



“NLC India Limited  
Q3 FY '24 Earnings Conference Call”

February 15, 2024



NLCIL MANAGEMENT: MR. M. PRASANNA KUMAR – CHAIRMAN AND MANAGING DIRECTOR  
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MR. SAMIR SWARUP – DIRECTOR (HUMAN RESOURCE)  
MR. M. VENKATACHALAM – DIRECTOR (POWER)  
DR. PRASANNA KUMAR ACHARYA – DIRECTOR (FINANCE )

MR. NAMAN LAHOTI CONSULTANT, (DIPAM)

MODERATOR : MR. MOHIT KUMAR – ICICI SECURITIES LIMITED

## Q&A PARTICIPANTS:

1. AVINIT ANAND : 3P INVESTMENT MANAGERS
2. GAURAV LOHIA : BOWHEAD INDIA FUND
3. RAJESH MAJUMDAR : B&K SECURITIES
4. NIKHIL ABHYANKAR : ICICI SECURITIES

### **Moderator**

Good evening, ladies, and gentlemen. I am Pelsia, moderator for the conference call. Welcome to NLC India Q3 FY24 Earnings Conference Call. As a reminder, all participants will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing \* and then 0 on your touchtone telephone. Please note this conference is recorded. I would now like to hand over the floor to Mr. Mohit Kumar from ICICI Securities Limited. Thank you and over to you, sir.

### **Mohit Kumar**

Thanks, Pelsia. Good evening. On behalf of ICICI Securities, I would like to welcome you all to the Q3 FY24 earnings call of NLC India. Today we have with us Shri M. Prasanna Kumar, Chairman and Managing Director; Shri K. Mohan Reddy, Director Planning and Projects; Dr. Suresh Chandra Suman, Director Mines; Shri Samir Swarup, Director Human Resources; Shri M. Venkatachalam, Director Power; Dr. Prasanna Kumar Acharya, Director Finance; and Shri Naman Lahoti, Consultant DIPAM. The call will begin with brief remarks by the management after which we'll open the lines for the Q&A. I would now like to hand over the line to CMD sir for your opening remarks. Thank you and over to you, sir.

### **M. Prasanna Kumar**

Thank you, Mohit ji. Good afternoon, everyone. Thank you very much Mohit ji for hosting this investors conference call and greetings to all the participants for showing interest in NLCIL, and thanks to all the investors for extending the continuous support. I would like to take this as an opportunity to interact with the NLCIL's shareholders and also reply to their queries in the financial results for the nine months ended 31st December 2023 and company's capacity addition program of NLCIL.

I am Prasanna Kumar Motupalli, Chairman and Managing Director of NLC India Limited and joining with me today are Shri K. Mohan Reddy, Director Planning and Projects; Dr. Suresh Chandra Suman, Director Mines; Shri. Samir Swarup, Director Human Resources; Shri M. Venkatachalam, Director Power; and Dr. Prasanna Kumar Acharya, Director Finance, along with senior management of the company.

Before the interaction, I would like to brief on the highlights and performance of NLCIL during the 3<sup>rd</sup> Quarter and Nine months ended 31st December 2023. Unit I of Ghatampur Thermal Power Station was successfully synchronized with grid on 4th November 2023. NLCIL Mines has been awarded with the 13Nos. of star rating by Ministry of Coal on 20th December 2023 with NLC Mines rated as the best mines in the country consistently for two years. We awarded EPC contract to BHEL for setting up of 3x800 MW Pithead Ultra Supercritical Talabira Thermal Power project on 12th January 2024.

On 3rd February 2024, Hon'ble Prime Minister has laid foundation stone for 3x800 MW Pithead Ultra Supercritical Talabira Thermal Power project. On 5th December 2023, NTPL commenced biomass co-firing in its coal-based power station. 15% interim dividend was declared for the FY 23-24. CAPEX achieved till January 2024 is to Rs.3,493 crores against annual target of Rs.2,880 crores, that is 21% more than the annual target. NLCIL incorporated a newly wholly owned subsidiary NLC India Green Energy Limited, NIGEL, to undertake green projects and initiatives.

Coming to the physical performance standalone, the coal production during the nine months period ended 31st December 2023 is 82.19 lakh metric ton against 75.52 lakh metric ton in the corresponding period of the previous year. Lignite production during the nine months ended 31st December 23 is 162.83 lakh metric ton against 172.09 lakh metric ton in the corresponding period of the previous year. Standalone power generation during the nine months ended 31st December 2023 is around 15.5 BU against 18.2 BU in the last financial year. The consolidated power export during the nine months ended 31st December 2023 is 17.3 BU as against 20.1 BU in the corresponding period of the previous year.

Coming to the financial performance, standalone. The profit after tax for the nine months ended 31st December 2023 is Rs.1,673 crores as against Rs. 474 crores in the corresponding period of the previous year, registering a growth of 253%. Profit before tax for the nine months ended 31st December 2023 is Rs. 2,566 crores against Rs.568 crores in the corresponding period last year, registering a growth of 352%. The EBITDA of the company for the nine months ended 31st December 2023 is Rs. 4,137 crores as against Rs. 2,212 crores in the corresponding period of the previous year, registering a growth of 87%.

Coming to the consolidated performance. Profit After Tax of the group for nine months ended 31st Dec 2023 is Rs.1,754 crores as against Rs.590 crores in the corresponding period of the previous year, registering a growth of 197%. Profit before tax of the group for the nine months ended 31st December 2023 is Rs.2,716 crores as against Rs.799 crores in the corresponding period of the previous year, registering a growth of 240%. Thank you.

#### **Moderator**

Shall I open the line for questions, sir?

**M. Prasanna Kumar**

Yes, ma'am.

**Q&A**

**Moderator**

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press \* and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing \* and 1 again. Ladies and gentlemen, if you have any questions, please press \* and 1 on your telephone keypad. First question comes from Avinit Anand from 3P Investment Managers. Please go ahead.

**Avinit Anand**

Yes, thanks for the opportunity. So, sir, the first question is can you let us know the nine months coal financials, sales, EBITDA and PBT for the coal part?

**M. Prasanna Kumar**

Okay. During the first nine months of the financial year, the coal production is 82.19 lakh metric ton against last year's production of 75.52 lakh metric ton with an impressive growth and coming to the financials, the coal sale through E-Auction is 24.87 lakh metric ton. Coal sale to NTPC is 28.55 lakh metric ton and coal sales to NTPC through swapping is 13.77 lakh metric ton and coal sales to NTPL is 15.7 lakh metric ton. Total 82.89 lakh metric ton. And the sale value including the royalties and CRP revision everything is Rs. 1,410 crores

**Avinit Anand**

Yes, sir. You talked about sales of Rs. 1,410 crores for the nine months this year for the coal. What was the number for last year and EBITDA and PBT?

**M. Prasanna Kumar**

If you take EBITDA, the last financial year up to Q3 it was Rs.262 crores, whereas up to in the current financial year, it is Rs.636 crores and coming to the PBT, last financial year, the PBT was Rs.481 crores. This financial year, it is Rs.600 crores.

**Avinit Anand**

Last year PBT was higher than EBITDA.

**M. Prasanna Kumar**

It was Rs.481 crores last financial year up to Q3 and this year, it is around Rs.600 crores till Q3.

**Avinit Anand**

Now, just clarifying on the EBITDA number that you talked about. This year Rs.636 crores, last year Rs. 262 crores.

**M. Prasanna Kumar**

Last year for the entire year, the EBITDA was Rs. 721 crores.

**Avinit Anand**

Okay. Last year, nine months sales, how much it was, sir?

**M. Prasanna Kumar**

Last year sales?

**Avinit Anand**

Nine months sales? Yes.

**M. Prasanna Kumar**

Nine months sale last year it was Rs. 1,382 crores. Whereas this year total sales is Rs.1,451 crores.

**Avinit Anand**

Okay sir. Thanks. The other question having is in terms of under-recovery, if you can let us know what is the total under-recovery for nine months and how much on what are the plant-wise or coal?

**M. Prasanna Kumar**

This financial year, the under-recovery for NLCIL power stations is Rs. 569 crores against last year, Rs. 342 crores and if you take NTPL also into consideration, the total under-recovery is Rs. 711 crores this year compared to Rs. 386 crores last year.

**Avinit Anand**

So, indirectly the number, the profit number that sees higher. Actually, on an adjusted basis those numbers would be lower, right? Because the under-recoveries have gone up and not much incremental capacity is added. So, have you guys worked on the adjusted profit for the year, sir?

**M. Prasanna Kumar**

Yes. The increase in profit is mainly on account of favorable orders for lignite transfer price and compared to the Q1 and Q2, the performance in Q3 is better and the under-recoveries are reducing and going forward in Q4 also it will further reduce and we are expecting that by the year end we will be substantially reducing the under recoveries.

**Avinit Anand**

So, year-end what you are expecting, under recoveries to be, which is Rs. 711 crores right now?

**M. Prasanna Kumar**

It is Rs. 711 crores, we are expecting around Rs. 550-600 crores.

**Avinit Anand**

Thank you, sir. Those were the questions.

**M. Prasanna Kumar**

Okay.

**Moderator**

Thank you. Next question comes from Gaurav Lohia from Bowhead India Fund. Please go ahead.

**Gaurav Lohia**

Hi. Am I audible?

**M. Prasanna Kumar**

Yes, you're audible.

**Gaurav Lohia**

Thanks for the opportunity, sir. Just wanted to understand on the lignite production status. It still remains subpar as to what were targeting earlier. So, could you please highlight, is it because of the land issues or is there any other challenge that we are facing and when do we expect it to normalize?

**M. Prasanna Kumar**

Okay. As you know, the lignite production in Q1 and Q2 that was affected because of the land acquisition issue and in the Q3, with the support from the State Government, Central Government and district administration, we could take into possession almost 558 hectares of land. And in the Q3, compared to the Q1 and Q2, the lignite production has improved. And in the Q4, it will further improve.

And now whatever land we have taken into possession, we started actions for augmenting the production. Now our lignite production reached more than 80,000 ton per day level and we are hopeful that next 45 days we'll be able to maintain good production levels and reach the production levels that we achieved in the last financial year and the only issue is the land possession issue. Other than that, no other issues are there.

**Gaurav Lohia**

Okay. So, with this kind of productions are at 80,000 ton per day, would you be able to run your plants at full utilization level, especially TPS-II?

**M. Prasanna Kumar**

See, as on date we are having two units under shutdown for want of lignite. At one point of time it was five to six units. So, with the increase in the production levels, we are going to take one more unit also into production. So, we are hopeful that we will be able to maintain in next 45 days only around 150-200 MW loss in generation. Otherwise, we will be able to maintain the generation levels.

**Gaurav Lohia**

So, next financial year, you feel that this under-recoveries can become zero because of the lignite-related issues?

**M. Prasanna Kumar**

100%, because already we have taken land into possession and our augmentation of production already started. So, we are 100% hopeful that for want of lignite, there will not be any under-recovery or generation loss in the next financial year.

**Gaurav Lohia**

In the TPS-II Expansion, the CFBC Boiler-related issue, when do you expect that to fully resolve? By Q1 FY25 or post that?

**M. Prasanna Kumar**

Actually, we planned to take one unit for the modification activities, the major modification activities which we planned. In the Q4 of this financial year, I think we will be able to take the modification in the almost last part of this financial year. Some supplies from BHEL are yet to happen. The critical spares they have to supply. So once that is done, immediately, we will be taking one unit for a modification and in the Q1 of the next financial year, we will be taking up the second unit also. I think with these modifications we are hopeful that the availability and their reliability will substantially be improved.

**Gaurav Lohia**

Understood. And the under-recovery guidance that you have given for the full year of Rs. 500 crores, Rs. 600 crores. This includes this modification related shutdown also, right?

**M. Prasanna Kumar**

Yes, exactly. Almost Rs. 200 crores is on account of this TPS-II Expansion.

**Gaurav Lohia**

Understood. I missed the initial part. Could you just give us the status of the Ghatampur plant? It was supposed to get commissioned by the year end or January, but it has still not happened.



**M. Prasanna Kumar**

Okay. We already oil synchronized Unit I and the subsequent activities of balance of plant are in fast progress. So, we were initially targeting for the end of January. But with the activities that are pending, now, we are targeting for the COD of the unit by end of February or at most by middle of March. The Unit I, the COD will be declared by middle of March and the Unit II, we are expecting by around June and July 2024, and Unit III by September 2024. So, we are hopeful that by H1 of the next financial year, all the three units commercial operation will be declared.

**Gaurav Lohia**

And sir, considering the demand and the coal time that you have for this unit. Can you run at full utilization in FY26? You will have six months of FY 25 also.

**M. Prasanna Kumar**

Yes.

**Gaurav Lohia**

Okay. So FY26, we can see the full production from Ghatampur, all three units.

**M. Prasanna Kumar**

Yes.

**Gaurav Lohia**

And sir, the last question is on the E-Auction prices. What were the E-Auction prices in Q3 and where are they hovering as of now?

**M. Prasanna Kumar**

See, actually, if we compare with the last financial year or before that, now E-Auction prices are comparatively lower. Though in the current quarter, the average rate of E-Auction coal is Rs. 1,780 against around Rs. 2,800 that was in the last financial year. So, it is comparatively lower than the last and before last year. But we increased our production levels of the coal last year we produced 10 million metric ton and this year we are targeting for 14 million metric ton. So, because of that, our revenue from sale of coal that is increased if you compare it with the last financial year.

**Gaurav Lohia**

Yes, I saw the coal production data which has been updated for January also. It's been pretty healthy. Pretty good. It looks like that we will surpass our own production target for FY24. So, do you feel that you can do 1.5 million metric ton next year in FY25 or FY26?

**M. Prasanna Kumar**

FY26 our target is 16 million metric ton. So, we will be producing 16 million metric ton.

**Gaurav Lohia**

Yes. And I meant, sir, E-Auction prices for January. Where are they hovering now? Last quarter you said Rs. 1,780. So, have they further come down or they are hovering at the same level? Rs.1,700-odd levels.

**M. Prasanna Kumar**

Actually, because of the coal scenario and power stations as well as the pithead of mines, it is hovering around the Rs. 1,400 to around Rs. 1,600. I was telling you, in the month of January 2024 it is Rs. 1,400 as against the Q3 of Rs. 1,700.

**Gaurav Lohia**

Understood. Thanks a lot. I'll get back to in the queue.

**M. Prasanna Kumar**

Okay.

**Moderator**

Thank you. Next question comes from Rajesh Majumdar from B&K Securities. Please go ahead.

**Rajesh Majumdar**

Good afternoon, sir. Thanks for the opportunity, sir. Actually, the data so far coming for TPS-II and TPS-II expansion is still not suggesting a major recovery in the PLF. So, how confident are you that we will be able to minimize the under-recovery for Q4? That is my first question. So far the data that we have till date, the PLF for TPS-II and TPS-II Expansion is still pretty low. So, I'm just wondering if we'll be able to reduce the under-recovery in such a short period of time and not just about 45 days are left for the end of the quarter? That was my first question.

**M. Prasanna Kumar**

Okay. Actually, as we already communicated during the last investor call also. We're adopting two strategies. One is the short-term strategy and one is long-term strategy. In the short-term strategy, the minor modifications we carried out that resulted in a minor improvement in the availability as well as the reliability in the Q3. But as you rightly said, there is no substantial improvement in the performance. A substantial improvement in performance of these units will happen after completion of the modification in FBHE which we are planning.

So, as I already told, we awarded the material supply order to BHEL and they supplied major portion of the spares. Now, we are expecting the supply of all the material one and a half month. And after that, we will take one of the units for this major modification. Once we take this unit for the major modification, then only a substantial increase in the availability and reliability can be expected. So, we are hoping that by Q1 of next financial year one unit, and Q2 of the next financial year the second unit, the major modifications will be completed and the availability and reliability will be substantially improved.

**Rajesh Majumdar**

Okay, great. Thank you. So, my second question was regarding Ghatampur. You already given the details that you'll be able to start commercial generation by Feb or March latest. So, when can we expect that Unit I will be generating a normative kind of PAF to be able to be addition for a regulated equity? Is that like the first half of FY25 or the second half?

**M. Prasanna Kumar**

We are targeting for COD in the month of March if you take the initial time to reach to that level. I think we are expecting from the Q2 of the next financial year, we'll be achieving the normative availability of the unit.

**Rajesh Majumdar**

And for Units II and III?

**M. Prasanna Kumar**

Units II and III that we will be targeting Unit II in the month of June. So, in the Q3, I think it will start normative level and Unit III in later part of the Q4.

**Rajesh Majumdar**

So, we'll be able to realize as per your guidance, all the regulatory equity additions in FY25 itself on Ghatampur.

**M. Prasanna Kumar**

We are hopeful for that.

**Rajesh Majumdar**

That's very helpful. My last question was you didn't give any figure on the renewable capacity, what we are doing with the old capacities and how we are going to be increasing our capacities. Could you give us some color on the renewable side, please?

**M. Prasanna Kumar**

See, as on date, we are having 1.4 GW renewable capacity and we formed one 100% owned subsidiary NLC India Renewables Limited and we are in the process of transferring this 1.4 GW assets to NLC India Renewables Limited and subsequently, the asset monetization will be done in line with the target given by Government of India. So, this 1.4 GW, we aspiring to take to 6 GW by 2030.

So, already actions are in place for reaching more than 6 GW level by 2030. Already 2 GW solar projects are already in pipeline, 600 MW in the state of Gujarat and 810 MW in the state of Rajasthan. We also awarded 50 MW Wind project in the state of Gujarat. So, with all these things, we are hopeful that we will be reaching more than 6 GW by 2030.

**Rajesh Majumdar**

Okay. What is the likely completion date for the 600 MW these two projects?

**M. Prasanna Kumar**

All these projects are having completion time of 12-15 months. So, we are hopeful that by end of FY25, we will be able to complete all these projects which are in pipeline. This 600 MW, 810 MW and 150 MW hybrid. All these projects we will be able to complete by end of the FY24-25. We are also going for solar plant installation in the state of Assam. We already signed MoU with the state of Assam for establishing 1,000 MW solar power stations in the state of Assam. That also we are taking it forward.

**Rajesh Majumdar**

Yes, I was going to ask you about that. So, is there any development in that? Any progress in that MoU?

**M. Prasanna Kumar**

Yes, we signed that MoU and after the some land packets were identified and we have prepared the DPR for the 100 MW, and the process of formation of JV company is going on. We are hopeful that we will be able to do that by end of this financial year and the JV will be formed and the 1,000 MW will be added through that JV.

**Rajesh Majumdar**

Okay Sir. So, if I could add just one last small question. Are we doing anything regarding pump hydro? Because when I gone to your site, I remember there used to be a reservoir on top and you're planning some kind of pump hydro project. So, is there any progress on that?

**M. Prasanna Kumar**

Exactly. As on date NLCIL is taking almost all the green initiatives that are available in the country. In this regard, particularly the pumped storage, the used mines are having the potential to establish pumped storage plant. So, we entered an MoU with WAPCOS for preparing the feasibility report and DPR. That activity is going on. So here we are hopeful that in the initial phase 35 MW and finally around 200 MW pumped storage potential is there in our used mine lands. So, once that DPR is prepared, we will move forward for establishing that pumped storage plant.

**Rajesh Majumdar**

Thank you so much sir. Thank you so much for answering all the questions. Thank you.

**M. Prasanna Kumar**

Thank you.

**Moderator**

Thank you. Next question comes from Nikhil Abhyankar from ICICI Securities. Please go ahead.

**Nikhil Abhyankar**

Thank you, sir. Thanks for the opportunity. Sir, my first question was can you give us the split of the under-recovery because of mining and because of generation?

**M. Prasanna Kumar**

Okay. if you go to generation, station-wise if you see the majority of this under-recovery is from TPS-II stage II. That is mainly because of the lignite shortfall and the TPS-II Expansion that Rs. 186 crores that attributed to the technical problem and also the lignite shortage. So, these are the major components of this Rs. 569 crores under recovery.

**Nikhil Abhyankar**

How much you mentioned for TPS-II stage II?

**M. Prasanna Kumar**

TPS-II stage II is Rs, 207 crores and TPS-II Expansion is Rs, 186 crores.

**Nikhil Abhyankar**

And in the recently received draft tariff order for TPS-II, the normative PAP has been reduced to 50%. So, we are almost nearing that level. So, should we expect complete 100% recovery from next year from TPS-II itself, TPS-II Expansion?

**M. Prasanna Kumar**

Yes, TPS-II Expansion, we are expecting 100% recovery from next year onwards

**Nikhil Abhyankar**

This will boost our PAT by Rs. 200 crores directly, if I'm not wrong.

**M. Prasanna Kumar**

Yes.

**Nikhil Abhyankar**

Do you expect any problems from the DISCOM on this move? Will it be challenged before we get the final tariff order?

**M. Prasanna Kumar**

See, CERC, they got justified reason for reducing it to the 55% level. So, there is a provision for DISCOMs to contest that. And we are hopeful that whatever point we have given. With that, this will be through in the final tariff order also.

**Nikhil Abhyankar**

Okay. So that is a major positive for us. Any views again on coal gasification? We heard it again in the budget. But do you believe that it will take off in FY25?

**M. Prasanna Kumar**

Yes. Actually, our coal gasification project is in the advanced stage. We've gone for tendering and we opened the price bid and further activities are going on. So, we are hopeful that within next four or five months we will be able to award this contract and take the activities forward.

**Nikhil Abhyankar**

Okay. Can you give us the revenue EBITDA PAT for the 1.4 GW operational RE project?

**M. Prasanna Kumar**

Okay. I think the PAT from RE projects in the current financial-- PBT for RE projects is Rs. 175 crores.

**Nikhil Abhyankar**

Rs. 175 crore?

**M. Prasanna Kumar**

Yes.

**Nikhil Abhyankar**

Okay. If you can just mention the EBITDA level that you have?

**M. Prasanna Kumar**

This EBITDA is up to Q3, the current financial it is Rs. 491 crores against last year Rs. 394 crores.

**Nikhil Abhyankar**

Okay. Rs. 491 crores versus, was there a better PLF from any specific plant or something?

**M. Prasanna Kumar**

There is a light improvement in this year. Different stations are having different CUF. But there is a slight improvement in the CUF of the units.

**Nikhil Abhyankar**

Okay, understood. Just two last two questions that I have. Can you mention us the value for the Talabira order that we have given to BHEL?

**M. Prasanna Kumar**

Hello? Talabira?

**Nikhil Abhyankar**

Talabira EPC order that we have given to BHEL?

**M. Prasanna Kumar**

EPC amount contract?

**Nikhil Abhyankar**

EPC contract, yes.

**M. Prasanna Kumar**

This is Rs. 18,255 crores.



**Nikhil Abhyankar**

Rs. 18,255 crores.

**M. Prasanna Kumar**

For 3x800 MW, the greenfield power project.

**Nikhil Abhyankar**

And there are no escalations in Ghatampur as on date?

**M. Prasanna Kumar**

As of date whatever escalation is there, that is already taken. Now, there will not be any other escalation. We are hoping that we will be completing the project without any escalation.

**Nikhil Abhyankar**

Okay. Sure, sir. That's all from my side. Thank you and all the very best.

**M. Prasanna Kumar**

Thank you.

**Moderator**

Thank you. Ladies and gentlemen, if you have any question please press \* and 1 on your telephone keypad. I repeat. Ladies and gentlemen, if you have any question please press \* and 1 on your telephone keypad. We have a follow-up question from Gaurav Lohia from Bowhead India Fund. Please go ahead.

**Gaurav Lohia**

Hi, sir. What is the status of order for TS-II second expansion of 660 MW of two units?

**M. Prasanna Kumar**

That is already tendered. That will be the first supercritical lignite-based power station in the country. So, we are expecting some response. We are hopeful that we will be getting some response and we will be able to conclude that.

**Gaurav Lohia**

Would you be able to conclude it by this financial year end, Sir?

**M. Prasanna Kumar**

Yes, that we are hopeful that we will be able to conclude in the current financial year.

**Gaurav Lohia**

Okay, sir. Thanks.

**Moderator**

Thank you. We have a follow-up question from Avinit Anand from 3P Investment Managers. Please go ahead.

**Avinit Anand**

Yes, just this Talabira order, 18,000. Does this include the GST part?

**M. Prasanna Kumar**

It includes everything. Including all taxes, it is Rs.18,255 crores.

**Avinit Anand**

Okay. And we are hearing that from competition. How many players were and didn't the other party bid or didn't bid for it?

**M. Prasanna Kumar**

No. Actually, there was participation by two parties, BHEL and L&T. Two parties technically qualified, but only one party quoted and we opened the bid evaluated and awarded to BHEL.

**Avinit Anand**

Okay. And for this under recovery, you did mention TPS-II phase. TPS-II was Rs. 207 crores and Rs. 186 crores for the expansion, so that's like Rs. 393 crores. So, total is Rs. 569 crores. Right, sir?

**M. Prasanna Kumar**

Yes.

**Avinit Anand**

What is the other part?

**M. Prasanna Kumar**

Other part is TPS-II stage I. That is Rs. 112 crores. And minor amount Rs. 26 crores, Rs. 25 crores in TPS-I Expansion and NNTPS.

**Avinit Anand**

So why does NTPL, which is the other entity have under-recovery to the tune of almost Rs. 150 crores in this 9 months? There's some issues with NTPL?

**M. Prasanna Kumar**

Rs. 140 crores. That was mainly on account of some unfavorable weather conditions. The plant was down for almost more than one week to ten days. I think more than ten days because of heavy rains and floods that happened in Tuticorin area. So that's why it is comparatively the under recovery is more. But I think we are hopeful that in the balance period of the financial year we will be able to reduce that under recovery to substantial levels.

**Avinit Anand**

Okay, sir. Thanks. Those were my clarifications. Thank you.

**Moderator**

Thank you. We have a follow-up question from Rajesh Majumdar from B&K Securities. Please go ahead.

**Rajesh Majumdar**

On the CERC paper, when is this paper likely to get finalized which have the revised PLF norms, etc?

**M. Prasanna Kumar**

I think there is no such timeline there. I think we're hopeful from 1st April that will be implemented.

**Rajesh Majumdar**

Okay. If there is no disagreement on the same, right, then it will be implemented?

**M. Prasanna Kumar**

Yes.

**Rajesh Majumdar**

Okay, fine. And sir, I had two questions on the coal blocks. So, first of all, when is Pachwara getting commercialized? And in the interim for Ghatampur, the coal will be supplied from the existing Talabira block. Is that correct?

**M. Prasanna Kumar**

Actually, for Ghatampur, the connected mine is Pachwara. And Pachwara, we are targeting to start coal production by June '24. And from there it will go to Ghatampur and all the activities are in fast progress.

**Rajesh Majumdar**

June 2024, is it? Pachwara?

**M. Prasanna Kumar**

Pardon.

**Rajesh Majumdar**

June 2024, you said, Pachwara?

**M. Prasanna Kumar**

June 2024.

**Rajesh Majumdar**

Okay. So, it will be more or less in line with the Ghatampur progress. Is it? The entire 9 million ton capacity or there will be some shortage?

**M. Prasanna Kumar**

No, even if there is some gap is there, we are already having the tie up for the startup coal as well as we are having the bridge linkage from the Coal India subsidiaries. So even if some gap is there, we will be taking coal from NCL and subsequently, we will start production in Pachwara and operate Ghatampur with Pachwara coal.

**Rajesh Majumdar**

Okay, sir. What is the status of the commercial coal blocks? When are we likely to get operationalized?

**M. Prasanna Kumar**

We won the North Dhadu coal block on the commercial coal auction in the month of September and the timeline for that is 55 months given by Government of India. But we are targeting to start the production at the earliest so that we can take advantage of the incentive that is given by Government. The activities are in fast progress. The geological report is already submitted and is approved, and subsequent actions are in fast progress. So, we are hopeful that we'll be able to start production much before the 55 months target given by Government of India.

**Rajesh Majumdar**

What is the capacity of North Dhadu?

**M. Prasanna Kumar**

Capacity of North Dhadu is 3 million metric ton, but it has a potential to have more. So, we are targeting for 4 million metric tons per annum.

**Rajesh Majumdar**

Okay. And the rest? The other ones.

**M. Prasanna Kumar**

Which one?

**Rajesh Majumdar**

I understand there are a total of 15 million tons of commercial blocks that are available for our company over a period of time. So, what about the other commercial blocks? Any progress on those?

**M. Prasanna Kumar**

We want to become a 100 million metric ton company by 2030. For that, one route we mentioned was through commercial auction route we will be taking some mine. So, in one commercial option round, we got North Dhadu. And in next commercial options we participated in for Machakata Mine and the final outcome is yet to come. We are the single bidder, and the final order has to come.

**Rajesh Majumdar**

Okay. Thank you, sir.

**Moderator**

Thank you. Ladies and gentlemen, if you have any question please press \* and 1 on your telephone keypad. I repeat. Ladies and gentlemen, if you have any question, please press \* and 1 on your telephone keypad. We have a follow-up question from Gaurav Lohia from Bowhead India Fund. Please go ahead.

**Gaurav Lohia**

Could you please give us an update on this CERC tariff order for 2009- 2014 and 2014-2019 period which was remanded back to CERC from APTEL?

**M. Prasanna Kumar**

See, whatever 2009- 2014 and 2014-2019, whatever orders were sent by APTEL to CERC, we are hopeful that before March 31 all those things will be implemented by CERC.

**Gaurav Lohia**

Before March 31st?

**M. Prasanna Kumar**

Before March 31st this financial year.

**Gaurav Lohia**

Okay. So, you will be writing back the equity part also before March 31st, in the March 31st results, right?

**M. Prasanna Kumar**

Yes. Whatever outcome is there, that outcome we will be taking into March 31st results.

**Gaurav Lohia**

And the cash flow connection, when would that happen, sir? Over the next six months from the order date.

**M. Prasanna Kumar**

No. Actually, the provision was already implemented. I think that will be implemented immediately.

**Gaurav Lohia**

Yes, because Tamil Nadu is sitting on some hundred.

**M. Prasanna Kumar**

I think that will be happening by end of the Q1 of the next financial year.

**Gaurav Lohia**

By end of Q1. Okay, sir. Understood, sir. Thank you.

**M. Prasanna Kumar**

Thank you.

**Gaurav Lohia**

That's it from my side.

**Moderator**

Thank you. Ladies and gentlemen, if we have any questions, please press \* and 1 on your telephone keypad. I repeat. Ladies and gentlemen, if we have any questions, please press \* and 1 on your telephone keypad. There are no further questions. Now, I hand over the floor to management for closing comments.

**M. Prasanna Kumar**

Thank you. Thank you very much. While thanking you, thanking all the investors for the confidence shown on us. We expect the same going forward also. Thank you. Thanks a lot.

**Moderator**

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a good day.