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BSE Limited,
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Dalal Street,
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SUB: Transcript of conference call held with Investors and Analysts to discuss the financial results for the first quarter ended 30th June, 2023

Sir/Madam,

In compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find attached herein the transcript of conference call held with Investors and Analysts on Thursday, 10th August, 2023 to discuss the financial results for the first quarter ended 30th June, 2023.

Kindly take the above information on record and oblige.

Thanking you,

Yours faithfully,

(Soumendra Das)
Company Secretary

Encl:
As stated above



“SJVN Limited
Q1 FY '24 Earnings Conference Call”
August 10, 2023



MANAGEMENT: **MR. N L SHARMA – CHAIRMAN AND MANAGING
DIRECTOR – SJVN LIMITED**
**MR. A K SINGH – DIRECTOR FINANCE – SJVN
LIMITED**
**MR. SOUMENDRA DAS – COMPANY SECRETARY –
SJVN LIMITED**

MODERATOR: **MR. RUPESH SANKHE – ELARA SECURITIES PRIVATE
LIMITED**



Moderator:

Ladies and gentlemen, good day and welcome to the SJVN Limited Q1 FY24 Earnings Conference Call hosted by Elara Securities, Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rupesh Sankhe from Elara Securities, Private Limited. Thank you and over to you, sir.

Rupesh Sankhe:

Good morning everyone. On behalf of Elara Securities, we welcome you all for the Q1 FY24 Conference Call of SJVN. I take this opportunity to welcome the management of SJVN, represented by Mr. N.L. Sharma, Chairman and Managing Director, Mr. A.K. Singh, Director of Finance. We will begin the call with a brief overview by the management followed by Q&A session. I will now hand over the call to Mr. N.L. Sharma, sir, for his opening remarks. Over to you, sir.

N.L. Sharma:

Good morning all the analysts and other associated persons present in the conference call. Let me start with the overview. Right now, our installed capacity of SJVN is about 2,100 megawatt comprising of two hydro projects, two wind projects and four other solar projects. The projects under construction, we have around 16 projects under construction of the capacity 4,500 megawatt approximately.

Let me share another thing that in the coming three years, our installed capacity portfolio is going to be multiplied or increased by about six times. We are right now 2,100 megawatt installed capacity. In the next three years, in the next one year, we will be adding about 1,500 megawatt capacity. And next to next year, say after one year, the capacity addition will be around 5,200 megawatt. And in the third year, the capacity addition will be around 3,300 megawatt.

So total installed capacity we are going to add in the next three years, the projects which are visible and we have already won the project and construction is either going on or will start and projects will be completed in the next three years of the capacity of around 10,000 megawatt. So our installed capacity after three years will be around, will be crossing 10,000 megawatt capacity.

Speaking regarding the total portfolio, we have total portfolio of 55,000 megawatt capacity. The projects which have been indicated or which we have acquired. So the projects which are visible, around 40 projects which are visible will be constructing. But the other projects where due diligence and investigation will be conducted. And the viable projects will be taken up. So our target of 25 gigawatt by 2030 is rightly and quite visible. So we will definitely achieve that target of 25 gigawatt by 2030.

Now I will come to the Q1 results. Q1 results are though are not that much encouraging because of the reason that water availability in the river, in the Sattluj river particularly wherever two mega projects are located, in the first quarter was not good. The reasons are many because in the first quarter the discharge in the river, the generation from the water, that discharge was very low. It was at one point of time was 50% as compared to the last year. So increase with the



incoming of the monsoon, but during the first quarter, April, May, June, the winter was very, very less.

There was very less snowfall on the hills because there was very mild winter this year. So snowfall was very less. And just with the onset of the summer season, when the snow melts and discharge comes, water comes in the river. So the summer was also very mild, but certainly there was no summer in the hilly regions. So the temperature in the hilly regions was very low and lesser snow melt and lesser discharge in the river. So discharge in the river was about 30%, 25% to 30% lesser as compared to last year. And this resulted into the lesser generation, the Q1. I will give the total figure.

Generation from all projects of SJVN in the first quarter was 2,061 million units as compared to 2,735 million units. So there is a difference of about 674 million units, lesser generation. This is about 25%, 25% lesser as compared to the last season. So it is reflected in the lesser sale of power also. So there was decrease in the generation to the extent of 25%. Resultantly, revenue from operations, only because of the lesser generation, the revenue from generation decreased by INR71 crores.

If we talk of the revenue from operations, last year it was INR1,006 crores in the first quarter, whereas this year it is INR664 crores as compared to the last year. There is a decrease in INR341 crores revenue from operations. So partly INR71 crores due to lesser generation and last year INR289 crores in the quarter 1 was the arrear which we got for the Rampur hydroelectric project because of the tariff revision. Tariff order by the CRT. So that amount was INR289 crores. INR71 crores was because of the lesser generation and there is a reduction in the UI charges also, INR19 crores lesser UI charges, the new regime of DSM. So total revenue decreased by INR341 crores. It is almost one third of the last year, 34% lesser as compared to last year.

Other income slightly increased because of increased interest on deposits in the banks. So total income also decreased by 31%. Last year it was INR1,070 crores and this year it is INR738 crores. So there was a decrease of INR332 crores. Expenses, overall expenses also decreased. There is a decrease of about INR62 crores. Last year total expenses were INR420 crores and this year INR358 crores. Resultantly profit before tax decreased by 41%. It is INR380 crores this year as compared to 650 crores last year.

PAT decreased by about 55%. Last year it was INR607 crores and this year it is INR270 crores. Earning per share also decreased by INR0.86 paisa. In the first quarter it is INR0.69, that is INR0.69 paisa as compared to INR1.55 paisa last year. Net worth increased by 2.6%. It increased from INR13,735 crores to INR14,091 crores this year. Book value also increased. Generation I have already explained that generation decreased by about 25%.

In all Nathpa, Jhakri, Rampur, Bodhi projects generation decreased. Whereas in case of wind and solar generation also decreased. Plant availability factor for Rampur and Nathpa, Jhakri, Rampur projects is by and large the same. We are operating these projects at the maximum load that is 110%. So we are running our machines on full load. Capacity, total incentives also decreased. Last year total incentives of Q1 were 87.59 and this year it is only 67.96%. Reduction



of about 22%. Primarily UI charges that the new DSM regime has introduced, UI charges decreased.

Then about receivables. There is substantial improvement in the receivables. Last year during quarter 1 total receivables were INR1,058 crores and this year at the end of quarter 1 total receivables are INR329 crores. So against INR1,058 crores, INR329 crores there is substantial improvement. About INR729 crores difference between the two. And this is because of the reason that last year receivables from J&K were very high. More than INR600 crores. Now at this point of time receivables from J&K are only INR80 crores. So there is an improvement.

So this is about the brief. Now we are ready for the questions of the persons present in the conference call.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is in the line of Abhineet Anand from Emkay Global. Please go ahead.

Abhineet Anand: Yes, first of all I just wanted to know the next three years you talked about 10,000 megawatt. If you can give the details as to next two years at least, this 1,500 and 5,000, what are the units that you are expecting?

Management: Yes, yes, definitely I will share. In the next one year, the unit Naitwar Mori of 60 megawatt will be commissioned within a month. Then first unit of Buxar Thermal Power Plant of 660 megawatt capacity will be commissioned by March '24. Then Bagodara Solar Power Project in Gujarat of 70 megawatt capacity will be commissioned. Then Gura and Gujrai, both 125 megawatt capacity in Uttar Pradesh will be commissioned in this calendar year we are expecting. Then Raghnesda Solar Power Project in Solar Park in Gujarat will be commissioned in the first year.

Then Omkareshwar Floating Solar Power Project of 90 megawatt capacity will be commissioned within one year. Then in Punjab we are executing 100 megawatt capacity solar power project that will also be commissioned. Then Bikaner Solar Power Project in Rajasthan out of 1,000 megawatt, 250 megawatt will be commissioned in this financial year. Then these are few projects which will be commissioned within one year.

Then after one year and before the two years, after one year, within one year that capacity of Arun-3 900 megawatt capacity Arun-3 projects in Nepal. Buxar Thermal Power Plant, second unit will be commissioned. Bikaner rest of the 750 megawatt. Then Floating Solar Power Project in BBMB Reservoir of Nangal Dam. Then in Bihar, Jamui and Banka about 200 megawatt capacity solar power project will be commissioned. Then in again BBMB Ground Mounted Solar Power Project which we have got worth 33 megawatt, 18 megawatt and 15 megawatt, total 33 megawatt.

Then in Gujarat, Gujarat about 300 megawatt capacity which we have already got and work is going on. 360 megawatt capacity will be commissioned. Then Solar Power Project in Maharashtra of 200 megawatt capacity. Then again in Maharashtra, 400 megawatt capacity project will be commissioned. Then again in Gujarat, GUVNL Phase 17, 200 megawatt capacity. Then 100 megawatt capacity of wind power project again in Gujarat.



Then SEKI has allotted 100 megawatt capacity and here in India 100 megawatt capacity. And again wind power of 200 megawatt capacity allotted by SEKI in Trench 410 will be commissioned. Then in Punjab we have got order of 1,200 megawatt capacity, 200 megawatt in Punjab and 1,000 megawatt anywhere in India. That will be commissioned in the second year. Then again in Rajasthan, RUVNL we have got 100 megawatt capacity there. So these are the projects more than 5,200 megawatt capacity will be commissioned in the second year.

Similarly 3,300 megawatt capacity will be commissioned like Luhri Phase 1, Dhaulasidh and other solar projects. So total around 10,000 megawatt capacity will be commissioned. Projects will be installed in the next three years.

Abhineet Anand: So just like to say out of these, Arun-3 which is 900 megawatt and Buxar which is 1,320 megawatt. These are the non-RE if I can call, hydro as non-RE for the time being. So these are the only two non-RE right? Everything is RE?

Management: Everything is RE, though hydro is RE also.

Abhineet Anand: So basically Buxar, what would be the estimated cost on Buxar and Arun-3 if you can just give a broad number?

Management: Estimated cost of Buxar will be around INR10,400 crores total. And Arun-3, the generation component will be around INR6,000 crores. And transmission component will be around INR1,600 crores.

Abhineet Anand: And Arun-3 will be largely type of regulated numbers right?

Management: We can say, we are tying-up the power of Arun 3 but we can't say exactly that it is regulated.

Abhineet Anand: So what is the agreement there sir?

Management: Agreement, we are entering into an agreement for lump sum price, fixed price. Fixed price, not CRC price.

Abhineet Anand: So this is, we have PPA with which entity here?

Management: We are just trying to enter into power purchase agreement or sale of this power. We have already signed MOU with the -- renew and we are also trying with the states also. But not CRC determined tariff, it will be lump sum tariff. We have targeted ROE of at least 16.5% on this. It will be more than that even.

Abhineet Anand: Okay. And just trying to understand on your RE projects, based on the current pricing, I mean what type of ROEs etcetera, or IRR anything that you can help us with?

Management: Equity IRR in case of solar projects will be above 12%. It may range between 12% to 15%.

Abhineet Anand: In all these projects you are saying that 12% to 15% will be the equity IRR?

Management: Yes, the average ROE will be 12% to 15%.



- Abhineet Anand:** So what is your debt rate sir?
- Management:** Debt rate is around 8%.
- Abhineet Anand:** Okay. And lastly sir, this point.
- Moderator:** Sorry to interrupt Mr. Anand, may we request that you to return to the question queue.
- Abhineet Anand:** Sure, sure.
- Moderator:** Thank you sir. The next question is in the line of Apoorva Bahadur from Goldman Sachs. Please go ahead.
- Apoorva Bahadur:** Hi sir, thank you for the opportunity. Sir, I wanted to understand on this revenue under recovery basically because of water availability. When is it expected to be sort of recouped back? Are you seeing better flows during this quarter or by the end of this year? And also the impact of recent floods?
- Management:** Can you repeat the question and little slowly so that I can understand your question?
- Apoorva Bahadur:** Sir, on the revenue under recovery because of less water availability, I understand it will be recouped back during the year. So can you guide us as in how should we see across the quarters?
- Management:** Yes, yes. In the first quarter as I explained that lesser water in the river resulted into lesser generation. And the second quarter, this is a monsoon season quarter. We almost get the full water in the river and machines are on the full load and generation is also highest also. So we will almost end up with at par or slightly improved generation but not to that extent because in the previous years also we were doing also well. So we are expecting at par generation and revenue from the second quarter. But whereas in the third and fourth quarters, third and fourth quarters largely were not good because of various reasons that snow melt in the region and all these things. So if the temperature or snow, that rainfall during the winter is good, we expect improvement in the discharge as well as generation.
- And the additional generation will be from the projects which we are commissioning this year. The Naitwar Mori project will be commissioned just in a month. Other solar projects will be commissioned during the coming months also. So generation will increase and certainly revenue will also increase. So that will be the...
- Apoorva Bahadur:** Sir, for these two existing projects, in case the generation, the water flow remains inadequate throughout the year, how do we recover the fixed charges then, I mean the entire revenues?
- Management:** So we get fixed charges through two modes. One is capacity charges and another is energy charges. So capacity charges, we are -- that is sure that we will get full capacity charges rather we make the machines available above 100%. But whereas the energy charges are concerned 50% revenue we get from the energy charges, so if energy charges, the generation is good, then that will improve. That depends on the generation. Compared to last year, if it is good, then there will be increase in the revenues.



One thing I will also share that whatever generation we do, more than the design energy, we sell it as secondary energy and the rate of secondary energy is just INR1.20, whereas the rate of design energy in case of Rampur is INR4, about INR4.25 and in case of Nathpa Jhakri, it is INR2.25. So if we generate more than the design energy, the difference in the total revenue is very, very less after the design energy generation. But everything depends on the generation. If generation is more, then revenue will be more. So it can't be predicted because in the monsoon season, that is quarter 2, this year our plant was shut down for 3.5 days because of the high silt. But August is going good, there is no high level of silt and our generation is quite good.

Apoorva Bahadur:

Understood, sir. Sir, last two questions, I think one is on the Arunachal projects that we have been awarded recently. If you can share the capital cost, timelines and PPAs, etcetera? And also on the renewable projects that we intend to build, do we have the land and transmission availability secured for them?

Management:

Yes, in Arunachal Pradesh, we have been allotted five projects. One is Etalin, 3,097 megawatt. And second one is Attunli, that is again 680 megawatt capacity. Then there is Emini, it is of 500 megawatt capacity. Then there is Amulin, 420 megawatt capacity. And Mihundon, 400 megawatt capacity. So total 5,097 megawatt capacity projects are there.

Out of these five projects, we are going to sign MOU, MOU with the government of Arunachal Pradesh on 12th of this month, day after tomorrow. Out of these five projects, two projects, Etalin and Attunli, DPR is ready. And Etalin, not only DPR, but other some clearances, though forest clearance, environment clearance are in the advanced stage. There were some observations from Ministry of Environment and Forests.

So we believe that all these formalities, all the court requirements will be completed just between one and 1.5 years. And Etalin project is a major, which will be the largest project in the country of 3,097 megawatt capacity, will be put to construction stage just in one and 1.5 years. And it will be completed in the next six and seven years. So there will be huge capacity addition and the investment on this project will be around INR40,000 crores on Etalin itself.

Whereas in Attunli, we will try that the project is put to construction in the next two years. So 680 megawatt capacity and investment will be around INR9,000 crores. So huge potential in Arunachal Pradesh and SJVN is targeted to bring these projects into construction as soon as possible. Other three projects, Emini, Amulin and Mihundon will take some time. The DPR is yet to be procured. They will take at least three years to start the construction. So this is the overall picture of Arunachal project.

Apoorva Bahadur:

If I'm not mistaken, but there were quite a few issues in terms of locals not really wanting more hydro projects and I think there was a recent court order as well. So any clarity on that? I mean, do we have that clearance now?

Management:

We are yet to take over all the documents and handing over, taking over, will be done after MOA. So we will come to know and we will take action as and when we take up these projects. But rightly said that in hydro projects, issues will always be there. Major issues or compelling



issues till the project is commissioned. But we are very much expert and we are very much experienced in construction of hydro projects. We will find out the ways how to proceed further.

Apoorva Bahadur: Sure, sir. Lastly, on the renewable part, if you can highlight on the land and transmission availability for the projects that we plan to build over the next two years, two to three years?

Management: Yes, most of the projects connectivity issue is by and large solved and it is not a major issue.

Apoorva Bahadur: And sir, land?

Management: Yes, land, in some cases the land is in the park. That has been allotted by the park developer. Whereas in other cases, now we have divided the activities into different phases. Earlier we were doing the EPC mode. So EPC mode that land, connectivity and module supply through one contractor only. But now we have learnt the tricks of the trade. Now we have bifurcated or we have split all the activities. Land, we are doing it separately. Then connectivity separately. Then balance of supply, the direction of module through a separate package and supply of module through a separate package. So what the response is encouraging in case of land acquisition also.

Apoorva Bahadur: Sure, sir. Thank you so much. All the best.

Moderator: Thank you. The next question is in the line of Dhruv Muchhal from HDFC Mutual Fund. Please go ahead.

Dhruv Muchhal: Yes, sir. Thank you so much. So just one clarification on the earlier question. Sir, assuming the design energy for both the hydro plants that we have is by the end of the year is lower, say 10% or 20% lower than what the design energy is approved. So as per the regulations, we are still allowed to recover the variable component of the tariff, right sir? By the end of the year you make all these adjustments because the design energy, I mean the actual water flow is lower than the design energy?

Management: Yes, yes. We can, as I explained that it is in two parts. One is for the capacity and another is for the energy component. So if it is lesser than the design energy, we have already ensured the projects and we take up the issue with the insurance companies for the recovery of this.

Dhruv Muchhal: Does it have to go to insurance companies or it is part of the regulations itself? The regulations allow you to recover it?

Management: Regulations, part of the regulations also.

Dhruv Muchhal: Part of regulations, right sir. Okay, got it. So the second question is you mentioned that the UI charges are lower because of change in the DSM regulation. So if you can provide more clarity of why is this happening and also now we are also, seeing that the grid code is changing from I think August or September. Sorry, September or October the grid code is changing where you will have to change how you provide schedule to the grid and all those things are changing. So what implication will it have on us because hydrogenation can sometimes be a bit volatile. So does it have any implication in terms of how we schedule our power, how we provide schedule to the grid? Any financial implication, please?



- Management:** Yes, now grid regulations are very, very strict but frequency, the power, machine will run, the power generation, frequency of the power generation and whether we can run the machine on overload or in the grid we have to maintain the discipline also. So now the charges of, this UI charges or deviations are very, very less. Penalties are also there, incentives are also there. So definitely this has become a very, very complicated and cumbersome process.
- Dhruv Muchhal:** Okay. And sir, the change in the grid code, how will it impact you sir, the upcoming change in grid code? Will it have any implication?
- Management:** We can explain you separately if you want the total.
- Dhruv Muchhal:** Sure sir, that will be helpful. And sir, one last question I will just please. In the Punjab 1,200 megawatt, is this a regulated structure or how is the structure? I mean how do you, I think this was not a big project so just wanted to understand what is the return model here?
- Management:** Yes, no, it's a, we have got it through bid, through competitive method. In Punjab, the tariff will be INR2.75 per unit. The 200 megawatt capacity project which we will install in Punjab, whereas outside Punjab 1,000 megawatt, the tariff is INR2.53 per unit. So that is the fixed charges, no regulated or other charges.
- Dhruv Muchhal:** Okay, it is fixed for me. Got it. Sorry sir, one last question, sorry I missed was, on the Arun-3 dam work, I think there were some complications in the dam work. Is that resolved and what stage are we in?
- Management:** Now that is resolved. We have found the problem and they were scaling in of our diversion tunnel and that is being corrected, that is being repaired. And by September end, we will again start the construction of the dam.
- Dhruv Muchhal:** Got it. So thank you so much and all the best sir. Thank you.
- Management:** Thank you.
- Moderator:** Thank you. The next question is on the line of Priyansh, an individual investor. Please go ahead.
- Priyansh:** Yes, like when we see towards this, our projected new capacity of 10,000 megawatt, it all looks very bright and very, good, very nice. But I will just play the role of the devil advocate here. All those, because I have been like, like just going in detail. So did you see like, I mean, we are going in the renewal, maybe like the last one year or so first time. And so there can be some contingency here. So how the company has protected itself regarding the contingency in terms of, for example, cost overrun, in terms of delay in execution, in terms of the funding and in terms of signing of PPA in terms of the ROI.
- And also, since we are executing multiple projects. So, what extent we have taken to look for the cost efficiency, because 10,000 megawatts out of it, like, actually to hydro power, maybe like 7,000 something or 8,000 something is only RE. So, there is a scope of the economy of scale in terms of negotiation, purchase and alternate sources. So, whatever cost project we are



projecting for this, maybe this can also be reduced by going for the cost efficiency. So, if you could just reply to all of these points, because these are very critical issues for the company.

Management:

Yes, definitely Priyansh. The 10,000 megawatt capacity, which I have referred to here, capacity addition in next three years, all the projects are visible. Either the projects are under construction, or at the stage of awarding of the contract, or in some cases, we have already got the project for competitive bidding and states have to issue LOI after vetting of the tariff by the concerned SCRPs. So, these projects, 10 projects in the first year, 19 projects in the second year, and 25 projects in the third year. These are 54 projects which will be commissioned in the next three years.

And, yes, the contingency plan, which we have installed, that in case of hydro projects, say hydro projects, uncertainties are there. But our people are capable of tackling all the uncertainties, apart from this time sector. Because if some surprises occur, then sometimes that takes time. For example, caving in of diversion tunnel around three projects. Had it been not there, that project will have progressed. But because of the caving in of the diversion tunnel, we found the way out. And what the delay in construction has resulted, and by three to six months, there is a delay in the completion of the project. So, we have every plan in place.

Whereas in case of other RE projects like solar and build, surprises are very, very less. There may be a few problems like that projection of the land, then connectivity issue. But our team, we have constituted our team in such a way that we take simultaneous action on all the things. Acquisition of the land, then connectivity, then supply of the modules, like that. So, delay, if any, is there in the next three years, I do not rule out this fact that there will not be delay. But delays will be only in months, not in years. So, that is the issue.

Whereas the financing is concerned, we have a strong, robust balance sheet of the cash flow in the next seven, eight years are going to be very, very on the higher side. And there will be no issue of arranging funds for these projects. We have already done the innovative financing, whether it is through bonds or external commercial borrowings, or borrowing from other banks or other financial institutions. We have recently signed a MOU with the REC for INR50,000 crores funds for our RE projects. Similarly, we are also arranging from other banks for financial closure of these projects. So, I do not see any funding issue for the expansion plan.

And so, as PPAs are concerned, in all the RE projects, PPAs are in place in advance. Whereas in case of our thermal projects, PPAs are already in place. In case of hydro projects, PPAs generally take place in the last years of construction. But the advantage which we have, that we are a diversified company. We have portfolio of hydro, we have portfolio of thermal, we have portfolio of solar, we have wind also.

So, we can also come up with a bundling solution, that all the power will be bundled and will be sold to the clients. That during the day period, we can supply solar power, during the evening hours, we can supply hydro power. So, we will give one and complete solution to the clients, to the customers. So, that is in our mind.



In case there are no PPAs for the hydro, we will bundle it with the solar and we will sell this power at a very optimum rate to the customers. And there will be customers for this round the clock supply of power.

Priyansh: And sir, what about this...

Moderator: Sorry to interrupt.

Priyansh: I didn't finish ma'am. Ma'am, I didn't finish. Please don't interrupt like this. It's a very important question. Prior to me, this previous speaker spoke for about 10 minutes. You didn't bother about him. So, kindly advise regarding the cost efficiency part. How are you going to reduce the cost?

Management: Last question, otherwise you are also welcome to have conversations separately with our team also.

Priyansh: On this number, like I have got some other input, like it was very difficult to trace this invite for the meeting in your website because the navigation of the website is not very smooth. Mr. Soumendra Das, I don't know why he did not put the link in the announcement....

Management: Priyansh, come to the question. We can discuss separately.

Priyansh: On this number, can I call sir? On this number, can I call sir?

Management: Last question, you can.

Priyansh: On this number, can I call sir?

Management: You can contact our Company Secretary. He will arrange. Soumendra Das

Priyansh: Okay, sir. Thank you.

Management: Thank you.

Moderator: Thank you. The next question is from the line of Hiral Nandu from Kalpvruksh Capital. Please go ahead.

Hiral Nandu: I have just one question to understand. With the target of 10,000 megawatts in next 2 to 3 years, what is the revenue potential we are looking for years 1, 2 and 3 coming from the next year onwards.

N.L. Sharma: Yes, you're welcome that our current revenue is around INR2,500 crores to INR3,000 crores from the existing operations. In the next year, we will be adding around 1,500 megawatt capacity and revenue from that will be around INR1,800 crores. The next additional revenue of 18...

Hiral Nandu: That is for '24 or '25?

N.L. Sharma: Existing revenue is INR2,500 crores and the capacity addition of about 1,500 crores, the revenue will be around INR2,800 crores, INR2,800 crores. And in the next this financial year or at least -- at most up to June '24. And the next year, in the second year, revenue from INR5,000 crores



-- 5,200-megawattmegawatts capacity addition, revenue will be around INR6,000 crores to INR7,000 crores additional revenue.

And in the third year, capacity expansion of around INR3,300 crores, the additional revenue will be around INR3,000 crores. So total revenue at the -- after 3 years, will be around INR14,000 crores to INR15,000 crores, which is at present around INR2,500 crores to INR3,000 crores. So this is going to be increased by 4 to 5 -- 4x, 5x.

Hiral Nandu: And the margin profile would remain same what they are currently in the range of 40-odd percentage or PAT margin and EBITDA margin or that would have some change.

N.L. Sharma: Margins from hydro margin is more, whereas in case of wind and solar, the margin will be -- will not go of that size. What margin which we have worked out at present, our bet is between INR1,000 crores to INR1,300 crores, INR1,400 crores. So next year, it will increase to what INR1,900 crores, there will increase of about INR700 crores margin PAT.

And the next year, the margin will -- after 2 years, the PAT will increase up to INR3,000 to INR3,300 crores and at the end of 3 years, the margin total profit will increase to INR3,500 crores to INR4,000 crores. So this margin -- this profit will increase by 4x -- about 4x.

Hiral Nandu: I would like to connect separately for the further detailed questions.

Moderator: The next question is from the line of Rohit Natarajan from Antique Stock Broking.

Rohit Natarajan: So my question has more to do with the pump storage projects. If you could give us some color on which are the near-term projects that you are going to start off. What stage of construction they are in? What will be the capital outlook per megawatt, what kind of leasing arrangements you have with state DISCOM. Such picture, if you could help us through it will be very helpful to the...

N.L. Sharma: The work on PSPs is in the state of inception only. The state of, Government of India has indicated about 10 projects to SJVN in three, four states of the capacity of 13,000 megawatt capacity. But when we listed these projects, what five, six projects are not in the position to take off because these projects were identified quite long back and these projects fall in the wild-life century.

So these projects cannot be taken up. Some of these projects are in Maharashtra. There are some projects in Himachal and one in Maharashtra and Karnataka, other in Mizoram. We are preparing the pre-feasibility reports and if the projects are reported viable, we will take on this. But separately we are going to enter into an MOU with Government of Maharashtra. Maharashtra Government has some other projects. So they are interested to develop these projects in JV mode.

Their Mahagenco will also be the partner and we have already signed MOU with them. Majority stake will be SJVN. Management and control will be SJVN. So we will start survey investigation of these projects and if these are found viable, we will be going for them. The capacity which we have targeted for PSPs in the next seven, eight years is of 5,000 megawatt capacity PSPs and the investment of these projects is around 9 to 10 crores per megawatt.



So 5,000 megawatt capacity will be spending around INR45,000 to INR50,000 crores capex on these projects in the next seven, eight years. So that is the stage.

Rohit Natarajan: Sure, sir, sure. My second question has more to do with the physical progress. As in the capex done for the critical projects, which includes your Buxar thermal and Arun-3 and Dhulasidh also, if you could help us the physical progress percentage wise completion?

N.L. Sharma: The physical progress of Buxar Thermal Power Project is about 78%, 79%. The project is scheduled to be commissioned, first year will be commissioned in this financial year by March '24 and the second year will be commissioned by September '24. And total capex for this project, Buxar Thermal Project is about 10,400 crores and we have already spent around INR8,200 crores rupees in Buxar.

Whereas in case of Arun 3 project in Nepal, the physical progress is around 70% and this project is scheduled to be commissioned by next September to December '24. And financial progress out of this INR7,000 crores, we have already spent around INR4,500 crores.

Whereas in case of Luhri stage-1, this is INR1,800 crores project and physical progress is about 55%-60% and we have already spent around INR1,100 crores on this project. In case of Dhulasidh, the project is of INR700 crores and we have spent around INR500 crores on this project and physical progress is again 55%-60%.

So this is the stage. Whereas in case of 1,000 megawatt solar project in Bikaner A, the total outlay is around INR5,500 crores and we have spent around INR2,200 crores on this project. And this project will also be commissioned part in March 24 and remaining by September 24.

Rohit Natarajan: Sure, sir. I appreciate those parts. Just to conclude on the regulated equity, what will be that number looking like at the end of FY '24 and '25. That's my final question.

N.L. Sharma: Yes. The regulated equity as on this date, on the commission project is INR6,200 crores, around INR6,200 crores. And diluted equity of the projects which are under construction is to the extent of INR7,800 crores. And the total -- when these are completed will be around INR14,000 crores.

Moderator: Ladies and gentlemen, we'll be taking the last question. That is from the line of Vipulkumar Shah from Sumangal Investments. Please go ahead.

Vipulkumar Shah: Sure. So what will be the debt -- consolidated debt of the company at the end of first year, second year and third year when all these 10,000 megawatts according to you will be completed?

N.L. Sharma: Consolidated debt, I mean just a minute. As on date, total debt is around INR15,000 crores. And by the end of next 3 years, the total debt will be around about INR27,000 crores, INR28,000 crores.

Vipulkumar Shah: No, no. So around today, what is the debt, sir?

N.L. Sharma: It is about INR15,000 crores.



- Vipulkumar Shah:** So from 15,000 will move at the end of first year to which figures then at the end of second year to which we got, if you can...
- N.L. Sharma:** I can give you separately. Right now, I don't have the details for the next year.
- Vipulkumar Shah:** Yes. sir, one small suggestion. All this project cost project completion data, if you can share in a separate presentation, it will be very helpful. This is very confusing. your executing 54 projects for which there is hardly any data on your website.
- NHPC shares all these data, what is the project cost, what is the time line, what is the project completion schedule. I would request you to consider it. Please don't take it..
- N.L. Sharma:** It's a nice suggestion. We will definitely share.
- Moderator:** Ladies and gentlemen, due to time constraint, that was the last question. I now hand the conference over to Mr. Rupesh Sankhe for his closing comments.
- Rupesh Sankhe:** Yes. So we thank Mr. N L Sharma for giving us an opportunity to host this call, and we also thank all the investors and the analysts for joining this call.
- N.L. Sharma:** Thank you very much.
- Moderator:** Thank you members from the management team. Ladies and gentlemen, on behalf of Elara Securities Private Limited, that concludes this conference call. We thank you for joining us, and you may now disconnect your lines. Thank you.