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National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
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Mumbai 400 001, India

SUB: Transcript of conference call held with Investors and Analysts to discuss the financial results for the first quarter ended 30th June 2024

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, 16th August 2024 to discuss the financial results for the first quarter ended 30th June 2024.

Kindly take the above information on record and oblige.

Thanking you,

Yours faithfully,

(Soumendra Das)
Company Secretary

Encl:

As stated above



“SJVN Limited Q1 FY25 Earnings Conference Call”

August 16, 2024



MANAGEMENT: **MR. SUSHIL SHARMA – CHAIRMAN & MANAGING
DIRECTOR, SJVN LIMITED**
**MR. SOUMENDRA DAS – COMPANY SECRETARY, SJVN
LIMITED**
**MR. SANJAY SURI – HEAD (DEPARTMENT FINANCE),
SJVN LIMITED**

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



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Moderator: Ladies and gentlemen, good day and welcome to the SJVN Limited Q1 FY25 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 “*” 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, sir.

Rupesh Sankhe: Good afternoon, everyone. On behalf of Elara Securities, we welcome you all for the Q1 FY25 Conference Call of SJVN.

I take this opportunity to welcome the Management of SJVN represented by Mr. Sushil Sharma sir - Chairman and Managing Director; Mr. Soumendra Das sir is the Company Secretary and Mr. Sanjay Suri sir - Head of Department Finance.

We will begin the call with the brief Overview by the Management followed by Q&A session. I will now hand over the call to Mr. Sushil Sharma sir for his “Opening Remarks”. Over to you, sir.

Sushil Sharma: Thank you and thanks everybody for giving me this opportunity. I am extremely happy to share some major developments in Q1 of FY2024-25. Our Raghnesda Solar Power project, which is 100 MW, has been declared COD on 3rd of April 2024. However, project was commissioned in previous quarter in the state of Gujarat with the capacity to produce 252 million units of energy per annum. The power from this solar project is being sold to Gujarat Urja Vikas Nigam Limited.

Another milestone achieved in the month of June with the completion of heading excavation of 11.8 km long head-race tunnel of Arun-3 Hydro Electric Project in Nepal. In Buxar Thermal Power project, power reduction system is ready and for start-up power 400 KV Buxar Naubatpur line has been charged in the month of May 2024. We as REIA issued letter of award seven numbers for total capacity of 1,500 MW for wind, solar, hybrid power projects.

I am also happy to share some recent development in current quarter as well. We have recently commissioned 90 MW Omkareshwar Floating Solar Project on 8th of August 2024 in the state of Madhya Pradesh with the capacity to generate 196 million units of energy per annum. The project is situated in Omkareshwar Floating Solar Park for which agreement for selling of power has already been signed with REWA Ultra Mega Solar Limited and MP Power Management Company Limited. Thus, in terms of the latest addition in operating assets, 90 MW more power



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has been added, which will add approximately Rs.64 to our revenue per year. With the commissioning of this project, our total installed capacity of SJVN now stands at 2466.50 MW.

Further, in major development, the Cabinet Committee on Economic Affairs, CCEA, chaired by Honorable Prime Minister of India, has approved investment of Rs. 5,792.36 crores for 669 MW Lower Arun Hydroelectric Project at a levelized tariff of 4.99 per unit. The project will be implemented through SJVN Lower Arun Power Development Company Private Limited, SLPDC, a wholly owned subsidiary of SJVN incorporated in Nepal.

We are also excited to inform that Government of Mizoram has allotted Darzo Lui PSP 2400 MW to SJVN and with this allocation first pumped storage project is added in the portfolio of SJVN. The Darzo Lui pumped storage project with an installed capacity of 2400 MW is set to be developed across Darzo Nallah in a tributary of Tuipui river.

Also, we are happy to highlight our power generation achievements in the current Financial Year. Our prestigious 1500 MW Nathpa Jhakri Hydro Power Station recorded highest ever monthly generation of 1222.170 million units during July 2024 since its commissioning in 2004. Also, total generation for all operational projects during the month of July 24 is 1,654.207 million units, which is also highest ever monthly generation. Our all three hydro plants that are NJHPS, RHPS, and Naitwar Mori Hydro Power Station have achieved their highest generation in a single day ever since their commissioning.

So, giving you a brief of our projects as on date, 12 projects of 2,466.5 MW and two transmission lines are under operation. Four hydro projects of 1,558 MW and one thermal power project of 1,320 MW and 11 solar projects of 1,950 MW are under construction. We are excited to inform that SJVN Green Energy Limited, a wholly owned subsidiary of SJVN has signed MoU with AM Green Ammonia India Private Limited. The platform shall be developed in two phases, starting with a capacity of 1 million tons per annum and ramping up capacity to 5 million tons per annum by 2030.

In the recent past, the Government of India has launched PM Surya Ghar Muft Bijli Yojana, which aims to provide free electricity to 1 crore households in India. We are extremely happy to share that towards this scheme, SJVN has been allotted three states, Himachal Pradesh, Punjab and Arunachal Pradesh. SJVN has also been assigned the responsibility of installation of rooftop solar system on government buildings and 18 ministries which have been allocated to us in this regard. As far as progress is concerned, process of empanelment of vendors has already been initiated.

You must also be aware that SJVN has been listed as one of the renewable energy implementing agencies, REIA, by Ministry of New and Renewable Energy, MNRE, to meet the 500 GW target



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by 2030. In Financial Year '2024-25, for June ending quarter 1, we have achieved 100% target as SJVN has floated tenders of 4.8 GW. Overall, SJVN has floated tenders of 4.8 GW out of targeted 10.8 GW capacity in Financial Year '2024 and 2025. I am happy to share that SJVN has been conferred with Gold Award at 16th Exceed CSR Awards 2024 for outstanding achievements in corporate social responsibility in power sector category.

I once again reiterate that SJVN is moving forward to achieve our vision of installing 25,000 MW portfolio in operation by 2030 and 50,000 MW by 2040. With this, I close my opening remarks and thanks to all for listening me patiently. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: Are you looking to raise funds in the SJVN renewables arm in this fiscal?

Sushil Sharma: Yes, we are diluting our stakes in our Green Energy SGL by 20% subject to the approval of NITI Aayog and DIPAM.

Mohit Kumar: My second question is on this, sir, do we have to, I think you mentioned about the RE pipeline. Sir, is it possible to give us a single console number in terms of how much is operational, how much is under construction, how much is the capacity where we are L1?

Management: Let me explain. We have 3 numbers of hydro projects in operation, 9 numbers in renewable and total 12 numbers of projects plus 2 transmission lines, totaling 2466.5 MW and under construction 4 numbers of hydro projects, 1558 MW; thermal, one number 1320 MW; renewable 11 numbers, 1958 MW, totaling 16 projects and one transmission line, which comes out to be 4836 MW. And I think I answered your question satisfactorily.

Mohit Kumar: Any RE capacity in the pipeline, sir? This is the capacity under construction, right? Is there anything which is L1 and which is not part of this portfolio?

Management: Sir, we have a long-term plan of adding 49,499 MW of renewable portfolio.

Sushil Sharma: Including every hydro and thermal and particularly renewal 25,777 MW.

Mohit Kumar: My last question is, sir, do you think it is the timeline for Buxar and Nepal, when you are expecting the commissioning?

Sushil Sharma: You see, one unit of Buxar Thermal Plant will come in this Financial Year and the second unit in the next Financial Year. Nepal as I have already said in my last interaction with your kind self, Arun-3, we are targeting the Q3 of next year.



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- Mohit Kumar:** Q3 of FY26?
- Sushil Sharma:** 25.
- Mohit Kumar:** So, this fiscal by December?
- Sushil Sharma:** No, Quarter 3 of 25-26.
- Mohit Kumar:** That means 26?
- Sushil Sharma:** Yes.
- Moderator:** Thank you very much. The next question is from the line of Mohit Surana from Monarch Network Capital Limited. Please go ahead.
- Mohit Surana:** A couple of questions, one, the landed tariff for this quarter is only Rs. 2.60 paisa per unit. That is around 17% lower than what it was in the Q1 of the prior year, any reasons for that? I understand it could be because of the higher generation, but if there is a generation higher than the design capacity, then what is the rate at which we sell that excess power? That is one question, number one. Second, if you can give some thoughts on the fundraise how much in terms of the amount that you are looking to raise through a stake dilution of 20%?
- Sushil Sharma:** As far as revenue from operations in Q1 is concerned, our revenue from operation in Q1 FY24-25 is Rs. 831.73 crores against Q1 last year, Rs. 664.62 crores. And Q1 profit after tax is Rs. 327.15 crores against last year's Q1 of Rs. 270.20. And second question you have asked the fundraising stake sale. So, we are targeting Rs. 2,000 crores through dilution of SJVN stake in our wholly owned subsidiary, SJVN Green Energy Limited in 24-25, subject to approval from regulatory authority of DIPAMand Minister of Power.
- Mohit Surana:** Sir, with respect to the first question, I was indicating about the tariff. Our tariff this time has been lower compared to the last year.
- Sushil Sharma:** Let me just clarify that tariff is different for different projects. We cannot average out the tariff of all the projects. Say, for example, Nathpa Jhakri tariff is different, Rampur tariff is different, and other tariff is different. So, it cannot be an average out of all the projects. It is different for different projects.
- Mohit Surana:** Sir, my follow up question would be any update on your JV with IOC. Last time, I think you mentioned about the green energy projects that can be taken up in the joint venture?



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- Sushil Sharma:** Our joint venture with Assam Energy Renewable Limited for 1000 MW development of solar projects in Assam only.
- Moderator:** Thank you, Mr. Surana. The next question is from the line of Vipul Kumar Anupchand Shah from Sumangal Investment Consultants Private Limited. Please go ahead.
- Vipul Kumar A. Shah:** So, my question is what our current debt at consolidated level is and what will be the peak debt because we are adding a lot of capacity, and our cash flow is not going to increase in a proportionate way. So, what is the consolidated debt and what is the trajectory of consolidated debt over the next 2-3 years?
- Management:** Sir, presently total debt at consolidated basis is approximately Rs. 21,000 crores. And for financing the upcoming projects, we are planning to take securitization of our assets, approximately Rs. 2,000 crores of Nathpa Jakhri Hydro projects.
- Vipul Kumar A. Shah:** My question is, we are executing a lot of projects, so for that we will have to raise a lot of debt. So, what will be the debt trajectory over the next 2-3 years? That is my question, sir?
- Management:** Our estimated debt is approximately Rs. 6,500 crores in the next 2 years. Addition of Rs. 6,500 crores.
- Vipul Kumar A. Shah:** Addition of Rs. 6,500 crores?
- Management:** Yes, addition of Rs. 6,500 crores.
- Vipul Kumar A. Shah:** And you said it is 21,000 right now, right sir?
- Management:** It is Rs. 21,000. It will be approximately Rs. 28,000 crores by the end of next year.
- Vipul Kumar A. Shah:** And all our renewable projects are in SJVN Limited, or they all are under SJVN Green Energy?
- Management:** SJVN Green Energy.
- Vipul Kumar A. Shah:** All renewable solar and wind, everything is under?
- Management:** Yes.
- Vipul Kumar A. Shah:** So, can you share the financials for the SJVN Green Energy for this quarter, sir?
- Management:** This quarter total revenue from operation is Rs. 41 crores and profit is approximately Rs. 29 crores.



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- Vipul Kumar A. Shah:** Revenue is 41 and profit is 29?
- Management:** Yes. It is due to some other income, interest income is also there.
- Vipul Kumar A. Shah:** And you said our total capacity is 2440 MW, right sir, right now?
- Sushil Sharma:** 2466.5 MW.
- Vipul Kumar A. Shah:** So, what will be the capacity at the end of this Financial Year? Which projects are going to be operational in next 6-8 months?
- Management:** Our total projects, we are targeting by the end of this Financial Year, 2638 MW.
- Vipul Kumar A. Shah:** So, 2465 will become 2638 at the end of the month.
- Management:** No, plus, in addition to 2,638 in addition to 2,466.
- Management:** It will be almost 5,000 megawatt altogether.
- Vipul Kumar A. Shah:** At the end of the Financial Year, right?
- Management:** Yes.
- Vipul Kumar A. Shah:** So, generations will also increase proportionately from next Financial Year, right, sir?
- Management:** Sure.
- Moderator:** Thank you very much. The next question is from the line of Ragini Pande from Elara Securities Private Limited. Please go ahead.
- Ragini Pande:** Sir, what was the incentive income in Q1?
- Management:** Incentive is Rs. 65 crores. That is UI and capacity incentive.
- Ragini Pande:** And what was the plant availability factor?
- Management:** Plant availability factor for Nathpa Jakhri was 104.94% and for Rampur it is 104.83%.
- Ragini Pande:** And what will be your revenue guidance for this fiscal and next fiscal if you can share?
- Management:** Revenue for next fiscal is approximately Rs. 3,200 crores.



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- Ragini Pande:** This is for which Fiscal '26?
- Management:** 25.
- Ragini Pande:** Sir, what will be the guidance for your regulated equity?
- Management:** Basically, regulated equity is only for hydro sector, not for renewable sector. Renewal the price is fixed at a big price, we will take the project basically. There is no regulatory equity. We are financing the project at the 80-20 debt equity ratio.
- Moderator:** Thank you very much. The next question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.
- Mohit Kumar:** What was the cost of Omkareshwar Solar Floating Project?
- Management:** It is Rs. 649 crores.
- Mohit Kumar:** And what is the EBITDA expectation from this power plant, sir?
- Management:** Basically, expected revenue is approximately Rs. 64 crores. So, the EBITDA will be roughly Rs. 10 crores.
- Mohit Kumar:** EBITDA will be 10 crores?
- Management:** Yes. So, revenue is approximately Rs. 64 crores.
- Mohit Kumar:** EBITDA should be higher, sir? Because the revenue is Rs. 64 crores, EBITDA should be around Rs. 55 crores, right?
- Management:** You can put your questions through mail, and we will reply properly. I think it won't be proper to just guess and everything. We will come out with the exact figures.
- Mohit Kumar:** My second question is on this solar rooftop, sir have you launched the scheme already and when will you select the vendors?
- Management:** We are in the process of finalizing the vendors.
- Mohit Kumar:** What is the capacity you are targeting, sir?
- Sushil Sharma:** I will come out with you, you please put your question in the email and I will reply you properly.



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- Management:** The right figure is not here, how much capacity is to be added.
- Mohit Kumar:** And sir, are you looking to award any PSP project for EPC in this particular fiscal, PSP or Hydro project?
- Sushil Sharma:** No, we have been just allotted a PSP in Mizoram for 2,400 MW for which preparation of DPR is under progress. Once DPR is prepared, finalized, then we will start the construction activities.
- Mohit Kumar:** Sir, any other Hydro project where you expect to commence the construction?
- Sushil Sharma:** Yes, Nepal project, 669. The CCEA clearance has been given, accorded by our CCEA and we will shortly award in next 2-3 months, we will try to award the civil works.
- Moderator:** Thank you very much. The next question is from the line of Vishal Periwal from Antique Stock Broking. Please go ahead.
- Vishal Periwal:** One, maybe a bit of clarification, you might have repeated this. So, this 2,638 MW that we plan to add this year, what is the breakup between hydro and renewable based power plant in this?
- Sushil Sharma:** Just a minute, I will give the complete breakup.
- Vishal Periwal:** Or maybe if the plant wise details are there if you can share it?
- Sushil Sharma:** Yes. You see, Buxar Thermal Power plant, 660 MW, Bagodara Solar Power Plant, 70 MW. Bikaner 500 MW. Bikaner again Phase-3 and 4, 500 MW. This Omkareshwar, I have already told you that 90 MW. PSPCL in solar power plant in Punjab, 100 MW. Floating Solar Power plant in Nangal in the dam of BBMB is 15 MW and BBMB ground mounted solar power plant is 18 MW. GUVNL Phase-XIII solar power plant Gujarat 100 MW. GUVNL Phase-XIV solar power plant Gujarat 260 MW. GUVNL Phase-17 Avaada solar power plant Gujarat 200 MW. Jamui Solar Power Plant in Bihar, 125 MW, comes out to be 2,638.
- Vishal Periwal:** So, if one has to understand, in this, the thermal is only one, right, the Buxar?
- Sushil Sharma:** Yes, second unit will be in next Financial Year.
- Vishal Periwal:** So, just to clarify, so in this 2,638, 660 is Buxar which is thermal and remaining is, there any hydro in this?
- Sushil Sharma:** Renewable, all renewables.
- Vishal Periwal:** There is no hydropower plant, right in this?



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- Sushil Sharma:** No, nothing.
- Vishal Periwal:** And similarly, sir, is it possible to share for FY26 also what is the commissioning target that we are seeing based on the current project readiness? Anything that you can share?
- Sushil Sharma:** Let me put it, Arun-3 Hydro Power Projects, 900 MW in Nepal, Dhaulasidh Hydro Power Project 66 MW, Buxar Thermal Power 60 MW. GUVNL Phase-5 Wind Power Project 100 MW. Solar Project in Assam 70 MW. Solar Project in Assam from APDCL 50 MW. Wind Power Project from SECI 100 MW. Wind Power Project from SECI 200 MW. Solar Project in Assam from APDCL 200 MW. RVUNL Solar Power Project, Rajasthan 100 MW. Then, GUVNL Phase-22, 200 MW. Banka Solar Project in Bihar, 75 MW. Then, solar power project in Maharashtra, Phase-7, 200 MW. Solar power project in Maharashtra, 200 MW. Letter of intent from PSPCL. We have already got 200 MW. LOI from PSPCL anywhere in India 1000 MW. Solar projects in Maharashtra under Mukhyamantri Saur Krushi Vahini Yojana 1352 MW which is total 5673 MW.
- Vishal Periwal:** So, this is our current plan for 26 commissioning.
- Sushil Sharma:** Yes sir, 26 commissioning.
- Vishal Periwal:** And in terms of coal base is only one 660. Hydro is sum totals to what, sir, in this 5,673?
- Management:** 966.
- Vishal Periwal:** Only Arun?
- Management:** Arun, 966 Dhaulasidh.
- Vishal Periwal:** And remaining in renewable?
- Sushil Sharma:** Yes, remaining is renewable.
- Vishal Periwal:** And then this, just repetition maybe, the addition of debt which you mentioned from Rs. 21,000 crore to addition of Rs. 6,500 crore, so this is we are seeing by the end of FY25?
- Management:** Yes, you are right.
- Vishal Periwal:** And in FY25 addition, is there any cost plus based power plant, Buxar is a cost plus or how exactly is it structured?
- Management:** Yes, it is on CRC rates cost plus.



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- Vishal Periwal:** And remaining, is it fair to say, they are on competitive bid, the FY25 commissioning?
- Management:** They are on competitive bid.
- Vishal Periwal:** And similarly, for FY26 also, 5673 MW total debt we plan to add, Arun and then one more that hydropower plant you mentioned it is on cost plus, right?
- Management:** Yes, cost plus. It is our merchant power plant.
- Vishal Periwal:** Complete merchant?
- Management:** Yes.
- Vishal Periwal:** And anything maybe in F27 also, have we any addition based on this?
- Management:** If you send us the mail and we will come.
- Management:** Vishal, we will get back to you later on, if you put a query on mail, so that I will be able to clear your queries.
- Moderator:** Ladies and gentlemen, due to time constraint, we will now take our last question from the line of Vipul Kumar Anupchand Shah from Sumangal Investment Consultant Private Limited. Please go ahead.
- Vipul Kumar A. Shah:** Sir, one small suggestion, if we can put a presentation for all the projects which are being added in this Financial Year and next Financial Year for which you have already given the details in a tabular form, it will be of great help. It should include all the cost of the project, date of commercial operation.
- Management:** We will add the cost. You give us the mail, we will give you complete details.
- Vipul Kumar A. Shah:** What is my request is why don't you put a presentation on your own website so it will be helpful to everybody. You don't have to reply to repeated mails, sir. That is my request.
- Sushil Sharma:** We will consider your request.
- Moderator:** Thank you very much. I now hand the conference over to Mr. Rupesh Sankhe for closing comments.
- Rupesh Sankhe:** We thank SJVN management for giving us an opportunity to host this call. We also thank all the investors and analysts for joining this call. Thank you so much.



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Sushil Sharma:

Thank you. Thank you for patient hearing from this side.

Moderator:

Thank you very much. On behalf of Elara Securities Private Limited, that concludes the conference. Thank you for joining us and you may now disconnect your lines.