering that was also I think discharged the tender. So that is the clarity that has come. That is all, there is no positive development to report.
- Moderator:** Thank you. We have next question from the line of Murtuza Arsiwala from Kotak Securities. Please go ahead.
- Murtuza Arsiwala:** I just wanted to check out of the total 13,000 crores that you estimated on a rough cut for Subansiri how much is the project cost that we have spent to-date, how much money have we spent on this project?

- Jayant Kumar:** We have spent around 7,057 crores till December on Subansiri project.
- Murtuza Arsiwala:** Okay. And sir just for clarification on the TLDP-IV which resumed construction, how much is the quantum of reversal that we have taken and have we routed it through the P&L for both interest and the other expenses?
- R.P.Goyal:** Our quantum is around 25 crores and this has been credit to IDC and another 32 to 35 crores is there which has gone to profit & loss account.
- Murtuza Arsiwala:** So 25 crores of interest has been reversed input...
- Management:** It has been credited to incidental expenses during the construction and another 35 crores has been credited to profit & loss account.
- Moderator:** Thank you. We have next question from the line of Anuj Upadhyay from ICICI Direct. Please go ahead.
- Anuj Upadhyay:** Sir could you just provide me with the break-up of the total debtors state wise that is how much is outstanding with the J&K, UP, Punjab, HP and Yamuna, Delhi?
- Jayant Kumar:** Yes, I am giving you the top five debtors as on December 2014. It is total debtor and is not more than 60 days . It is total debtor 2013-14 – J&K is 1,340 crores, UPPCL it is 293 crores and Punjab is 216 crores and Himachal Pradesh HPCC it is 120 crores and BSES Yamuna that is Delhi Discom that is 132 crores. So these are the major debts.
- Anuj Upadhyay:** Fine. And overall debtors is 3,042?
- Jayant Kumar:** 3042 crores, this includes some unbilled debtors also but the total is 3,042 crores.
- Moderator:** We have next question from the line of Chetan Wadia from JHP Securities. Please go ahead.
- Chetan Wadia:** Sir, what is the total borrowing position as of December?
- R.S.T Sai:** 20,140 crores
- Chetan Wadia:** And sir the interest for the nine months is around 901 crores, is there any exceptional item in that or is it in line which is expected by the company?
- R.S.T Sai:** The interest, you see as we have said earlier that the borrowing cost of TLDP and Subansiri has also added to the profit and loss account. So the finance cost to that 901

crores which you are referring that includes around 360 crores finance cost pertaining to Subansiri and TLDP-IV.

**Chetan Wadia:** Okay. So if I am not, what kind of levels of revenue and profitability you might end the year at?

**R.S.T Sai:** You see, in nine months our profit has been 1480 crores, it all depends upon the generation, normally with hydro plants what happens is about 60% to 70% generation takes place in the first six months up to September and 30% to 40% takes place in the next half. So let us see, we are expecting around further 3,000 million unit at a maximum generation in the last quarter so I mean January to March. So I cannot tell you exactly what will be profit, but profit will be in same range that what we have got from September to December in the same range it will be from September to March.

**M.S.Babu:** Alright, project generation I can tell you that generation during this year it is 21,580 million units, 21,580 million units against last year actual 18,386 million units. We are expecting around 21,580 million units and the PAF we are expecting is around 76.7%.

**Moderator:** Thank you. We have next question Deepak Agrawala from Elara Securities. Please go ahead.

**Deepak Agrawala:** Sir, couple of questions from my side. First is, can you explain why the other income which has stood at about 290 crores seems to be a bit on a higher side, so any reason for that? And this other income it has reduced from the earlier period basically, it is not on the higher side.

**Management:** Deepak, basically you will see this 111 crores is one-off item in this current quarter. It pertains to provisioning with respect of Dhauliganga project and TLDP-IV project. Actually what happened in last four to five years back we have taken hit of 70 crores in Dhauliganga project on account of revised cost estimate lower than the capital cost. So actually that provision was not required at that time and we have taken 70 crores hit in our books so that has been reversed back during this quarter.

**Deepak Agrawala:** Okay. So reverse back happens with an interest element also?

**Management:** No, there is no interest as such. It is on absolute basis. What we had debited, we have credited that.

**Deepak Agrawala:** So the reversal that you have done at 111 and this number is about 70 crores?

- Management:** Yes, so 70 crores pertain to Dhauliganga and 40 crores pertain to TLDP-IV which has been explained by our Chief Finance.
- Deepak Agrawala:** Okay. My second question is, yes you mentioned in your opening remarks that the solar promoter agreement has been signed so what kind of activity do we see in FY16 because several PSUs has been told to ramp up solar capacities significantly and they are reworking on this on the plant to add solar CAPEX so what is your internal assessment on this?
- R.S.T Sai:** See, this project if everything goes fine it should come on stream by end of next financial year because I understand the equation of solar installation will not take much time. But otherwise failing that it depends on when we finalize the tender and what contractor offers, but the positive feature is the power purchase agreement is in place with the government of UP, they gave an in-principle approval for purchase of the electricity. Land is government land, it is free from all encumbrance because government's land has been committed for this. And company for promoting this venture has already been registered so if not by end of 2016 definitely in first half of 2016-2017 this 50 megawatt solar project will come on stream. There are other initiatives also, they may fructify in 2016-2017, but at the moment we cannot disclose that, but this 50 megawatt is in public domain and I can clarify on this.
- Deepak Agrawala:** Thanks for this. Any update on this wind project where you signed this MoU with Kerala for about 80 megawatt?
- R.S.Mina:** Yes, in Kerala we have signed a MOU for 82 megawatt with Govt. of Kerela and C Wet has made the DPR. We are in the final stage of finalization of DPR. Afterwards we will float the tender. 50 megawatts solar project is also signed in Kerala, so these 2 projects are going on in Kerala.
- Deepak Agrawala:** Okay. So how much CAPEX do you plan to allocate for this in FY16?
- Management:** I think roughly about 6 crores capital expenses maybe there per megawatt, so for the UP project we may in the next financial year keep a Capex something around 200 crores. In Kerala we expect to be half way throughso in that sense the capital outlay in Kerala maybe among 300 crores and together about 500 crores you can expect.
- Management:** Yes, 550 crores.
- Management:** Okay, we have provided 550 crores.

- Deepak Agrawala:** Okay. And my last question I missed this number, if you can just mention the total capital outlay that you plan to spend in FY16 and FY17? Like in FY15 you mentioned the capital outlay is about 3,300 crores so a similar numbers for 2015 and 2017?
- R.S.T Sai:** 2015-2017 we expect it to be around 10,250 crores.
- Deepak Agrawala:** Each year?
- R.S.T Sai:** Yes, In 2015-2016 it will be about 5214 crores and in 2016-2017 the capital outlay will be 5036 crores.
- Moderator:** Thank you. We have next question from the line of Alok Ramachandran from SBICAP Securities. Please go ahead.
- Alok Ramachandran:** Sorry gentlemen I joined the call in late. Just wanted to know the energy sold during the quarter, number one. Number two my question is, is there any under-recovery in any of the plants if you are assuming targeting to actually end up a generation of nearly 21 billion units in this quarter and about 3 billion is expected in the last quarter all together, so you must have actually done close to around 18 billion units in this quarter itself on a nine months basis. So on that basis even the revenue that has been built in this quarter has been significantly lower. So sorry if it is a repeat question.
- R.S.T Sai:** No, you are welcome, let me clarify. In first nine months we have generated 19086 million units. The year will end with a expected generation at 21,580 million units and is expected to achieve an overall plant availability factor of 76.7%. So overall the revenue position will be much better compared to last year. You have put up a question about under-recovery. You see that in Uri-II there was a fire incident and the plant is under shutdown. The annual fixed charges have two portions, one is linked to the design energy which we have already crossed and is therefore fully recovered. But on account of PAF there will some margin on reduction even that we have achieved. Okay, I believe we have achieved that also so there would not be any under-recovery.
- Alok Ramachandran:** So there is no under-recovery per mw during the quarter apart from Uri if here is any?
- R.S.T Sai:** No.
- Alok Ramachandran:** In terms of generation possibly there might be, is that what you are trying to say?
- R.S.T Sai:** No, no generation we have exceeded target.

- Alok Ramachandran:** The consensus or the earnings estimate in the street they are quite lower so just wanted to know on that basis was there any under-recovery as well and also quite lower than my estimates as well, so just wanted to know on the same. And can you give me the water cess that was booked during the quarter, can any estimate on that? And nine month number as well sir.
- Management:** You want nine month number?
- Alok Ramachandran:** Nine month and this quarter as well.
- Management:** Yes, as of now there is 119 crores water cess lying under unbilled debtors.
- Alok Ramachandran:** Unbilled debtors, okay. No, but in this quarter how much has been flowed through the P&L?
- Management:** 119 crores I am telling you.
- Alok Ramachandran:** Okay. And Nine month number sir?
- Management:** Nine month number is 651 crores.
- Alok Ramachandran:** Sir and any possible capacity addition in this financial year.
- Management:** No.
- Alok Ramachandran:** None. And in the next financial year sir?
- R.S.T Sai:** Next financial year we expect maybe one unit of TLDP-IV.
- Alok Ramachandran:** Okay. And the year after?
- R.S.T Sai:** The year after, the entire TLDP-IV will be commissioned and we also expect Kisanganga will come on stream.
- Alok Ramachandran:** Okay, entire one and now on pro-rated basis?
- R.S.T Sai:** No, one by one in the overall year that will be commissioned and in Parbati-II also we expect one unit to be commissioned without any yielding to the HRT.
- Alok Ramachandran:** Right, in 2017, alright.
- R.S.T Sai:** Yes, '17.

**Moderator:** Thank you. As there are no further questions from the participants, I would now like to handover the floor back to Mr. Deepak Agrawala for his closing comments. Over to you sir.

**Deepak Agrawala:** Yes, we thank Mr. Sai and his team giving us an opportunity to host the call and giving valuable insights on the results. We also thank all the participants who have joined in for this call. Sir any closing comments if you like to give?

**R.S.T Sai:** I think in my opening remarks I have covered almost all the relevant features and I thank the investing community for showing interest in the company and putting questions which will bring more to clarity to everybody and members of the public as well. So apart from that I have nothing to say. Thank you, Mr. Deepak.

**Deepak Agrawala:** Yes, thanks a lot sir. Karuna, we can close.

**Moderator:** Sure sir, thank you very much. Ladies and gentlemen on behalf of Elara Securities Private Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.

**Disclaimer:**

The transcript is an audio recorded version of the general discussions held with the analyst over the published result of the company for Q3/9 months ended 31.12.2014. The facts and figures disclosed in the transcript are indicative and unaudited. The company requests readers to get the data/facts reconfirmed from the Investor Relation Cell, NHPC at [investorcellnhpc@gmail.com](mailto:investorcellnhpc@gmail.com) /[sarojkroy@nhpc.nic.in](mailto:sarojkroy@nhpc.nic.in) before using the same for any kind of reporting purpose or otherwise.