



Nava Bharat Ventures Limited

Investor/Analyst Conference Call Transcript

August 09, 2012

- Moderator** Ladies and gentlemen, good day and welcome to the Nava Bharat ventures limited Q1 FY13 earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. If you should need assistance during this conference call please signal an operator by pressing * and then 0 on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Monish Shah from CDR India. Thank you and over to you sir.
- Monish Shah** Thank you. Good afternoon everyone and welcome to the Nava Bharat ventures Q1 FY13 earnings conference call. We have on the call today Mr. GRK Prasad, executive director, Mr. PJV Sarma, Director, Mr. T. Hari Babu, CFO and Mr. MN Rao, General Manager Finance. We shall commence the call with the key perspectives from Mr. Prasad following which we shall open the floor for questions. I would now like to call upon Mr. Prasad to share his views.
- GRK Prasad** Thank you for participating on this conference call. You would have received our results and related documents by now. I would like to give you a brief snap shot of operational highlights for the first quarter ended June 2012. To start with the domestic operations;
- the Ferro alloy production volumes jumped on a quarter on quarter basis by about 28%.
 - While the jump over the corresponding quarter is about 49%, average realization for Silico Manganese was higher by about 26% over that in the preceding quarter and was about 18% over that in the corresponding quarter.
 - Ferrochrome conversion for Tata Steel Limited continued though anticipated increase could not happen on account of lower ore supplies.
 - There has been a marginal increase of about 3% in realization of sugar in the quarter passed by.
 - The significant factor is the coal price which has increased by about 20% on a quarter on quarter basis.
 - And merchant power realizations which have moved up by about 35% gained on a quarter on quarter basis.
 - The captive power realizations moved up by 28% on a quarter on quarter basis in line with the increased utility tariff that we saw from April 2012 and those are being used as a transfer price for captive consumption.

- The volume of power, net of auxiliary consumption and transmission losses jumped by about 18% with 64 MW power unit in Odisha resuming the generation in the later part of May.

Coming to the international front;

- The Zambian subsidiary issued the Notice To Proceed for construction of 300 MW power plant to SEPCO being the contractor chosen for EPC work.
- SEPCO commenced the construction activity, the designing and ordering for all the principal equipment effective from May 2012.
- High grade coal sales have begun following the commissioning of the new Coal Handling and Processing Plant.
- The sales are happening in Zambia and surrounding regions from June 2012 with a small volume of sale for the quarter.
- The refurbishment of most of the support infrastructure in the mine as well as the surrounding region has been done. It's been a first step to commence power plant construction activity where number of people have to be located.
- The Tanzanian agro initiatives are in a preliminary stage with discussions underway with the local governmental agencies for possible joint ventures.
- It is planned initially to start a pilot plant to validate the feasibility of various commercial crops in that region after which suitable investment decisions will be taken by our Singapore subsidiary.
- The detailed feasibility study report on the hydel power project in Laos is under review for finalizing the project scope as well as the project cost before we take an investment decision in this project.

As you all might have known, the Odisha government lifted the restrictions on power sale which were imposed under section 11 of the Act, effective from 1st of August. The Company has started selling about 30 megawatt of power on merchant sale basis. Presently we are using power exchange as the medium for this purpose while about 20 megawatt continues to be injected in to the Odisha grid which has been the old arrangement. We expect the second 64 megawatt unit in Odisha to be synchronized following signing of a MoU with State government which is the requirement imposed in Odisha and after obtaining the clearance from OPTCL, the Transmission Utility.

The 150 megawatt power project in AP which is being implemented under the step-down subsidiary of the Company is on track for achieving the commercial operation date in Q4 of this year as planned earlier. We have started the process of the coal procurement for this power plant principally from an import source, though a blend will be made using local coal and washery rejects for actual operations.

I would now like to request the moderator to open the session for questions and answers.

Moderator

The first question is from Amit Golchha from Emkay Global, please go ahead.

Amit Golchha

You mentioned 20% is the increase in coal price on QOQ basis, is it because of the mix which has changed or is it because of coal price increase?

P. J. V Sarma

There is general coal price increase and the mix is also undergoing a change as we used more of e-auction coal during the quarter.

Amit Golchha But I suppose the coal is largely coming from Coal India and Coal India did not increase any price in this quarter?

P. J. V Sarma Not Coal India, we are getting coal from Singareni for our AP units.

Amit Golchha Have they increased the price?

P. J. V Sarma Yes, slight increase is there.

Amit Golchha What is the landed cost for the coal coming from Singareni?

P. J. V Sarma It is something around ₹ 1850/ton, Landed for linkage coal.

Amit Golchha If I look at your cost of production from the segmental revenues and EBIT which you reported, what I get is ₹3.8/unit is the cost of generation for power, is that number correct?

M. N. Rao As a whole it is correct. It is lower in AP and higher in Odisha.

Amit Golchha What is the Odisha GRIDCO supply in this quarter in terms of million units?

M. N. Rao We have supplied around 67.86 million units.

Amit Golchha Net merchant units were about 200 million units apart from GRIDCO which was there?

M. N. Rao It is something around 200 million, you are correct.

Amit Golchha And were your merchant realizations were about ₹ 6 per unit this quarter?

M. N. Rao No, merchant realizations were at ₹5 per unit.

Moderator The next question is from Sumangal Nevatia from Macquarie, please go ahead.

Sumangal Nevatia The average cost of power last quarter was ₹ 2.8/Unit and this quarter you said it was ₹ 3.8/Unit, what has caused the rise?

M. N. Rao The rise in cost is due to operations from our Odisha's 64 megawatt power plant, which started around a month ago in this quarter and there was a bit of a coal price increase also

Sumangal Nevatia In terms of fuel mix, what percentage did we get from linkage and e-auction?

M. N. Rao **For Q1 of FY 13**, Linkage for AP is around 65%, 20% from e-auction and balance is from rejects. In case of Odisha it is 50% of linkage, 10% from e-auction and the balance is from rejects.

Sumangal Nevatia The cost of e-auction coal, what price churn are you witnessed quarter on quarter and year on year?

M. N. Rao Quarter on quarter there is a slight increase, something around ₹ 3500/ton for e-auction which is for high grade coal of around 4500 GCV, that is in AP whereas, in case of Odisha it is ₹ 2500 per ton.

Sumangal Nevatia You said that in Odisha from August 1, they have imposed section 11. So what prices are we getting there and how much are we providing to the grid?

M. N. Rao From 1st August, 2012, Odisha lifted the section 11. As of now we are selling around 25 megawatt to GRIDCO at around ₹3/unit and the balance we are selling through exchange.

Sumangal Nevatia What is the timeline for 300 megawatt project in Zambia?

P. J. V Sarma As Mr. Prasad mentioned in his opening remarks it started from May 2012; there are 2 plants of 150MW each. First 150MW will be operational from about 33 months and second in 36 months. Overall its 3 years from May 2012.

Moderator The next question is from Mohit Kumar from Antique Stock Broking, please go ahead.

Mohit Kumar Can you clarify how much you sold to GRIDCO in the last quarter?

M. N. Rao Around 67.86 million units.

Mohit Kumar What kind of realization you are achieving from selling at IEX?

M. N. Rao IEX realizations differ on daily basis and between ₹ 3-4/unit is something we are able to realize at present.

Mohit Kumar What are your plans for tying of this balance? If I am correct it is around 64 megawatt we have at Odisha, right? Is there a plan that we are looking for a tie up for a balance 44 megawatt which you can sale on merchant basis?

P. J. V Sarma You are aware that Odisha was under section 11 upto August 1st. Out of generation in our 64 MW unit, we have to inject 20 MW to GRIDCO. Presently we will be selling the balance power available from this unit through exchange, though there are plans to have bilateral contract for this capacity in near future.

Mohit Kumar Have your worked out the cost of generation from our new 64 megawatt power plant?

M. N. Rao The cost of generation will be something around ₹3.50/Unit to ₹3.60/Unit depending upon how much coal we import, how the blend of coal will take place, let us wait and watch because we are still working on that.

Mohit Kumar Most likely would it be in the range of ₹3.50/Unit?

M. N. Rao Yes. It will be in the range of ₹ 3.50 – ₹ 3.60/Unit.

Mohit Kumar What about the PLF at Andhra Pradesh Power plant this quarter?

P. J. V Sarma If you look at the AP, 114MW MW worked at 98% and 20 megawatt at 97%.

Mohit Kumar What is the EBITDA pattern we can achieve from sale of Silico Manganese?

M. N. Rao Around ₹8000 per tonne for Q1.

Mohit Kumar	₹ 8000 per tonne at the current prices of Silico Manganese and ore prices and our current transfer price of power, am I right?
M. N. Rao	Yes.
Moderator	The next question is from Vaibhav Bharadia from Violet Arch Securities, please go ahead.
Vaibhav Bharadia	If you can just give me the PLF of 114 megawatt in A.P?
P. J. V Sarma	114 megawatt was at 98% PLF and 20 megawatt Dharmavaram is at 97%.
Vaibhav Bharadia	If you can also give me the average coal cost for Andhra and Odisha?
P. J. V Sarma	It's difficult to mention exactly the cost because it keeps changing from month to month, depending upon the mix, it's a difficult to fix a number and say this is the average.
Vaibhav Bharadia	On an average I believe you blend around 65 – 70% imported coal, right?
P. J. V Sarma	No. 65% is linkage coal in AP.
Vaibhav Bharadia	And around 20% is e-auction and rest is reject?
P. J. V Sarma	That is 25% in the case of AP.
Vaibhav Bharadia	And for Odisha is it 50% linkage?
P. J. V Sarma	50% is linkage, 10% e-auction and reject is around 40%.
Vaibhav Bharadia	When do you expect the new 64 megawatt unit?
P. J. V Sarma	It is expected in Q2 of current year.
Vaibhav Bharadia	That will be again imported coal and reject mix?
P. J. V Sarma	Yes.
Vaibhav Bharadia	There was some news article stating that all the power companies which were actually selling on merchant, the coal linkage will be reviewed. Can you throw some light on that if anything has happened or did you get any notification or anything on it?
P. J. V Sarma	I don't think we have any comments. It's a news item only.
Moderator	The next question is from Subhabrata Mitra from Jet Age Securities, please go ahead
Subhabrata Mitra	You have mentioned that in this quarter the e-auction mix has gone up. Is it because of the linkage coal has come down. Why has e-auction gone up, if you can give us a bit more explanation?

P. J. V Sarma It keeps changing may be on month on month basis. Every month the percentage will not be maintained constant. Suppose if in a particular month the e-auction prices are slightly lower, we take advantage of that.

Subhabrata Mitra Why I am asking this question is because going forward suppose the e-auction mix increases, and even earlier caller has also asked about decreasing of linkage percentage, if that happens our cost of coal has been increased quite significant and then, our selling price is more or less around ₹5 as of now. So is there any possibility of how you are managing that risk?

P. J. V Sarma As far as AP is concerned we don't expect that to significantly change. With the minor change happening, Singareni coal is very close to us and we get reasonable supply of washery rejects. So it can compensate that because the washery rejects cannot be transferred to a longer distance. So the plant nearer to the washery rejects always has an advantage because our plant are designed to use the washery rejects which not all power plants can do. We require CFBC boilers to use that. We have that. So we have an advantage. The mix may undergo a change 5 – 10% this side or that side but an overall mix for AP we don't expect it to change significantly.

Subhabrata Mitra My next question is for AP TRANSCO what is the payment cycle?

P. J. V Sarma AP TRANSCO we are getting payment every week and there is absolutely no problem.

Subhabrata Mitra For the new 64 megawatt plant, we have a number of ₹3.5 – ₹3.6/Unit cost of generation, just wanted to check this is based on what percentage of imports and what percentage of washery rejects?

P. J. V Sarma We will definitely use imported coal, what proportion we do not know at this point of time.

Moderator The next question is from Sanjeev Panda from Sharekhan, please go ahead.

Sanjeev Panda The 150 megawatt in Andhra that is coming up and 64 megawatt, how do we plan this more or less strategically because the way the domestic coal supply scenario is changing and it seems that there is a strong preference towards PPA based projects, so going forward what is the strategy that we could adopt or what are the plans that we have which can support both our plants to run in an adequate PLF?

G. R. K. Prasad This is the concern which is equally shared here by us as well. The issue before us is to probably obtain reasonable return given that the availability of linkage coal is not there and dependency on imported coal would happen in both the cases, probably with the blend of the e-auction and washery rejects. So, what we are trying to do is to sell the power on a cost plus return basis for some of the captive consumers as far as the 150 megawatt power plant is concerned. I agree there is a concern but I think we need to react to that given the merchant power rates are set for firming up scenario down the line, in which case mixing up of different grades of coal would not really affect the margins. But on a long term basis, we would get into some tie up at least for a part of the power in both the plants.

Sanjeev Panda Is there anything that we were thinking or we can do in a way we see the Zambia operation have surplus coal. Is there a way out where we can at least hedge our self from coal supply, or surplus we can expect from Zambia?

P. J. V Sarma There are two things here. One is Zambia is a land locked country and it's quite far from the nearest port. It is in excess of 1000 kilometers. I know we are having surplus coal in Zambia but the challenge in front of us is bringing the coal to the nearest port and then again the sea transport and then again inland transport from the port again to the plant. Lot of things are changing in Zambia. May be yes, one or two years down the line, one can think about bringing some coal to India. Although at this point of time, it is not making economic sense, probably we may try to bring some sort of mix of high-grade coal which could be brought as a mixed grade just to make it economically viable. The various options are being explored, although we are not contemplating on anything in concrete. As rightly said we have got a very large coal reserve in Zambia which will definitely provide some sort of cushion for the group as a whole. In fact in various countries around Zambia since it has to pass through at least one country before it is shipped out of Africa, and lot of things are happening in terms of infrastructure. May be the transportation cost may come down and logistics will improve but at this point of time, we are not contemplating to import Zambian coal to India.

Sanjeev Panda Related to Zambia as we have started selling the coal, what are the kinds of realizations we are getting from that?

P. J. V Sarma It has got 2- 3 types of coal, peas and nuts. On an average we have realization of something around \$57 per tonne.

Sanjeev Panda And what kind of cost we have till now?

M. N. Rao It is at an initial stage and too early to talk about cost as such. The tonnage is less, obviously the cost will be more but it is difficult to give a number for that at this point.

Sanjeev Panda At this point of time what kind of margin that we are making on per tonne basis, on ferrochrome that we are transferring or we are working for Tata?

M. N. Rao We are able to charge the transfer price of something around ₹5/Unit for captive power consumed and a thin margin.

Moderator The next question is from Ravinder Vashist from IDFC mutual fund, please go ahead.

Ravinder Vashist On the cost of generation for power from Odisha Nava Bharat, I understand it is difficult to tell on plant wise basis but what's the blended cost of generation for us in the last quarter?

M. N. Rao In fact the cost of generation in AP is something around ₹2.80 per unit, Odisha around ₹3.28/Unit. The cost of generation in Odisha was high in Q1 due to operation of 64 megawatt power plant only for about a month in Q1. Present cost of generation is slightly lower than that and is something around ₹ 2.70/Unit in Odisha.

Ravinder Vashist On a more specific way what I wanted to understand is if I were to look at profits from power segment for the last quarter, have actually come down, how much were the realizations in the last quarter?

For Q4 FY12 because I am just looking at the segment results where the segment results from power, says it's a profit of ₹ 74.4 crore compared to ₹ 51.55 crore for this quarter whereas the number of units generated is almost the same?

P. J. V Sarma The realization from Q4 of FY 2012 to Q1 FY 2013 have come down but to the extent that cost also has gone down.

M. N. Rao Not only that, we sold almost whatever power was generated in our 64 megawatt in Odisha for one and a half month to GRIDCO at ₹ 3/Unit. That's one of the reasons for lower profits, you are mentioning.

Ravinder Vashist The generation hasn't really gone down, it's almost the same in this quarter compared to Q4-FY12 but the profit has significantly come down. I just want to understand if we have made a realization of ₹ 2.20/Unit this quarter?

G. R. K. Prasad In the first quarter what we did was that we moved a little more power for power sales as opposed to captive consumption while in Q1 of current financial year, the reverse has happened. The ferroalloy consumption was higher. So what you would see is the element of profit being captured in ferroalloy realization as opposed to power. While my colleague's point on sale to GRIDCO which has also some effect on the total average realization.

Ravinder Vashist You are saying that some element of profit of captive consumption is captured in the ferroalloys profits in this quarter?

G. R. K. Prasad On an overall company basis, the profitability stays intact except for a small adjustment which we did as a year end adjustment for a captive power realization in Q4. The overwhelming reason is a switch between sale of power and captive consumption. You find the generation being more or less same, profitability actually gets switched from power to ferroalloys.

Ravinder Vashist In the expenses part, there is a change in inventory of finished goods which was ₹ (-47) crore in the last quarter. Are we saying we had an inventory lying with us which we have been able to sell off now in the first quarter?

G. R. K. Prasad This is principally on account of the sugar operation being present in the last quarter of the financial year where the inventory buildup took place. That's where higher inventory value is obtained in the accounts while for the current quarter under review there is no sugar operation as such. So if you analyze the inventory changes, it is principally on account of sugar stock build up as in the year end.

Ravinder Vashist Basically the entire inventory has been liquidated now?

GRK Prasad It's not liquidated. What we need to understand is quarter on quarter change, that change would not take place because there are no operations as sugar production being seasonal.

Ravinder Vashist Essentially on the Zambia coal mines the realization is around \$57 per tonne, how much have we really extracted till date from the Zambia coal mines, are we on track or there is a lag in our operations versus what was anticipated there?

G. R. K. Prasad I wouldn't say it's a lag but this is a slow ramp up that is happening. On the extraction side whatever is planned has taken place. We have close to about 800,000 of power grade coal which has been extracted and stacked and about 30,000 tonnes of high-grade raw coal has been extracted and is being processed in various stages. So of that, some sales took place in the last quarter which is about 6000 tonnes.

Ravinder Vashist Have we tied up for the merchant power for the balance year or for how many quarters have we tied up and what is the net realization that we are expecting going forward?

G. R. K. Prasad The surplus power we have in AP stands tied up. In Odisha we are yet to tie up the surplus power that is coming from the old 64 megawatt which is sort of under restriction through Section-11 imposition. Currently that power is going through power exchange which is fetching us around ₹ 3.50 – ₹ 3.75/Unit net of all the charges. We are trying to have a bilateral transaction probably by September for which some dialogues are going on.

Ravinder Vashist For AP what is the realization that we can expect going forward?

G. R. K. Prasad In AP I think we will realize on a merchant power basis, it's close to ₹ 4.75/Unit on an average.

Ravinder Vashist For the new power plant in Odisha which is supposed to come up in Q2 we haven't really tied up yet?

G. R. K. Prasad Well we obviously can't, because we have to be absolutely sure of the power delivery.

Ravinder Vashist So there are some road blocks there?

G. R. K. Prasad In Odisha whatever we have been talking hasn't really happened. So we did not want to put a firm timeline for various reasons.

Ravinder Vashist On probability basis?

GRK Prasad We expect that to happen, to start pumping power from September onwards, we can't put a date to that.

Moderator The next question is from Harshad Shukla from Emkay Global, please go ahead.

Amit Golchha On the 64 megawatt you said that the commissioning will happen in quarter 2. Am I right?

M. N. Rao Yes.

Amit Golchha You also said that some of the cost of generation has impacted in Q1 because of the 64 megawatt synchronization which happened. I was just wondering whether you are booking the cost in P&L currently?

M. N. Rao That is for the old 64 megawatt.

Amit Golchha Considering that 40% is the washery rejects component in Odisha versus 15% in AP and that's largely from lower e-auction, despite that your cost of generation in Odisha is higher. Is it that because washery rejects has a very low calorific value?

M. N. Rao We have operated the 64 megawatt during this quarter for only 1 to 1.5 months, there was no full quarter operation, that's why the costs are high.

Harshad Shukla If you can give me the Odisha GRIDCO sales for quarter for FY12?

M. N. Rao Around 67.86 million units for Q1 FY 13.

Amit Golchha This was the quarter Q1FY 13, I want quarter Q 4, FY12.

M. N. Rao It is 44.44 million units.

Amit Golchha And going forward how would this number look like?

M. N. Rao 20 megawatt.

Amit Golchha If I look at your captive power realizations for last 3 – 4 quarters, this quarter the captive transfer price is about ₹ 4.36/Unit versus quarter 4 it was ₹ 5.74/Unit and quarter before that it was ₹ 3.41/Unit, what is leading to this variation?

G. R. K. Prasad I think the change was on account of the year end adjustment which was done in the Q4 but otherwise the captive power is being dispensed at the transfer price which is equivalent to the grid tariff which is ₹ 4.36/Unit.

Amit Golchha And this captive consumption will also include the power supplied for Tata Steel conversion part. So that is at ₹ 4.90/Unit and the balance is grid tariff, is that what you are saying?

G. R. K. Prasad That's right.

Amit Golchha And both of these are blend?

Moderator The next question is from Sumangal Nevatia from Macquarie, please go ahead.

Sumangal Nevatia What is the peak capacity of the mine at Zambia?

P. J. V Sarma High grade coal I think does not have any capacity limitation but it rather depends on what the total demand in Zambia is. I think in a normal year we would like to sell around a million tonnes, that is the peak you can say.

Sumangal Nevatia But will we be selling the entire capacity in Zambia itself?

P. J. V Sarma Although we have options to sell it outside Zambia like Congo and few other countries, it is preferable to sell as much as possible in Zambia itself because of transportation and other costs.

Sumangal Nevatia We are expecting approximately 0.4 million tonne, is that right?

P. J. V Sarma 0.35 – 0.36 million tons in FY 13

Sumangal Nevatia And currently there is no logistics available to transport the coal to the port, am I right?

P. J. V Sarma That is if we want to export the coal out of Africa. Within Africa, there is no requirement of a port. For example as I told if you see the geography of Zambia it is surrounded by 8 – 9 countries like Congo, Tanzania, Mozambique and there are so many countries where you can sell. So that is all transported by road. No need of a port. Only if you are going to export out of Africa then we have to take to port.

Moderator The next question is from Mohit Kumar form Antique Stock Broking, please go ahead.

Mohit Kumar Recently there was a deal floated by Andhra Pradesh DISCOMs, did you participate in that?

G. R. K. Prasad Yes, we participated in that for our upcoming power plant but we were out priced.

Mohit Kumar Is it possible for you to share the number what was our levelized tariff which we bided?

G. R. K. Prasad We bid at about ₹ 5.30/Unit or so whereas the price which was concluded by DISCOMs was ₹ 4.25/Unit, obviously the difference is rather wide.

Mohit Kumar What kind of profitability we are expecting from coal sales from Zambia in this financial year? Can you give us some sense of the number?

G. R. K. Prasad Let's first understand the coal sales. I mean the high grade coal sales in Zambia are more incidental than as a separate revenue stream. The actual value addition is planned through power generation and which would happen from FY16 onwards. What would happen is that the high grade coal that is extracted will be sold in Zambian and surrounding regions. What we could possibly look at is that we have a normal profitability of about \$10-15 per tonne of profit on PBT level. We could probably arrive at the number based on the actual volume of sales.

Mohit Kumar And how much you get to sell in this FY13 – FY 14?

G. R. K. Prasad I think we have already mentioned, it is about 300,000-400,000 tons, FY14 we expect to have about 600,000 tons and followed by 1 million tonnes thereafter.

Mohit Kumar You have mentioned the cost of generation, so does it includes the depreciation and interest to the assets?

G. R. K. Prasad It does include.

Moderator The next question is from Subhabrata Mitra from Jet Age securities, please go ahead.

Subhabrata Mitra What is the differential in price for e-auction coal and linkage coal?

M. N. Rao E-auction is ₹ 3500/Ton for high grade coal of GCV 4500/Ton in AP. In fact this is the cost of slightly high grade coal. GCV is more.

Subhabrata Mitra And what is the linkage coal?

M. N. Rao Linkage coal is something around ₹ 1850/Ton landed in AP for Q1.

Subhabrata Mitra And in Odisha, ₹ 2500/Ton is the e-auction coal and the corresponding coal cost?

M. N. Rao That is something around ₹1425/Ton landed for Q1.

Subhabrata Mitra How much Silico Manganese are we planning to produce in FY13?

M. N. Rao Around 75,000 tonnes, we are targeting.

Subhabrata Mitra And ferrochrome what is our contract with, is there any change in the contract?

M. N. Rao 50,000 tonnes per annum is the contract with Tatas as of now. There is no change.

Subhabrata Mitra And what is the current Silico Manganese prices?

M. N. Rao ₹60,000 per tonne for Q1

Subhabrata Mitra And ore is around ₹ 11,000/Ton?

M. N. Rao I think it is around ₹ 19,000/Ton on blended.

Moderator The next question is from Sumangal Nevatia from Macquarie, please go ahead.

Sumangal Nevatia Recently there was a paper put up by the ministry of power saying that all the short term power will have to be sold through competitive bidding. Just wanted to know if you have any further clarity in terms of the timeline or what exactly will change after that and the methodology?

G. R. K. Prasad Well! I think this particular rule emanated from what has been prescribed by CERC. I don't think there is going to be a change. All the short term procurements of all the utilities will go through a competitive bidding process in which we have been participating actively and successful in some and some not. I don't think that would change because that's where everybody expects a price discovery on a very transparent basis.

Moderator As that was the last question I now hand over the conference to Mr. Prasad for closing comments.

G. R. K. Prasad Thank you very much for an interactive participation. If there are any unanswered questions or some data requirement, please do get back to us.

Moderator Thank you very much. On behalf of Nava Bharat Ventures Limited, that concludes this conference call.