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**SUB: Transcript of conference call held with Investors and Analysts to discuss the financial results for the third quarter ended 31<sup>st</sup> December, 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 Friday, 9<sup>th</sup> February, 2024 to discuss the financial results for the third quarter ended 31<sup>st</sup> December, 2023.

Kindly take the above information on record and oblige.

Thanking you,

Yours faithfully,

(Soumendra Das)  
Company Secretary

**Encl:**

As stated above



“SJVN Limited  
Q3 FY2024 Earnings Conference Call”

February 09, 2024



**ANALYST: MR. RUPESH SANKHE - ELARA SECURITIES PRIVATE LIMITED**

**MANAGEMENT: MS. GEETA KAPUR – CHAIRMAN & MANAGING DIRECTOR AND DIRECTOR PERSONNEL – SJVN LIMITED  
MR. AK SINGH – DIRECTOR FINANCE – SJVN LIMITED  
MR. SUSHIL SHARMA – DIRECTOR PROJECTS– SJVN LIMITED**



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**Moderator:** Ladies and gentlemen, good day and welcome to Q3 FY2024 Earnings Conference Call of SJVN Limited 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 “\*” then “0” on your touchtone 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!

**Rupesh Sankhe:** Good afternoon everyone. On behalf of Elara Securities India Private Limited we welcome you all for Q3 FY2024 conference call of SJVN. I take this opportunity to welcome the management of SJVN, represented by Geeta Kapur Madam. She has taken additional charge for Chairman and Managing Director, she is also Director Personnel and Mr. AK Singh, Director Finance. So we will begin the call with a brief overview by the management, followed by Q&A session. I will hand over the call to Geeta Madam for opening remarks. Over to you Madam.

**Geeta Kapur:** Thank you a very good evening to all of you present here. In addition we are also accompanied by Shri Sushil Sharma Director Projects. I am extremely happy to share that now our installed capacity is 2227 megawatt with the addition of two projects. In the recent past we have commissioned 175 megawatt Jalaun solar project in the state of Uttar Pradesh with capacity to generate 160 million units of energy per annum. The power from this solar project is being sold to Uttar Pradesh Power Corporation. We have also commissioned 60 megawatt Naitwar Mori hydro project in the state of Uttarakhand with capacity to produce 337 million units of energy per annum. As on date the power is being sold through power exchange. Thus in terms of latest addition 135 megawatt more power has been added resultantly adding approximately Rs.270 Crores to our revenue per year. In the quarter ending March 2023-2024 we are further looking at adding 240 megawatt of renewable energy projects. Three projects namely 50 megawatt solar power project in the state of UP, 100 megawatt Raghnesda solar project in the state of Gujarat, 90 megawatt Omkareshwar floating solar project in the state of MP. All these three will be commissioned within this quarter. As you are already aware that presently the largest operating hydro project Nathpa Jhakri hydro power station in Himachal Pradesh is owned by us SJVN, tomorrow the country's largest hydro project 397 megawatt Jalaun hydroelectric project in the state of Arunachal Pradesh will also be constructed by SJVN. As far as the progress of the Jalaun hydroelectric project is concerned our manpower has already joined the project site, DPR



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has been revalidated, land acquisition and R&R awards finalized and forest diversion cases likely to be finalized soon. SJVN have been allotted 5097 megawatt in total five projects in the Dibang Valley of Arunachal Pradesh. Giving you a brief of our projects. As on date nine projects of 2227 megawatt and two transmission lines are under operation, four hydro projects of 1558 megawatt and seven solar projects of 1425 megawatt are under construction. We are excited to inform you that Government of India has approved our proposals for formation of two joint ventures one with Assam Power Distribution Company Limited for execution of initially 1000 megawatt renewable energy projects in Assam and the other joint ventures with MAHAGENCO which is Maharashtra State Power Generation Company Limited for execution of 5000 megawatt of renewable energy projects. I am happy to inform that SJVN has been certified as a great place to work by the Great Place to Work Institute after rigorous review of our organization. The two main parameters for the assessment are trust and innovation and SJVN has scored very high on both. In addition SJVN has secured 10,000 Crores construction finance facility for its upcoming renewable energy projects from a group of leading domestic and international financial institutions. SJVN is the first PSU to enter into such an arrangement for financing recognizing the technical expertise of SJVN of working in fragile Himalayan geology, National Highway Authority of India has entered into an agreement with us for monitoring and review of their design services and construction works focusing on slope stabilization. Regarding the third quarter results generation from our main two hydro projects decreased by 13.36% and 12.79% that is NGPH and RHP respectively as compared to the same period last year. This was mainly due to low precipitation in the catchment areas and subsequently low discharge in river Sutlej. Our newly commission Naitwar Mori hydro power station started generation and has produced 24 million units, and recently commissioned Gurhah solar power station has generated 9 million units till now. The generation from our renewable energy projects has increased by 13.50% this year. Revenue for operations decreased by 2.7% over the same period last year because of lesser generation from the hydro projects. Profit after tax decreased by rupees 155.64 Crores compared to third quarter over the last year mainly due to lesser generation and slight decrease in capacity incentives. However net worth has increased marginally by Rs. 163 Crores. You may kindly refer to the speech of honorable finance minister Smt. Nirmala Sitharaman while presenting the interim budget for the year 2024-2025. As per the scheme announced by honorable finance minister under Pradhan Mantri Suryoday Yojana 40 gigawatt of electricity will be added by rooftop solar by the year 2025-2026. We are extremely happy to share that SJVN has risen as one of the key players among the CPSCs. SJNN has been allotted three states Himachal Pradesh, Punjab, and Arunachal Pradesh. As envisaged in the scheme 10 million beneficiaries will get 300



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units free electricity every month. This will result into savings of Rs. 15,000 to 18,000 per annum. Subsidy has also been raised from 40 to 60% in this interim budget allocation of Rs. 10,000 Crores has been done for rooftop solar schemes. It is said that infrastructure and energy are two crucial enablers of economic progress. Rate of growth of consumption of energy is directly related to the rate of economic growth. It is said that in order to have 8% of growth in GDP growth in power sector needs to be around 12%. As for the budget speech of honorable finance minister for the year 2024-2025 the estimated growth in GDP is 7.3% thus corresponding growth in energy is required is 10 to 11%. As on date maximum growth achieved was 8.89% for the year 2022-2023. Thus it may kindly be appreciated that to keep the momentum of GDP growth in energy is still wanting and there is lot of scope to be added. India per capita energy consumption is 1300 kilowatt hour whereas world averages 3300 kilowatt hour. You must always be aware that SJVN has been listed as one of the renewable energy implementation agencies by Ministry of New and Renewable Energy to meet out the 500 gigawatt target by 2030. As on date solar projects firm and dispatchable part 2368 megawatt has already been awarded by SJVN. Further tenders of 4500 megawatt are under finalization and likely to be awarded within this quarter. I once again reiterate that SJVN has a clear vision of installing 25,000 megawatt portfolio in operation by 2030 and 50,000 megawatt by 2040. With the present rate we will not only achieve the target but may surpass them. As you all may be aware today my project portfolio stands at 54,370 megawatt. It is open for any questions please.

**Moderator:**

Thank you very much. We will now begin the question and answer session. We have our first question from the line of Mohit Kumar from ICICI Securities. Please go ahead.

**Mohit Kumar:**

Good evening madam, thanks for the opportunity. My first question is on the renewable portfolio is it possible for you to let us know what is the total renewable portfolio under construction and how much is the capacity where we are L1.

**Geeta Kapur:**

Our total renewable portfolio total I said was 54 but under construction we have total renewable of 2060, 11 projects and if you want I would like to name the projects which we hope to commission in the year 2024. Mothara solar power project Gujarat installed capacity is 70. Bikaner solar power project Rajasthan 1,000. We are expecting to commission by June 2024, Ujjain solar power project UP 50 February 2024. Raghnesda solar power project Gujarat 100 megawatt. We propose to commission by February 2024. Omkareshwar floating solar project in the state of Madhya Pradesh 90 megawatt we propose to commission by February 2024. In Punjab we propose to commission 100



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megawatt by June 2024. Floating solar power project at Nangal BBMB that is Nangal dam 15 megawatt, May 2024. Rhen we have GUVNL phase 8 SPP project that is solar power project Gujarat 100 megawatt by March 2025. Gujarat again phase four solar power project 250 megawatt again by March 2025. Phase 7 Khavda solar project Gujarat 200 megawatt by March 2025. Jamui solar power project in Bihar 75 megawatt by March 2025 so it is a 2060 megawatts in the coming year and by March 2025.

**Mohit Kumar:** So my question was madam you have won fair amount of projects in this fiscal year FY2024 and many of them we want to receive the LOA, can you please quantify that number where we are L1 and we have not received the LOA.

**AK Singh:** Dear friend we have L1.

**Mohit Kumar:** I am trying to figure out 2060 is under construction is there any capacity which can come up for under construction in the next two three months.

**AK Singh:** 5.2 gigawatt under total portfolio we have owned. We will provide you the list separately.

**Mohit Kumar:** Understood Sir. Sir my second question is on the on the Nepal hydro project have you signed the PPA what is the status, do we intend to sell in the exchanges is it the right assumption.

**Geeta Kapur:** For the project in Nepal we have signed an agreement with BTC for sale of fund that is the inventory.

**Mohit Kumar:** That is the cash for the short term right, does the PTC have a long term back to back contract sign.

**AK Singh:** We have signed a MOU with PTC and renewed also renew power also and we are expecting PPF for 50% of the power will be signed within a month and balance with power we are going to issue tender.

**Mohit Kumar:** Understood Sir. Thank you and all the best Sir.

**Moderator:** Thank you. The next question is from the line of Apoorva Bahadur from Goldman Sachs. Please go ahead.



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**Apoorva Bahadur:** Hi Madam. Hi Sir thank you for the opportunity. Madam what are your thoughts on the HP water cess issue we have been hearing that the cabinet is considering taking back certain projects which are executing or increasing the spends so your views on that.

**Geeta Kapur:** As far as HP water cess issue is concerned the matter is subjudice in the honorable high court of HP and even arguments have been completed and we are expecting the judgment very soon. I would say that we are very hopeful that this will not be leveled as this tax is not as per the stature as on date.

**Apoorva Bahadur:** Understood for both the projects under construction large ones Buxar and Arun 3 would you like to share the timelines now by when do we expect commissioning.

**Geeta Kapur:** For Arun 3 it will be by February 2025 and for Buxar first unit in June 2024 and next unit in September 2024.

**Apoorva Bahadur:** I believe there is some delay in Arun 3 from our previous guidance, Buxar although we have played it.

**Geeta Kapur:** Here I would like to inform you PDA is signed with Nepal government. The commissioning date was even earlier scheduled in February though for our own purpose we had squeezed the schedule, but we are very hopeful of commissioning as per the PDA in February 2025.

**Apoorva Bahadur:** Okay another question we see that the snow fall has been quite poor especially in the Himalayan region so wanted to check with you what impact do you see especially for your hydro generation given that this year itself generation seems to be quite poor.

**Geeta Kapur:** You are right there is overall shortfall off 452.57 million units as against our design energy of 8964.49 million units but I would like to inform you that this is a part and parcel of hydro projects. Even in the year 2018 and 19 we were not able to meet our design energy but this year again we have had reasonable snowfall and so we are hopeful of making it up in next year.

**Apoorva Bahadur:** Okay Madam and for this year whatever revenue under recovery has happened in Q1 and Q3 will that be recouped in Q4/



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- AK Singh:** Not necessarily because the generation in Q4 will also be in the same pattern, already February is on the way and the generation is similar to that, slightly lesser you can say. Overall there is a 10% lesser generation 10 to 12%.
- Geeta Kapur:** The peak months for generation are generally June to September so it is really not possible to make up in this quarter because the snow does not melt in this quarter, it is only when the temperature rises the snow melts.
- Apoorva Bahadur:** What I wanted to say is that I believe as per the regulation half of our fixed cost gets converted to variable cost for hydro projects right in a way it was fixed cost itself and when the generation was poor hence should not the design energy also change by the regulator.
- Geeta Kapur:** Actually the design energy is only an indication of the energy for which the project has been installed that the machines can deliver.
- AK Singh:** Let me clarify you. In fact currently in this year we are not going to meet the design energy generation and for that we will be claiming compensation through CRC, and we are hopeful that we will get some of it.
- Apoorva Bahadur:** Okay understood Sir and now you saying the snowfall has been adequate because we saw that it was quite delayed till January there was no snow fall.
- Geeta Kapur:** It was delayed but we have had reasonable snowfall in India.
- AK Singh:** In fact there was impact of less snowfall also. During summer this time the rain was more, and the temperature rise was less in comparison to last year or any other year. In fact in May June there was not much heat in the atmosphere therefore the melting was less, it was not due to less snow, it was due to the rise in the temperature, less rise in the temperature right so hopefully it will not repeat.
- Geeta Kapur:** Generally it does not get repeated. For example I was telling you that it was in the year 2018-2019 but then we picked up again and so generally the same temperature variations do not get repeated.
- AK Singh:** It is a cyclic only.
- Geeta Kapur:** It is cyclic.





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- Apoorva Bahadur:** Understood Madam lastly if you can provide the breakup for incentive income in this quarter.
- Geeta Kapur:** The incentive this quarter has been 7.54 and 8.42 was the figure for the same quarter in last year so there is a difference of about 10%.
- Apoorva Bahadur:** Okay Madam can you provide the breakup of incentive between UI and capacity side.
- Geeta Kapur:** The breakup between capacity UI and capacity. For the this Q3 2023-2024 the charges are 42.24 as against 63.47 for the previous year and UI as I already mentioned was 7.54 this quarter as against 85.42 for the year 2022-2023 and RAC 1.4 for 2023-2024 third quarter as against 0.04 last year so in totality it is 51.18 this quarter as against 71.93 last year.
- Apoorva Bahadur:** Thank you so much.
- Moderator:** Thank you. We have out next question from the line of Abhineet Anand from 3P Investment Managers. Please go ahead.
- Abhineet Anand:** Just on Buxar and Arun 3 what are the revised project costs.
- AK Singh:** I think Buxar there is no change in project cost, escalation will be there but in Arun 3 there will be slightly change higher side and we are expecting that the entire project including transmission line will be completed between 8,500 to 9,000 Crores.
- Abhineet Anand:** So what is the project cost for Buxar.
- AK Singh:** Buxar project cost is 10,400 Crores with some general escalation it will be close within 11,000 Crores.
- Abhineet Anand:** Okay and for Arun 3 you said that presently there is no PPA right.
- AK Singh:** Generally there is no PPA.
- Abhineet Anand:** I mean 50% PPA saying within a month can be turned and rest you will go for tender and all.
- Geeta Kapur:** Yes we are very hopeful within a month people sign PPA for 50%.



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- Abhineet Anand:** What do you have with PTC and renew power that is an MOU.
- Geeta Kapur:** It is an MOU.
- AK Singh:** We have finalized some rates also. The terms and condition of the PPA is under finalization, it is legal waiting to be approved.
- Abhineet Anand:** From the RE side 2060 megawatt is what we said as under construction, what is the operational and project that are won but not under construction.
- Geeta Kapur:** I think what you are mentioning is preconstruction stage.
- Abhineet Anand:** If we can just put in three baskets one that is operational second that is under construction which you gave and third as where you have not started construction, but you have LOA or L1 whatever.
- Geeta Kapur:** Right I will give you a complete brief, under operation as on date we have three projects in hydro 1972 megawatt, in renewable energy six projects 254.5 megawatt and two transmission lines so that makes a total of 226.5 to be exact so under construction hydro is four projects, 1558, thermal one project 1320, renewable energy 11 project 2060 and transmission line of Arun 3 217 kilometers. Under preconstruction we have hydro four projects total megawatts 4,490, renewable 15 projects total 2,763 and thus the total being 7,253 megawatt 19 projects, under survey and investigation hydro 13 projects 3,650/9 thermal 1 660 megawatt total 14 projects, 4310.9. Under allotment we have hydro 10 projects 2507, renewable energy five projects 21,000, PSVs 10 projects 12,135 thus total 25 projects 35,648.2.
- Abhineet Anand:** That is great I think there is lot of data so if we can request the management if somewhere this could be put it would be great for all the investors, it will be helpful for everybody berceuse it is a lot of data that you spoke and Sir lastly the three hydro can you let us know the regulatory separately for all three.
- Geeta Kapur:** What exactly are you asking for just once again?
- Abhineet Anand:** Regulated equity for the three hydro.



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- Geeta Kapur:** For Dhaulasidh hydro electric project we have a debt equity ratio of 20:20 and estimated regulatory equity is 138 for Luhri hydroelectric project again ratio we have maintained at 80:20 and 362 is the regulated equity, for Sunni Dam again this is 70:30 and 784 is the estimated regulated equity.
- Abhineet Anand:** Thanks madam those were my questions. Thanks a lot.
- Moderator:** Thank you. We have out next question from the line of Santosh Kumar Khemka a share holder. Please go ahead.
- Santosh Kumar:** See I along with my son Vineet Khemka we are holding 10 lakh shares of SJVN. I am very happy to find that the board has maintained the interim dividend of 1.15 since we are long-term investor right I would like to know as your ongoing projects namely Buxar, Arun 3, and Bikaner are going to add substantial power generation capacity to SJVN I would like to know the approximate commissioning date of these projects.
- Geeta Kapur:** Buxar as I had already indicated was June 2024 first unit and Arun 3 February 2025.
- Santosh Kumar:** I see and Bikaner.
- AK Singh:** December 2024 completion but partial commissioning will start by September, but we are expecting to complete the entire project 1,000 megawatt by December 2024.
- Santosh Kumar:** I read somewhere that Bikaner 1,000 megawatt will be commissioned by April is it true.
- AK Singh:** It was there but it is not possible because there is DCR sales in this model to be manufactured from the domestic sale and the domestic sale capacity has not come up, constructing a plant in Tuticorin but this plant is delayed. Everything is ready but due to the model it is delayed, and we are expecting to get first Supply by June 2024 and from there we will start part commissioning and we will complete the project by December 2024.
- Santosh Kumar:** December 2024 okay Sir thank you that is what I had to ask you, thank you.
- AK Singh:** In fact more than the dividend you are getting a market value for this year.
- Santosh Kumar:** Yes I am happy that you have declared 1.15 per share.



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- AK Singh:** But dividend will not be much for you.
- Santosh Kumar:** Dividend will be.
- AK Singh:** Interest dividend much value for you.
- Santosh Kumar:** Yes it is much value for me. Thank you.
- Moderator:** Thank you. We have out next question from the line of Rohit from Antique. Please go ahead.
- Rohit:** Thank you for this opportunity. My first question is more to do with the strategy that we earlier wanted to maintain that is in Naitwar Mori or Arun 3 our maximum sales will happen through the spot market if that continues do we want to explore PPA given some political noises that we have heard.
- AK Singh:** For Naitwar Mori currently we are selling through exchange, and we are we are trying to tie up also longterm PPA but currently we are getting a very good rate, December rates were not good but in Market we are getting a very good rate.
- Rohit:** If Arun 3 were to be sold into the stock market at say Rs. 6.5 or 7 what could be that additional windfall EBITDA that you would make say from your typical fix cost that you incur.
- AK Singh:** This Rs. 6 will be the rate from which we will be getting. We are trying to tie up long-term PPA but currently we are selling in the market through exchange and for Arun 3 50% capacity we are going to tie up within a month or two and for rest of the capacity we will be floating a tender for weight power and hopefully within a month or two we will be closing that also and this Arun 3 power will be sold as a merchant power and RP obligation has also been allowed by government of India on cash to cash basis.
- Rohit:** Can you just elaborate more on the pump hydro part where exactly are we in, what stages of construction are we.
- AK Singh:** Which hydro.
- Rohit:** Pump hydro.



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- AK Singh:** The pump hydro in fact all are in the pre stage only. We have to prepare the DPR and see the viability and then we will go for that.
- Rohit:** Thank you that is it from my side.
- Moderator:** Thank you. We have our next question from the line of Mohit Surana from Monarch Network Capital. Please go ahead.
- Mohit Surana:** Madam just one question, we had guided for a capacity of around 12 gigawatt by the end of financial year 2026 can you please let me know whether we can achieve that or will there be some kind of delay in final execution.
- Geeta Kapur:** No I think by the year 2026 we will surely achieve. As I said a number of projects are under construction which will soon be finalized in this quarter itself in March we are adding three as I said, we are added, Gurhah we are adding, Omkareshwar we are adding and other projects which are listed to be added for the year 2024-2025 are total 11 in number and 2060 from renewable and then we also be commissioning so we are very close to our target.
- Mohit Surana:** Understood thank you Madam and one last question related to the rooftop solar I just wanted to understand what kind of contribution that SJVN can receive in terms of revenue or tariff through the installation and out of the 40 gigawatt I mean you said three states are allotted to SJVN so how much could be the share of SJVN and what kind of numbers can we think of planned to this segment.
- Geeta Kapur:** The numbers are yet to come up. See around 1 Crores households are to be provided rooftop. SJVN has been allocated three states. Households have already been identified and soon that list will be shared to us so what we can say is that if the government is aiming at 40 gigawatt SJVN is one of the main players and around four to five gigawatt will fall in our pocket.
- AK Singh:** In fact the modality for the implementation is yet to be finalized so when modality will be finalized then we can work out our revenue and profitability.
- Mohit Surana:** Understood Sir thank you so much.



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**Moderator:** Due to time constraints we will take that as the last question for today. I now hand the conference over to Mr. Rupesh Sankhe from Elara Security for closing comments, over to you.

**Rupesh Sankhe:** So we thank SJVN management for giving us an opportunity to host this call and we also thank all the investors and analyst for joining this call.

**Moderator:** On behalf of Elara Security that concludes the conference call. Thank you for joining us and you may not disconnect your lines.