



NLC India Limited

Q3 FY'25 Earnings Conference Call

February 11, 2025



Management: **Mr. M. Prasanna Kumar - Chairman & Managing Director**
 Dr. Suresh Chandra Suman - Director (Mines)
 & Director (Planning & Project) - Additional Charge
 Mr. Samir Swarup - Director (Human Resources)
 Mr. M Venkatachalam - Director (Power)
 Dr. Prasanna Kumar Acharya – Director (Finance)

Moderator: **Mr. Prateek Singh - DAM Capital Advisors Limited**

Moderator:

Ladies and gentlemen, good day and welcome to NLC India Q3 FY25 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Prateek Singh from DAM Capital. Thank you and over to you sir.

Prateek Singh:

Thanks, Raghav. Good evening, everybody. On behalf of DAM Capital Advisors, I would like to welcome you all to the Q3 & 9-month FY25 Earnings Call of NLC India Limited.

Today, we have with us Shri M. Prasanna Kumar – Chairman and Managing Director of NLC along with Senior Management of the Company.

The call will begin with “Opening Remarks” by CMD Sir, after which we will open the lines for Q&A.

Before we begin, we must remind you that the discussion on today's call may include certain forward-looking statements and hence should be viewed in conjunction with the risk that the Company may face.

I would now like to hand over the line to CMD Sir for his opening remarks. Thanks and over to you sir.

M. Prasanna Kumar:

Thank you, Prateekji for the introduction and a warm thank you to DAM Capital for hosting this Investor Conference Call. I also want to extend my gratitude to all the participants for your interest in NLCIL and to our investors for your unwavering support.

Today, I am happy to engage with NLCIL shareholders and address any questions you might have regarding our financial results for the quarter and 9 months ended December 31st, 2024 as well as provide updates on our capacity addition program. Your involvement and feedback are invaluable to us and I look forward to a productive discussion.

I, Prasanna Kumar Motupalli – Chairman and Managing Director of NLC India Limited, and joining with me are Dr. Suresh Chandra Suman – Director (Mines) and Director (Planning & Projects) Additional Charge; Shri Samir Swarup ji – Director

(Human Resources); Shri M Venkatachalam ji – Director (Power); and Dr. Prasanna Kumar Acharya ji – Director (Finance), along with Senior Management of the Company.

Before the interaction, I would like to brief on the major highlights and performance of NLCIL during the Quarter and 9 months ended December 31, 2024:

NUPPL Ghatampur Thermal Power Station, Unit No. 1 of 660 MW, successfully started its commercial operations by which NLCIL group's installed power generation capacity increased from 6071 MW to 6731 MW. Also, this is the first unit of ultra-supercritical technology of NLCIL Group.

Coal Mine Development and Production Agreement, CMDPA, executed between nominating authority of Ministry of Coal and NLCIL for New Patrapara South Coal Mine Project of 12 million metric ton per annum. With this, the total cumulative capacity of NLCIL Group crossed 100 million metric ton.

NLCIL signed a JV agreement with RVUNL for setting up of 3 x 125 MW Lignite based thermal power station in the state of Rajasthan. And also, NIRL, the wholly owned subsidiary of NLCIL signed a JV agreement with RVUNL for developing 2 GW of renewable power project in the state of Rajasthan.

NIRL, the wholly owned subsidiary of NLCIL signed a joint venture agreement with Assam Power Distribution Company, APDCL, for development of solar power project in Assam of almost 1 GW capacity.

NLCIL has been recognized as one of the best performers under special campaign 4.0 in the new initiative best practice category and also won first prize in the Swachhata Initiatives.

NLC India Limited has been confirmed with the prestigious Mining Innovation Award for upholding high standards of operations in mining.

CAPEX achievement up to December 2024 is Rs. 5,247 Crore that has exceeded the annual target of Financial Year 2024-25.

Ministry of Finance through a Gazette of India has granted capital gains tax exemption under Income Tax Act for the transfer of renewable energy assets from NLCIL to NIRL, a wholly owned subsidiary of NLCIL.

NLCIL received four 5-star rating awards for Mine 1, Mine 1A, and Barsingsar and Talabira for the performance base year 2022-23 from Honorable Minister of Coal &

Mines at New Delhi. With this, the total 5-star ratings received by NLCIL crossed 17. Ministry of Coal accorded approval for the revised cost estimates of Rs. 21,780 Crore for 3 x 660 MW Ghatampur thermal power project of NUPPL.

For the Financial Year 2024-25, NLCIL board has approved payment of interim dividend at the rate of Rs. 1.50 per share.

Coming to the physical performance of 9 months ended December 2024:

NLCIL achieved Lignite production of 171.35 lakh metric ton with 5.23% growth as compared to 162.83 lakh metric tons in the 9 months ended Financial Year 2023-24. NLCIL achieved all time highest ever coal production of 115.16 lakh metric ton with almost 40% growth as compared to 82.19 lakh metric ton in the 9 months ended Financial Year 23-24. This is also all time highest ever lignite plus coal production for the Company. Achieved gross power generation of 20.568 billion units with 4.71% growth as compared to 19.643 billion units in 9 months ended Financial Year 2023-24. This includes RE power generation of 1.579 billion units.

Coming to the financial performance of 9 months ended December 2024:

All time highest revenue from operations of Rs. 11,445 Crore as against Rs. 9,458 Crore in the corresponding period of the previous year, registering a growth of 21%. All time highest total income of Rs. 12,909 Crore as against Rs. 9,912 Crore in the corresponding period of the previous year, registering a growth of 30%. All time highest profit after tax of Rs. 2,245 Crore as against Rs. 1,754 Crore in the corresponding period of the previous year registering a growth of 28%.

Once again, I wholeheartedly thank all the investors for their support and encouragement all these years. I hope the same would continue in the future also. Thank you. Thank you all.

Moderator: Should we open the floor for questions?

M. Prasanna Kumar: Yes Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press '*' and '1' on their touchtone phone. If you wish to remove yourself from the question queue, you may press '*' and '2'. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Again, you may press '*' and '1' to ask a question now. Our first question comes from Mohit Kumar from ICICI Securities. Please go ahead.

- Mohit Kumar:** Sir, good evening and thanks for the opportunity. And congratulations on a very good quarter. My first, Sir, it is heartening to see NLC doing a very good work in thermal, renewables and very new coal mines. My first question is, what are the under recovery on the standalone and consolidated basis in 9 months? And what is the status of NLC that 500 MW which was undergoing a refurbishment?
- M. Prasanna Kumar:** At the outset, I thank you for the encouraging words. And coming to the under recovery, against the last year's under recovery for the first 9 months of Rs. 725 Crore, this year under recovery is Rs. 517 Crore. And standalone basis, against last year's Rs. 571 Crore, this year is around Rs. 500 Crore.
- Mohit Kumar:** Understood, sir. And so what is the status of the power plant where we are trying to rectify?
- M. Prasanna Kumar:** As I told you in the last investor meet, we have taken the short-term measures and the long-term measures for improving the availability and the reliability of our TPS II expansion units. The short-term measures resulted in improvement in the availability and reliability and the long-term modification in one of the units is started in the month of November and that is expected to be completed in the second week of March. So, in the current financial year, the unit will start its operation with improved reliability and availability. And immediately after that, after observing that for a month, we'll be going for the modification in the other unit also. So, once that is also completed, we are hopeful that there will be substantial improvement in the availability, reliability, and performance standard of this TPS II Expansion. And we will be able to substantially reduce our under recoveries going forward.
- Mohit Kumar:** Understood. Second question sir, what is the status of 1 GW NLC power plant? I think you're looking to start the work. Is it, have you tendered this power plant or can we expect this to be tendered out in the next six months?
- M. Prasanna Kumar:** This 1 GW, the 2 x 500 MW in Neyveli, we got exemption permission from Central Electricity Authority for going for subcritical lignite. So, we are in fast progress for tendering. We are expecting that by March end, the tender for the power plant will be floated and we are targeting to complete this project at the earliest and add to our capacity.
- Mohit Kumar:** Understood. My last question is on Notes 9 to the account, Notes #9. I think in this quarter you have given an impact of around I think Rs. 400 odd Crore to the profit in this quarter because Notes #9 states that there is a I think CERC issued a tariff order on August 1, 2024. Is it fair to say that impact is around Rs. 400 Crore on the profit because of this order?

- M. Prasanna Kumar:** Okay, you are talking about, just wait.
- Mohit Kumar:** The notes #9 of the result.
- Prasanna K. Acharya:** The consolidated impact on the revenue is around Rs. 1576 Crore and the positive impact in PBT is Rs. 934 Crore and PAT is Rs. 752 Crore on a consolidated basis for 9 months.
- Mohit Kumar:** My question on the particular quarter, I think it talks about only one tariff order, right, which was issued for the NTPL subsidiary Company, correct?
- M. Prasanna Kumar:** Yes.
- Mohit Kumar:** It has impact for the particular quarter, for this quarter, not for nine months?
- M. Prasanna Kumar:** It's having positive impact of 647.51 Crore.
- Mohit Kumar:** Understood, sir. Thank you, sir. Best of luck. Thank you.
- Moderator:** Thank you. Next question comes from Aditya Welekar from Axis Securities. Please go ahead. Aditya sir, your line is unmuted. Please proceed with your question.
- Aditya Welekar:** So, congrats for the great set of numbers. My question is with regards to under recovery. And in the last call, we said that full year under recovery will be in the range of Rs. 450 Crore. And so what is that amount would be now? And the drop in PLF at the TPS II expansion and NTPL as we progress on that boiler issue, do we expect any improvement on the basis of PLF for these two units going forward and what will be the final under recovery you can expect now for full year?
- M. Prasanna Kumar:** Thanks for your encouraging words and regarding under recovery, there is a substantial improvement in the under recovery of NTPL. You are asking NTPL also. Last financial year it was more than Rs. 154 Crore, but this financial year it is almost Nil, it is only Rs. 7 Crore and this will continue and coming to the under recovery on consolidated basis, again it is last year Rs. 725 Crore, it is now Rs. 517 Crore and we are expecting to land at around Rs. 600 Crore by the end of this financial year. And the actions are already on to reduce it to a great extent in the next financial year. Already, the modification of TPS II Expansion is on.
- Aditya Welekar:** Coming to Ghatampur, Unit-II and Unit-III, the earlier dates were December and March'25. So, are we sticking to that? And same for Pachwara coal block. Is it on track for March'25? And lastly on this new Patrapara coal mine, if you can share some timeline when it will be developed?

M. Prasanna Kumar: First coming to Pachwara South Coal Block, earlier, we were targeting for March '25.

Moderator: Just give me one moment, let me check, the line for the management seems to have been disconnected. Ladies and gentlemen, please hold on while we reconnect the line for the management back. Ladies and gentlemen, we have the line for the management reconnected. Please go ahead, sir.

M. Prasanna Kumar: Hello. So, can I continue the answer to the question? So, there were three questions. One was about Pachwara South Coal Block. The earlier expected production was March 2025. But there was some delay in the forest clearance stage one. That's why now the revised production target is July 2025. We are in the advanced stage of getting the forest clearance of stage two. So, we are hopeful that by July 25, we will be starting production. MDO and all the things are in position and we will be starting production in July. Coming to Ghatampur, the earlier target for Unit #1 was December, that we completed in December and the unit is performing exceedingly well with more than 98% availability. And Unit-II, we are targeting May 2025 and Unit-III, October 2025. So, before October 2025, all the three units COD will be declared. Coming to new Patrapara South Coal Block, we got it in commercial auction. It is having 12 million metric ton per annum capacity. And the advantage with this block is that this new Patrapara block shares its boundary with Machhakata. So, we will be getting advantage of scale. And the government said the target is 55 months, but we are targeting for starting production in 36 months. So, by February 2028, we will be starting production from new Patrapara.

Aditya Welekar: That's very helpful, sir. Just one last question. So, if you can just share the same timelines for our Rajasthan joint venture for 3 x 125 thermal plant and 2000 MW renewable plant and 1000 MW solar plant in Assam. So, for these?

M. Prasanna Kumar: We signed that joint venture agreement with Rajasthan government for both 3 x 125 MW lignite based power station and 2 GW of renewable capacity. This 3 x 125 MW, the activities are on, but the JV formation is in the final stages. Once that is done, then we will go for tendering and we will be completing the project within the next 36 to 40 months. And this 2 GW of renewable capacity, we are already in the process of finalizing the location. So, within next 18 months, once the joint venture is formed, within next 18 months, we'll be adding the entire 2 GW capacity. Similarly, with the state of Assam, we signed a joint venture agreement with them for adding capacity of 1 GW. There also with 12 to 15 months, we will be adding the 1 GW capacity. Already land is identified for substantial capacity addition.

Aditya Welekar: Yes, thanks a lot and all the best. I will get back in the queue.

- Moderator:** Thank you. Participants, you may press '*' and '1' to ask a question. The next question comes from Rabindra Nath Nayak from Sunidhi Securities. Please go ahead. Mr. Rabindra Nath Nayak, your line is unmuted. Please proceed with your question. As there is no response from the line of the current participant, we'll move on to the next question. The next question comes from the line of Darsh Solanki from Axis Securities. Please go ahead.
- Darsh Solanki:** Thank you for this opportunity. Mine is more of a bookkeeping question. So, if you look at the financials of this quarter, there is a movement in regulatory deferral income of negative 789, post which our PAT comes to around Rs. 696 Crore. So, for our reference, do we, for our profitability perspective, we look at the PAT after considering that movement, right? So, our normalized PAT would be Rs. 696 Crore. Is that a correct way to look at it?
- M. Prasanna Kumar:** Yes.
- Darsh Solanki:** And sir, so in the same context, so just wanted to understand. So, from a last conference call, our understanding was that for any favorable or unfavorable orders, there are generally two impacts. One impact is in sales and till the level the PTA is upgrade and post that it is adjusted from the regulatory deferral moment for the PAT. So, is that understanding is correct and if not, can you share the view on it that how does that bookkeeping work?
- Prasanna K. Acharya:** It is correct only, but only some adjustments is required if the regulatory provision is not sufficient to the requirement of the order. So, normally on a conservative basis, we used to create the provision or income whatever is there. So, in case the order amount is different from that, so additional impact will be there. Otherwise, the accounting adjustment, what you are telling, it's correct.
- Darsh Solanki:** So, in this quarter's context, if there's a negative 789 impact, so approximately a similar amount would be increased in your revenue. Is that the way to look at it?
- Prasanna K. Acharya:** No, the current quarter you are telling or 9 months?
- Darsh Solanki:** For the current quarter, so your current quarter regulatory deferral movement is Rs. 789 Crore. So, would that number be then included as a positive impact in the revenue? Is that how it works?
- Prasanna K. Acharya:** This is adverse impact in the profitability.
- Darsh Solanki:** Okay, so it does not have any secondary impact in your revenue?

- Prasanna K. Acharya:** No.
- Darsh Solanki:** So, there's just one impact and it directly adjusted in the profitability?
- M. Prasanna Kumar:** Yes.
- Darsh Solanki:** Understood. So, that's it from my side. Thank you.
- Moderator:** Thank you. The next question comes from Arihant from Bowhead. Please go ahead.
- Arihant:** Hi, sir. My question would be, what was the realization from e-auction and from supply to NTPC, DVC separately? And what was the overall PBT from Talabira coal mine?
- M. Prasanna Kumar:** So, against last year's e-auction of around 2.5 million metric tons. This year, the coal sale through e-auction is 4.6 million metric tons. And to NTPC through MoU route around 4.8 million supplied. And for DVC, they just started taking in the month of January. And the coal that is sent to our NTPL is 2.2 million metric tons. Coming to the sale value in the current financial year is Rs. 1750 Crore against last year's figure of Rs. 1410 Crore. And coming to the PBT figure, the current year's profit before tax is Rs. 708 Crore against last year's Rs. 601 Crore, but there was one CERC order impact of Rs. 292 Crore, so net PBT for Talabira mines is Rs. 416 Crore against last year's Rs. 601 Crore.
- Arihant:** Sir, can you please tell what was the average realization in first 9 months from realization per ton from e-auction and from supply to NTPC?
- M. Prasanna Kumar:** The average sale price of coal for the first 9 months is Rs. 1,652 per ton against last year figure of Rs. 2,537 per ton.
- Arihant:** Okay, so this Rs. 1652 is from e-auction or the overall total e-auction plus supply to NTPC and NTPL?
- M. Prasanna Kumar:** No, it is through e-auction.
- Arihant:** Okay, got it. And what was our realization from supply to NTPC?
- M. Prasanna Kumar:** The realization from supply to NTPC is Rs. 787 Crore.
- Arihant:** I am asking per ton.
- M. Prasanna Kumar:** Per ton, it is Rs.1085.

Arihant: Okay, thank you sir. And another question is, are we facing any lignite availability issue or do you think we can face any lignite availability issue next year?

M. Prasanna Kumar: As on date, we are not having any lignite quantity issue. Already all our units are operating at their full capacity. And with the substantial amount of land in our position, we don't foresee any problem in the next financial year also. Some critical land parcel requirement is already being taken up aggressively. So, we don't foresee any immediate loss of generation on account of Lignite shortfall.

Arihant: Okay, thank you, sir. And one question was regarding we plan on participating in auctions for adding RE capacity. So, I wanted to just understand like, are we focusing only on plain vanilla solar wind projects, or are we targeting to participate in complex RE projects as well?

M. Prasanna Kumar: See, as on date, our capacity is 1.4 GW. And we are targeting to take it to 10 GW, while the entire country is targeting doubling and tripling their capacity. We are targeting to increase our renewable capacity by 7 times. So, we are open to all types of, we are exploring all revenues for adding this capacity. Already 2.5 GW renewable capacity works are already in progress and we are exploring all the possibilities including the JV which we formed with Rajasthan, the JV which we formed with Assam and we are exploring various possibilities to have JV with the Orissa Government also and many other states are also in line. So, we are exploring all the avenues where we can add renewable capacity to reach our target of 10 GW by 2030.

Arihant: Okay, thank you. Sir, then one last question. I wanted to know regarding 810 MW renewable projects, solar project in Rajasthan. When will that come up? And also regarding Talabira Phase II thermal plant, when are we planning to do tender of that project?

M. Prasanna Kumar: This 810 MW won through competitive bidding process from Rajasthan. And the infrastructural developmental works are in the scope of RVUNL and the RVUNL has already floated tender for that. They are in the final stages of award of the infrastructural works and subsequently the PPA will be signed. And we are ready with all the requirement to start the activities there. Once we get the clearance from the Rajasthan government for go ahead, we will start immediately and complete the project within one year period. And coming to the Talabira Stage-II tendering, the Talabira Stage-II, we have applied for the various clearances in fast progress. So, once that is done, we are expecting by June 2025 we will be floating tender for that.

Arihant: Okay, thank you so much for the reply, sir.

M. Prasanna Kumar: Thank you.

- Moderator:** Thank you. A reminder to all the participants, if you wish to register for a question, please press '*' and '1' on your touchtone phone now. Our next question comes from Somnath Saha from B&K Securities India Private Limited. Please go ahead.
- Somnath Saha:** Thank you sir for the opportunity. You have just mentioned currently you don't have any challenge for lignite mining. But if I talk about the current quarter, I can see there is around 13% gap in year-on-year loss in lignite production. Can you explain on that reduction on lignite mining?
- M. Prasanna Kumar:** No, there is no loss on account of lignite quantity in this one, in the current financial year. The last time which we highlighted the loss was January 24. So, after January 24 there is no loss on account of lignite availability.
- Somnath Saha:** Okay. So, you are saying the current situation on lignite mine is okay and you don't have challenges in finding a land acquisition?
- M. Prasanna Kumar:** Exactly.
- Somnath Saha:** Okay. Secondly, if I refer Slide #33, the mention on standalone basis of thermal generation will go up by 3.4 GW till FY2030? Can you help me with the breakup of the same and what you were accounting for? The effects on Talabira, what will come by that time?
- M. Prasanna Kumar:** The Talabira, the first 800 MW, we will be adding in March 2029. And with a gap of 6 months, we will be adding the other two units also. And the TPS II second expansion, the 1 GW capacity that will be coming in the Financial Year 2030. So, these are the thermal capacities we are going to add, but we also will be adding 3 x 125 MW by 2030. So, by 2030, our thermal capacity will increase from the current 4.6 GW to 10 GW.
- Somnath Saha:** Okay sir, understood. Sir, another one question from the renewable side. Like earlier we have guided that 300 MW will come this fiscal only. Now seems like that nothing will add in this fiscal. And also, we are targeting to get 10 GW by 2030 longer term vision. But on execution, there is still lags. Can you explain the delay, what causing the delay?
- M. Prasanna Kumar:** See, as you know, this 300 MW we got under CPSU scheme and the main condition for the CPSU scheme is the modules of domestic nature need to be fitted in this plant of 300 MW. And as you know there is a scarcity of modules in the country. That is the reason why not only NLCIL solar project, many other projects got delayed. We awarded this EPC contract to Tata Power and they started their module manufacturing in the state of Tamil Nadu. They assigned the production around 80 MWs for this

project in the current financial year. All other activities other than modules they are complete. For the entire 300 MW all other activities, inverters, MS structure, everything is ready. Only it is waiting for the modules. So, we are hopeful that in the current financial year, we will be able to add around 80 MW capacity. And in the 1st Quarter of the next financial year, the balance 220 MW will be added.

Somnath Saha: One last thing sir, during the quarter at consolidated level, there is a one-time impact of Rs. 1,000 Crore in one subsidiary NTPL. So, if I may ask you the rate of that impact, what is your adjusted PAT for the quarter?

M. Prasanna Kumar: The adjusted PAT for the quarter, the impact for NTPL is Rs. 650 Crore positive.

Somnath Saha: Thank you, sir.

Moderator: Thank you. Next question comes from the line of Rabindra Nath Nayak from Sunidhi Securities. Please go ahead.

Rabindra Nath Nayak: Congratulations for the good set of numbers, Sir. My question regarding this lignite transfer price, what is the transfer price of lignite that you are booking for the power generation in Neyveli right now?

M. Prasanna Kumar: I thank you for your encouraging words for the good numbers. And the Lignite Transfer Price at the Neyveli is Rs. 2,292.

Rabindra Nath Nayak: Sir, what is the coal profit booked in this quarter?

M. Prasanna Kumar: The coal profit booked from is mostly from Talabira. It is Rs. 306 Crore booked in the current quarter. And the total is Rs. 416 Crore.

Rabindra Nath Nayak: And sir, is there any loss we booked in the Ghatampur plant in the last quarter?

M. Prasanna Kumar: It is a minimal 10 Crore loss we booked there. Otherwise, the unit is performing exceedingly well.

Rabindra Nath Nayak: OK Ok So, what is the total under recovery we booked in this quarter?

M. Prasanna Kumar: The under recovery booked this quarter is Rs. 218 Crore on standalone basis.

Rabindra Nath Nayak: This is largely due to these two plants that are undergoing refurbishment, right?

M. Prasanna Kumar: Exactly.

Rabindra Nath Nayak: Regarding these Assam plants, my worry is that, the solar intensity in that region particularly is low. So, what is your comment you can say that what would be the viability of this project in the State of Assam where the solar intensity is very low compared to other regions. So, you comment on that?

M. Prasanna Kumar: As you rightly said, the solar intensity is, if you compare with the other states like Rajasthan and Gujarat, it is lower and accordingly the CUF also will be lower. So, that is the reason we pursued for the cost-plus tariff with Assam. So, whatever plants we are installing there, the tariff will be determined by CERC on cost plus basis. That is the reason we are going forward and it is viable.

Rabindra Nath Nayak: Okay, because I am asking in the context that around significant renewable capacity still is asking from buyers. So, on that context whether the project will be viable because already the capacity is there instead of having the capacity in a low solar intensity place, we can supply the power from other place to Assam. So, that is why I am asking the viability of the project?

M. Prasanna Kumar: But the problem is that, if we transmit solar power from high intensity zone like Rajasthan and Gujarat to Assam, the transmission system infrastructure itself is not sufficient, and it will be very costly. So, considering all those things, the localized solar plants are always good. And because of the cost-plus tariff, financially the project is viable and can generate revenue.

Rabindra Nath Nayak: Okay. So, what is the average tariff difference you can expect from Assam? If at all we set up a plant there and also start generating, what is the tariff difference in Rajasthan and Assam?

M. Prasanna Kumar: Exactly we cannot say, but in Rajasthan the CUF can be ranging from almost 30% to 32%. The plant which we are envisaging in Rajasthan, 600 MW, there we are expecting CUF of 32%. Whereas in the state of Assam with the latest modules also, it may cross 22% to 25%. So, exactly it is very difficult to quantify the tariff difference, but there will be some difference in the tariff.

Rabindra Nath Nayak: Okay, you mean to say including a transmission price, the tariff will be viable for Assam?

M. Prasanna Kumar: Exactly, because it has to cross almost 1500 kilometers if it has to come from Rajasthan. So, it will be viable in the state of Assam.

Rabindra Nath Nayak: I'm just talking about not in the Rajasthan, but if you are also planning to set up the capacity in Orissa and other regions particularly. So, will it be viable from those regions instead of Rajasthan?

M. Prasanna Kumar: No, see from any region of the country if it has to be transmitted to Assam, there will be huge transmission charges. So, the setting up of the solar plant there is a good option and if we are getting the cost-plus tariff there, that is more potential.

Rabindra Nath Nayak: Ok sir, regarding this NLC Green, what is the status on the QIP sir? About the IPO, what is the status there?

M. Prasanna Kumar: See, the major hurdle for that activity to move forward is the exemption from Government of India for the bulk transfer of the assets from NLCIL to NIRL and we got that tax exemption within five months period where the same thing happened earlier almost 1.5 years to 2 years. So, we are hopeful, we are taking all the activities in the fast forward mode, and we are hopeful that by the 1st Quarter of FY 2026-27 or the last quarter of the Financial Year 2025-26, we will be able to come up with the IPO.

Rabindra Nath Nayak: Okay. Thank you and all the best. Thank you.

Moderator: Thank you. Before we take the next question, a reminder to all the participants, you may press '*' and '1' to ask a question. Our next follow-up question comes from the line of Arihant from Bowhead. Please go ahead.

Arihant: Sir, I wanted to know what would be our estimated regulated equity by 2030 and also can you please provide breakup of what was the under recovery from TPS-II Expansion and TPS-II plant in 9 months FY'25?

M. Prasanna Kumar: See, our current regulated equity is Rs. 9,383 Crore, around Rs. 5,900 Crore in Thermal and Rs. 3,450 Crore in Mines, and with the CAPEX plan we are having and the capacity addition program we are having, the regulated equity by 2030 will be more than Rs. 19,000 Crore.

Arihant: What was the under recovery from TPS-II Expansion and TPS-II plant in 9 months FY'25?

M. Prasanna Kumar: In 9 months FY'25, the TPS-II Expansion the under recovery is Rs. 300 Crore that is mainly because of the last 3 months where the modification activity is going on and from TPS-II, the under recovery is around Rs. 200 Crore.

Arihant: Okay. And Sir, please can you clarify again regarding IPO timeline, when do you expect it to happen?

M. Prasanna Kumar: Last quarter of the financial year, 2025-26 or 1st Quarter of 2026-27.

- Arihant:** Okay, got it sir and just one last question sir. When do you expect the JV Company to be formed for a 2 GW solar project? By when you think the Company will be formed?
- M. Prasanna Kumar:** That is the Company formation is in the final stages. So, anytime we can expect that, we can expect in next one-month period.
- Arihant:** Okay, and after that you said that you will take 18 months to complete the projects once the Company is formed?
- M. Prasanna Kumar:** 15 to 18 months for adding 2 GW capacity of renewables and 36 to 40 months for adding 3 x 125 MW Lignite based power capacity.
- Arihant:** Thank you so much, sir.
- M. Prasanna Kumar:** Thank you. The next follow up question comes from the line of Aditya Welekar from Axis Securities. Please go ahead.
- Aditya Welekar:** Thanks for the opportunity again, sir. So, if you can just come again on the pipeline for our renewable energy capacity addition for FY25, FY26 and FY27?
- M. Prasanna Kumar:** Okay. As on date, we are having 1.4 GW capacity, and we are every year producing around 2.2 billion units of green power. And we are having target to take this 1.4 GW to 7 times, 10 GW by 2030. To achieve this capacity addition target, we are having many projects in the pipeline. We are having these 300 MW near our Barsingsar plant, which is on the verge of commissioning because of the domestic modules it is getting delayed. But by 1st Quarter of the next financial year, it will be completed. Then 600MW renewable capacity we are adding in the Khavda solar park in Gujarat. There all the activities are in fast progress. We are expecting by the third quarter of the next financial year, the 600 MW will be commissioned. And also works are in progress in 810 MW in Rajasthan, in Pugal district, and there, the infrastructural activities are in progress by RVNL. So, once that is completed, then within next 15 months we will be able to add this capacity. So, this capacity is expected in 2026-27. And in return to that, already we discussed about the 2 GW renewable capacity which we are adding in the state of Rajasthan. So, this also within next 15 months to 18 months this capacity will be added and in Assam that 1 GW capacity that also will be added in the next 2-year period. So, almost 2.5 GW projects are work-in-progress and 3 GW works are already in pipeline and that will facilitate us to reach to 10 GW capacity by 2030.
- Arihant:** That's useful, sir. Thank you very much. So, what I heard in the call is for Assam we have a cost-plus return. So, is it only for Assam right, means for renewable energy we are not in a regulated returns for other projects?

M. Prasanna Kumar: That is only for Assam. Otherwise in all other projects, it is a competitive derived tariff. But particularly whenever a renewable project is selected by NLCIL, we consider RoE of around 12%, and because that is calculated some conservatively taking all the margins, so almost we get a return of around 14% like what we get from our Mines as well as Thermal. So, it's almost 14% to 15% returns we get from renewables also.

Arihant: Understood. Thanks a lot.

Moderator: Thank you. The next question comes from the line of Prateek Singh from DAM Capital. Please go ahead.

Prateek Singh: Hi, Sir. So, just wanted to get a sense about the various diversification projects that we have been talking about. I think the first one to come was OB to Sand - Phase I, II, and III. Have we started any pilot projects there, or any kind of research studies, or are they still a few years away for us? And the same goes for critical minerals, so far 1 million tons that I think was our vision. How do we stand there?

M. Prasanna Kumar: This OB to Sand, there is a huge potential of M-sand in the Neyveli area. So, already one project worth 0.4 million metric tons is already ready for operation and all the activities are completed and we are on the verge of starting the commercial operation. One OB to Sand of 1 million metric ton capacity is already awarded and works are in fast progress. I think in next 6 months period we will be able to start the production from this 1 million metric ton also. And coming to the critical minerals, as you know, to use our experience of almost 60 years in opencast mining, we are interested to entering into critical mineral block auction and we participated in two rounds of critical mineral auction, but because of lesser number of participants in the bidding process, the bidding was annulled. So, we are participating in the current critical mineral block auction, and we are hopeful that we will be getting some critical mineral blocks in the current auction.

Prateek Singh: Thank you, sir. Anything on green hydrogen or battery energy or they are still quite far away?

M. Prasanna Kumar: No, as you know, NLCIL is the first Company in the country to establish battery storage system in the state of Andaman, and that is successfully running. And earlier Andaman was relying on diesel-based power generation. Now the solar power generation, green power generation is facilitating the improvement in environment in Andaman. And coming to this green hydrogen, we are in the process of setting up a pilot project in Neyveli. Already the green power requirement is met through the solar plant already commissioned, 4 MW. So, we are in the process of procurement of

electrolyzer, and we are hopeful that the earliest we will be able to establish the pilot project for green hydrogen.

Prateek Singh: Thank you, sir. And the last one, just wanted to get a sense as to when we say overburden sand, what kind of sand is it? Like sand can be used for, I understand, glass, automobile glass or even solar glasses. So, is there any specific sand?

M. Prasanna Kumar: It is M-Sand. So, for construction purpose the normal sand is used from the river beds and there is scarcity of that type of sand that is affecting the construction industry in the country. This M-sand is converting the overburden by following the washing process. So, this overburden consists of the sand of around 50% to 60%. So, that is separated and that can be used for the construction purpose and this is having huge demand. So, this will also reduce the environmental impact because this will replace the river sand, and this is having huge demand in the market.

Prateek Singh: Understood. So, we will be targeting construction sector basically.

M. Prasanna Kumar: Exactly.

Prateek Singh: Understood. Thanks a lot for answering my questions.

Moderator: Thank you. Participants, you may press '*' and '1' to ask a question. Our next follow-up question comes from Somnath Saha from B&K Securities. Please go ahead.

Somnath Saha: Thanks for the opportunity, Sir. Can you please help me with the breakup of regulated equity currently on standalone versus your NTPL and NUPPL?

M. Prasanna Kumar: Regulated equity?

Somnath Saha: Yes, sir. How much is it currently on standalone basis?

M. Prasanna Kumar: In our total regulated equity in Thermal is Rs. 5,931 Crore, and this is minus NUPPL. Standalone Neyveli total lignite thermal regulated equity is Rs. 3,983 Crore.

Somnath Saha: Okay and the remaining for NTPL?

M. Prasanna Kumar: Yes. Thank you very much, sir.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

M. Prasanna Kumar: I thank all the investors for their outstanding support to the Company. And I thank all the participants in today's investors call for giving encouragement to the team NLCIL

and at the same time, giving valuable suggestions. I assure that whatever commitments we have given and the timelines we have given, we will be putting all the efforts to ensure that these commitments are met and increase the returns to the investors. Thank you. Thank you all.

Moderator:

Thank you. On behalf of DAM Capital, that concludes this conference. Thank you for joining us. You may now disconnect your lines.