



NLC India Limited Q4 FY'25 Institutional Investors Meet

May 29, 2025



ICICI Securities

Ministry : Shri Vikram Dev Dutt, IAS - Hon'ble Secretary (Coal), GoI

Management : Shri M. Prasanna Kumar - Chairman & Managing Director
Dr. Prasanna Kumar Acharya - Director (Finance)

Moderator : Shri Mohit Kumar - ICICI Securities Limited

Mohit Kumar:

I am Mohit Kumar on behalf of ICICI Securities. I would like to welcome you for Investor meet of NLC India Limited. Today, we are extremely pleased to have with us the senior management of the Company. As you all know, NLC is a Navratna, Government of India Enterprise, under Ministry of Coal. We have with us on the dais, Mr. Vikram Dev Dutt, Secretary, Ministry of Coal; Mr. M. Prasanna Kumar, CMD; and Dr. Prasanna Kumar Acharya, Director (Finance).

We will start with a corporate video.

[Video Presentation]

Now, I would like to hand over the floor to CMD sir for his opening remarks. Thank you, sir. Over to you.

M. Prasanna Kumar:

Thank you, Mohitji. Good evening, everyone. Thank you very much Mohitji for hosting this Investor and Analyst Meet and greeting 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 shareholders and also reply to their queries in the financial results for the year '24-'25 and quarter '24-'25 and status of various ongoing projects.

I am Prasanna Kumar Motupalli, Chairman & Managing Director of NLC India Limited and I feel privileged and honoured with the presence of Honourable Secretary (Coal), Government of India, Shri Vikram Dev Duttji, who is a source of inspiration and guidance for the Company; Dr. Prasanna Kumar Acharya, Director (Finance) along with other senior management of the Company.

Before the interaction, I would like to brief on the major highlights and performance of NLCIL during the 4th quarter of the financial year and FY 2024-25:

- During the year '24-'25, successfully declared the commercial operation of Unit #1, 660 MW of Ghatampur Thermal Power project. With this NLCIL joined the elite club of supercritical thermal operations.
- Secured Machhakata revised coal block of 30 MTPA and executed the Coal Mine Development and Production Agreement, CMDPA, with the Nominated Authority MoC, also Vesting Order is issued by MoC.

- Secured New Patrapara South Coal Mine Project 12 MTPA and executed the Coal Mine Development and Production Agreement with the Nominated Authority, Ministry of Coal.
- NLC India Limited is declared as preferred bidder for two critical mineral blocks, Semhardih and Raipura phosphorite and limestone blocks in the Balod district of Chhattisgarh. For the critical and strategic mineral blocks, the e-auction held on 15th May, 2025 and 16th May, 2025 by Ministry of Mines, Government of India.
- Signed MoU with DVC for supply of 2 million metric tons of coal from Talabira OCP mines.
- Renewed MoU with NTPC for the continuous supply of coal from Talabira mines for next five years.
- Implemented the Digital Logistics Management System at Talabira OCP mines ensuring real-time monitoring and transparency in coal dispatch.
- Obtained forest clearance Stage-I and environmental clearance for Pachwara South Coal Block.
- A non-binding MoU was signed with Government of Odisha for establishment of mines of 42 million metric tons, Thermal power project of 2,400 MW and Renewables of 2,000 MW.
- NLCIL won LoA from SJVN Limited for development of 200 MW wind power project at the tariff of ₹3.74.
- NLCIL has incorporated a JV, NIRL Assam Renewables Limited with Assam Power Distribution Company Limited through its subsidiary NIRL for development of 1 GW of renewable energy projects in Assam.
- NLCIL and IREL, both esteemed PSUs, have signed an MoU to collaborate in the critical mineral sectors.
- MoU signed between NIRL with MAHAPREIT on 17th April, 2025 for development of RE projects in Maharashtra and today the JV agreement is signed with MAHAPREIT.
- Power Purchase Agreement signed by NLC India Renewables Limited with Rajasthan Rajya Vidyut Utpadan Nigam Limited, RVUNL, for its 810 MW Solar Power project at Pugal Solar Park, Rajasthan.
- Ministry of Coal declared star rating for the performance base year 2023-24 and rated NLCIL three mines: Mine-IA, Talabira and Barsingsar Mines with 5-star rating and two mines, Mine I and Mine II with 4-star rating under Opencast Mines category. Out of this, Mine-IA stood at first position among all the mines.

Coming to group physical performance in FY 2024-25:

- Achieved lignite production of 24 million metric ton with 1.6% growth as compared to 23 million metric ton in FY 2023-24.
- Achieved all time highest ever coal production of 17.2 million metric ton with 36% growth as compared to 12.6 million metric ton in the year 2023-24.
- Achieved gross power generation of 27.86 billion units with 2.8% growth compared to the FY 2023-24. This includes RE power generation of more than 2 billion units.
- Achieved all time highest ever lignite and coal production of 41 million metric ton for the FY 2024-25 since inception.
- NLCIL Group achieved highest ever CAPEX of more than ₹7,700 Crore.
- TPS I expansion of NLCIL ranked first in the cumulative PLF among lignite fired thermal power stations in the country.
- In January 2025, Barsingsar thermal power project achieved first rank among all India lignite based thermal power plants.

Coming to the group financial performance:

- Revenue from operations of ₹15,286.96 Crore as against ₹13,001.33 Crore in the previous year registering a growth of 17.55%.
- For FY 2024-25, highest ever EBITDA of ₹6,512.96 Crore achieved.
- NUPPL has generated ₹700.50 Crore revenue from operations for the part of four months in the FY 2024-25.
- Total income of ₹16,889.45 Crore as against ₹13,948.47 Crore in the corresponding period of the previous year registering a growth of 21.08%.
- All time highest ever Profit before Tax (PBT) of ₹3,696.93 Crore as against ₹2,881 Crore in the previous year, registering a growth of 28.29%.
- Marking a significant milestone in its journey, the Company has posted its ever-highest Profit after Tax ₹2,713.61 Crore.
- Apart from the interim dividend of 15%, at the rate of ₹1.50 per share on paid up equity share capital already declared and paid, final dividend of 15%, ₹1.50 per share on paid up equity share capital recommended for the FY 2024-25 subject to approval of the shareholders in the Annual General Meeting.

A testament to its robust performance and strategic excellence in the power and mining sector, I wholeheartedly thank all the investors for their support

and encouragement all these years. I hope the same would be continued in future also for taking the organization to new heights. Thank you.

Mohit Kumar:

Thank you, sir, for the opening remarks. I would now like to invite Dr. Prasanna Kumar Acharya sir to take over the proceedings. Thank you, sir.

P. K. Acharya:

Respected Secretary (Coal), Ministry of Coal, Government of India, CMD NLC and fellow from the various investors' community gathered here for this finance and performance evaluation of FY 2024-25. So, we will have a small presentation, I will go through that presentation. I will take you through and after that we can have the question & answer session.

So, we have the lignite mining capacity of 30.1 million ton and integrated with coal it is 50.1 million ton as on 31st March, 2025. We are the first CPSU achieved 1 GW of renewable energy capacity and we are paying consistently last 26 years dividend, consistent payment is there. And since last 48 years, we are posting our result, profit is being posted.

So, with this structure of the NLCIL, we have NUPPL with Uttar Pradesh government where 51% stake is NLC and 49% Uttar Pradesh government is there. NTPL, we have 89% stake in that Company and 11% with TANGEDCO. We have forming a JV with Rajasthan Vidyut Utpadan Nigam Limited for setting up 3x125 MW Thermal power plant along with mining facility in the State of Rajasthan. We have a Joint Venture Company with Coal India Limited, 50:50 Joint Venture Company for development of Renewable and Thermal Power capacity in various parts of the Country.

We have also formed NIGEL, a wholly owned subsidiary Company for development of critical minerals in India and abroad. We have also formed NIRL, which is also 100% owned Company for development of renewable projects in the Country. Under that NIRL, we have also formed or is being formed four Joint Venture companies. One with Assam, we have already formed with 51% stake of NIRL and 49% with Assam Power Distribution Company. Similarly, we are forming JV with Rajasthan Vidyut Utpadan Nigam Limited we have 26% stake with Rajasthan Vidyut Utpadan Nigam Limited and 74% with NIRL.

We are forming similar JV with Government of Tamil Nadu for development of Renewable projects and Government of Odisha also with

development of Renewable projects. Today, we have signed JV agreement with MAHAPREIT also in the similar 26% and 74% for development of RE projects in the state of Maharashtra and other parts of the Country.

With respect to NLCIL Group overview, we have equity capital of ₹1,386.64 Crore and we have net worth of ₹18,723 Crore, total asset is ₹57,851 Crore and Government of India stake is 72.20% in the Company. So, we have Thermal Power generation capacity of 5,300 MW and Renewable of 1,431 MW, Coal mining 20 million ton and Lignite mining 30.1 million ton and critical minerals recently we have considered as a preferred bidders into critical mineral blocks.

Similarly, we are also providing consultancy services through our Coal Lignite Urja Vikas Private Limited JV, which is with Coal India Limited. So, this is the Pan-India presence of NLCIL. Recently, we have presence in 12 states and also, we are trying to expand to another six states in the next couple of years.

We will be highlighting NUPPL as a new Company with Uttar Pradesh. After operation of the first unit, we have recorded ₹700 Crore revenue in the four months of operation. Billing to collection efficiency is 107.74% against billing of ₹8,609 Crore we have collected ₹9,274 Crore, which is related to the past dues, which was paid in the instalment scheme based on the Ministry of Power guidelines, some of these outstanding dues they are paying on the instalment basis. Because of that this collection efficiency is more than 100%. So, we have recorded highest EBITDA that is ₹6,512 Crore and group CAPEX we have passed ₹7,736 Crore first time in the history of the Company and all-time highest PAT also in this year we have recorded ₹2,714 Crore.

Next. Total income is ₹16,889 Crore and the backup, which is coming, 78% is the expenses, profit is 16% and tax is 6%. If you see the cash flow, the operating cash flow we have generated ₹8,977 Crore and through that actually we have made all our CAPEX requirement of ₹7,160 Crore through internal accruals. If you see the total asset of ₹57,851 Crore, our Equity stood at ₹21,000 and the liabilities is only ₹35,000 Crore. So that means we have huge potential for borrowings.

So, if you see the debt equity ratio, it is only 1.20 times, and we can go up to 2.33 times as per the regulatory norms. So, if you see the expenses breakdown, our finance cost is only 7%, employee cost is 23%,

depreciation is 14%, O&M is 46% and others is 10%. Operating margin is 19.69% and Net Profit is 17.68%. It is one of the highest in the industry, Power industry, if you see.

The profit growth since last five years starting from 2021, ₹1,314 Crore we have reached ₹2,714 Crore which is 45% compared to the previous year. Similarly, if you see the last five years CAPEX from ₹2,881 Crore we have reached ₹7,736 Crore. This is the total financials of this current year '24-'25, Consolidated performance ₹15,283 Crore Revenue and Total Income is ₹16,889 Crore and PAT is ₹2,714 Crore.

Next. This is the key financial ratios, and this is PBT and PAT the same thing we have presented in the graphical form. Next. So, this is the plan up to 2030, our corporate plan we have prepared a vision document. So, we want to have a Lignite mining capacity of 104.35 million ton by 2030. Similarly expecting a Thermal Power generation capacity of 10,020 MW and the RE capacity of 10,110 MW. That means our RE capacities should be more than the thermal conventional capacity.

So, with this total CAPEX requirement is ₹1.16 lakh Crore in next five years time. So, this is the plan of action for how much we want to invest. So, existing operational capacity is 6,731 MW. Thermal lignite-based capacity we want to develop 1,000 MW in Neyveli itself 2x500 MW. Coal capacity, we want to develop 3,720MW including Ghatampur 2 units of 660 MW x2, Talabira 2,400 MW, Solar 6,629 MW and Wind power is 450 MW. We are also planning to develop pumped storage facility in two projects, one in Tamil Nadu and one in Odisha. So that is for 1,600 MW. With this total capacity we want to take to 20,130 MW by 2030. So, the ratio of Thermal and RE, it is coming 50:50 each.

The anticipated CAPEX of all these things will be ₹1,16,880 Crore. So mining, thermal and all this year wise breakup is there. So, this is the regulated equity how movement is happening. So, from 2025 regulated equity in Mines is ₹3,452 Crore and Thermal it is ₹6,261 Crore. We want to take to ₹5,381 Crore in Mines and ₹12,932 Crore in Thermal Power plants. Similarly non-regulated equity, basically commercial mines is non-regulated, renewable also non-regulated and diversification projects also non-regulated. So, there are also equity movements we have projected here.

So, with these plan of actions, this revenue from operations from present level of ₹13,000 Crore we want to take to ₹37,000 Crore by 2030 and Profit

after Tax from ₹1,868 Crore in 2024 we want to take to ₹5,294 Crore by 2030 and Asset base we want to increase from existing ₹57,851 Crore in FY'25 to ₹1,59,746 Crore and EBITDA margin also from existing level of 38.6% we want to take to 50.6% by 2030.

This is the various projects actually. Project wise backups are there along with this timeline of execution and estimated capital expenditure. So, this detail also is available in the website. You can go through that. So, these are the diversification projects. Battery storage projects also we are relying on that. EV charging stations also is in our pipeline. OB to Sand, already one project is in the process of operation and pumped storage also we are targeting initially two projects and subsequently trying to implement. We have two critical minerals we have considered as preferred bidders. Also, we have signed MoU with IREL for development of critical mineral blocks in India and abroad. And similarly green hydrogen also one pilot project of 4 MW we are in the process of execution and other projects are in the pipeline.

With this thank you. Sir, we can open the floor for the discussion, question & answer.

Question & Answer Session

- Mohit Kumar:** The floor is open for Q&A. Please raise your hand to ask questions and please announce your name and the firm name before you ask questions. Thank you.
- Gaurav Birmiwal:** Thank you sir. My name is Gaurav Birmiwal. I am from Axis Mutual Fund. Sir, you did mention in your presentation that the current year CAPEX was funded entirely from internal accruals. So how do you plan to ramp up the leverage on our balance sheet, I mean, considering we have 1 plus Lakh Crore of order under, I mean, execution?
- M. Prasanna Kumar:** See the CAPEX requirement as we projected is ₹1.16 Lakh Crore and for conventional Thermal Power stations it is 70:30 and for Renewables, it is 80:20. With that our equity requirement is around ₹23,000 Crore. So as on date, this year we got profit of around ₹2,700 Crore and with addition of the balance units of Ghatampur and 1 GW Solar capacity this year and subsequently every year almost 1.5 GW, our profit margins will increase. So, the equity requirement of ₹23,000 Crore, we can meet out from our internal resources. Apart from this under asset monetization, we are

monetizing the existing 1.4 GW Renewable Assets. We formed NIRL and are in the process of transferring the assets to NIRL and subsequently it will be monetized. So that is also one source of equity for us.

Arijit:

Hi sir, Arijit from Kotak Mutual Fund. Sir, this year although our total generation is marginally up YoY, but considering Ghatampur generation also started that implies that our lignite-based production of electricity has declined. One reason to my guess is the TPS-II Expansion where we are doing renovation. What explains the remaining decline?

M. Prasanna Kumar:

As you rightly said, the major reason for the reduction in the generation from lignite is TPS-II Expansion. We carried out major modification in TPS-II Expansion, which is first of its kind in the country. So, it took some time I think around more than three and half month, we took for the modification because it is a major modification. So that is the main reason for the less generation from lignite. And second important reason is that the backing down. Because of power surplus scenario at different time intervals, there is huge backing down although the plant is available could not generate because of the backing down. These two are the main reasons why the lignite-based power generation is comparatively lesser.

Arijit:

Sir, if I can probe on this a bit more. So, backing down means during the time of the day, right sir? Here unlike coal, I think, lignite generation getting the PLF itself is very tough. So how much backing down you could achieve if you can give some numbers like in the morning it was 52%, we backed down to 30% kind of thing. I believe it is because of the Wind generation that has increased during the quarter.

M. Prasanna Kumar:

No. The main reason for the backing down is the integration of Renewables.

Arijit:

Yes, sir.

M. Prasanna Kumar:

So, that is, because of that particularly during the daytime, we are facing the issue of backing down.

Arijit:

How much we could back down?

M. Prasanna Kumar:

Pardon?

- Arijit:** How much we could back down if you can give some examples during the day? How much percentage PLF we could back down?
- M. Prasanna Kumar:** For each power station, there is a designated minimum technical load. So that is different, that varies from 55% to 70%. So to that level on several occasions, we had to reduce load to cater to the renewable integration to the grid.
- Arijit:** I agree. For coal we have an idea that from 75% till 60% for the newer NTPC plant it is possible. They have achieved already. But for our lignite-based plant, how much could we do? If you can mention about TPS-II, for example, or TPS-I, that would be good.
- M. Prasanna Kumar:** See earlier the technical minimum was same for coal and the lignite. But during last CERC tariff revision that time the technical minimum of lignite-based power stations has increased taking the fact into consideration that it cannot operate at less load. So, we are operating at 65% some plants and 70% some plants.
- Arijit:** No, I am asking, sorry, dragging it bit more. How much percentage back down during the day is possible? Say from 65% to 55% technically it is possible.
- M. Prasanna Kumar:** No, I am talking from 100% to the minimum possible is 70% in some plants and 65% in some plants.
- Arijit:** Practically it is possible.
- M. Prasanna Kumar:** Practically it is.
- Arijit:** Super. Sir, for the Mine-IA, I think, there the land acquisition issue was still there.
- M. Prasanna Kumar:** Yes.
- Arijit:** Can you give me some status, how much? I believe it's a 7 million ton can be produced.
- M. Prasanna Kumar:** See as on date for Mine-IA, there is some land constraint. Some land parcels are in the advanced stage of taking possession with the support from the Tamil Nadu Government and Central Government. Many parcels are on

the verge of taking possession. So, in Mine-I against 7 million metric ton, this year we are expecting around 3 million metric ton. But at the same time the production from the Mine-II we are having a lot of exposure, so we can make up with that Mine-II. So, we are targeting for 25 million metric ton this financial year, against last year 24 million metric ton and we are hopeful that we will achieve that.

Arijit:

Sir, if I can remember correctly, one, almost like nine months before we were at 4 million ton run rate, right sir? It has come down to 3 million ton run rate. So the problem is increasing. We were hopeful of the problem declining. We were hopeful that we will be able to acquire more land. But in this case, it has declined.

M. Prasanna Kumar:

Yes, that's what I am telling. The major critical land parcels are on the verge of acquisition. So, we are hopeful that we will maintain the generation.

Arijit:

Sir, last question for my side is TPS-II expansion. When can we see and what is the result of modification that we have done and from when we are expecting it to be operational? Thanks.

M. Prasanna Kumar:

The major modification in TPS-II expansion is completed around 15 days back and the initial one week the plant operated well and there was some technical problem. Now, I think, day after tomorrow it is coming back. After that we are expecting that the availability and durability will be improved, and the generation also will be more from that unit.

Arijit:

Any expectation versus previously I think it was running at 40%, right sir?

M. Prasanna Kumar:

Yes. And our fixed cost threshold is 70%. So, we are expecting that we will be able to reach that 70% availability there.

Arijit:

Sir, from 40% you are expecting till 70%.

M. Prasanna Kumar:

Yes, in one unit. The modification has done.

Arijit:

Another unit we are planning to do in September, right sir?

M. Prasanna Kumar:

The modification was planned in only one unit and because of the power scenario, we got shutdown from September. So, second unit will be done in

the September, October, November, and then subsequently, the availability will be improved.

Arijit: So we have two units, right.

M. Prasanna Kumar: Yes, 2x500 MW, 2x250 MW.

Arijit: 2x250 MW, right sir. Thanks.

M. Prasanna Kumar: Yes.

Mahesh Patil: Yes. Hi, sir. My name is Mahesh Patil. I am from ICICI Securities. Sir, my first question is on the current status of the 800 MW Talabira plant and the 1,000 MW Neyveli plant. If you can give some update on that.

M. Prasanna Kumar: So, Talabira is having two stages. The first stage is 3x800 MW and that is already awarded to BHEL and Honourable Prime Minister laid foundation stone in the month of February, 2023. The work is in active progress '24-'25. The work is in active progress and most of the land required for the main plant that is under our possession and BHEL started the preliminary activities and the balance 150 acres of land also we are expecting in next one month time. Other than this Stage II, 1x800 MW, we are in the process of taking EC and we are targeting for tenderizing this within next 3-4 months time. Coming to this 2x500 MW, there is a configuration change in this one from the earlier 2x660 MW to current 2x500 MW. So, EC amendment is applied for. This also we will be tenderizing in next 3-4 months.

Mahesh Patil: Okay, sir. So next 3-4 months for this project.

M. Prasanna Kumar: Yes.

Mahesh Patil: And sir, another question is on your lignite to methanol plant. What is the status of that?

M. Prasanna Kumar: Lignite to methanol plant, we envisaged in Neyveli area and we made everything ready for that. But in the one package, only LEPC-I, the rate that was derived was very, very high compared to the estimate. So, we are in the process of revising that and going for re-tendering of that. So that process is going on.

- Mahesh Patil:** Okay, sir. So, by when this re-tendering should happen?
- M. Prasanna Kumar:** So, we are expecting in next 5-6 months because there is some issue in the estimation. So, in next 5-6 months, I think we will go for tender again.
- Mahesh Patil:** Okay. And sir, last question, what is the under recovery in Q4 and this financial year?
- M. Prasanna Kumar:** The under-recovery in last financial year was ₹903 Crore and in the current financial year it is ₹817 Crore. Of course, majority of that on account of TPS-II Expansion, there is around ₹436 Crore and with the modification, which we did now, we are expecting that this ₹436 Crore, around ₹250 Crore will be reduced and with modification in the other unit also, then it will be completely eliminated.
- Mahesh Patil:** Okay, sir. Thank you.
- Unidentified Analyst:** Hello. Sir, my first question is on the generation. Now, on the standard, we have seen a slight lignite generation lower. How do we see the rest of the year when the RE expansion and more integration is there? And also, you said about modification. So, just a clarification, ₹250 Crore will be reduced in FY '26 and the second unit, we can use the next year. Should we expect a zero from this TPS-II from FY '27, no under recovery at all?
- M. Prasanna Kumar:** For one unit, there will not be any under recovery. We are hopeful about that. And the second unit, first three quarters, there will be some under-recovery. Fourth quarter onwards, there will not be any under-recovery.
- Unidentified Analyst:** So, from FY '27, we shall see it.
- M. Prasanna Kumar:** From FY '27, it is full, but this year also, one unit, because of one unit availability and reliability, this will come down.
- Unidentified Analyst:** And some generation, how do we see the generation from lignite?
- M. Prasanna Kumar:** In particularly, southern India, this is the time for wind generation. So, next two months, we will face some challenge. But after that, the generation will be full.
- Unidentified Analyst:** Hi, sir. Just continuing with his question, what would be the under-recovery because of 2 months in one unit and another 3-4 months for the second

unit? What would be the sure shot under-recovery that we are going to get in FY '26?

M. Prasanna Kumar: For TPS-II expansion?

Unidentified Analyst: Yes, sir.

M. Prasanna Kumar: It is around ₹150 Crore.

Unidentified Analyst: Sir, why so less versus, because last year, it was ₹436 Crore and this year it is.

M. Prasanna Kumar: Last year, ₹436 Crore. One unit, the major modification has done. That's why we are hopeful that there will not be any under-recovery. And in other units also, we did some minor modifications during overhauling. So, with that, we are hopeful that the performance will improve to some extent.

Unidentified Analyst: So, ₹150 Crore for TPS-II and what would be your guidance for the total under-recovery?

M. Prasanna Kumar: No, ₹150 Crore not in TPS-II. It is TPS-II Expansion.

Unidentified Analyst: Expansion, yes.

M. Prasanna Kumar: TPS-II expansion. So, last year, it is around ₹800 Crore. It will be less than ₹500 Crore next financial year.

Unidentified Analyst: Understood, sir. Thanks.

Rabindra: Yeah. Rabindra here from Sunidhi Securities. Sir, regarding this Ghatampur plant, so how many units, what is the total cost per unit in this FY '25? And what was the regulated equity there in this financial year in FY '25 so far?

M. Prasanna Kumar: Okay. So, in Ghatampur, there are three units of 660 MW and one unit CoD we declared in the month of December. And that unit is running well and generated more than 1.3 billion units. And the second unit, we are expecting CoD in the month of July middle, and the third unit in the month of October. So, by October, we are targeting commercial operation of the entire station.

- Rabindra:** Okay. But what is the total gross block addition in this FY '25 and what is the regulated equity for Ghatampur? Is it considered in FY '25?
- P. K. Acharya:** Sir, gross block as on 31st March is ₹9,300 Crore and 30% is regulated equity.
- Rabindra:** Sir, it is not audible.
- M. Prasanna Kumar:** Mic, mic.
- P. K. Acharya:** Sir, gross block of Unit-1, we have capitalized ₹9,300 Crore and 30% equity is there in that plant. And this financial year, another total project cost is ₹22,780 Crore. And in July, the next unit will be capitalized. So, 50% of the balance will be in July and 50% in the month of October, November and the third unit will be capitalized.
- Rabindra:** Okay. And is it possible to give the NTPL profit and coal profit and NUPPL profit in FY '25?
- P. K. Acharya:** Yes, of course.
- Rabindra:** So, what is that?
- P. K. Acharya:** Yes.
- Rabindra:** NTPL, NUPPL and the coal profit.
- P. K. Acharya:** Yes. NTPL profit this year, financial year '24-'25, it is ₹1,000 Crore. This NUPPL, it is a loss of ₹63 Crore, loss we have reported because of lower availability in some of these periods because this demand was not there in some of the periods. So, it is not generated. So, in that period also some gap is there. So, ₹63 Crore is the loss we have reported in the NUPPL. ₹1,000 Crore profit we have reported in NTPL and balance year and with respect to Coal, that number was just, Coal we have ₹683 Crore is the PBT.
- Rabindra:** Okay and Sir, you have received one phosphoric mine and also limestone mine recently. You have received, you have just preferred bidder for this. So, in next four to five years time, what is the non-coal, non-lignite revenue you are expecting from the mining business?

M. Prasanna Kumar: Okay. They are not separately phosphorite mines and limestone mines. Both are phosphorite and limestone mines.

Rabindra: Okay.

M. Prasanna Kumar: Now they are in the G3 stage. So, we have to explore that and take it to the production level. So, we are expecting that the first process will be completed and by end of the fifth year only we will be able to take out the production, fifth or sixth year. So, in this five years there will not be any production from that. And here the limestone, which we are going to extract, we are planning to use the limestone in our FGDs. In all our plants we are installing flue gas desulphurization units for which the input material is limestone. So, from these mines we can use the limestone there and phosphorite we can sell in the market.

Rabindra: So, it is for captive use, not for commercial?

M. Prasanna Kumar: No, it is having results much more than our requirement.

Rabindra: Okay.

M. Prasanna Kumar: So, once meeting our requirement we will go for selling.

Rabindra: Okay. And you have signed five years for NTPC for this coal from Talabira. So, what is the volume you have signed for five years?

M. Prasanna Kumar: 5 million metric ton.

Rabindra: 5 million metric ton.

M. Prasanna Kumar: 5 million metric ton per year.

Rabindra: Okay. Thank you.

M. Prasanna Kumar: Thank you.

Unidentified Analyst: Sir, what is our coal requirement right now and what is the situation there and how much are we selling outside to NTPC as well as outside market in the e-auction?

- M. Prasanna Kumar:** See, last financial year we produced 17 million metric ton against target of 16 million metric ton and this financial year we are targeting 20 million metric ton. So, now onwards it reaches the full capacity. Now onwards the production will be 20 million metric ton. Out of 20 million metric ton, our NTPL requires around 3 million metric ton, 3-3.5 million metric ton. And we are giving 5 million metric ton to NTPC and 1 million metric ton to DVC and the balance around 11 million metric ton we will go for e-auction in different modes. Some are spot e-auctions, some are six months e-auctions, some are two years long e-auctions.
- Unidentified Analyst:** Even after Ghatampur and Pachwara production.
- M. Prasanna Kumar:** No, Ghatampur has nothing to do with Talabira. For Ghatampur, our Pachwara South Coal Block is on the verge of production. We are targeting production from July onwards. So, from July onwards once production starts at Pachwara that will go to Ghatampur.
- Unidentified Analyst:** Sir, why is the delay in Pachwara South Coal Block, which is scheduled to start in March?
- M. Prasanna Kumar:** Yes, we were ready with all requirements. MDO has also been pointed long back. There was some delay in FC Stage I. Finally, we could get that FC Stage I in the month of September '24. After that now it is in the final stages of getting FC II. So, some requirements are there. All requirements are met. Now, that is, I think, we are expecting in next one, one and a half month time.
- Unidentified Analyst:** And will be having the MDO? Which Company?
- M. Prasanna Kumar:** Mahalakshmi.
- Unidentified Analyst:** Hi, sir. So, what is the RE capacity target, addition target for FY 2026-27? And what kind of IRR are you expecting from that?
- M. Prasanna Kumar:** As on date, we are having 1.4 GW in operation and we are targeting 10 GW by 2030. So, already 2.5 GW projects are in pipeline. In the current FY 2025-26, we are targeting around 1 GW. And balance 1.5 GW in '26-'27 and subsequently each year we will be adding 1 GW to 1.5 GW to reach target of 10 GW.
- Unidentified Analyst:** And what kind of IRR are you expecting?

- M. Prasanna Kumar:** We take up any project based on return on equity of around 12%. But we take it conservatively. That's why that will come to around 14% equal to our return on mines.
- Akhil:** Sir, hi. This is Akhil here from UTI AMC. So, first question is regarding the one-off incomes in FY '25, if you can quantify.
- M. Prasanna Kumar:** Pardon?
- Akhil:** One-off income. Are there any exceptional gains or something in this year?
- P. K. Acharya:** We have received tariff orders. Two tariff orders received in this current financial year and that has a positive impact of around ₹600 Crore in the PBT levels.
- Akhil:** On the PBT. That's it. Only one?
- P. K. Acharya:** Yes.
- Akhil:** Okay. And the second question is regarding, can you just explain more about this phosphorite and limestone mine in terms of how much CAPEX will you do over the five years? What will be the rated capacity of the mine? And any kind of revenue share with the government?
- M. Prasanna Kumar:** So, one mine we got revenue sharing of around 7%, another one at 11%. So, once we do some estimation about reserves, then only we can come out with whatever questions you are asking. But during the auction process, some reserves were specified, both phosphorite as well as limestone. Based on that, we did due diligence and it is very much profitable for the Company. That's why we have taken that.
- Akhil:** So, what is the current market price of these two minerals, if you can?
- M. Prasanna Kumar:** Current market rate depends on the quality of limestone and phosphorite we get. That we can, some 22 figures are there, but only we can tell about that once we do actual exploration and then come out with the figures.
- Unidentified Analyst:** Yeah. Hi, sir. Sir, my question is on the Ghatampur unit that was commissioned in December, right? Can you give us the Revenue, EBITDA and PAT contribution from that in this fiscal?

- M. Prasanna Kumar:** Last year, the revenue contribution was ₹700 Crore and PAT contribution is minus ₹63 Crore.
- Unidentified Analyst:** Okay, sir. And another question is on the 1.4 GW that you are planning to monetize at RE Assets. If you can, give us estimate of the Revenue, EBITDA and PAT from that?
- M. Prasanna Kumar:** See, our 1.4 GW we are transferring from NLCIL for asset monetization. So, the total asset value is around ₹6,200 Crore. So, we are targeting for monetizing around ₹4,000 Crore from this.
- Unidentified Analyst:** Okay, sir. Thank you.
- Unidentified Analyst:** Sir, what is basically the timeline for monetizing RE, I mean, hive off into the subsidiary and possibly IPO? What is the timeline?
- M. Prasanna Kumar:** We are expecting maybe second quarter of '26-'27 the IPO will come.
- Unidentified Analyst:** Sir, I just wanted to understand because once it goes through the IPO, you won't be able to use the cash generated from the NLC India into the renewable. So, just want to understand why so quickly and not wait till we achieve some size?
- M. Prasanna Kumar:** Come again.
- Unidentified Analyst:** Well, how much cash flow is it generating, the total RE assets right now?
- M. Prasanna Kumar:** With asset monetization, we are targeting ₹4,000 Crore. So that we will be using for other equity requirements.
- Unidentified Analyst:** Okay.
- M. Prasanna Kumar:** If you have any sector specific questions, we are blessed with the presence of Honourable Secretary here, then that also can be taken.
- Unidentified Analyst:** Sir, just one question on coal. So, sir, my question is on coal gasification. What is the overall strategy building up in the nation? What is our view on coal gasification in general? And where do we expect this entire industry to go in, let's say, 5 or 10 years?

Vikram Dev Dutt:

Okay. So, coal gasification is top of the policy agenda of the Government. And as many of you might be aware that the Cabinet last year had approved scheme wherein ₹8,500 Crore were kind of earmarked for coal gasification projects across categories to take off. So, there were three categories as conceptualized as part of the scheme. The first one was Joint Ventures between PSUs. The second one was the Private sector projects. And third were demonstration projects. So, subsequent to that approval, there were about three or four rounds of extensive stakeholder consultations to assess what industry wanted, where they stood, what were the challenges, what were the impediments. And then the RFP was floated in May last year.

So, that process has reached very advanced stage in terms of the response to the scheme. So, there are three projects, which have kind of laid a claim on the financial outlays in category one. The first one is a Joint Venture between Coal India and BHEL, which involves coal to ammonium nitrate. The second one is a Joint Venture between Coal and GAIL, which is essentially coal to syngas and then thereafter a shelf of downstream products, which would be possible with syngas. And the third is a proposed Joint Venture between Coal India and BPCL.

In the private space, there are three projects. The first is a surface coal gasification project of JSPL in Angul in Odisha. They already are doing surface coal gasification because they are now the owners of the fixed bed Lurgi technology, which they are using in that process. So, this is a separate standalone plant, which they proposed to set up. So, since technology is not an impediment in this case, they are doing the mobilization. They will possibly do the groundbreaking in the second quarter of this year.

The second project is by a Company called Greta Energy in the Chandrapur region of Maharashtra. They are in talks with the U.S. firm called GTI for the technology tie-up which is at a very advanced stage as I am told with possibly, they will ink the final this thing by July. In the meantime, they have got land for the project. They have also the EC airing has taken place. So, they also expect the EC clearance by July. So that will also kind of move ahead.

The third is a Company called New Era Cleantech, which is scouting for a possible Chinese technology partner through his Indian affiliate. They have not still conclusively closed the technology provider part.

Just going back to category 1 briefly, the CIL, BHEL, this thing BHEL already had a pilot plant in Trichy, which they are now trying to upscale to commercial this thing for this coal to ammonium nitrate project. In the coal to syngas project with GAIL, the ask of the prospective bidders for the LSTK- 3 & 4 packages was that you please fix up the technology provider first, so that we have visibility. So, that approach was followed and expression of interest was floated. There were five potential technology licensors who have applied. And then, of course, two have made the grade in terms of meeting the technical criteria, which we have prescribed. One is a Chinese firm. The other is Air Products which is a big name in gasification. So, now the tendering process is on.

So, as you can see, there is lot of activity now in this space. Simultaneously, what has also been happening is that because of these continued interactions with industry stakeholders, whatever policy asks need to be further tuned or attuned or nuanced in terms of making the whole operating environment for gasification conducive has been going on. So, in fact, one of the main asks was that please give us coal at a particular notified price. So, that has been agreed too. So, they will get coal at the notified price. We also asked them for a choice of mines depending on where their locations were proposed for the suitability from their point of view. So, they have shared that. So, except for one project, in all the others the source has also been fixed. Because as we know, gasification is untried, untested territory in the sense that it involves huge CAPEX. Anything to be viable with IRR of 12% would involve a capital outlay of ₹10,000 to ₹12,000 Crore.

And technology in terms of what the durability for our coal would be because the ash content is very high, 35% to 40%. Because China is the only big success story in coal gasification, but then their coal has lesser ash content. But actively there is a whole of government approach going on here because all the ministries are working in convergence. There is a lot of policy push and things are moving now.

Unidentified Analyst: Sir, one last question on coal. So, while we are pushing the pedal on renewables, we cannot do away with coal plants. So, what is our overall strategy as a country to make sure that we do not over depend on coal imports? What are we doing to sort of make sure that we can sustain these coal plants on domestic coal?

Vikram Dev Dutt:

So, you are very right that 2018-19 when there was a push for renewables and there was a lot of emphasis on this thing, the thermal capacity additions were kind of not really planned with the kind of proactive this thing during that five-year period. So, the result is that power ministry, we are now playing catch up because obviously the demand is increasing. There is a proposed 80 GW addition by 2030. And in fact, they are also going back to the drawing board to see what further capacity additions can also be done for coal.

So, given that scenario, I think not a day too soon we have crossed the 1 billion ton production mark and we are good to go in terms of the growth trajectory both from the Coal India side as well as from the commercial captive mining space, which is also getting increasing traction now. The power sector scare in 2021 with coal shortages and all is a thing of the past because now in the last year we have also been able to increase our supplies to the non-regulated sector by about 15% over the previous year.

Imports, I would look at it in two presents. Imports also this year have come down by about 8%. That is a FOREX saving of about ₹60,000 Crore over the previous year. In terms of quantum, it came down from 264 million tons to about 243 million tons. So, there the catch is that you can divide that into two broad categories, substitutable and non-substitutable. So, non-substitutable basically would be coking coal about 58 million tons because the imperative requirement for the blast furnaces in the steel industry is 9% ash content or less, which our geography does not throw up that kind of coking coal.

And then the import coal based 17 power plants with 17,000 MW outlay. They are the ones who take imported coal and there is invariably during peak summer and peak demand times directive by the Ministry of Power to generate to full capacity. So, they import about 42 million tons. So, about 100 million tons is non-substitutable. So, what essentially we are looking at is about 140 odd million tons to be substituted, which would, of course, one come from the enhanced production and availability of coal. And secondly, of course, the efficiency of the logistics and the evacuation infrastructure because essentially it is a consumer's choice in terms of the landed cost to him.

So, that is work in progress and we are quite confident that that figure will keep tapering off. In fact, if you look at 2014, it was 26% of the total production was imports and this year it is down to about 19%. So, over a

period of time it has been consistently kind of that gradient has been going down.

Unidentified Analyst: Thank you, sir.

Arijit: Hi sir. Arijit from Kotak Mutual Fund. So, thanks for the elaborate answers. Just extending her question on both of her questions. On the coal gasification plant, as you said that only JSPL have done it till now. What I can recollect the experience has not been good for JSPL because the Angul plant only 50% they could do, they struggled so much that their ramp up of the DRI facility which was dependent on coal gasification delayed. Still now they are not giving the unit economics. The expansion that they have done, they have done through blast furnace route, only DRI what they are doing, the remaining 50% they are utilizing because of the operating leverage that they can get. Even which Mr. Jindal has announced that they will be setting up another gasification in Raigarh. It never saw light of the day. I think it is 2021 kind of thing when we have announced.

So, overall our sense is like gasification is exciting in the books, but practically there is lot of problem especially because of the ash content and it is not viable. Running the plant in full capacity itself is a challenge. How are we so confident about extending it because it's involved CAPEX without much return and disappointment is high?

Vikram Dev Dutt: China gasifies about 340 million tons every year and that is surface coal gasification. So, I would not know the details of the JSPL dynamics in terms of their financial viabilities and all. I am not too well educated on that, but in terms of the coal to syngas and thereafter the shelf downstream products both on the fertilizer side as well as on the chemicals, petrochemical side, there is a huge opportunity for import substitution and offtake, but there is work to be done in terms of creating an offtake ecosystem, which is what China did when they scaled up step by step. In fact, they started off with preliminary R&D, then their state firms got into tie-ups with Shell and companies which had the technology then way back in the '90s, then got the technology.

Once they had that, they started with the smaller plants. And thereafter when they started scaling up in phases, it was a very closed ecosystem where the offtake was guaranteed at about IRR 12%. That's how the sustainability over a period of time developed. And almost all of the products which are now a consequence of the gasification route in China,

their domestic demand is met entirely from that. So, if you look at the larger macro-conceptual approach of why gasification, if you ask me why gasification, if CAPEX doesn't give returns, clean coal technology is an imperative. I mean, sustainability is a commitment which we are bound to as a nation, net zero decarbonization and all that and the fact that we have 390 billion tons of coal reserves, as on 01/04/2024 and almost about 212 billion tons of proven reserves and at some point of time, maybe coal will have to stop.

So, the imperative is you use as much coal as you can as fast as you can. So, one, of course, is meeting the demand on the power side, the economic growth side, the industry side, but then clean coal technology is one aspect which offers a very exciting set of possibilities. So, that's why the government is pitching in with the CAPEX sustainability part, the policy framework part and, of course, the private sector initiatives also will kind of throw light on what could be the possible impediments.

As we see it at this moment, technology seems to be the biggest showstopper because the general technology is a technology, which has been around since the '60s, fixed bed technology, that's not state-of-the-art. So, probably for our ash content coal, what could be the best bed technology is something which has to be now, I mean, exported. That's power.

Arijit:

Absolutely, because ash is the biggest problem. We can't just replicate China's. Sir, the second question, which she raised on the coal part, although the import coal is getting replaced with captives, commercial mines. The feedback we are getting from the industry, who have taken captive mines, there is a 3-4 years delay, which is huge, be it boundary wall, be it regulation, clearance and all, I mean, but that gives us a lot of trouble in making the estimates because if you do captive coal mine in excel sheet, you are saving a lot of money. So, our estimates go for a toss because of the government, bureaucratic struggle in absence of better word. Any comment on this before I go to the next question?

Vikram Dev Dutt:

Just to put things in perspective, as you are aware, captive coal mining came in in 2014 and commercial coal mining came in in 2020 through the policy framework. So, the high points or the conceptual thought process behind commercial mining was, okay, no entry barriers, anybody and everybody can come in and we need as many hands as we can to kind of optimise coal production and kind of it is a national resource. So, since this

was a new framework, there were learnings on both sides, learnings for potential applicants who came into the space, learnings also for us as a government on the policy side and that is how the policy evolves organically and it is nuanced.

So, in terms of specifics, a fully explored mine has to be operationalised in 51 months according to what is called the CMDPA, Coal Mines Development and Production Agreement, which is a well-balanced kind of framework with a keratin stick kind of thing built in. So, if you do early production, you get an incentive. You don't meet efficiency parameter-based milestones, there are penalties. With the express purpose that nobody should take a coal mine and spot on it, which is what is happening in iron ore because people quote unnatural premiums and then they don't mine, so we don't want that. So, coal is a success story in that sense.

So, basically, 51 months is for the fully explored mines, 66 months is for partially explored mines. Now, as you know, there are a host of clearances, which are involved. So, initially when the mines were put on the block for auction, there was, in certain cases, a difference between what was put out and what was there on the ground, which is what led to the initial stream of bottlenecks, impediments, delays and things like that. So, the system has been defined over a period of time. Now, only those mines are put on auction for which a proper DGPS survey has been done, the boundaries have been fixed, all the ground truthing has been done, so that if I am a successful bidder, I shouldn't go to the ground and discover an unpleasant surprise waiting for me.

So, in terms of environmental clearances, forest clearances, a lot of systemic reform has happened by Ministry of Environment and Forest also. Things are much better than what they used to be. But nevertheless, states are also very important stakeholders in this entire exercise of clearances, because there are a lot of clearances, which are involved at the state. And especially when R&R issues are involved or displacement of people is involved, you have to go through the process of public hearing for EC clearances and all, which normally in many states doesn't happen for months together because there is public resistance. So, these are real issues, live issues. I think everybody has to work together in a very constructive and a convergent framework for things to improve on a continuous basis and that improvement is happening.

Arijit:

Thank you, sir. Last question, the second part on coal, specifically for Coal India. The coal washeries that we have been hearing, my predecessor in the sector, when I came, I read reports in 2000s, everybody was, the thesis was coal washery is going to come. And then forget about the estimate that they built in 2009-2010, even today those estimates haven't seen light of the day. Every analyst with Coal India is equally optimistic with the coal washeries. Is this so difficult or where is the problem here?

Vikram Dev Dutt:

So, again, I will not be able to answer you in a granular sense on that, but just to give you a conceptual approach, coking coal is where the washery requirement primarily is because we want to use domestic coking coal also for blending purposes, like in the blast furnaces. So, we want to scale it up from say 10% today to 30%, but easier said than done because any increase incrementally in the blending percentage correspondingly affects the economics of the blast furnace in terms of its efficiency. So, that is where the washing comes in, in terms of how much you can reduce the ash content from say 30%, 32%, 35% by about 8%, 9%.

So, many of these washeries which were earlier with BCCL were very old washeries and the experiment of trying to get them going and getting private bidders in for structural reasons in terms of designing the tender did not take off, but there has been some movement on that. In fact, recently, I think about a month back, one washery, there has been a private party, which has come in. On the thermal coal side also, a new washery has started in Mahanadi Coalfields last year in February and there the experience has been very good. In fact, the power gen cos have been kind of saying 'की महानदी में आपका प्रोडक्शन ओर ज़्यादा होने वाला है, तो वही पे एक ओर आप थर्मल वाशरी तालचेर साइड में भी लगाए' because washed coal is always preferred by customers.

Arijit:

Understood sir. Thank you.

Mohit Kumar:

Yes, thank you. That's the last question for the day. Thank you all the investors for attending this meet. I would like to thank the management for taking the time today for answering the investor queries. And special thanks to Secretary of Coal for attending this session. With this, we'll close the meet and we can proceed for refreshment outside. Management is available for your queries here. Thank you.

M. Prasanna Kumar:

Thank you.