



SJVN/CS/93/2021-

Date: 22/11/2021

NSE Symbol: SJVN-EQ

BOLT SCRIP ID: SJVN
SCRIP CODE: 533206

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex,
Bandra East, Mumbai-400051, India.

The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001, India.

Sub: Transcript of Concall with Investors and Analysts to discuss financial results for the Quarter ended 30th September, 2021 (Q2, FY 2021-22)

Sir/Madam,

In Compliance with Regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find attached herewith the transcript of conference call held with the investors and analysts on Monday, 15th November, 2021 to discuss the Financial Results for the Quarter ended 30th September, 2021 (Q2, FY 2021-22).

Kindly take the above information on record and oblige.

Thanking you,

Yours faithfully,


(Soumendra Das)
Company Secretary
22/11/2021

Encl:
As stated above.



SJVN LIMITED

(A Joint Venture of Govt. of India & Govt. of Himachal Pradesh)
A 'Mini Ratna' & Schedule 'A' PSU | ISO 9001:2015 Certified Company
CIN: L40101HP1988G0006409

“SJVN Limited Q2 FY2022 Earnings Conference Call”

November 15, 2021



SJVN LIMITED

(A Joint Venture of Govt. of India & Govt. of Himachal Pradesh)
A 'Mini Ratna' & Schedule 'A' PSU | ISO 9001:2015 Certified Company
CIN: L40101HP1988G0006409



ANALYST:

**MR. RUPESH SANKHE – ELARA SECURITIES (INDIA)
PRIVATE LIMITED**

MANAGEMENT:

**MR. N.L. SHARMA – CHAIRMAN & MANAGING
DIRECTOR – SJVN LIMITED
MR. A.K. SINGH - DIRECTOR FINANCE – SJVN
LIMITED**

**SJVN LIMITED**

(A Joint Venture of Govt. of India & Govt. of Himachal Pradesh)
A 'Mini Rata' & Schedule 'A' PSU | ISO 9001:2015 Certified Company
CIN: L40101HP1988GO00419

SJVN Limited
November 15, 2021

Moderator: Ladies and gentlemen, good day and welcome to the SJVN Limited Q2 FY2022 Earnings Conference Call hosted by Elara Securities (India) Private Limited. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “*” and then “0” on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rupesh Sankhe from Elara Securities. Thank you and over to you Sir!

Rupesh Sankhe: Good afternoon everyone. On behalf of Elara Securities, we welcome you all for the Q2 FY2022 conference call of SJVN. I take this opportunity to welcome the management of SJVN represented by Mr. N. L. Sharma, Chairman & Managing Director, Mr. A.K. Singh, Director 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 for his opening remarks. Over to you Sir!

N. L. Sharma: Thank you. Good afternoon to everybody. From the management side let me first share with all the investors and analysts as of now the total portfolio of SJVN is 33 projects more than 11,000-megawatt capacity in different stages in operation, in construction and in survey and investigations and out of this 11,200-megawatt capacity 2016 megawatt projects are under operation and 3300 megawatt are construction in India and two neighboring countries Nepal and Bhutan. In this quarter Q2, we have bagged 1200-megawatt solar energy projects. One allotment of 1000 megawatt under CPHE scheme in various stages that is flagship scheme and we won the projects of that allotment of 1000 megawatt through e-reverse auction. This is meant for CPHE only. Another 200-megawatt solar project we have secured in Bihar. 100-megawatt project in Punjab which was auction by Punjab State Power Corporation Limited. This will be addition of say around 1300-megawatt capacity in the portfolio quarter Q2 period. Then there is another project by GUVNL. This is Lagan-Chedda project 100 megawatt. It was earlier put on hold because of some reasons, but now GUVNL has issued a letter of award so that is another 100 megawatt so total 1400-megawatt solar energy projects during the Q2.

Other highlights the project which was allotted by Government of Nepal 679-megawatt capacity and the MOU was signed between SJVN and the Investment Board of Nepal on July 11, 2021, and we have submitted the detailed project report DPR in record period of less than four months on October 31, 2021, we submitted the DPR to the Investment Board of Nepal. Then in Luri project Stage I 210-megawatt capacity was already under construction, we have already awarded to the contractors and now electromechanical package has also been awarded to Musselwhite Hydro Private Limited on July 16, 2021. Then there is good progress in Arun III projects. Excavation of butterfly volume chamber and transformer hall has been completed during this period. Then on the generation front from our generation projects majority chunk of the generation comes during this Q2 period. The full flow season in the river flow in this season Q2 SJVN achieved highest every quarterly generation of 4404 million units against the previous high of 4391 million units. Our operation life has improved in this quarter in terms of generation.

**SJVN LIMITED**

(A Joint Venture of Govt. of India & Govt. of Himachal Pradesh)
A Mini Ratna' & Schedule 'A' PSU | ISO 9001:2015 Certified Company
CIN: 140101HP1988GO008409

SJVN Limited
November 15, 2021

Then in the month of October itself we have generated the highest ever 726 million units over a previous best of 660 million units that is an increase of about 66 million units more than 10%. About 10% increase in the generation during the month of October. This is about the major highlights during the Q2 of SJVN.

Now coming to the numbers of Q2 performance of generation and financial accounts during Q2 period. The generation from the various projects have registered an increase of around 12 million units. I have already shared that against the previous best of 4391 million units, our operational projects registered a generation of 4404 million units that is 12.87 million units increase in the generation. This increase has been recorded in all hydro and wind solar projects so generation has increased. The revenue from operation there is an increase in the revenue of operation. It has increased to Rs.883 Crores against last year cost funding periods of Rs.855 Crores. Other income has also increased from Rs.33 Crores to Rs.44 Crores. Total income there is an increase of about Rs.38 Crores, Rs.926.99 Crores against last year cost funding period of Rs.888.9 Crores, Expenses have also increased. Expenses have increased from Rs.202 Crores to Rs.307 Crores. This is Rs.104 Crores in the expenses though employer expenses has decreased what expenses on account of some other reasons for exchange rate variations and some reimbursement to the beneficiaries because of the tariff reason issued by the CRC. These are some of the reasons. Profit before tax because of the increased expenses has come down by Rs.66 Crores. It is Rs.619 Crores against Rs.686 Crores last year. Profit after tax has also declined from Rs.522 Crores to Rs.406 Crores. Earnings per share has subsequently declined from Rs.1.33 to Rs.1.03. Net worth has increased from Rs.12,381 Crores to Rs.13,349 Crores. Book value has registered an increase from Rs.31.51 to Rs.33.97. As I have already shared, there is an increase in Generation and plant availability sector. The efficiency of our machines and our staff that has also increased. Last year it was 109.02 in the case of project. Now it is 109.54% whereas in the case of hydroelectric project it has also increased from 109.01% to 109.53%.

Then incentives, total incentives in this quarter have also increased from Rs.65.85 Crores to Rs.75.53 Crores an increase of about Rs.9.68 Crores.

Outstanding: Total outstanding have come down last year. This quarter Q2 it was Rs.822 Crores. Now it has come down to Rs.40 Crores. The due which is more than 45 days is Rs.444 Crores against Rs.572 Crores last year corresponding quarter. The major dues are from J&K which is about Rs.437 Crores out of Rs.440 Crores. This is what the preliminary remarks initial remarks from the management. You can ask the questions we are ready to take live.

Moderator:

Thank you very much Sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Our first question is from the line of Rahul Modi from ICICI Securities. Please go ahead.

Rahul Modi:

Thank you Sir for the opportunity. Sir just a couple of questions if you can give some color on what is the progress in terms of the commissioning schedules of Arun 3 and Buxar and how



SJVN LIMITED

(A Joint Venture of Govt. of India & Govt. of Himachal Pradesh)
A Mini Ratna 'A' Category PSU | ISO 9001:2015 Certified Company
CIN: L40101HP1988G000409

SJVN Limited
November 15, 2021

much capex in the plants that we have done till now and commissioning schedules and the pending capex over the next three years overall as a company?

N. L. Sharma:

Rahul thank you very much. Regarding the progress on Arun 3 though the area in which Arun 3 project, the area is receiving maximum rainfall. It is called the Cherrapunji of Nepal so sometimes working season is affected because of the rains and this year rains started right from the first week of March and continued till June 15 and further till October 15 but there is improvement in the progress of the construction schedule though we have the commissioning schedule is February 2025 but management has set a very ambitious and aggressive target for this project by June 2023 so we are working on it despite all the odds though there are some issues which are beyond our control. First is the rainfall, natural calamities, geological surprises, the condition of the highway connecting this road which is lifeline of the project, but despite that we have kept the schedule June or July 2023 and we are working on it. We have already prepared the accelerated schedule for this. We are trying to mobilize additional manpower, additional machinery, and the latest technology also. That is on Arun 3. In Buxar, Buxar is scheduled to be commissioned both the machines by January 2024. Because of the COVID and other reasons, availability of some raw materials like sand got delayed and State Government of Bihar imposed the restriction of movement of big vehicles, but despite all these odds, we are trying our best and keep the schedule at January 2024, but there is good progress. Regarding the capex when we speak in terms of the expenditure this year we have kept a capex of Rs.2000 Crores for Buxar and till date we have incurred Rs.1,536 Crores capex on Buxar that means more than 75% capital expenditure of the target we have already incurred in Buxar and we are confident that we will achieve the target of capex to that Rs.2000 Crores. We will certainly spend more than Rs.2000 Crores that is the expectation from the Government of India also to spend more and more on the capital spend whereas in the case of Arun 3, we have kept a target of Rs.1200 Crores and we have achieved about Rs.700 Crores out of Rs.1200 Crores capex target and we are hopeful that we will achieve this target of capital expenditure of Rs.1200 Crores. That is on the capex front on this Buxar and Arun 3.

Rahul Modi:

Right and Sir if you could throw some light on the solar project now that you have mentioned that the 100-megawatt GUVNL is also on scene so we have got 145 plus 100, 245 plus 200 plus 1000 so how are we planning out the capex for this and so what will be the total capex of this?

N. L. Sharma:

Total capex for the renewable that is solar project we have kept around Rs.875 Crores capex target for all the solar projects. Though the portfolio of solar projects which we bagged will be secured in this year has increased to 1400 or 1500 megawatt whether it is scheme in Gujarat or in Bihar or in Punjab or Uttar Pradesh. Out of these, the work has started in Uttar Pradesh pass the Jalaun district project. The work has already awarded and contractor has started the construction work whereas in Gujarat there is a project under 70 megawatt share project and its capex is around Rs.200 Crores and we have awarded the work and land acquisition project is in process whereas in CPSE scheme we are working with the various state governments to have the power purchase agreements by the different states. One more project Raghnesda which I mentioned during my earlier remarks that GUVNL has issued letter of award and the process of signing the



SJVN LIMITED

(A Joint Venture of Govt. of India & Govt. of Himachal Pradesh)
A Mini Ratna' & Schedule 'A' PSU | ISO 9001:2015 Certified Company
CIN: L40101HP1988GO000409

SJVN Limited
November 15, 2021

contract agreement and they are starting the work. We have to go for inviting the bids and awarding the work to the contractor. In this, the total target for this solar project is around Rs.875 Crores.

Rahul Modi: Right Sir. I will get back in the queue. Thank you very much for this.

Moderator: Thank you. We will take our next question from the line of Rohit from Antique. Please go ahead.

Rohit: Thank you for this opportunity. Sir my first question is can you help me reconcile this solar number what is the total capacity? You said 1.5 gigawatt you have on an average in the portfolio, but the numbers that you talked about was like solar capex target for this fiscal that is 8.75 around that amount? Can you give some color on the total capital outlay involved in that total capacity portfolio that you have and how much you have incurred till date and how much is pending?

N. L. Sharma: Total capacity till date the project of capacity allotted to us is 1000 megawatt under CPSC scheme, then 200 megawatt in Bihar, 70 megawatt in Gujarat, then 75 megawatt in Uttar Pradesh, 100 megawatt in Punjab, then again 100 megawatt Raghnesda in Gujarat. That comes to 1545-megawatt solar project.

Rohit: What is the total capex here and how much you have incurred till date Sir?

N. L. Sharma: Total capex target for this fiscal year we have kept Rs.875 Crores.

Rohit: No Sir. I am talking about the full amount for 1445 what is the total amount?

N. L. Sharma: It comes to more than Rs.6000 Crores.

Rohit: Of which this number looks what Rs.875 Crores is what you said about in FY2022?

N. L. Sharma: Rs.875 Crores yes.

Rohit: My second question is on your that HP project Himachal Pradesh the solar project 880 megawatt what is the situation over there Sir?

N. L. Sharma: This solar project 880 megawatt is the Kaza sola park. This DPR is under preparation. We have already awarded the work of DPR preparation to the consultant and the consultation is on the job. Whereas on the other side for the evacuation, for the evacuation purpose the power grid and the state government in collaboration they will work on the solutions for the power evacuation from this project.

Rohit: So far we have not heard anything on that front if the evacuation is sure? ROW was the critical point right?



- N. L. Sharma:** Right now ROW is not the issue, but the issue is the physical construction if the area remains under snow for major part of the year. During the construction first DPR has to be prepared. Then visibility of the reaction is of the transmission line. There are two options and two rules vested by the World Bank team which surveys the area so that call has to be taken by the power grid now which route will they follow and what will be the technology in the snow mountain areas for the construction of the towers and stringing of the lines.
- Rohit:** Sir this inorganic expansion of 288 megawatt we have been reading in the media about the PTC acquisition what exactly is the progress over there Sir?
- N. L. Sharma:** Right now there is no progress. We have already won the rate which they floated. They have not yet decided to award that. Now board of PTC will take a call. Then we will seek approval from the Ministry of Power to acquire the projects. If the Ministry of Power allows then we will go for it.
- Rohit:** Sir finally on the Buxar thermal project we have been hearing there is some land acquisition issues for the rail infrastructure and water pipeline so is that really a concern or is it something that we need not worry?
- N. L. Sharma:** Frankly speaking it was not a concern but we were following the process, the process of land acquisition. Now the process has now been completed and the notification has been issued by the Government of Bihar in both the cases for the railway siding as well as the corridor. Now the compensation will be worked out by the district authorities and district administration. We have already deposited the money with them. Then they will disburse the money to the landowners and we will get the possession of the land.
- Rohit:** That is it from my side. Thank you.
- Moderator:** Thank you. We will take our next question from the line of Rupesh Sankhe from Elara Securities. Please go ahead.
- Rupesh Sankhe:** Sir two questions from my side. Firstly on the dividend payout will we be able to maintain dividend payout ratio given the significant capex there that is the first question? The second question can you throw some light on the recently formed new subsidiaries for RE, for battery and storage and for green hydro?
- N. L. Sharma:** Yes Rupesh first on the dividend payout. The idea is paying dividend more than 50% of its PAT during the past few years and you are right that we are very aggressive on the capex in the coming years because of the increased number of projects in the pipeline. Initially we were having good amount of cash reserves but we also made efforts to get funds to fund the projects also so the dividend payout Government of India has suggested that the rules provide that 30% of the asset or 5% of the net worth should be paid the dividend. We were already paying more than this, but we have already stated that we will at least comply with the government guidelines of 30% of the PAT or 5% of the net worth. We will maintain that dividend. We will pay more than



SJVN LIMITED

(A Joint Venture of Govt. of India & Govt. of Himachal Pradesh)
A Mini Ratna 'A' Schedule 'A' PSU | ISO 9001:2015 Certified Company
CIN: L40101HP1988G000409

SJVN Limited
November 15, 2021

that. The exact amount I cannot say. Right now what that board will take a decision or the shareholders will finally take a decision on it but certainly we will comply to the guidelines of the Government of India on this issue. The second question about the new subsidiary, the new subsidiary the Government of India has suggested because keeping in with the emphasis on the solar or battery energy storage so our board has already pass a resolution to form a subsidiary dealing with all the solar and better energy storage system so our board has already passed the resolution. Now the matter will be taken up with the Government of India and finally will give its consent so it is in the process formation of the subsidiary on the renewal.

Rupesh Sankhe: Thank you Sir.

Moderator: Thank you. Our next question is from the line of Dhruv from HDFC Asset Management. Please go ahead.

Dhruv: Sir thank you so much. Sir if you can please help us with the COD timelines for each of these renewable projects for example the 200-megawatt Bihar the ones you mentioned if you can give us the COD timelines please?

N. L. Sharma: Yes we will take up this project of 75 megawatt in UP. The COD timeline is October 2022. Then 70-megawatt project in Gujarat is around October 2022. Then 200 megawatt projects in Bihar that will be in 2023 mostly may be June 2023. Then 100-megawatt project in Punjab again June 2023 or it may be September 2023. It is September 2023. Then 100 megawatt Raghnesda project in Gujarat. It will be again September 2023. Then CPSC schemes. That will depend upon the power projects agreement signed with the different states or on the other beneficiaries the government but that will again be by September 2023.

Dhruv: Sir CPSC has to be commissioned by September 2023 or the agreement has to be ready by September?

N. L. Sharma: Commissioned. So two to three days the auto date is September 2023 and some projects by October 2022 and some in June 2023.

Dhruv: Got it. Sir if I am not wrong Sir last part of the FY2023 and FY2024 is when the majority of this Rs.6000 odd Crores will have to be spent in these two years? These are for the current projects whatever new wins you do that will be separate?

N. L. Sharma: Yes.

Dhruv: So approximately Rs.3000 Crores per year I should assume should be a fair number?

N. L. Sharma: About Rs.3000 Crores, Rs.875 Crores this year FY2021 and FY2022 and say about Rs.2500 Crores each in 2023 and 2024.



- Dhruv:** Got it and these are Sir all for which we have CPs. Everything is done. PPAs are signed and everything is done?
- N. L. Sharma:** In case of CPSC scheme, CPs are under process. We have signed up with the various state governments or even with the other government entities like Delhi Metro we are also trying, Steel Authority of India or Indian Oil Corporation. We are exploring the opportunities.
- Dhruv:** Is it possible to share say for example whence all these enabled projects are commissioned because you might have the PLF estimates for all of these and the revenue estimates also? What would be the revenue that you will generate in a full year basis when the plants are running for the full year basis what would be the revenue run rate?
- N. L. Sharma:** 1500 megawatt projects when in operation so about 2500 million units will be generation and the average will be to the extent of say Rs.2.5 or Rs.2.40 so that comes to around more than Rs.500 Crores to Rs.600 Crores.
- Dhruv:** Sir 2.4 is the average for the portfolio that you have?
- N. L. Sharma:** Yes.
- Dhruv:** Based on the PLF estimate got it and Rs.2500 Crores is also the average?
- N. L. Sharma:** Yes.
- Dhruv:** Got it Sir. This is helpful and the Sir the next thing is that you mentioned the capex that you have done in RM3 and Buxar for the year? Can you give the cumulative that we have done as of now?
- N. L. Sharma:** Yes we can give. In the case of Buxar, Buxar so far we have spent Rs.3500 Crores and in the case of Arun 3 we have spent Rs.2300 Crores.
- Dhruv:** Sir in the balance sheet I see that our borrowings have increased significantly and there is also a corresponding increase in cash so I assume is it because of the significant capex that you see going ahead and hence this borrowing increase?
- N. L. Sharma:** Yes borrowing it should be to the tune of Rs.1000 Crores that is one borrowing and external commercial borrowing that is about Rs.3500 Crores down Rs.1500 Crores. Out of that Rs.3500 Crores we are down to Rs.1500 Crores. Net about Rs.2500 Crores borrowing has decreased over the last two months.
- Dhruv:** This is all for the capex that we are undertaking?
- N. L. Sharma:** Yes.



- Dhruv:** Sure Sir and Sir one small thing you mentioned in the other expenses of the tariff impact so what would be the amount that is sitting there?
- N. L. Sharma:** Yes the amount increase in other expenses. It is total about Rs.54 Crores. The interest payable to the beneficiaries after fixation of tariff on project period 2014 and 2019 period. This comes to Rs.23 Crores. The earlier we have claimed or booked expenses receipts for the beneficiaries based on the tariff petitions submitted to CRP. We have recovered the dues also but after the award of the CRP there were some expenses which were not considered or allotted by the CRP so we had to reimburse to the beneficiaries but this amount comes to around Rs.23 Crores. Then foreign exchange rate variation, the external commercial borrowings which we withdrew Rs.1500 Crores because of the buying rate and selling rate of the dollar and its counting in the books that difference comes to Rs.14.6 Crores the increase in the expenditure on the expenses side. Then additional interest on the arbitration award amounting to Rs.4 Crores, the award which was given by the arbitrators and we are contesting it in the High Court and on this the interest comes to Rs.4.6 Crores. Then increase in other expenses such as EDP expenses on the recruitment expenses and CSR. This is to the extent of Rs.7.5 Crores. Then increase in the deferred tax expenses due to adjustment of MAT credit amounting to Rs.12 Crores so this is increase in the expenditure side. Then some increase in the regulatory deferred account also.
- Dhruv:** The large part gets offset except for this one? Got it Sir that is all from me. Thank you Sir. Thank you so much.
- Moderator:** Thank you. Our next question is from the line of Rahul Modi from ICICI Securities. Please go ahead.
- Rahul Modi:** Thank you once again Sir. Sir just a quick question on the total capex that you are going to incur in 2022, 2023 and 2024 financial year and Sir I believe that initially you do more of equity capex in the projects so the second half of the construction life we brought down the debt so if you can actually give us out of the three years annual capex total what will be the equity capex and then the balance debt? Thank you.
- N. L. Sharma:** Rahul for this year the total capex plan is for Rs.5000 Crores and so far we have spent around Rs.2750 Crores till date. In the initial part the expenses were met from the equity side, but now withdrawal of debt part has also started in Buxar thermal project also and that project also and we will be starting the withdrawal for the Arun 3 project also. Now out of Rs.5000 Crores the expected withdrawal from the debt will be around about Rs.1500 Crores this year 2022-2023, but in the next year the total capex planned is Rs.8000 Crores so in that the withdrawal will be more than I think Rs.4000 Crores to Rs.5000 Crores next year of the debt side.
- Rahul Modi:** Sir still we are having a financing of almost 50% to 55% or between 40% to 50% in equity but we have actually substantially invested equity already I believe the leverage levels will be higher for the renewable assets is that correct understanding?



SJVN LIMITED

(A Joint Venture of Govt. of India & Govt. of Himachal Pradesh)
A Mini Ratna' & Schedule 'A' PSU | ISO 9001:2015 Certified Company
CIN: 140101HP1988GO000409

SJVN Limited
November 15, 2021

N. L. Sharma: Definitely because in the Buxar, Arun 3, also we have spent more from the equity side. In the renewal, we will go either for 70:30 debt equity or even 80:20 also. It is less than 20 equity so in the renewal equity requirement will be less on the lesser side whereas debt requirement will be more. On the 1500-megawatt capacity of renewal total expenditure if the investment is of Rs.6000 Crores then out of Rs.6000 Crores only say around Rs.1200 Crores to Rs.1500 Crores will be our equity whereas the rest of more than Rs.4000 Crores will be from the debt side.

Rahul Modi: Thank you Sir.

Moderator: Thank you. Our next question is from the line of Aniruddha Arondekar an Individual Investor. Please go ahead.

Aniruddha Arondekar: Thanks for the opportunity. I want to know what is the progress of the Bhutan project 600 megawatt because in the last call you mentioned that you are facing some restriction from lower end of Bhutan regarding manpower so I would like to know what is the status?

N. L. Sharma: Thank you Aniruddha. Progress literally I can say very marginal improvement or no improvement so far. The restrictions are still there. We are taking up the matter with the Government of Bhutan also to relax the restrictions and to allow the labor to get in Bhutan and on the work also. The efforts are still going on because now in the current situation also in other countries the situation of corona is again worsening. Bhutan is very, very sensitive and touchy country so they are very conservative people from what size is their country.

Aniruddha Arondekar: Another quick question. You mentioned that the recent guideline regarding the dividend payout so are we reducing dividend payout for 50% to 30% for this financial year or we are staying with the last year around Rs.2 or Rs.2.2 per share?

N. L. Sharma: Mr. Aniruddha that what I can say that we will definitely be complying with the guidelines of the Government of India that not less than 30% of PAT or 5% of net worth we will be complying these guidelines however the final dividend the call will be taken in the board as well as the shareholders finally the shareholders. 5% of net worth already comes to more, we have Rs.30,000 Crores net worth so 5% is more than Rs.650 Crores to Rs.750 Crores dividend so that will again be around 50% of the PAT. So dividend payout ratio will definitely be above 40% around 45% at least.

Aniruddha Arondekar: Thank you.

Moderator: Thank you. Our next question is from the line of Vipul Shah from Sumangal Investment. Please go ahead.

Vipul Shah: This Bihar Buxar project is 100% owned by us or is there any joint venture for that?

N. L. Sharma: No it is 100% owned by SJVN. We have formed it as a wholly owned subsidiary of SJVN, the SJVN Thermal Private Limited.



SJVN LIMITED

(A Joint Venture of Govt. of India & Govt. of Himachal Pradesh)
A Mini Ratna' & Schedule 'A' PSU | ISO 9001:2015 Certified Company
CIN: L40101HP1988G000409

SJVN Limited
November 15, 2021

- Vipul Shah:** There the tariff is relatively high considering the tariff at which current these things are going so do you face any problem in realizing all the tariffs as and when the project is ready?
- N. L. Sharma:** Vipul as per the agreement and the power project agreement with the Government of Bihar, the Government of Bihar will buy 85% of the power from cost plus basis so there is no issue of any unacceptability on the tariff and the tariff comes to around Rs.4.20 paisa to Rs.4.25 paisa which is very, very competitive so far as that dependable source of power is concerned hydro and thermal.
- Vipul Shah:** No you said that the Government of Bihar will buy only 85% and the rest 15% we will sell in the market?
- N. L. Sharma:** That is right now central allocation as per the guidelines. That 15% will be allocated by the Government of India. The Government of India can allow us if we want any relaxation from them that we can sell or bundle it with the solar power but that 50% will be allotted by the Government of India or with the permission of the Government of India we can sell it to any.
- Vipul Shah:** What will be the tariff for that 15% Sir?
- N. L. Sharma:** Same that CRP determined mostly it is guided by the CRP regulation.
- Vipul Shah:** So it will be roughly the same?
- N. L. Sharma:** Yes it will be roughly same Rs.4.20 paisa.
- Vipul Shah:** Sir lastly I want to know since we are executing so many projects how many of our projects are stuck up due to political or environmental reason and what is the amount blocked in those projects so if you can give any rough estimate for that it will be helpful?
- N. L. Sharma:** Responding to your question that how many projects are stuck up. I will underline the word stuck up for only one project and that is Uttarakhand hydroelectric project which it is at work of 252-megawatt project but because of the new regulations of the Ministry of Water Resources it is stuck. We have to redo the engineering also if its capacity has come down to 170 or 160 megawatt, but still it needs clearance from the Ministry of Environment and Forest or even River. There are also some supreme court directions. However, we have already spent around Rs.225 Crores on this project so far and this project can be permanently stuck up, whereas no other project is stuck up for the water clearance.
- Vipul Shah:** Lastly Sir what will be our pick consolidated debt when all these projects will get bunched up for execution?
- N. L. Sharma:** Total debt as on date is around Rs.4500 Crores as on date and when all the projects are executed or commissioned total debt we cannot give a certain figure but 3300 megawatt projects are under construction so 3300 megawatt under construction so the total expenditure from this will be.



SJVN LIMITED

(A Joint Venture of Govt. of India & Govt. of Himachal Pradesh)
A 'Mini Ratna' & Schedule 'A' PSU | ISO 9001:2015 Certified Company
CIN: L40101HP1988G000419

SJVN Limited
November 15, 2021

- Vipul Shah:** What is the total cumulative capex for this 3300 megawatt under construction?
- N. L. Sharma:** It is Rs.22000 Crores so debt portion will be around roughly 70% of this so Rs.50,000 Crores will be debt.
- Vipul Shah:** Rs.50,000 Crores of debt will be added over and above this?
- N. L. Sharma:** Yes.
- Vipul Shah:** Lastly Sir what is the average cost of funding for Rs.4500 Crores of debt?
- N. L. Sharma:** The average cost of funding which we were taking from our banks in India that is around 6.5% average funding average cost of the debt but we are also trying which we have raised is like 6.1% and one external commercial borrowing that comes to around 1.78% so weighted average we can take at around 5%.
- Vipul Shah:** Sir thank you and all the best for the future.
- Moderator:** Thank you. Our next question is from the line of Aniruddha Arondekar an Individual Investor. Please go ahead.
- Aniruddha Arondekar:** Sir in the last call you mentioned that we are in conversation with Himachal Pradesh government with regarding for additional 400-megawatt solar project and also some district level projects of size 25 megawatt plus so what is the progress any additional progress after Q1?
- N. L. Sharma:** It is under progress that 400 megawatt project in the tribal district of Kinnaur so with the Government of Himachal Pradesh and we are hopeful that project will be allotted to us and we will start working on it and the other solar projects in Himachal Pradesh we have already taken up the matter with the Government of Himachal Pradesh and the Government of Himachal Pradesh has already directed its Deputy Commissioner to identify the land areas and our team is also visiting various places and as and when the land patches are identified and subsequent formalities will be completed to take the land, acquire the land or purchase the land or get it transferred and we will be installing the projects.
- Aniruddha Arondekar:** Sir one more question do you have any discom pending dues and if there any can you give me total numbers?
- N. L. Sharma:** The major amount of the dues are with the J&K. it is more than Rs.400 Crores other than Government of J&K also released about Rs.150 Crores in the last two months but still more than Rs.400 Crores dues are pending whereas the other benefactories like Himachal Pradesh, Uttar Pradesh they are regularly paying by a large.
- Moderator:** Thank you. Ladies and gentlemen due to time constraints that was the last question. I now hand the floor back to Mr. Rupesh Sankhe for closing comments. Over to you Sir.

**SJVN LIMITED**

(A Joint Venture of Govt. of India & Govt. of Himachal Pradesh)
A 'Mini Ratna' & Schedule 'A' PSU | ISO 9001:2015 Certified Company
CIN: L40101HP1988GO008409

SJVN Limited
November 15, 2021

Rupesh Sankhe: We thank Mr. N L Sharma for giving us an opportunity to host this call. We also thank you very much and wish you all the best all the investors and thanks for joining this call. Thank you so much.

Moderator: Thank you Sir. On behalf of Elara Securities (India) Private Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.