"NTPC Q3 FY12 Results Conference Call"

January 30, 2012

MODERATORS:	**MR. AMIT RUSTAGI**
NTPC MANAGEMENT TEAM :	**MR. A.K. SINGHAL, DIRECTOR (FINANCE)**
	MR. N.N. MISRA, DIRECTOR (OPERATIONS)

Moderator: Ladies and gentlemen good day and welcome to the Q3FY12 results conference call of NTPC hosted by Antique Stock Broking Limited. As a reminder all participants' lines will be in the listen only mode and 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. Amit Rustagi from Antique Stock Broking. Thank you and over to you sir.

Amit Rustagi: Thanks Maria. Good afternoon everyone this is Amit Rustagi. I welcome you all on behalf of Antique Stock Broking to discuss Q3FY12 results of NTPC. We have with us management of NTPC represented by Mr. A.K.Singhal, Director (Finance), Mr. I. J. Kapoor, Director (Commercial), Mr. N.N. Misra, Director (Operations) and other senior people from NTPC. Now I will be handing over to Mr. Singhal for his opening remarks on Q3 results followed by questions and answer. Sir, I am handing over to you sir and thank a lot for everyone for joining this call.

A. K. Singhal: Thank you Mr. Rustagi. A very good afternoon to everybody, I am A. K. Singhal, Director (Finance) NTPC Ltd., and I have with me Mr. N.N. Misra, Director (Operations), Mr. I. J. Kapoor, Director (Commercial) couldn't join because he had to go for an urgent meeting in th Ministry. On 27th January the company announced the financial results for the third quarter of the fiscal year 2011-12 and for the nine months period ended on December 31st 2011, which you all would had time to go over, and analyze over the weekend.

The twin issues of poor supply of coal by Coal India Limited and deteriorating health of State Electricity Boards have impacted profit after tax of the company.

Supply of domestic coal declined to 33.093 million metric tonne in Q3 from 33.521 million metric tonne in the corresponding quarter of the previous fiscal year despite higher commercial capacity in the Q3 of the current fiscal i.e. 30990 megawatts (excluding the difference of 62 megawatt in Gas station due to change in rated capacity) as compared to 29330 megawatt of Q3 previous fiscal. Difference is on account of Korba 500 MW which was declared commercial on 21st March 2011, Simhadri 500 MW on 16th September 2011 and Sipat of 660 MW on 1st October 2011.

This has led to decline in the PAF of coal station, which went down from 93.61% in Quarter 3 of 2010-11 to 85.26% in the current fiscal leading to lower incentives in the current fiscal. On the other side the Discoms are continuing to face financial problem leading to delayed payment cycle. The debtor days have climbed from 45 days as on the end of December 2010 to 77 days at period ended December2011. Further due to the weak financial position the SEBs are not able to offtake the total power made available by the company despite peak and energy deficit in the country increasing to 13.9% increase and 11.3% respectively for December 2011 as compared to 10.7% and 8.1% respectively for December 2010. Thus, the lower PLF is also leading to the lower marginal contribution to the company's profits. We sincerely hope that the above situation with respect to both coal supplies by coal companies and tariff revisions by the States would be addressed at the earliest.

However, in the current quarter till date i.e. 29th January 2012 the PAF of Coal stations has been 92.71% (cumulative 86.82 % against 86.18% till December 2011) and PLF has been 89.36% (cumulative 83.56% against 82.93% till December 2011). Similarly PAF of Gas station in the current quarter till date has been 100.59% (cumulative 93.04% against 92.20% till December 2011) and PLF 63.91% (cumulative 64.57% against 64.64% till December 2011). The availability of the machine at the PAF at Bars has also been a high 95.51% in current months till date.

I will now briefly mention some of the financial highlights before we discuss the performance in detail:

For the corresponding IIIrd quarter October to December, Net Sales for the third quarter ended 31st December 2011 are Rs.15,332 Crore registering an increase of 14.24% over previous year sales of Rs.13,421 Crore. Total income for Q3 of the financial year 2011-12 is Rs.16,245.42 Crore, up 14.68% over total income of Rs.14,165.33 Crore of Q3 of previous financial year. Profit after tax of Q3 for FY 2011-12 is Rs. 2,130.39 Crore as against Rs. 2,371.48 Crore registering a decline of 10.17% over last year.

Corresponding 9 months comparison April to December: For the period ended 31st December 2011, Net Sales have been Rs.44,881.33 Crore as against Rs. 39,355.06 Crore in the corresponding period for previous year, registering an increase of 14.04%. Total income for period ended 31st December 2011 is Rs. 47,800.18 Crore as against Rs.43,057.43 Crore in the previous corresponding period an increase of 11.01%. Profit after tax for the period ended 31st December 2011 is Rs. 6,630.29 Crore as compared to Rs. 6,320.75 Crore in the corresponding previous year registering an increase of 4.90%.

I will now take you through the performance of the Q3 for the financial year 2011-12 and nine months period ended on December 31st 2011. Coming to the operational performance, the total capacity of group NTPC commissioned as on 31st December 2011 is 36014 megawatts, including 3864 megawatts capacity owned by the JV/subsidiary Companies. Capacity under commercial is 34,354 megawatts as on 31st December 2011. Units commissioned but yet to be declared commercial are one unit of Sipat I 660 MW, one unit each of 500 MW at Jhajjar and Farakka.

The total generation during Q3 and the first nine months of the year of the current fiscal is as follows: Gross generation for the quarter ended December 2011 was 56.391billion units as against 54.736 billion units for the quarter ended December 2010. For nine months period up to December 2011 it was 161.856 billion units as against 162.668 billion units.

Commercial generation for the quarter ended December 2011 was 56.153 billion units as against 54.720 billion units, registering an increase of 1.433 billion units i.e. 2.62% over the corresponding period. For nine months period we have generated 161.036 billion units as against 162.625 billion units.

ESO during the quarter ended December 2011 was 52.637 billion units as against 51.315 billion units for the corresponding period registering an increase of 2.58%. Similarly for 9 months period ESO was 150.609 billion units as against 152.341 billion units registering a negative growth of 1.14%.

Gross and commercial generation in Q3 was up by 3.02% and 2.62% as compared to the corresponding quarter of previous fiscal. When compared to Q2 of current fiscal the increase in gross generation and commercial generation has been 10.87% and 11.60% respectively. We generated during the IIIrd quarter 56.391 billion units as against 50.861 billion units during Q2 and ESO was 52.637 billion in the Q3 in comparison to the IInd quarter ESO of 46.922 billion units thus registering an increase of 12.18%.

Coming on to losses due to grid restriction, in case of coal, for the Q3 the grid losses has come down from 2.813 billion units to 0.554 billion units, similarly for gas it has come down from 2.522 billion units to 2.142 billion units. On overall basis as against 5.335 billion units we lost in Q3 in December 2010, we lost only 2.696 billion units during December 2011. Similarly for nine months period as against 4.953 billion units for the nine months period ended December 2010, we lost 4.459 billion units for the corresponding period in 2011, in case of coal. For gas against 5.288 billion units we lost 7.482 billion units. On overall basis, as against 10.241 billion units we lost 11.941 billion units.

In case of coal, on a cumulative basis, loss due to grid restriction for the period April-December 2011 is 4.459 billion units as compared to 4.953 billion units, though in Q3 itself there has been improvement over the previous quarter. The losses on account of grid restriction in Q3 of the current fiscal was 554 million unit as compared to 2.545 billion units in Q2 of current fiscal and 2.813 billion units in the Q3 of the previous fiscal. There was a marginal improvement in the Gas projects though and the losses have reduced to 2.142 billion units in Q3 as compared to 2.868 billion units in Q2 and 2.522 billion units in Q3 of 2010-11.

The losses, which we suffered because of fuel supply, as I have said in the beginning poor availability of coal continues to affect generation and the loss of generation on this account have increased from 0.645 billion units in Q3 of 2010-11 to 3.784 billion units in Q3 of the current fiscal. For gas it remains almost the same. Because of the non-availability of coal we lost 3.629 billion units in 2010-11 and during the current year we lost 6.956 billion units for nine months cumulatively. For the quarter ended September 2011 we had lost 1.944 billion units whereas in December Quarter we lost 3.784 billion units.

Coming back to the Plant Load Factor, PLF at all India level for the quarter ended December 2011 has been 73.78% as against 74.41% in the corresponding period in 2010-11. For nine months period the PLF at all India level for Thermal is 72.10% as against 72.88% in the corresponding period and for the quarter ended September 2011 it was 66.11%.

PLF for NTPC Coal station for the quarter ended December 2011 was 83.59% as against 87.17% in previous fiscal i.e. a lower PLF of 3.58 percent point. For gas it was 70.50% as against 66.28% registering a plus of 4.22 percent points. For nine months period the coal PLF has been 82.93% as against 86.51% in the nine months ended December 2010. For gas, on nine months period it is 64.64% as against 71.56% for the corresponding period registering a decline of 6.92 percent points and for coal it is - 3.58 percent points but in comparison to Q2 of 2010-2011, there has been an increase in coal station PLF by 5.21 percent points as for the quarter ended September 2011 PLF for coal station was 78.38%. For gas station PLF in Q3 of current year was 70.50% as against 60.84% in Q2, i.e. an increase of 9.66 percent points.

Now coming to the Plant Availability Factor for the our stations, PAF for the coal station for the quarter ended December 2011 has been 85.26% as against 93.61%, for the corresponding period, a decline of 8.35 percent points. Availability for the gas station has been at 94.47% for the quarter ended December 2011 as against 95.57% for corresponding period that is minus 1.10 percent points. Similarly for the nine months period the availability of coal has been 86.18% as against 90.09% points that is minus 3.91 percent points. For gas it was 92.20% as against 91.21% registering a marginal increase of 0.99 percent points. Low PAF has happened because of the poor coal supplies and health of the SEB's. There has been an increase of 1.82 percent points in PAF of coal station over Q2 of the current fiscal while PAF of the gas stations increased by 2.2 percent points. The PAF of Coal station stands at 86.82% till date and that for gas station 93.04% till date as I have mentioned in the beginning itself.

Now I come to the financial performance. The net sales of the quarter ended December 2011 has been Rs. 15,332.30 Crore as against Rs.13,421.28 Crore in the corresponding period registering an increase of 14.23%. Other operating income has increased from Rs. 15.02 Crore to Rs. 51.09 Crore, other income has increased from Rs. 653.82 Crore to Rs.861.02 Crore. Our gross total income for the quarter ended December 2010 has been Rs.14,165.33 Crore as against Rs.16,245.45 Crore during quarter ended December 2011. Profit after tax as I have stated earlier has come down from Rs.2,371.48 Crore to Rs.2,130.39 Crore.

Similarly for the nine months period the net sales have grown to Rs.44,881.33 Crore from Rs.39,355.06 Crore in the corresponding period. The other income has increased from Rs.1,815 Crore to Rs.2,547.99 Crore. Total income has increased from Rs.41,218.80 Crore to Rs.47,799.17 Crore. Profit after tax has been increased from Rs. 6,320.74 Crore to Rs.6,630.29 Crore. If you look at our reported profit we have reported for the quarter ended December 2011, at Rs.2,130.39 Crore and quarter ended December 2010 at Rs.2,371.48 Crore. If we make an adjustment on account of previous year sale, prior period adjustment, interest on income tax refund, provisions for some of the subsidiary companies, provision written back, interest provision written back and interest written back of previous year, RLDC charges, fixed charges in fact due to MAT in the quarter ended December 2010, interest received from customers, Minimum Work Program of MoPNG, provision for refund of the TTTS this would have ultimately resulted in the total adjustment for the quarter ended December 2011 whereby the profit would have been increased by Rs.42.45 Crore in comparison to deduction of Rs.17.79 Crore in the corresponding quarter. This would have resulted in an adjusted PAT of the current quarter Rs.2,172.84 Crore as against Rs.2,353.69 Crore. Profit would have been lower by 7.68% as against 10.17% on quarter-to-quarter basis. Similarly for nine months period our adjusted profit after the carrying out the adjustment of minus Rs.458.36 Crore for the nine months period ended December 2011 and minus Rs.293.74 Crore for the nine months period ended December 2011. Our adjusted profit for the nine months period for the current fiscal would have been Rs.6,171.93 and for the corresponding period it would be Rs.6027 Crore that would have resulted into a growth of 2.40% as against 4.90% reported.

Let me now give an update on the various other activities. First is fuel. All of you are aware that Coal India has introduced new pricing mechanism with effect from 1st January 2012 whereby it has introduced GCV based pricing to 17 bands as against UHV based pricing at 7 bands. We understand that this has been reviewed by Coal India Limited and real impact would be known only once we get the final communication from Coal India. Even though for NTPC any fuel price hike is a pass through and recoverable from the customers, however, in the interest of customers-who are in any case facing tariff hikes due to revenue gap in the existing tariff. NTPC has taken up the issue through the Ministry of Power.

As regards coal supply to NTPC projects, Q2 of the current year was particularly bad due to heavy rainfall and strike in Telengana at SCCL. Domestic Coal receipt has improved in Q3 and materialization of coal against ACQ in Q3 of 2011-12 was 98.62% (previous year Q3 99.39%) as against 87.53% in the previous quarter.

The overall domestic coal receipts in Q3 of the current fiscal was 33.093 million metric tonne as compared to 25.674 metric million tonne in the Q2 of the current fiscal and 33.521 million metric tonne for Q3 of 2010-11. The trend of higher materialization is continuing in the current quarter i.e. Q4 as well. The domestic receipts of coal till 29th January 2012 has been 12.109 metric million tonne this represents materialization against ACQ of 105%. On 26th January, total coal receipts are 4.90 lakhs metric tonne which is the highest ever coal receipt in a day in NTPC and on the 16th January it was 4.87 lakhs metric tonne which is a second highest coal receipt so far.

Coming back to Q3, higher quantities of coal were imported in Q3 of the current fiscal i.e. 2.593 million metric tonne as compared to 2.043 million metric tonne imported in Q3 of 2010-11, to make up for the short fall in domestic supplies. The cumulative coal supply received in the first nine months stands at 9.829 million metric tonne in current fiscal as compared to 8.230 million metric tonne of the corresponding period in the previous year an increase of 19.43%. Correspondingly the blending percentage of imported coal also increased and stands at 9.70% for the first nine months of 2011-12 as against 8.20% in the corresponding period of the previous year. Blending in Q3 of current fiscal was 7.97% as compared to 5.88% in 2010-11. With increased generation in Q3 as compared to the second quarter of the current quarter, coal consumption also increased correspondingly. Coal consumption increased from 31.968 million metric tonne in Q2 to 35.974 metric tonne in Q3 an increase of 12.53%.

For the nine months period the coal consumption was 102.500 million metric tonne in the current fiscal as compared to 101.727 million metric tonne in the corresponding period of the previous year.

NTPC has invited a tender on ICB basis for import of 4 million metric tonne of coal. Bids opened on 5th / 6th January and are under evaluation. Coal supplies are likely to start from March 2012 onwards.

Regarding progress of transport of coals to Farakka through inland waterways, orders have been placed by the operator for procurements of shore cranes and construction of ten new barges. Contracts for trans-shipper and EPC contractor for the coal conveyer and jetty will be awarded shortly. After the cabinet approval on transfer of 12.73 acres of land of Farakka Barrage Project (FBP) to NTPC in December 2011, lease deed for the same have been executed between NTPC and FBP on 12th January 2012. Possibility of coal transportation through waterways for Barh and Bongaigaon is also being explored.

In Q3 of the current fiscal gas station received 14.23 MMSCMD as against 12.63 MMSCMD in Q2 and 12.70 MMSCMD of Q3 of the previous year. Gas procured on spot basis during Q3 2011-12 is 1.90 MMSCMD, Long-Term RLNG is 1.99 MMSCMD, KG-D6 gas is 1.89 MMSCMD, 8.06 MMSCMD was received under APM & PMT mechanism and the balance 0.39 MMSCMD was Non-APM gas. During the first nine months of the current fiscal, gas station received 12.97 MMSCMD as against 13.78 MMSCMD in the corresponding period of previous year.

Now coming on to coal mining, cumulative expenditure of 702.05 Crore has been incurred on the development of five mines allocated to NPTC up to 31st December 2011.

The status of progress on coal mine particularly for the Pakri Barwadih is as under: Advance payment of 56 Crore has been released to the MDO, soil testing work is under progress at the coal stockyard, work on coal handling plant has started, contract awarded on M/s RITES for preparation on DPR, detailed engineering and construction work of yard at Banadag. Of the priority land of 2807.5 acres, payments have been made for 1961.98 acres. Of the total, payment has been made for 4257.51 acres of land and physical possession is 2595 acres. Cumulative expenditure incurred till December 2011 is 539.05 Crore.

Chatti Bariatu coal mining projects: Stage II forest clearance received on 25th November 2011. Award for appointment of MDO is under approval. All notifications under CBA Act have been completed along with section 4 notification for LA Act (for land for township R&R colony and infrastructure etc.). Of the total land requirement of 1,589.98 acres payment has been made for 646.82 acres of land. Cumulative expenditure incurred till date is Rs. 60.01 Crore.

The Kerandari coal mining project: Mining plan has been approved. Bids for appointment of principle strategic cum technical consultant for selection for the MDO has been opened and are under evaluation. Final feasibility report has been received and financial appraisal done. Environmental clearance has been received and land acquisition rate has been finalized. The Stage-I forest clearance proposal has been forwarded to MOEF by the State Government and site inspection by the regional office on MOEF has also been done in September 2011. Notification under CBA Act has been completed and compensation payment are under progress. So far payment towards 460.58 acres of land has been made. Cumulative expenditure incurred till December 2011 is 63.76 Crore.

Similarly on Dulanga and Talaipalli coal mining projects the progress is in line.

Coming to commercial, despite deteriorating financial health of SEBs 100% of the amount billed to the customers have been realized so far. In case of BRPL and BYPL regulation notices were served as the DISCOMS had failed to pay in time and to establish the requisite LCs. Subsequently BRPL and BYPL have established LCs as per the PPA and payment have been received for all the current bills raised till end of December 2011. The gross sundry debtors as on 31st December 2011 are Rs. 12,518.98 Crores. This translates to 77 days sales. However, this include 840.75 Crores towards old outstanding dues from DESU against which provision had being created. Excluding this, average collection days work out to 71 days as compared to 45 days sales as of 31st December 2010.

The servicing of bonds under the one-time settlement scheme is being made on time. As per the schedule, the principle amount of Rs.825.73 Crores was paid by beneficiaries along with interest amounting to Rs.347.24 Crores due for the first nine months of 2011-12.

Coming on to capacity addition, Unit II of 500 MW at Jhajjar was commissioned on 5th November, Sipat Unit II of 660 MW commissioned on 24th December 2011. With this 1820 MW have been commissioned in the current year, so far (Sipat 2 x 660 plus Jhajjar 1 x 500). Total 1160 MW has been declared commercial in the year so far. Capacity under construction is 12933 MW. This includes 5 MW solar power project at Port Blair, Andaman and Nicobar Islands, award for which was placed on 12th December 2011.

The Board of Directors has given investment approval, subject to environment clearances for 1X500 MW at Vindhyachal and 3X800MW at Kudgi. Environment clearance for 3X800 Kudgi has been received on 25st January 2012. Work is also going on for obtaining the balance environment and other clearances. Hearing in the 660 MW bulk tender has been concluded in the Supreme Court and the order on the same is awaited.

On renewable energy, NTPC plans to have capacity portfolio of about 1000 MW capacity through renewable energy sources by 2017. 8 MW hydro based power projects under implementation at Sonebhadra. LOA placed on 12.12.2011 for 5 MW SPV project at Port Blair. Bids of 5 MW SPV projects at Dadri and 15 MW Solar Thermal project at Anta are under evaluation. PPA signed with the Himachal Pradesh for 15 MW Solar Thermal Projects at Anta with APTRANSCO for 10 MW Solar PV Project at Ramgundam and with MP Power Trading Company for 50 MW Solar PV project at Rajgarh.

On our international business, we have signed joint venture agreement with the BPDP yesterday in Dhaka for setting up 1320 MW Khulna power project.

For Sri Lanka 2x250MW coal based power project in Trincomalee, the company has already been established. Draft Coal Supply Agreement sent to CEB for their acceptance. Feasibility studies are in progress.

These were some of the highlights, which I wanted to share with you. Now we can go ahead with Q&A session. Thank you.

Moderator: Thank you very much. The first question is from Rajesh Panjwani from CLSA. Please go ahead.

Rajesh Panjwani: My first question is on the two factors which are important going forward for Availability and PLF - one is the health of SEBs in terms of their buying power and second is the coal supply and as more capacity gets added it seems that both these points are under stress. So how do you see the situation panning out next year vis-à-vis this year, from what you can see as of now and second is that your debtor days have gone up to 77 days so it seems that there would be at least some SEBs which are not paying within that two months time frame. So can you tell us what percentage of SEBs is not paying within the two-month timeframe?

A. K. Singhal: Coming to your last question first, the sundry debtors which has increased from 60 days to 77 days is primarily on account of billing, which we have done for the tariff orders which have come during the current year and as per the regulation we are supposed to collect the money in six equal installments, because of that, this number of days have gone from 60 to 77 days. There has not been any SEBs who has not paid us within 60 days period. We have been collecting our 100% dues within 60 days. Coming back to Availability and PLF, definitely as I said in the beginning, the coal availability is the biggest issue and as all of you are aware that even at the highest level in the country, at PMO level, these concerns are being expressed and due to our proactive action coal receipts have improved during the current quarter, our materialization level has gone up to 105% as against 98% in the corresponding quarter and the another thing which I would be able to tell you that in the recent imported coal tender we have found that coal prices has gone down by almost 20% to 25%. That blending of imported coal may also provide comfort for SEBs to draw power. Going forward it is very difficult for us to make a statement but as you also know that in case of 15 State Electricity Boards they have already increased the tariff and the highest authority is getting involved in the whole situation to recover from the situation which is happening in the country. We are confident that hopefully going forward there will definitely be improvement in the availability. Even though so far as the health of SEBs is concerned they would also continue to draw power based on their availability of fund and as 15 State Electricity Board have already increased the tariff others may follow; may be their health will also improve and in the process the sector has to improve there are no two doubts on that.

Rajesh Panjwani: Sir, one clarification this 77 days number which you gave, if we adjust for the tariff changes the money which is due because of the tariff changes what would be the like to like increase in the debtor days?

A. K. Singhal: That is what I am saying roughly about 11 days. It is exactly for 60 days, there have not been any sundry debtors, which is outstanding for more than 60 days. On 60th day we have been able to collect our money. NTPC is fortunate; even in case of BYTL and BRPL there were issues but we never allowed defaults. We gave them an extension of about a week's time where they went to CERC and tariff petition was filed. Other than that there have never been any SEB where we have given them the time. We are very tough on this account.

Rajesh Panjwani: So some SEBs would be paying before the 60 days due date as well right?

A. K. Singhal: Yes, they are definitely paying, some SEBs are paying before 60 days also. I am saying whatever numbers of SEBs whatever amount outstanding remains that in 60 days.

Rajesh Panjwani: Thanks.

Moderator: Thank you. The next question is from Prakash Goel from ICICI. Please go ahead.

Prakash Goel: I have couple of question, first with regard to water cess how much of the water cess have been paid out this year and how much is the under recovered? The other question is with regard to PAF related incentive, can we get any flavour with regard to the number how much is the money that we have lost we have the number of units that we could under produce because of the coal related issues?

A. K. Singhal: As you know that we have never been giving these numbers because of commercial reasons.

Prakash Goel: If you can give us the water cess number

A. K. Singhal: The water charges have been Rs.77.16 Crores.

Prakesh Goel: Okay and how much of that has been billed?

A. K. Singhal: Cess we are already billing and recovering.

Prakesh Goel: So there is no under recovery on account of cess so far?

A. K. Singhal: There is no under recover on account of cess only the increase in water charges there is an under recovery.

Prakash Goel: Rs.77 Crores is the total under recovery on that?

A. K. Singhal: I would not say Rs.77 Crores in the total because it is part of our total overhead cost, water charges is part of total overhead cost. We have filed our difficulty petition before regulator for reimbursing the incremental water charges particularly in the Singrauli belt. The water charges have almost been increased 4 to 5 times. Similarly for Simhadri also, Andhra Pradesh has increased the water charges. These are the two major areas were the water charges are gone up.

Prakesh Goel: Just wanted to have the flavour if I look at operating expenses excluding fuel and employee related cost there is a sharp 33% jump YoY so lot of it can be explained because of water related charges or is there are other items which have gone up?

A. K. Singhal: Only the water related charges. Other is because during the Q3, instead of carrying out the renovation and the repair and maintenance in the Q4 we preponed them in the Q3 and there was a higher R&M charges during the Q3 by about Rs.150 Crores.

Prakesh Goel: I was talking about year as a whole so far in 9 months?

A. K. Singhal: Ultimately it will come to year as a whole also. One reason is on account of the water charges other is the R&M charges.

Prakesh Goel: You are suggesting that, the fourth quarter typically has the R&M charges and because we have done it in the Q3, so the 9-month comparison to 9-month is not the fair comparison?

A. K. Singhal: Yes, it is not a fair comparison. In Q4 you may ultimately found a lower R&M charges.

Prakesh Goel: That's all from my side thank you.

Moderator: Thank you. The next question is from H. R. Gala from Quest Investment Advisors. Please go ahead.

H. R. Gala: I just wanted to know what is the position of that 11 super critical boiler order which matter I believe is in Supreme Court and you said that you awaiting the order?

A. K. Singhal: The hearing has been completed on 11th of January and the Honorable Court has reserved the order and generally it takes about 4 to 6 weeks to get the order of the Honorable Supreme Court. We are expecting by the middle of next month that order will come and thereafter we would be able to move forward. So far as 800MW is concerned, for Kudgi we will very shortly be awarding the contract by the middle of February or end of February. The awards for 3x800MW will be made. The balance we are waiting for availability of land and MoEF clearances. As soon as those clearances are available we would be able to award balance 6 units of 800MW.

H. R. Gala: So who are the qualified bidders in that particular bid?

A. K. Singhal: You are talking about 800MW? IN 800MW boiler package we have BGR, we have Doosan, L&T-MHI, Thermax Babcock and ultimately BHEL will also get as per the system. Similarly in TG package we have BGR, L&T, Toshiba JSW, Alstom Bharat Forge & BHEL.

H. R. Gala: Sir just one question if you can allow me how much is the total addition to capacity we are planning in this fiscal and next fiscal?

A. K. Singhal: This fiscal we are planning to at 4980MW.

H. R. Gala: That we will be able to do as per our MOU?

A. K. Singhal: We are making all efforts and hopefully we can. Still one month is there. It may go to the last week or last 10 days of the next month.

H. R. Gala: So far we have done 1160 right if I understood correctly?

A. K. Singhal: We have done 1820.

H. R. Gala: Next year what would be our target FY'13?

A. K. Singhal: FY'13 our target is about 4000MW.

H. R. Gala: Thank you very much and wish you all the best.

Moderator: Thank you. The next question is from Sagar Tanna from Kotak. Please go ahead.

Sagar Tanna: Sir, do you see increased load shedding?

A. K. Singhal: I can't tell you on that. You have to talk to the discoms whether they will do more load shedding or they will provide more power.

Sagar Tanna: In this quarter especially we have state elections in 5 of the states.

A. K. Singhal: I am not the one to predict on that. We are there to generate the power and we are generating and will continue to generate the power. Every third bulb will be lit out of the power generated by us. That I can assure you.

Sagar Tanna: Thanks.

Moderator: Thank you. The next question is from Bhavin Vithlani from Enam Securities. Please go ahead.

Bhavin Vithlani: Two questions, one if you can help me with the blended fuel coal cost for the current quarter and for the 9 months and what was it for the corresponding period previous year. Second if you can help me with the Sipat where the project is now commissioned what is the final project cost and the tariff which NTPC is billing to the customers and third is any target if you can help us like you gave for capacity addition, what would be the target for commercial generation of the capacity for the current fiscal. These are my questions thank you.

A. K. Singhal: So far as blended cost is concerned it does not matter because blended cost is a pass through and as I said that during the Q3 we blended about 7.97% and for the 9 months period we have blended about 9.7%. So based on that keeping in view the imported coal price you can work out. And higher the coal price is better for NTPC because we get higher marginal contribution. Coming back to your second question for target of commercial generation, we are looking at that we would be able to do two more units commercial - one is that of Farakka 500 MW the other one Jhajjar 500MW we are looking at it and may be possibly if we can we would do another 660 MW at Sipat. These are the three units, which we are looking that we would be able to declare commercial. Now your third question on the billing, which we were doing for Sipat. You want, billing for Sipat 1 or Sipat II?

Bhavin Vithlani: This Sipat I billing and the final project cost?

A. K. Singhal: Final project cost at this stage it wouldn't possible because still two more units are yet to be commercialized, so therefore it won't be possible to give that final cost.

Bhavin Vithlani: But could be for unit one of Sipat I, the final project cost?

A. K. Singhal: It will be somewhere between Rs.4.25 Crores. Still because there are certain payments which are left over, so to give the final cost would very difficult to you. Sipat - we are doing at Rs.2.02 paise.

Bhavin Vithlani: Is there any under recovery in this on the capacity charge?

A. K. Singhal: There cannot be under recovery unless we are making the plant available at lower level and for Sipat-I availability is high.

Bhavin Vithlani: So on the blended cost last quarter, it was about Rs.2700 per tonne so wanted to know for the 9-month as the average moved or in line with that average?

A. K. Singhal: Slightly. Both domestic coal cost and imported coal cost has also gone up. Therefore the blended cost will be little higher during the current quarter.

Bhavin Vithlani: Around Rs.2800 would be a fair assumption?

A. K. Singhal: I would not give you like that unless it is worked out.

Bhavin Vithlani: Thank you so much.

Moderator: Thank you. The next question is from Amit Golchha from Emkay Global. Please go ahead.

Amit Golchha: I wanted to understand the calculation of adjusted profit if it is possible for the Q3?

A. K. Singhal: I think I have given you in overall. You can subsequently collect these details. To shorten time I didn't give otherwise I have the details because every body may not be interested in details, if I start reading that it will take longer time.

Amit Golchha: Right no issues sir. Only two items from the notes to accounts, I wanted. The one item is sales include Rs.155 Crores for the quarter as previous year sales, sales also include Rs.407 Crores for the quarter as tax pass through. So the tax pass through is related to what and similar item is also pending in the tax?

A. K. Singhal: You see what happens is first of all you should understand that for the period related to prior to 2009 there are some assessments which are being done by the assessing officer. Based on the assessment they raised demand on NTPC and once there is an additional demand raised by the assessing officer that tax liability is a passed through to SEBs. It is on those account these declaration is there. Particularly any tax liability related to the period prior to April 1, 2009 is revenue neutral.

Amit Golchha: Right so basically this is tax refund, which you are actually passing?

A. K. Singhal: Either we receive a tax refund or we get additional tax liability for the assessment completed under 143(1). What has happened in this year earlier they refunded money under 143(1) and they completed the assessment under 143(3) so it is the gap between the two which is reflected as approximately Rs.300 Crores is refundable to the SEBs.

Amit Golchha: Okay just to understand the impact of both these items on the profit?

A. K. Singhal: It is revenue neutral I am saying.

Amit Golchha: Thank you.

Moderator: Thank you. The next question is from Abhishek Puri from Deutsche Bank. Please go ahead.

Abhishek Puri: Sir, just couple of questions one regarding plant availability factor we believe that this is reflective of the problems in mining sector in September and October. So just wanted to check has the situation started to improve in the month of November and December because we see a better generation from you. Secondly on Talcher, I think the environmental issues have impacted the availability and generation both. When do we expect to see the resolution on the same as well as Farakka, Kahalgaon which are slightly longer terms problems?

A. K. Singhal: I think Mr. Misra would be able to give answer for this.

N.N.Misra: As far as Talcher is concerned I would like to clarify that the environmental issues were there only in April. After that there have been no such issues and the plant is today operating at full capacity. It was only due to coal availability, due to law and order problem in that area and due to strike at the Mahanadi coalfield.

Abhishek Puri: November and December also we are seeing lower availability for Talcher?

N.N.Misra: Lower availability was basically due to lower coal availability.

Abhishek Puri: For Farakka and kahalgaon when do we expect a resolution on the same?

N.N.Misra: Farakka and Kahalgaon the availability is again low because of again coal being not available in that area.

Abhishek Puri: But when do we see the resolution for the same? I think there are transportation constraints if I am not mistaken?

N.N.Misra: There are two issues in this, the first issues that these projects are linked to certain mines, which are still under development because they did not get the environmental clearances. So to back up these, we had to take coal from other areas including imported coal for which there are constraints as far as railways corridors are concerned. But definitely there are improvements so far as in the current quarter in the last Q4 of the current fiscal year and we are even building a separate loop line to ensure that the movement of coal from the existing coal mine is done. There were constraint even in the existing coal mines for movement of coal.

A. K. Singhal: To supplement the railway corridor we have introduced waterways also.

Abhishek Puri: When do we expect to see the fructification of this water ways and loop line which is coming in and looking at the data I think the availability definitely looks to have improved in Farakka but not in Kahalgaon when can we see the improvement coming back into the system?

A. K. Singhal: Ultimately we will find that Kahalgaon we are trying to do lot more with Coal India Limited. Also taking coal from mines whether it is through the road mode or rail mode - we are trying to work it out. Let us wait and see. Kahalgaon is still a critical area where it would be really difficult to commit at this stage whether we will be out of disincentive zone or not. Our effort is that we should neither be in the disincentive zone or nor in the incentive zone so far as Kahalgaon is concerned.

Abhishek Puri: Just to answer my first question if you can inform us, for September–October we understand the mining problems were there in this country, has the situation really improved from there or are we back to our old levels in terms of availability?

A. K. Singhal: In the opening remarks I have given you the data that our materialization level has gone up to 105% and our availability of the coal station on bar is at 95% otherwise which is at 92.21% and on cumulative basis first 29 days we have improved our availability by about 0.69% so hopefully by March and if the way we are going we would be able to improve our availability by about at least 2% to 2.5% which would not be at the previous year level but improving 2.5% availability in three months period for the entire year a huge number.

Abhishek Puri: Thank you so much and all the best sir.

Moderator: Thanks Mr. Puri. The next question is from Atul Tiwari from Citi Group. Please go ahead.

Atul Tiwari: In your remark you mentioned that you have seen the prices of the imported coal in some of the recent tenders falling 20%-25%. What is the price that you are seeing now in Dollar terms?

A. K. Singhal: Let us wait. Once we have awarded then we would be able to tell. We have not yet awarded the contract. So it would be difficult for me to give you the number.

Atul Tiwari: This R&M expense of Rs.100 Crores and water cess of Rs.77 Crores has been booked in other expenses?

A. K. Singhal: It is part of our other generation and administrative expenses. Water charges as well as the retirement and administrative expense.

Atul Tiwari: Thank you.

Moderator: Thank you. The next question is from Rohit Porwal from Analec Infotech. Please go ahead.

Rohit Porwal: Sir first of all I would like to know that Coal India has introduced a pricing mechanism and as a result I feel that NTPC's - I heard a news few days back, that it was a statement like - 40% of cost will be increased. Could you please explain in detail so I can understand what is the relation exactly how it is working?

A. K. Singhal: See ultimately for NTPC - as I said in the beginning - the higher the coal cost the better for NTPC. In my remarks also I have said that we have taken up with Ministry of Power. If at the coal formula which they have announced our coal cost would have definitely been higher by above 40%. But now since they are reviewing the formula of GCV based coal we cannot say how it will work out. Still, so long as coal cost is a pass through for us it is not going to affect our bottom line. Rather there may be a possibility that our bottom line may slightly improve.

Rohit Porwal: We can expect approximately 40% of the coal cost to go up by next year?

A. K. Singhal: We can't say. It has become a talk of the town and everybody has put pressure on Coal India - you might have read into the newspaper. Today Coal India is considering in the Board Meeting I am not sure whether the Board Meeting is going on or not.

Rohit Porwal: Sir which type of calorific value coal we are consuming right now. Can you give any rough idea - 4500, 5000 or something?

A. K. Singhal: Consuming between 2800 to 3500 kilocalories. The average is about 3300 kilocalories.

Rohit Porwal: What is the blended coal cost during the quarter of the coal?

A. K. Singhal: That is what we said that in the previous question also we have not yet gone out if you want we would be able to give you subsequently.

Rohit Porwal: Thank you very much from my side.

Moderator: Thank you. The next question is from Anirudh Gangahar from Nomura. Please go ahead.

Anirudh Gangahar: Good evening sir. Thank you for the time sir. Two questions. Firstly, how much has been the Capex for us for the first 9 months and what are we envisaging as Capex for the remaining three months and FY'13 and secondly sir on the commercial capacity addition, sir what you say is that Farakka will probably gives us hope that now it will come up because even in the last call we were expecting to come up in December, is it just coal situation that has improved? And relating to Sipat – you mentioned that is a third plant rather than the first plant to get commercially operational although it is appreciated. Is there some issue relating to the mechanics or just the normal gestation time?

A. K. Singhal: So far as the Capex is concerned till now we have spent about Rs.9200 Crores, it is upto 10^{th} of January. We expect to spend an additional amount, that would be ranging between, it could be upto our revised budget of Rs.17411 Crores. We could spend up to Rs. 7000 Crores, namely 40% of the budget. 40% to 50% of the budget has always been spent in the Q4. So our expenditure will become now about Rs.4000 Crores each for next two months beginning February and March. Coming to Farakka being commercial, yes hopefully now it should get declared commercial. Dates we will be announcing shortly. Coming on to Sipat, Sipat stage I has already been declared commercial. I said the Unit II, we would be able to declared it commercial not Unit III. Unit III may get commissioned. But Unit II, we are looking at whether we can declare as commercial.

Anirudh Gangahar: So, Sir Unit 2 should hopefully come up within this financial year itself in terms of commercial?

A. K. Singhal: Unit is functioning, we have already done.

Anirudh Gangahar: Sir, commercial capacity decision.

A. K. Singhal: Commercial capacity, we are hoping on our balance sheet, Farakka and Sipat II, Unit II.

Anirudh Gangahar: Right sir, thank you very much sir.

Moderator: Thank you. The next question is from Salil Desai from IDFC Securities. Please go ahead.

Salil Desai: Sir, regarding this repairs and maintenance, is it all done? My impression is that typically we carry out these in quarter two. Now we think if preponed from quarter four - is that have been change or is my understanding wrong?

A. K. Singhal: No, see I said that during the quarter three because of non-availability of coal we preponed the overhauling which were to be taken up during the fourth quarter and that expenditure has been included in quarter three. Hopefully in quarter four the entire capacity will available for generation and there would not be any ovehauling during quarter four and our expenditure on R&M which has already been book during quarter three will not be there to that extent in quarter four.

Salil Desai: Okay, and Sir typically what would be the schedule in the sense that if we have to say the number of plants that we have, how do we schedule?

A. K. Singhal: Earlier we used to do mandatory overhaul every year now we are doing this every once in two years.

Salil Desai: This is staggered through the year, is it? I mean to the twelve months period across different plants?

A. K. Singhal: Yes, we phase it out according to the area where the plant is located where the demand could be there. Like any plant which is located in southern part of the country it is better to take overhaul during the winter season. Perhaps we take overhaul for the northern states or the eastern states in the second quarter of the year to ensure that third quarter and fourth quarter when temperature improves we will be able to generate well.

Salil Desai: Thank you so much.

Moderator: Thank you. The next question is from Kamlesh Kotak from Asian Markets. Please go ahead.

Kamlesh Kotak: Good evening sir. Sir I just wanted to understand what is the status of the tendering for the 800 megawatts and 660 megawatts of BTG packages?

A. K. Singhal: As, I have already explained that for 800 megawatts, we will be very shortly awarding for Kudgi three Units of 800 megawatts. And for 660 megawatts - hearing for the turbine boiler was completed on 11th of January and honorable Supreme Court has reserved the order and we expect that the order would be coming through in the next month. Thereafter we would take action on awarding this contract. Otherwise from readiness point of view, we are waiting for all the 9 Units, 2 Units belong to DVC out of those 11 Units so we has to award only 9 Units.

Kamlesh Kotak: Okay, and sir what is the status of the BOP Packages for the same?

A. K. Singhal: Already if you go to our Solapur and Meja project you will find lot of activities are going on and once we award the main plant - because all the balance of plant takes shorter time comparatively- therefore those will be awarded. Some of the proposals have already been evaluated and are ready. The moment we get the clearance from the honorable Supreme Court we would be able to award those tender. Some of the long lead we are already doing this.

Kamlesh Kotak: All right sir. Thank you very much.

Moderator: Thank you. The next question is from Abhishek Bhandari from Macquarie Securities. Please go ahead.

Abhishek Bhandari: Good evening sir. Sir I just had a question on your tax grossing up could you just explain what is the rate at which we have grossed up for this quarter and the most likely rate for FY12?

A. K. Singhal: We do not gross up the tax. It is RoE gross up. This we have grossed up at normal rate. at corporate tax rate?

Abhishek Bhandari: Okay, Sir but what we understand is that if you commission more than 2000 megawatt in the year then the benefit of grossing up through corporate tax goes away we have to gross up through the MAT is that right?

A. K. Singhal: That you leave it is to us, how do we do it. It works up at normal tax rate.

Abhishek Bhandari: Thanks a lot Sir.

Moderator: Thank you. The next question is from Ravindranath Nayak from SBI Cap Securities. Please go ahead.

Ravindranath Nayak: Thank you Sir for taking my question. I wanted to know that looking at the current trend in generation the company may miss the generation target for FY12 as per the MOU and also is there a fall in the variable cost per unit on a quarter-on-quarter on a year-on-year basis Sir?

A. K. Singhal: So far as falling variable cost is concerned it is not correct there is a slight increase in the variable cost on quarter-on-quarter basis.

Ravindranath Nayak: On a year-on-year basis sir?

A. K. Singhal: Similarly on year-on-year basis because coal prices have gone up for domestic as well as imported coal.

Ravindranath Nayak: Okay, and sir on the generation target for FY12 it looks like that you will miss it?

A. K. Singhal: We are hoping that we should meet it. Let us wait for March 31 to come.

Ravindranath Nayak: Sir despite 3% increase in year-on-year generation why there is this reduction of around Rs.500 Crores in the revenue during the quarter and the trend is looking the same, is the trend going to be same in the coming quarter as well?

A. K. Singhal: I cannot say. I have given you the numbers that our ACQ materialization level has been at 105% availability is at 93% for coal stations, for the gas stations 100% so where do you see that there would be a reduction in the revenue stream.

Ravindranath Nayak: Thank you sir.

Moderator: Thank you. The next question is from Aseen Gupta from Crisil India Limited. Please go ahead.

Aseen Gupta: Sir my question was regarding the availability of coal to units expected to be commissioned or those, which have been commissioned without having fuel supply agreement with Coal India?

A. K. Singhal: First of all we do not have any station where we have no coal linkage from Coal India Limited maybe it may not be at 95%, 96%. It may be at 50% or 60% or 70% but with the kind of our efficiency in making payment to Coal India we get an advantage. That is why our materialization level during the fourth quarter till date is 105%. We are the best paymaster to them and we are buying coal on E-auction basis, we are importing coal, we are arranging coal on bilateral basis and because of these reasons, even for the capacity which had been declared commercial during the current period where we have a lower coal linkages we are declaring available on an average basis our entire capacity at 92.5%.

Aseen Gupta: Sir could you tell us at what PLF you get the allocation for the newer projects?

A. K. Singhal: When we are signing FSA, we would expect that it should be at 90% plus and Ministry of Power is already working on this with Coal India along with CEA to work out how the coal is to be allocated to various coal generating company, power generation company.

Aseen Gupta: Okay, sir as for the newer one, which are getting commission in this year and next year wherein probably the ramp up in production of coal would be slightly difficult for the whole, like in this period to what are you expecting sir?

A. K. Singhal: Whatever we have signed up we will get otherwise we will substitute with imported coal. Now the imported coal prices have also comedown it will become reasonable for the SEBs to buy power on blended coal.

Aseen Gupta: Thank you sir.

Moderator: Thank you. The next question is from Rohit Singh from IDBI Capital. Please go ahead.

Rohit Singh: Sir a couple of questions from my side. One basically I just wanted to understand by when we can start our coal mining from Pakri Barwadih mine and by when we are targeting to the peak rated capacity over there?

A. K. Singhal: We expect that we would be able to start coal in calender year 2013 and we will ramp it up to ultimate capacity of 15 million ton by 2017 that is our target.

Rohit Singh: FY'17. Second question what percentage of our total coal consumption is C & D grade coal?

A. K. Singhal: It is difficult to tell but where is the A & B grade coal available in the country. There are very few mines where A & B grade coal is available. So you can workout how much coal we are getting C & D grade quality.

Rohit Singh: Okay and sir last question if you can help me the numbers from the commercial generation, which we are targeting for FY12?

A. K. Singhal: The current year you are talking about or next year.

Rohit Singh: This year FY12.

A. K. Singhal: We would definitely be looking at close to 217 billion units.

Rohit Singh: For 2013.

A. K. Singhal: 2013 we have not yet signed the MOU. We are still at the discussion stage with the Government.

Rohit Singh: Thank you so much sir.

Moderator: Thank you. The next question is from Amit Golchha from Emkay Global. Please go ahead.

Amit Golchha: Sir, I was looking at the fuel cost from quarter two FY10 was that Rs.1.4 and this quarter it is about Rs.2.10 per unit this is the increase of 50% and between this period I think coal India has increased price in October 2009 by let say 11% so the rest of the 40% increase?.

A. K. Singhal: Yes, let me give you the weighted average cost of fuel which has gone up from Rs.1.60 to Rs.1.93.

Amit Golchha: In which period sir?

A. K. Singhal: For the corresponding period I am giving you the numbers April to December.

Amit Golchha: Okay, so this basically is the higher blending which you have done?

A. K. Singhal: Not because of higher blending this is because of the domestic coal cost has also gone up you want to know the numbers, what were the coal prices.

Amit Golchha: Yes, if it is possible.

A. K. Singhal: You see the last year for the nine months period domestic coal price was Rs. 2,031 this year it is Rs. 2,446 average, for the imported it was between Rs. 5,071 to Rs. 9,523 for nine months and current period it is Rs. 6,037 to Rs.11, 545 depending upon which location the imported coal is going. There is an increase of about 20% in the coal cost for the nine months period. Numbers are available with you. If we look at the variance part of it out of Rs. 4,485 Crores, varianance in the coal cost of Rs. 4,298 Crores is due to price variance, now is it clear.

Amit Golchha: Yes, it is clear sir. Just one more thing in the domestic coal price, which you have said is at Rs.2446 per ton, E-auction coal is also included in it?

A. K. Singhal: Everything.

Amit Golchha: Okay, so how much it typically the E-auction which you are getting of the domestic coal?

A. K. Singhal: It is not much as against our total quantity, which we have brought it should be about 2 to 5 million tons.

Amit Golchha: 5 million tons in nine months okay against previous nine months if that is available.

A. K. Singhal: It is not available right at once.

Amit Golchha: Okay, and lastly sir if it is possible how much is the blending in Sipat I, at which you have said the tariff is about Rs.2.20 per unit?

A. K. Singhal: Do leave these things to us. We will be able to blend upto 20%. We are going to be blending so as to give a reasonable price.

Amit Golchha: Right and calorific value that you have said that Rs.2800 to Rs.3500 is basically UHV what you are referring to?

A. K. Singhal: Yes, UHV.

Amit Golchha: Okay, and lastly in case of Badarpur was there any under recovery in the current quarter and why what is the reason?

A. K. Singhal: That would be because on account of lower availability but hopefully by 31st March they would not be under recovery in Badarpur.

Amit Golchha: Okay, was that because of fuel again here?

A. K. Singhal: Lower availability was partly on account of outages also which we have taken for the normal maintenance now that will get covered up by 31st March.

Amit Golchha: Thank you very much and all the best.

Moderator: Thank you. The next question is from Abhishek Puri from Deutsche Bank. Please go ahead.

Abhishek Puri: Sir just a follow up again on the Talcher plant, the plant availability before that has been closer to 92% to 100% availability any specific reason why the coal output has fallen in that region?

A. K. Singhal: I think we shall discuss this separately. There were some environmental issue also which we have sorted out and strikes at the mines, law and order problem also there was villages that never allowed the coal movement to take place and there was a quality of coal issue also with Coal India in supplying the coal, all these put together has resulted in this and hopefully now situation has improved and we would be able to achieve the full capacity charges recoveries by the year end.

Abhishek Puri: Fair enough. Thank you very much sir.

Moderator: Thank you. The next question is from Atul Tiwari from Citigroup. Please go ahead.

Atul Tiwari: Sir my questions have been answered. Thank you.

Moderator: Thank you. The next question is from Anirudh Gangahar from Nomura. Please go ahead.

Anirudh Gangahar: Yes, thank you for the follow up. Sir just one clarification the Capex figures were given is for the group or for the standalone?

A. K. Singhal: I have given you only for the standalone.

Anirudh Gangahar: All right sir and sir just in the ballpark whenever the Supreme Court gives us the verdict from then onwards how much time that would be for the zero date for the 660 megawatts projects?

A. K. Singhal: That we can take it at least two to three months' time.

Anirudh Gangahar: All right sir thank you very much sir.

Moderator: Thank you. Ladies and gentlemen we will take one last question from Omkar Kulkarni from Crisil Research. Please go ahead.

Omkar Kulkarni: Good evening sir. Sir I just wanted to check in December quarter your availability for both coal and gas has been higher as compared to the September quarter is that correct.

A. K. Singhal: That point is correct.

Omkar Kulkarni: Sir then I just wanted to understand what is the reason behind decline in your EBITDA and flattish sales growth?

A. K. Singhal: There are two reasons which I have told you one is the we have preponed the overhaul of our stations which was to be taken up in the fourth quarter. Because of that we have included additional R&M expenses of about Rs.150 Crores and that Rs.150 Crore itself speaks then it becomes flattish kind of the results for the quarter. For the corresponding period there were certain CERC orders which we received because of that we booked it in the last corresponding third quarter which was not there in the current quarter.

Omkar Kulkarni: Sir Can you just explain the last one?

A. K. Singhal: During the third quarter of the last year there were some CERC orders. For that we carried out the adjustment of depreciation because of CERC order and it provisioning that provided a incremental profit which was one time profit which is not there in the current year. That has also resulted in - despite improvement in performance from second quarter to third quarter our profit is lower..

Omkar Kulkarni: Thank you.

Moderator: Thank you. Ladies and gentlemen that was the last question. I would now like to hand over the conference back to Mr. Amit Rustagi for closing comments.

Amit Rustagi: Thanks a lot I would like to thanks the management of NTPC for taking all the questions and replying to each one of them satisfactorily. We are thankful to all the participants for joining in the call. Handing over to Mr. Singhal for his closing remarks.

A. K. Singhal: Thank you very much and we look forward for your continuous support to NTPC. Thank you.

Moderator: Thank you very much. On behalf of Antique Stock Broking Limited we conclude this conference call. Thank you for joining us. You may now disconnect your lines. Thank you.