"NHPC Q3&9M FY18 Earnings Conference Call"

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Management: **Mr. Balraj Joshi, Chairman and Managing Director, NHPC Limited**
Mr. Ratish Kumar, Director (Projects), NHPC Limited
Mr. Nikhil Kumar Jain, Director (Personnel), NHPC Limited
Mr. Mahesh Kumar Mittal, Director (Finance), NHPC Limited

Analyst: **Mr. Deepak Agrawala – Elara Securities India Private Limited**

Moderator: Ladies and gentlemen good day and welcome to the NHPC Q3 & 9M FY'18 Earnings 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. In case 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. Harshit Kapadia from Elara Securities Private Limited. Thank you and over to you sir.

Harshit Kapadia: Thanks Aman. Good evening everyone. On behalf of Elara Securities, we welcome you all for the NHPC Q3 & 9 Months FY'18 Conference Call. I will take this opportunity to welcome the management of NHPC headed by Mr. Balraj Joshi – Chairman & Managing Director, Mr. Ratish Kumar – Director (Projects), Mr. Nikhil Kumar Jain – Director (Personnel), Mr. Mahesh Kumar Mittal – Director (Finance) and their team.

We will begin the call with a brief overview by the management followed by a Q&A session. We will now hand over the call to Mr. Joshi for his opening remarks and thereafter Mr. Mittal will take us through NHPC financials. Over to you Balraj Sir.

Balraj Joshi: Thank you very much and good evening everybody. As you know that our Board has approved 9-Months Results Ended 31st December 2017 in its meeting held today itself and the same has already been communicated to the exchanges also.

Of course, my colleague Mr. Mittal, would go into the details of the entire scenario but let me say that during 9 Months of the current fiscal, the profit has been Rs. 2,579 crores vis-à-vis Rs. 2,646 crores for the corresponding period and is down by about Rs. 67 crores which is about 2.5% and it has been primarily due to reversal of unbilled revenue of Rs. 276 crores in respect one of our projects in Himachal Pradesh namely Parbati-III and shut down of TLDP III & TLDP IV in the West Bengal due to Gorkhaland agitation for about 2 months during Q2 resulted in loss of revenue of Rs. 137 crores and then accounting of the late payment surcharge of Rs. 501 crores during 9 Months Ending FY'17 while only Rs. 235 crore has been accounted during the 9 Months for the current fiscal. Then there are other issues like reduction in interest income on short term investment of surplus cash etc. However, I will say that despite being two of our power stations off for two months, still we have made up and the performance of other stations have been quite on the expected line.

So with this I would just hand over to Mr. Mittal now for the detailed analysis and detailed results.

Mahesh Kumar Mittal: Thank you sir. Good evening everyone. I would like to present the Financial Results of NHPC for the 9 Months Ended as well as for the Quarter 3 Ended on 31st December 2017.

As already informed, the Board has approved the 9 Months accounts Ended 31st December 2017 in its meeting held today and the same have already been communicated to the exchanges. Brief highlights of the financial results and important updates of the company are as under:

During 9 Months, our power stations have achieved generation of 20,788 MUs vis-à-vis 19,924 MUs generated in the corresponding period of the previous year which is 4.34% higher. The generation has surpassed the excellent MoU target which was 20,573 MUs. For the Q3 Ended 31st December 2017, Power Stations have achieved generation of 3,437 MUs vis-à-vis 3,419 MUs generated in the corresponding quarter which is 0.5% higher.

During the 9 Months, our 7 Power Stations namely Loktak, Teesta-V, Sewa-II, Chamera-III, Parbati-III, Nimoo-Bazgo and Chutak have achieved highest ever monthly generation in the month of December 2017 since their commissioning.

Our plant availability factor (PAF) for 9 Months have stood at 89.3% against the corresponding previous year PAF of 87%. For the third quarter ended on 31st December 2017 Power Stations have achieved PAF of 76.79% against the corresponding previous period of 74.04%.

During Q3 FY'18, we have recorded sales of Rs. 1,483 crores as against Rs. 1,298 crores during the corresponding previous period which is about 14% higher. For 9 Months ended 31st December 2017, company has achieved sales of Rs. 5,748 crores as against Rs. 5,816 crores in the corresponding period which is about 1% lower. Decrease in sales is Rs. 68 crores during the 9 Months which is mainly due to reversal of unbuild revenue of Rs. 276 crores in respect of Parbati-III, shutdown of TLDP-III and IV for about 2 months during Q2 i.e. from 12th July 2017 to 14th September 2017 due to Gorkhaland agitation resulting in loss of revenue of Rs. 137 crores approximately.

Profit earned during Q3 FY'18 is Rs. 669 crores against Rs. 213 crores during corresponding previous period which is higher by 214% compared to the previous corresponding period primarily due to:

(a) Interim dividend of Rs. 237 crores was received during Quarter 3 FY'18 from our subsidiary NHDC Limited as compared to Rs. 3 crore dividend from PTC India which was received during Q3 of FY'17.

(b) Accounting of late payment surcharge income of Rs. 232 crores during Q3 of FY'18 while it was only Rs. 19 crores during Q3 of FY'17. However, there is a reduction in the interest income on short-term investment of surplus cash from Rs. 123 crores in Q3 of FY'17 to Rs. 49 crores in Q3 of FY'18.

During 9 Months of the current fiscal, profit has been Rs. 2,579 crores vis-à-vis Rs. 2,646 crores of the corresponding period and is down by about Rs. 67 crores which is primarily due to reversal of unbilled revenue of Rs. 276 crores which was shown as income during April 2014 to June 2017 in respect of Parbati-III, shutdown of TLDP-III and TLDP-IV for about 2 months during Q2 due to Gorkhaland agitation resulting in loss of revenue of Rs. 137 crores, accounting of late payment surcharge of Rs. 501 crores during 9 Months Ending FY'17 while it is only Rs. 235 crores during the current 9 Months of this year, reduction in interest income on short term-investment of surplus cash from Rs. 343 crores in 9 Months of FY'17 to Rs. 119 crores in 9 Months of the current year as a surplus cash was utilized for buyback of shares and dividend payment. However, we had received dividend of Rs. 207 crores during 9 Months of FY'17 as compared to Rs. 632 crores during 9 Months ended FY'18.

During 9 Months and Q3 of FY'18, the incentive position is as under:

- PAF based incentive during 9 Months Rs. 326 crores as compared to Rs. 289 crores last year.
- Deviation charge Rs. 141 crores during 9 Months as compared to Rs. 114 crores during 9 Months of the previous year.
- Secondary energy charge Rs. 67 crores vis-à-vis Rs. 34 crores last year.
- In Q3 the PAF based incentive was Rs. 10 crores as against Rs. 11 crores.
- Deviation charges is Rs 52 crores as against Rs. 25 crores.
- Secondary energy charge is Rs. 46 crores as against Rs. 32 crores last year.

So these incentive-based incomes have increased from Rs. 437 crores last year to Rs. 534 crores this year during the 9 Months. During the quarter, these have increased from Rs. 68 crores in the last year to Rs. 108 crores during Q3 of the current year.

Employee cost in the 9 Months of the current year is Rs. 1,140 crores as against Rs. 960 crores in the corresponding period of the previous year. Increase in the employee cost is mainly on account of provision towards Pay Revision Benefits which are due for payment from January 1, 2017.

There is a saving of around Rs. 118 crores in the interest and finance cost in the 9 Months as compared to the corresponding period of last year. This is because of repayment of loans resulting in saving of Rs. 67 crores, refinancing of loan with cheaper interest resulted in saving of Rs. 51 crores.

During 9 Months of the current fiscal, we have received dividend of Rs. 628 crores (Rs. 391 crores as final dividend for FY'17 and Rs. 237 crores as the interim dividend for FY'18 from our subsidiary NHDC Limited) as against Rs. 204 crores during corresponding period of previous year.

CAPEX during 9 Months of the current year was Rs. 1,831 crores as against Rs. 1,814 crores in the corresponding period of the previous year.

Despite disturbance in J&K we are hopeful to commission all the units of Kishanganga Project by FY'18. The anticipated cost of this project stands at Rs. 5,882 crores out of which we have already deployed Rs. 5,216 crores till January 2018. PPA has already been tied up with UP and Chhattisgarh.

Construction work at 800 MW Parbati-II Power Project is under progress and we are working on early commissioning of the one unit of 200 MW and remaining three units by FY'19. The anticipated cost of the project is Rs. 8,399 crores out of which we have already spent Rs. 6,614 crores till January 2018.

I would like to mention that we have been sanctioned the subordinate debt by Government of India in respect of Kishanganga Hydro Project so as to subsidize the cost of project and so as to keep the tariff within the norms and we have already received around Rs. 2,700 crores towards subordinate debt in r/o Kishanganga Project and we will further receive the same and this will help in lowering the tariff of the project.

So far as Subansiri Lower project is concerned, NHPC is in constant touch with the Central Government and State Government of Assam for immediate resumption of the construction activities of the project.

In reference to NGT Order dated 16th October 2017, MoEF&CC vide order dated 27th November 2017 has constituted committee of 3 Expert Members for resolving the various issues pertaining to the Subansiri Lower project. The committee has been directed to finalize its report within a period of 3 Months from the date of constitution of the committee. The first meeting of the 3 Member Expert Committee was held on 21st December 2017 and 22nd December 2017 wherein the committee had a detailed discussion with NHPC and experts of the POC-GOI. Expert committee has sought some additional technical reports. The revised cost of the project now stands at Rs. 17,435 crores out of which we have incurred Rs. 9,647 crores till January 2018.

The status of clearances of our forthcoming projects is as under:

Pre-PIB clearance for Teesta-IV Hydroelectric Project which is 520 MW in Sikkim has been received and FRA activities at the site have been completed. Draft PIB Memo for implementation of the project has been submitted on 17th November 2017.

In respect of Dibang Multipurpose Project which is 2880 MW, Ministry of Environment, Forest and Climate Change – Government of India has accorded forest clearance Stage-1 and environment clearance on 15th April 2015 and 19th May 2015 respectively. FRA compliance accorded. Final DPR submitted to CEA on 9th June 2017 and concurrence accorded by CEA on 18th September 2017. Draft PIB Memo for implantation of this project has been submitted to MOP on 23rd October 2017.

Approval of the pre-investment activities in respect of Tawang-II 800 MW project, accorded by MOP on 28th July 2016 and FRA compliances is underway.

We have taken up renovation and modernization preparatory works for Bairasiul Power Project at a capital cost of Rs. 341 crores and Loktak Power Project at a capital cost of Rs. 260 crores. Baira Siul Power Station has completed its usual life of 35 years in March 2017. Loktak Power Station shall be completing the useful life of 35 years in June 2018.

Other major highlights of the company during the 9 Months Ending 31st December 2017 are:

1. During the current fiscal, MoU for the year 2017-18 with the Ministry of Power, Government of India was signed on 20th June 2017.
2. On realization front, NHPC has received Rs. 6,046 crores from the beneficiaries against sale of energy during 9 Months of the current fiscal as compared to Rs. 5,196 crores in the corresponding period of the previous year.

3. Total receivables on account of sale of energy stand at Rs. 1,784 crores as on 31st December 2017 as against Rs. 2,321 crores during the corresponding 9 Months ended FY'17.
4. On renewable energy front, 50 MW Solar Power Project in Tamil Nadu has started partial generation on 2nd February 2018 and is on partial load of 9.4 MW as on 5th February 2018. We expect to attain the full capacity during the current financial year.

This is all from our side. Now the forum is open for question-answer. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Ashish Shah from Goldman Sachs. Please go ahead.

Ashish Shah: Just wanted to understand what is the exact support that we have got from the government on the Kishanganga project?

Mahesh Kumar Mittal: It is around Rs. 3,900 crores which is envisaged for Kishanganga Project and out of that almost we have received around Rs. 2700 crores till now.

Ashish Shah: So this would be in the form of debt?

Mahesh Kumar Mittal: This is subordinate debt carrying 1% rate of interest.

Ashish Shah: At subsidized 1%, okay. And how much would this lower the cost of power for Kishanganga because of this debt?

Mahesh Kumar Mittal: Normally our average cost of borrowings for the various projects is in the range of 8% p.a. and this particular loan we are getting at 1% p.a.. So there is a 7% p.a. saving on 70% cost of the project. That means if we take 70% of the cost of the project it is almost Rs. 4,200 crores and Rs. 4,200 crores multiplying 7% p.a. means annually we are saving almost Rs. 300 crore..

Ashish Shah: And in this quarter have we been able to recover any fixed cost on TLDP-III, IV which was closed in the last quarter?

Mahesh Kumar Mittal: No, that is not recoverable and that is why there is a loss of revenue of Rs. 137 crores.

Ashish Shah: Okay because we had a good hydrology that is why I was asking. And on other income if I understand correctly it was largely the dividend from the NHDC which resulted in a higher other income this time around, is that correct?

Mahesh Kumar Mittal: Yes, absolutely right.

Ashish Shah: Okay, so we have got dividend in the last two quarters. Last quarter we got Rs. 390 crores and again this time we have got another dividend of Rs. 237 crores. But historically in one financial year we have not seen such a big dividend. Any particular reason for this high dividend?

Mahesh Kumar Mittal: No, NHDC had plenty of cash available. So we have received final dividend of Rs. 390 crores earlier and now the interim dividend because they were carrying huge cash in their balance sheet.

Moderator: The next question is from the line of Abhishek Puri from Deutsche Bank. Please go ahead.

Abhishek Puri: Can you clarify, out of Rs. 5,882 crores we have spent Rs. 5,200 crores in the Kishanganga project and we have received just about Rs. 2,700 crores sub-debt from the Government of India. So balance is all equity that we have spent about Rs. 1,500 crores?

Mahesh Kumar Mittal: See, we have already deployed Rs. 5,200 crores and around Rs. 2,700 crores is the subordinate debt and we have done some borrowings also. Rs. 157 crores is commercial loan and rest is equity.

Abhishek Puri: How much is the equity? Sorry I could not hear that.

Mahesh Kumar Mittal: Around Rs. 2,700 crores is the subordinate debt which we have so far received. So Rs. 157 crores we have funded through commercial loan and we have put the rest amount through equity. Out of Rs. 5,200 crores if you take out Rs. 2850 crore, so roughly Rs. 2350 crore is equity. Out of that we are hoping that we will be getting around Rs. 473 crores from Government of India in 2018-19 which is already provided in the government budget as a part of subordinate debt.

Abhishek Puri: Okay, so basically you have to spend Rs. 1,700 crores equity as per 30% of Rs. 5,800 crores capital cost but you have spent Rs. 2350 crores.

Mahesh Kumar Mittal: So, this will be reimbursed by the Government of India as a part of our subordinate debt and for which requisite provisions have been made in the Government of India budget.

Abhishek Puri: On Parbati-II also, is there any similar equation available, how much equity have we spent on this out of Rs. 6,614 crores?

Mahesh Kumar Mittal: We have spent total debt of Rs. 4,482 crore on parbati-II up to Dec 2017.

Abhishek Puri: Here the ratio is about 3:2. So 66% debt is fine. Second question on the financials of the current year, one of the notes to accounts mentioned that there is Rs. 177 crores of deferred tax which has been there. consequently there is a deferred tax entry of about Rs. 113 crores is also there. So net-net should we adjust both of them together?

Mahesh Kumar Mittal: See, the corresponding revenue and the expense both are there. Whatever revenue is booked on the deferred tax on materialization basis is also shown as a tax payout. So there is no positive or negative because of this.

Abhishek Puri: And the late payment surcharge of Rs. 230 crores, which states have given this amount sir?

Mahesh Kumar Mittal: This amount has been received from the state of J&K.

Abhishek Puri: And what is the outstanding position now with the state of J&K?

Mahesh Kumar Mittal: J&K around Rs. 590 crores and this includes the late payment surcharge of around Rs. 36 crores.

Abhishek Puri: And in terms of the dividend that you have paid out, there is a significant decline versus last year, despite you have received good dividend from your subsidiary company there is surcharge income also in the last 2 quarters that you have received. So what can we assume as a payout ratio? I think in the last quarter conference call you said that the payouts can be higher than last year.

Mahesh Kumar Mittal: Last year was excessively high because we had a huge surplus and some amount was used for dividend payout and some amount was used for buyback of shares. So that way basically it was exhausted by entire cash which was available in the balance sheet. Now this year we have started from scratch and whatever cash we have accumulated out of that we are going to pay Rs. 1,150 crores as dividend plus there will be some dividend tax also and we want to maintain a particular rate of dividend and this is I think almost 5% of the net worth shall be maintained in line with our Dividend Policy.

Abhishek Puri: Rs. 1.12 per share?

Mahesh Kumar Mittal: No, including final dividend whenever.

Abhishek Puri: Okay.

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

Dhruv Muchhal: Sir firstly on Parbati-II, last time when you spoke you said there were some tunneling issues for the completion of the project by December 2018. Sir any progress on that, any update on that? You said today that it will be commissioned in FY19, so just any update on that?

Balraj Joshi: Well in Parbati-II as I mentioned last time that there were certain tunneling issues in which one of our tunnel boring machines that had got stuck and we had to stabilize the ground ahead of the phase and therefore it was proving to be difficult. So we hired some outside help also and in which finally we were able to conserve that particular part and the progress started improving and I am happy to report that last month we had 92 meters of tunneling compared to 72 meters previous to that and 34 meters previous to that. So now if you ask me a particular date, it will be very difficult because this data is always varying and we are just concentrating on improving the progress of the tunneling by TBM and we hope that the way it is increasing now next month we are likely to do about 100 meters. And if you take that as an average rate of progress it would take around 30 months to excavate. I mean that is just going by the experience which we had. If we have a better log probably that can certainly be enhanced up to 150 meters. We have done already 150 meters with this machine so we can expect to reach that. So as much time that can be curtailed. So we are now presently working on improving the efficiency of the machine by whatever it reques outside help, external help by experts or by deploying certain new kind of construction methodologies. This is about Parbati-II. In the meantime, we are concentrating on commissioning one of the units through the water which can be tapped by one of the intermediate tributaries in the same HRT by keeping a plug on the upstream part and we are working on that. There were certain issues of some leakages that had occurred in that pressure shaft, we are repairing that. I hope that within a month or so, we should be able to put it through once again.

Dhruv Muchhal: Sir you said 30 months to fully excavate and dig out the tunnels. 30 months is effectively more than 2 years. So are you looking Parbati-II sometime in end of FY2019?

Balraj Joshi: We will hope to do that. I mean we have to keep our fingers crossed, because this data varies so much, so it is very difficult to estimate the nature of this data we are going to encounter. But as I said by the account, on this data which we already encountered actually if you consider that, then probably by end of 2019 or early 2020 we should be able to complete the tunneling work in Parbati-II.

Dhruv Muchhal: So effectively Parbati-II gets delayed to FY20?

Balraj Joshi: Early 2020 we can say.

Dhruv Muchhal: Sir you mentioned about the refinancing benefit, so I believe one-third of this is allowed to be retained by you, so if you can just mention the amount and then terms of the full year benefit you have.

Mahesh Kumar Mittal: You see total refinancing benefit in the first 9 Months of the current year is Rs. 51 crores and out of that Rs. 34 crores will be passed on to the beneficiaries. Only Rs. 17 crores will be available to NHPC. So we are making a corresponding provision in the books.

Moderator: We have the next question from the line of Prashant from Unived Corporate Research. Please go ahead.

Prashant: I have a book keeping question. Can you tell us the shareholders funds as on 31st December 2017?

Mahesh Kumar Mittal: Rs. 29,419 crores.

Prashant: And regulatory assets as on 31st December 2017?

Mahesh Kumar Mittal: Regulatory assets are Rs. 3,419 crores. It includes pay revision impact which is almost Rs. 367 crores (last year Rs. 208 crores and Rs. 159 crore this year) and the rest is because of Subansiri. Rs. 367 crore will be recoverable from the beneficiaries through tariff for which the petition will be filed after one year of the implementation of the pay revision.

Prashant: And can you just give us a breakup of the reserves and surplus, capital redemption reserve and the bond redemption reserve which we have?

Mahesh Kumar Mittal: Sure, we can give you, just hold on. Capital Redemption Reserve is Rs. 2,041 crore, Securities Premium is Rs. 242 crores, Board Redemption Reserve is Rs. 1609 crores, R&D Reserve is Rs. 43.90 crores, General Reserve is Rs. 10,088 crores and the Retained Earnings is Rs. 4971 crore, OCI for equity is Rs. 130 crores, for debt is Rs. 31 crores and Total Reserve & Surplus is Rs. 19,159 crores.

Moderator: We will move to the next question that is from the line of Ashish Shah from Goldman Sachs. Please go ahead.

Ashish Shah: Sir if I understand correctly if Parbati gets pushed to FY20 then the revenue that we could have got because of the Unit IV of Parbati-III that also gets deferred by 1 year, is that correct?

Balraj Joshi: Well, it will be very difficult to say exactly but partially yes, because one unit of Parbati-II we plan to run also and to that extent it will get compensated. So, the entire benefit will not be lost. Some benefits can be reclaimed by us by this intermittent faster commissioning of one unit.

Ashish Shah: So sir, what would be then the capacity like 701 MUs or 1978 MUs?

Balraj Joshi: No, it will not be 1978 MUs. See 1978 MUs is with respect to full capacity of Parbati- II. We are not having that kind of water available in Parbati-II. It will largely improve but it will not improve by more than 701 MUs.

Moderator: Next question is from the line of Anuj Upadhyay from Emkay Global. Please go ahead.

Anuj Upadhyay: Can you give the status of Kishanganga? I believe the project was expected to get commissioned in Q4. Any status on that sir?

Balraj Joshi: Yes, let me tell you that I am happy to report that on 31st of January we have already spun two units mechanically and certain electrical works and also certain kind of plug-in works are still going on, but we have tested these two machines also. One of the machine tested rated steps have been done. So we are quite hopeful that by the end of this month we will be able to put 2 machines on bar. And the third unit will be commissioned in the month of March 2018. So by end of FY'18 we are going to commission the project, that is expectation as of now if nothing goes wrong otherwise from law and order situation and other things like in J&K which are very common. If everything runs the way we are now, we hope to complete the project by 31st of March this year.

Anuj Upadhyay: Can you give us receivable data sir? I mean like you have given for J&K, what about the other states? We were expecting outstanding position of UP to improve.

Mahesh Kumar Mittal: Yes, the receivable as I mentioned J&K is Rs. 590 crores and for Delhi it is Rs. 16 crores plus Rs. 396 crore, so, total is almost Rs. 412 crores for Delhi. Then for Rajasthan it is Rs. 25 crores. UP Rs. 472 crores including Rs. 67 crores as surcharge. Punjab Rs. 104 crores. Haryana Rs. 17 crores, Uttarakhand Rs. 20 crores and Bihar Rs. 25 crores, West Bengal Rs. 120 crores. And others are a little bit around Rs. 66 crores. So total receivables is Rs. 1,863 crores which include late payment surcharge of Rs. 318 crores and the principle outstanding is Rs. 1,545 crores as on date.

Anuj Upadhyay: How much was for Delhi?

Mahesh Kumar Mittal: Delhi, Rs. 412 crores.

Anuj Upadhyay: And how much was for more than 60 days for this?

Mahesh Kumar Mittal: More than 60 days Rs. 248 crore against Delhi.

Moderator: We have the next question from the line of Abhishek Puri from Deutsche Bank. Please go ahead.

Abhishek Puri: Sir just one clarification, the TLDP III & IV projects had an under-recovery in the last quarter, not in the current quarter, right?

Mahesh Kumar Mittal: Yes, absolutely right. It was in Q2. The shutdown was from 12th July to 14th September 2017.

Abhishek Puri: So the two months that have been lost, can we recover some part of that in the fourth quarter?

Mahesh Kumar Mittal: No, see this is foregone revenue because of the non-running of the power station. We could not bill it and whatever revenue is foregone is not recoverable.

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

Dhruv Muchhal: Sir you have lot of revenue pending CAPEX approval for five of our projects. Any update on what is the status there in terms of how the government is moving in terms of CAPEX approval so that we can start getting the revenue?

Balraj Joshi: For three projects the PIB meetings have already been held and the proposals are now under submission to the cabinet committee of economic affairs for approval and for remaining three projects the process is going on and it is in the ministry and we hope that this will also be submitted to PIB within the next 3 months.

Dhruv Muchhal: And sir cabinet committee is the last stage, right? Then you will go the CERC?

Balraj Joshi: Absolutely.

Moderator: Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to Mr. Harshit Kapadia of Elara Securities for closing comments. Thank you and over to you sir.

Harshit Kapadia: Thanks Aman. Mr. Balraj, do you have any closing comments to make sir?

Balraj Joshi: Yes, thank you very much and let me say that the entire team of ours is geared up and within whatever constraints we have, we are trying to improve the productivity, reduce the unnecessary cost which we are basically having roadmap to reduce the cost let us say labor and material and how efficient their use can be. We are also hoping that the NGT comes out in our favor as far as Subansiri Lower Project is concerned because that is the project which everybody is looking at and we are very-very sincerely working on that. Committee has already had two meetings in which we have already put our viewpoint and we hope that the Government sees it in that particular spirit in which we are moving, and we want to put Subansiri Lower Project back on track as soon as possible. And the financial figures are before you and they are marginally slightly lower than the previous year but that should not deter our investors because variability of the flow is always there in the hydro and I hope that in the coming times as the ancillary services take more prominence into our Power Grid system, hydro would certainly be providing a large part it and we are basically patiently working on that particular scenario. So thank you so much for interacting with us. I hope we could provide you certain information which you desired. So thank you very much.

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