



SJVN/CS/93/2023-

Date: 25/05/2023

**NSE Symbol: SJVN-EQ**

**BOLT SCRIP ID: SJVN**

**SCRIP CODE: 533206**

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**SUB: Transcript of conference call held with Investors and Analysts to discuss the financial results for the fourth quarter ended 31<sup>st</sup> March, 2023**

Sir/Madam,

In compliance with regulation 30 of 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 Tuesday, 23<sup>rd</sup> May, 2023 to discuss the financial results for the fourth quarter ended 31<sup>st</sup> March, 2023.

Kindly take the above information on record and oblige.

Thanking you,

Yours faithfully,

(Soumendra Das)  
Company Secretary

**Encl:**  
**As stated above**



“SJVN Limited  
Q4 FY’23 Earnings Conference Call”  
May 23, 2023



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

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



**Moderator:**

Good morning ladies and gentlemen. Welcome to the SJVN Limited Q4 FY23 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 Pvt. Ltd. Thank you and over to you, sir.

**Rupesh Sankhe:**

Yes, good morning everyone. On behalf of Elara Securities, we welcome you all for the Q4 FY23 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 Finance. So 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 for his opening remarks.

**N L Sharma:**

Yes, good morning to one and all. We are here from SJVN side to present the FY23 annual accounts and Q4 of FY23. Let me briefly tell that as of now, we have seven generation projects and one transmission project, total eight projects under operation. And we have what 16 projects under construction. And last year, the capex incurred by SJVN was the highest ever. It was INR8,240 crores against the target set by Government of India of INR8,000 crores. If we see our growth for the last six years, in FY18, the capex was INR407 crores and increased from INR407 crores year by year to INR8,240 crores.

And it registered 70% compound growth rate over the period of six years. So that is the story of capex. That means the expansion of SJVN and its projects under construction and like that. Last year, generation also increased by over 1%. The generation of SJVN from all projects from its subsidiaries as well as main projects, it was INR9,335 million against INR9,208 million last year. Similarly, we have record turnover, highest ever turnover for the FY23. It is INR3,298 crores. It is the highest ever.

Now I am coming to the annual result. Revenue from operation registered an increase of over 21%. In FY23, the revenue from operation was INR2,935 as against INR2,421 crores. Similarly, total revenue, which I already mentioned, that there was an increase of more than 25%. INR3,298 crores turnover in FY23 against INR2,625 crores last year. If we come to the profit before tax, the profit before tax registered an increase of about 29%. It is INR1,732 crores against INR1,343 crores. PAT profit after tax registered an increase of about 40%. PAT this year FY23 is INR1,363 crores against INR977 crores last year.

Similarly, the earning per share, it increased from INR2.49 to INR3.47. Net worth also registered over 5%. Net worth at the end of FY23 was INR13,822 crores. The total consolidated generation from all the projects of whether of SJVN or non-SJVN is INR9,335 million against INR9,207 million last year. Similarly, we are continuing with the efficient operation of our hydro projects, particularly the plant availability factor of both the projects, Nathpa, Jhakri and Rampur Hydropower Station.

The annual plant availability factor is around 106.65 in case of Rampur and 106.22 in case of Nathpa, Jhakri. If we talk of the incentives which we earned from various sources, the capacity



incentives, UI and secondary energy or RECs, the total incentives also increased by 2.2%. This year, total incentives are INR305 crores against INR298 crores last year. For the quarter, the trend of precipitation or the discharge in the river, the sunshine or wind velocity in the solar and wind projects, out of the four quarters, the quarter one was better one in terms of discharge in the river and the generation thereof.

But the remaining three quarters, the precipitation as well as the discharge in the river was very less as compared to the last year. This is due to climatic change or like that there was a lesser snowfall in the vicinity in the catchment areas and the monsoon was also not evenly spread. During some monsoon months, the rains may be very high but the discharge was over, the design discharge, that water was of no use. But during the other months, the discharge in the river was very, very less.

The similar trend or even worse trend is being observed this year also. In the months of April and till now also, the discharge and generation is as low as 50% to 55% as compared to last year. So, during the quarter, the revenue as total income increased by what, 50% but the per profit after tax, there is a marginal increase. Last year it was negative but this year it is only 13.61 crores rupees so far as this Q4 is concerned. Similarly, there is a decrease in the generation also. Generation decreased by 7%. Last year it was 886 million units, this year only 824 million units generation during the Q4 also. So, these are the figures for the Q4 and FY23 accounts. Now, we are open to the questions of the analysts and other persons connected through the telephone line.

**Moderator:**

Thank you. Ladies and gentlemen, we will now begin with the question and answer session. The first question is on the line of Mohit Kumar from ICICI Securities. Please go ahead.

**Mohit Kumar:**

Hi, good morning, sir. Congratulations on a very decent year, especially good work on the capex. My first question is on the HGV and green. What is the capacity right now under the HGV and green which you have transferred and capacity under construction which you want to transfer? Is there any pipeline which you over and above this?

**N L Sharma:**

Yes, Mohit. The solar projects, which were earlier with the SJVN and now have been transferred to HGL, these are five projects. One is Bikaner, 1,000 megawatt. Then Parasan, Parasan is in Uttar Pradesh. Gora and Gujrai again Uttar Pradesh. And Raghnesda in Gujarat. These five projects have already been transferred to SJVL. And the purchase consideration is around INR1,282 crores, which was incurred by SJVN. Now it has been transferred to SJVL. And all other projects, which are now in the pipeline, we will be transferring these to SJVL. These are the EV, talk about the projects under construction.

We have around, one is Bagodara, 70-megawatt project in Gujarat. This is under construction. Bikaner, Gujrai, Omkareshwar also. Omkareshwar is a floating solar project, 90 megawatts in Madhya Pradesh. Then we have two 2 projects, one project in Punjab, 100 megawatt and one is 15-megawatt project in Nangal, this Bhakra Nangal, this is BBMB. These are under construction. We will be transferring these to HGL also in the coming time. Then we have around nine projects, which are under pre-construction or they will be likely to be put under construction in the coming period.



So, the capacity of these projects is around 1,183 megawatts. The solar projects, which are under construction, the capacity is 1,500 megawatts. And which are likely to be put into construction in 1,183 megawatts. So total capacity will be 2,758-megawatt total solar capacity.

**Mohit Kumar:** So, 2,758 megawatt is total capacity...

**N Sharma:** Yes.

**Mohit Kumar:** Out of which, how much is under operation right now?

**N Sharma:** Operation is 179 megawatts.

**Mohit Kumar:** 179 megawatts under operation and 1183 megawatt is under pipeline and the balance is under construction. That's right.

**N Sharma:** Yes.

**Mohit Kumar:** And any color on the EBITDA revenue of the HGL in FY '23? Also, net worth and gross block?

**N Sharma:** Yes, net worth, I have already told, 13,822 is net worth.

**Mohit Kumar:** No, sir. Asking for the SJVN Green Energy, the subsidiary?

**N Sharma:** Can you repeat the question?

**Mohit Kumar:** I'm asking for the net worth of the SJVN green energy, the new subsidiary?

**N Sharma:** Net worth. It is around INR2,500 crores, but we'll let you know the exact figure when we get it.

**Mohit Kumar:** Sure. Understood, sir. And secondly, on the under-construction project of Buxar and Nepal, what are the revised timelines and how much you spent till date and what is the final capex expenditure?

**N Sharma:** Yes. In Buxar, we have already spent around INR7,500 crores and in Nepal, INR4,200 crores. These are the expenses so far incurred, capex so far incurred on this project. The revised timeline for Buxar, we are still expecting that there were some issues regarding the land and local unrest, but we are still trying that, first unit will be commissioned by March '24 and second unit by may June '24. Similarly, for Nepal project, there were some geological issues, geological problems at dam site, but we are still hoping that by the project will be commissioned between March '24 to September '24.

**Mohit Kumar:** Is there any color on the PPA for Nepal, sir?

**N Sharma:** PPA, we are having discussion with the different discoms or with the different models. So, that is under process.

**Mohit Kumar:** Is it a different model or does it mean that it's a fixed tariff or I'm assuming that, all this will be longer term PPA, right?



**N Sharma:** Yes, that fixed tariff may be there, but we will not go for long term PPAs because it has been seen that, the need of hydro, the necessity of hydro is going to be there in the times to come with the increase in the intermittent energy from solar and wind projects. So, even the discoms or utilities are not favoring long term PPAs because the initial cost of hydro project is quite high.

What we are thinking of the model like RTC, round the clock power, so by bundling it with the solar and wind or other unallocated power from the projects. So, we will give a complete solution to the discoms that we have to supply RTC power to them. So, these hydro projects, whether it's in Nepal or in Himachal Pradesh, we are also thinking of the model of bundling, hydro with the solar and wind projects.

**Mohit Kumar:** Just one clarification, can you sell the power on the exchanges from Nepal? Is it possible?

**N Sharma:** Can you repeat the question again?

**Mohit Kumar:** Sir, can you sell the power on the power exchanges of India?

**N Sharma:** Yes, we are free to sell through power exchange also and it has been seen that, rates of power during the peaking period also were very high to the extent of INR10 to INR11 per kilowatt hour or so, because we have the peaking potential, peaking capacity in these hydro projects, so these rates will be beneficial to the SJVN also.

**Mohit Kumar:** Understood, sir. Thank you and best of luck, sir. Thank you.

**Moderator:** Thank you. 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 some clarity on this water cess that has been imposed by Himachal government. I can see that they have taken a stand of probably going against it, but at the same time, what could be its impact and also from a regulation point of view, will it be allowed as a pass-through?

**N Sharma:** Definitely, it is a pass-through item. The PPAs, which we have signed with the discoms, the entities, this clause is there that, such change in law will be a pass-through item. The impact will be the increase in the tariff. So that's why the various developers, they have approached the state government also. They have approached now going to the court also, to quash this water cess, imposition of water cess.

So, the SJVN has also approached the High Court also. And the Government of India has also written to the state, not only Himachal, but all the states, those who have levied such duties or cess on the generation of power, that this imposition of water cess or such levy is unconstitutional and beyond the scope of powers of the state, because this is ultimately, an additional tax, taxation.

So, as far as the taxation issue is concerned, that is with the government of India on such issues, these are the inter-state rivers. And the impact of imposition of such some duty or cess, the consumers of other states are impacted. So, the impact ranges from few paisa, say INR.50 to



INR.60 in a project to around INR2 to INR3 per unit in some other projects, because cess is head and discharge linked. So, in some projects, the discharge is more, but head is less. So, the imply impact of cess will be more per unit of energy.

**Apoorva Bahadur:** Okay, sir. Understood. So, secondly, on the PPA for Naitwar Mori as well, are we targeting something similar to Arun 3, that is probably blending or RTC power or do you analog something?

**N Sharma:** So, we are open to that, but we are in discussion and discussion are at the final stage, last stage, while one of the entities for distribution of power. And we are entering into MOU for PPA for five years.

**Apoorva Bahadur:** So, okay, so we'll be going with a five-year PPA for the entire capacity?

**N L Sharma:** Yes.

**Apoorva Bahadur:** Okay, understood, sir. Sir, you gave some color on the discharge this year till date, which has been significantly lower year-on-year. What's your expectation for the full year? Do you expect it to pick up or based on the reservoir levels and probably snowfall, is it expected to be a weak year this time?

**N L Sharma:** Yes, we have projects which are ROR, run of the river projects. So, the storage capacity is to the extent of picking power only three to four hours. We have the two projects, Nathpa Jhakri and Rampur project, we don't have that much storage. Rampur is, of course, a tender project.

So, the pattern of discharge in the river and the generation of energy has different connotations. Pre-monsoon, we are already at 50% of the generation as compared to last year, about 50%. But monsoon, monsoon period of around three months, say, end of May or mid of June to mid of September, there is a full flow season. So, there will be no impact. I think the discharge is now going to increase. It will exceed our design discharge.

So, there will be no impact on generation of power. But subsequent to monsoon season, what is the climatic impact or temperature in the hills like that? Because this last year, there was very lesser snowfall on the hills. So, similarly, and after the winter season, the winter was prolonged. There were rains in the entire northern region. The temperature in the hilly region was very less. Snow melt was very less.

So, that's why the discharge in the river was very less. So, that is the trend. Now, we have to see if the same trend as it was observed last year continues, then overall, say, generation from hydro projects will be reduced by at least 300 million units, maybe around, that is, say, 5% to 10% or 5% to the extent of 5%. So, it depends on the subsequent fluctuations, changes in the climatic or weather pattern in the coming times.

**Apoorva Bahadur:** I understood, sir. So, last question from my side, if you can please keep the breakup for the incentives as in UL, secondary, and capacity?



- N L Sharma:** Yes, definitely. Total incentive this year was INR305 crores rupees. And out of this INR305 crores, INR210 comes from the capacity. Capacity means the normative capacity fixed by CRC for one project is 90% and the other project is 85%. And we achieved the plant availability factor of 106 plus percent So, total incentive from capacity is INR210 crores. UI, that DSM, Deviation Settlement Mechanism, was INR43.63 crores. It is almost equal to that of last year, though DSM guidelines were very, very stringent this year.
- And then through secondary energy, the incentives come at INR50.67 crores rupees. And REC, REC is INR0.74 crores rupees. So, total INR305 crores rupees. If you talk of the project, then capacity incentives from Nathpa Jhakri project were INR126 crores, Rampur project INR84 crores. UI from NJ, Nathpa Jhakri INR25.78 crores and Rampur INR17.85 crores. And secondary energy from Nathpa Jhakri project is about INR46 crores and Rampur about INR4.73 crores. So, this is break of incentives.
- Moderator:** Thank you. The next question is in the line of Divya Daga from Vijit Global Services Securities, Private Limited. Please go ahead.
- Divya Daga:** I have two questions related to solar projects. My first question is, is there any specific tariff revision period by CERC or the solar project tariff is fixed?
- N L Sharma:** Okay. Solar tariff is fixed. It is competitive bidding. It is a market discovery of tariff through competitive bidding in the market. And that tariff is fixed. CERC has nothing to do with this tariff.
- Divya Daga:** Okay. And during the life cycle of the project, when is the Viability Gap Funding received? Is it used for loan repayment or for general corporate purposes?
- N L Sharma:** The VGF, it is only for the scheme which is under CPSC scheme. Whereas for the other projects, there is no Viability Gap Funding. So, for the CPSC scheme, the money is received during the period of construction. For example, SJVN is executing 1000 megawatt under CPSC scheme. That is in Rajasthan, Bikaner. So, we will be receiving the Viability Gap Funding during the course of construction.
- Divya Daga:** Okay. And where do we use that amount?
- N L Sharma:** That amount we use for the construction of that particular project, that Bikaner project.
- Divya Daga:** Okay. What is the minimum cost the company incur in setting up of a SPP?
- N L Sharma:** For the setting up?
- Divya Daga:** Of Solar Power Plant.
- N L Sharma:** Yes. So, that raises from INR5 crores to INR6 crores.
- Divya Daga:** And what will be the realization per megawatt?





**N L Sharma:** Realization per megawatt, actually it is in terms of energy. How much is the capacity utilization factor and the tariff, which we will be getting. So, return on equity ranges from 10% to 12% to 13%.

**Divya Daga:** Okay. I just have one more question. How long does it take for a solar project to reach a break-even point?

**N L Sharma:** Break-even point is right from the beginning. We work out the tariff. We work out the tariff because we have loans also, we have invested the equity also. On equity, we are getting around 10% to 12% return on equity. The loan, it is our efficiency or our prudence at which rate of interest we get the loans.

And the tariff is accordingly worked out. How much is the expenditure, how much interest during construction. So, break-even, we can't say that. It is totally planned for 25 years, the profit which we are getting in terms of ROE, etcetera. So, our efficiency or prudence lies in the point of view of how efficiently or how economically we construct the project, how we avoid the IDC interest during construction or how cheaply we get the loans.

**Moderator:** Thank you. The next question is from Aniket Mittal from SBI Mutual Fund. Please go ahead.

**Aniket Mittal:** So, one was just to understand on the hydro projects pipeline that you have. And I understand there is a lot of projects both in Arunachal and Himachal that you have under clearance. So, if you could just throw some light on that, where are we in terms of getting the approvals for them? Have most of the DPRs been prepared? Are there certain ECFCs that are required?

**N L Sharma:** Yes, Aniket. Hydro projects, we have already two hydro projects under operation. These are the two flags – Nathpa Jhakri and Rampur. And the hydro projects which are under construction, we have five hydro projects under construction. Three in Himachal, one in Uttarakhand and one in Nepal.

So, these are the five projects under construction, hydro projects under construction. And in pipeline, we have around, say more than 10 hydro projects in the pipeline in Himachal, in Arunachal Pradesh and in Nepal also. Because projects in Arunachal Pradesh are yet to be allotted by the government of Arunachal Pradesh, these are under allotment. So, when these will be allotted, the figure will go beyond 15 also. So, five projects under construction and one project which is likely to become under construction is in Nepal. There is a 669-megawatt project, lower Arun project in Nepal.

The investment, this DPR has already been cleared by both the Indian and Nepalese authorities, concerned authorities. And the investment approval has to be accorded by the government of India, that is through Cabinet CCA. And the process is on, the PIV meeting has already taken place. Now, the matter will be placed before the capital in the coming couple of months. So, we are sure that in a month or two, we will get the capital, this investment approval. This is 669-megawatt project.

Projects, other projects in Himachal, Arunachal Pradesh, these are under survey and investigation. We are in the process of preparation of DPRs, though there are many problems.



There is resistance on the part of the people also against the hydro projects. But survey investigation process it will take, or DPR preparation itself will take at least two to three years, minimum two to three years. We have to take seasonal data for hydrology for at least two consecutive seasons like that. So, the pipeline is there, more than 15 projects. But the speed of completion of the DPR, that depends upon how difficult the project is. Some projects are not approachable even. There is no connectivity, there is no road also.

In Arunachal Pradesh, we have indicated five projects. Out of these five projects, one project is of 3,097-megawatt Italian project. That is under discussion with the government of Arunachal Pradesh. So, we are targeting further that this project seems to be doable. DPR is already in place, slight modification has to be done. So, these are the projects in Himachal, Arunachal or Nepal.

Nepal, we are eyeing more projects. We have already one project under construction, one DPR is already in place and investment probably is under process. And one more project, Arunachal four projects has already been allotted by the government of Nepal. We are targeting two or three more projects in Nepal. So, the pipeline is long. But so far as hydro projects are concerned, the speed and the progress has constraints.

**Aniket Mittal:**

Fair, that's helpful. The other question was on Buxar. So, on Buxar, has the land acquisition issue been sorted? Have we been able to get that 230 acres of land?

**N L Sharma:**

Yes, that is still under process. People have some objections regarding the rate of compensation. So, rate of compensation that has been challenged with the Lara court and Lara court is in process of issuing notices to the people to receive the payment. And we have told them whatever compensation will be provided by the competent authority, we will be giving it to the people.

So, on the other hand, we are also in touch with the public also if they allow, because they are of this opinion that we will not allow work to be started if compensation is not paid to them, with the enhanced compensation. But we have the limitation that enhanced compensation can only be given to them, whichever is held by the competent court or authority.

But at the same time, we are working on it and we are successful also on the alternate arrangement of coal supply to the project. We have already discussed with the railway side, they are constructing the alternate line also, which will be around 3 kilometers from the project site. If this normal course of railway siding is not completed, we can bring coal to the project nearer to the 3 kilometers of the plant site and from that coal can be transported by the trucks through the normal road also. But we are hopeful that things will be in line soon.

**Aniket Mittal:**

Fair. Just two small questions. One is the FY '23 capex of INR8,200 crores, could you break that up between hydro and renewables?

**N L Sharma:**

Yes. From INR8,240 crores on renewables, it was around INR3,000 crores on renewables. And on this thermal, thermal is around INR2,500 crores, so total is INR5,500 crores. And the remaining about INR2,700 crores, INR2,800 crores is on hydro.

**Aniket Mittal:**

And for FY '24 and FY '25, what is the capacity addition for renewables that we expect?



- N L Sharma:** Capacity addition in the coming time, renewables, this will be around 1,500 megawatts in the current financial year and about 1,200 megawatts next year. Total about 2,700 megawatts.
- Aniket Mittal:** Okay, thank you. That's helpful. Those were my questions. Thank you.
- Moderator:** Thank you. We'll move on to the next question that is on the line of Marsal, an individual investor. Please go ahead.
- Marsal:** Hello, my question is regarding this. There are five hydro projects which are under construction, three HP, one UK and one Nepal. So what is the capacity of these ones and when they are going to be implemented, commissioned?
- N L Sharma:** Yes. Out of these five projects, one is in Nepal, that is 900-megawatt Arun III project. And the commissioning will be in the financial year '24- '25. And mostly quarter 1 or quarter 2 of FY '24-FY '25. And the other project, Naitwar Mori project is a 60-megawatt project in Uttarakhand and the commissioning will be in the Q2 of this year. By July, we will be able to commission this project.
- And in Himachal, there are three projects. One is 210 megawatt Luhri hydropower project. The commissioning will be in the '25, around Q4 of '25. And 66 megawatts, third project in Himachal is 66 megawatt Dholavira project. It is of 66 megawatts and the commissioning will again be the Q3 or Q4 of '25- '26.
- Marsal:** Understand. And the third one, there are three projects, right?
- N L Sharma:** Yes. Luhri, Dholavira and Sunni also.
- Marsal:** You mentioned two.
- N L Sharma:** Yes, Sunni project of 382 megawatt. The commissioning will be in the year '28- '29. '28- '29 is 382 megawatts.
- Marsal:** Okay. And sir, like regarding this solar, you mentioned about 2,500 is under like construction, like 1,500 approximately under construction and 1,000 under planning. So when this construction like is going to be commissioned and like when this planning is going to come under the construction?
- N L Sharma:** This 1500-megawatt solar project, solo projects will be commissioned in this current financial year. And about 1,200 megawatt projects will be commissioned in the next financial year.
- Marsal:** Okay. And sir, like you also mentioned the thermal, so are we also in the thermal power or are we only in this like hydro and this renewable?
- N L Sharma:** We are also in thermal. We are constructing one thermal project in Bihar. This is 1,320-megawatt project and we will be commissioning. It is 1,320-megawatt project.
- Marsal:** No. I'm saying, sir, like this thermal, are we going to like commission for the first time or we already have some thermal power project with us?



- N L Sharma:** We are going to commission for the first time. This is the first and the only project with SJVN.
- Marsal:** So, like is it in joint venture with NTPC or we are like solo?
- N L Sharma:** It is solely with SJVN.
- Marsal:** SJVN total. Okay. So, like when is going to be commission, sir?
- N L Sharma:** Commissioning between next March '24 to June '24.
- Marsal:** Okay. And sir, my last question regarding Devsari, we have INR245 crores blocked since last two years. So, is this money is going to be completely lost or what? Like or like is there any headway to restart this, the process from this project?
- N L Sharma:** There were issues in Uttarakhand regarding that Namami Ganga or something ordered by the Supreme Court also. So though this was not the project in the list of those projects where the Supreme Court said that project cannot be constructed. But the government of India, three ministries, Ministry of Power, Ministry of Water Resources and Ministry of Environment of Forest. Supreme Court has asked these three ministries to file an affidavit of this project.
- Marsal:** So, as of now, Supreme Court has said that it cannot be constructed?
- N L Sharma:** No, Supreme Court has not said that. That project is not in the list of not to be constructed project. But the situation is being monitored holistically in the state. So, government of India has to take a view. These three ministries, Ministry of Power, Ministry of Water Resources and Ministry of Environment and Forest.
- Marsal:** And sir, is it like similar to that, like [Inaudible40:49] Metro, like wherever the city was like drowning, like kind of thing, is it because of this one or is there some other issue?
- N L Sharma:** Can you speak little slowly? You're speaking so fast that we are not able to decipher...
- Marsal:** No, no, what I'm saying that like recently, three, four months ago, there was an issue in Uttarakhand that very like certain like township or certain hill station were getting this cracking and the city was getting inside the mountain?
- N L Sharma:** This is not near to that area.
- Marsal:** Okay. So, what is the core issue like due to which it has been stopped?
- N L Sharma:** Just like the catchment areas of Ganga. So, this is not exactly on Bhagirathi or Alaknanda. But this project is on the tributary of Alkananda. So...
- Marsal:** So, because of this. And sir my last question regarding this Nepal, 659 megawatts, when this project is going to start under construction?
- N L Sharma:** In this calendar year.
- Marsal:** Very good, sir. So nice of you sir. Thank you.



- N L Sharma:** Thank you.
- Moderator:** Thank you. The next question is in the line of Shalini Sharma from PSU watch. Please go ahead.
- Shalini Sharma:** Hello, sir. This is Shalini. My question is, what is the hydro-pump storage capacity that SJVN is targeting to put in place? And in which state? And could you also please share what stage of planning are you for this project? If at all?
- N L Sharma:** Shalini, there is an echo in your voice. We are not able to clearly...
- Shalini Sharma:** Right. So, I wanted to understand what is the hydro-pump storage capacity that SJVN is targeting to put in place? And which states? If there is a plan already in place, then which are the states that you're targeting? And could you also please share that what stage of planning these projects are at currently?
- N L Sharma:** The hydro-capacity target which we have fixed, because we have a shared vision for the organization. And our shared vision is 25,000 megawatts by 2030. Out of this...
- Shalini Sharma:** Sir, if I please may interrupt you. I'm asking about hydro-pump storage.
- N L Sharma:** Pump storage, PSPs. We have been indicated 10 projects in different states by the government of India of capacity of 12,790 megawatt, 10 projects. And we are doing the feasibility studies about these projects. Out of these 10 projects, six projects were in Maharashtra. So out of these six projects, five projects are in wildlife sanctuary. So, there is no feasibility of constructing of pump storage projects in those five areas. But there is one more project in Maharashtra that we are doing the feasibility study.
- Similarly, in other states, Himachal and Mizoram, we have indicated few projects there. So, we are preparing PFR, the feasibility studies for that, reports for that. So, wherever the projects are found viable, we'll be going for that. So, target, the target we will be fixing around anything around 5,000-megawatt capacity in the coming 7 to 10 years through pump storage projects.
- Shalini Sharma:** Right. And so, what is the investment that these projects would entail? Just an indicative number?
- N L Sharma:** The project cost comes to around 10 crores to 12 crores per megawatt in hydro projects, including the PSPs. So, what 5,000 megawatt projects means INR50,000 crores investment.
- Shalini Sharma:** Thank you, sir.
- Moderator:** Ladies and gentlemen, we'll be taking the last question. That is in the line of Varun Bang from Bryanston Investments. Please go ahead.
- Varun Bang:** Thank you for the opportunity. What is the regulated equity as of end of FY'23 at standalone level?



- N L Sharma:** Yes, Varun. The regulated equity, where the CRC comes into picture, that is the equity of construction, already commissioned project is INR6,193 crores rupees and projects which are under construction, the equity, regulated equity is around about INR7,000 crores. So, total...
- Varun Bang:** This is for Buxar and Arun-3?
- N L Sharma:** Buxar and Arun-3 project and other projects which are in Himachal Pradesh. That is...
- Varun Bang:** Can you share it separately for Buxar and Arun-3? And has there been any change in terms of cost of project of Buxar and Arun-3? Because there have been some delays?
- N L Sharma:** With Buxar, the equity is around INR3,100 crores. And in case of Arun, the equity is around INR2,100 crores. So, total INR5,200 crores equity in both these projects. Whereas in case of [Inaudible0:46:42] or Sunni and Naitwar Mori and Dhaura Sidh, the equity of more than, it is around INR1,500 crores.
- Varun Bang:** Okay. And what is the scope to an incentive at Buxar plant?
- N L Sharma:** Scope of?
- Varun Bang:** Incentives?
- N L Sharma:** There is no scope of incentive like that. That is... We have already tied up the selling of power with the government of Bihar. This is on cost-plus basis.
- Varun Bang:** Okay. And you said that we are looking at adding 1,500 megawatt in, so this is on RE side. We said that we are looking to add 1,500 megawatts in FY'24 and 1,200 megawatts in FY'25. So just to get a sense of profitability on RE side, basis of tariff that we have, what is your estimate of operating profits and net profit per megawatt on RE side?
- N L Sharma:** The total investment on these projects, if we talk of the equity, we are investing equity between 20% to 30% equity. On these 2,700-megawatt projects, the cost of projects is about INR15,000 crores. So, out of that INR15,000, INRR1,000 to INR1,200 crores will be equity and ROI will be to the extent of, in the range of 10% to 12%. So, we can very well, on INR1,200 crores equity, INR120 crores profit per year.
- Varun Bang:** Okay. Got it. And a small suggestion, sir, can we have a quarterly press release where we can get an update on all the projects that are under construction? And there we can highlight the key milestones that we have achieved during the quarter and also highlight the status of the project that would be helpful to understand the progress.
- N L Sharma:** Though we release the press statement also, but there is not that much detail. It is a nice suggestion; we will think over it.
- Varun Bang:** Sure. Thank you very much.
- N L Sharma:** Okay. Thank you. Thank you.



- Moderator:** Ladies and gentlemen, that was the last question. I now hand the conference over to Mr. Rupesh Sankhe for his closing comments.
- Rupesh Sankhe:** Yes. We thank Mr. N L Sharma, sir, for giving us an opportunity to host this call. We also thank all the investors and the analysts for joining this call. Thank you. Thank you very much.
- N L Sharma:** Thank you.
- Moderator:** 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.