



SJVN/CS/93/2022-

Date: 16/02/2022

NSE Symbol: SJVN-EQ

BOLT SCRIP ID: SJVN
SCRIP CODE: 533206

National Stock Exchange of India Limited
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Bandra Kurla Complex,
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SUB: Transcript of Concall with Investors and Analysts to discuss financial results for the Quarter ended 31st December, 2021 (Q3, 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 Friday, 11th February, 2022 to discuss the Financial Results for the Quarter ended 31st December, 2021 (Q3, FY 2021-22).

Kindly take the above information on record and oblige.

Thanking you,

Yours faithfully,

(Soumendhra Das)
Company Secretary

16/2/22

Encl:
As stated above.



“SJVN Limited
Q3 FY2022 Earnings Conference Call”

February 11, 2022



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**



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Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY2022 Earnings Conference Call of SJVN Limited hosted by Elara Securities Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone telephone. 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 Q3 FY2022 conference call of SJVN. I take this opportunity to welcome the management of SJVN represented by Mr. N. L. Sharma, Chairman & Managing Director and 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. I am here to present the Q3 results of the FY2022 of SJVN Limited. Let me share with all the analysts and investors present over here that we have revised the shared vision or the goal of the company. Earlier it was 5000 megawatt company by 2023 and 12,000 megawatt company by 2030 and 25,000 megawatt by 2040. Now the management after considering the achievements, results and the projects in the pipeline aligned with the futuristic strategy of the Government of India in the renewable sector also and the demand of energy in the years to come, the management after giving a deep thought and the board of the company has also agreed to revise the shared vision of the company. For the short term by 2023, the goal remains the same that is 5000 megawatt company but we have doubled. Now we have revised the share vision target from 12,000 megawatt to 25,000 megawatt by 2030 and from 25,000 megawatt by 2040 to 50,000 megawatt company. So now the shared vision of the company will be 5000 megawatt by 2023, 25,000 megawatt by 2030 and 50,000 megawatt by 2040 so almost we have doubled the targets for the company. This had been done on the basis of the achievement and the pipeline of projects with SJVN. The news which I wanted to share with the shareholders that recently Government of India allocated the power potential projects in Arunachal Pradesh to CPSE on the one basin one developer basis and the Government of Arunachal Pradesh has also been taken on board and five projects of 5098 megawatt project has been identified in Dibang Basin. One of these five projects is the Italian ultra power hydropower project of 3097 megawatt so five projects of 5098 megawatt capacity in Arunachal Pradesh, SJVN is targeting for in the next eight to 10 years. Similarly few days back the Government of Rajasthan conducted Rajasthan Investor Summit and I was there in that summit. The Honorable Chief Minister along with his three ministers were present and SJVN submitted its intention to the develop 10,000 megawatt solar power projects in Rajasthan in the coming five years. There is a huge potential of solar power projects in Rajasthan so SJVN is targeting developing 10,000 megawatts projects in Rajasthan so now our total portfolio of all the projects hydro, thermal,



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wind and solar has increased and it has crossed 25,000 megawatt if we take into account the indicated capacity of solar projects at Rajasthan and five hydro projects in Arunachal Pradesh. That encourages us to revise our shared vision also.

Regarding the Q3 results, let me share with all the analysts present here the generation of power from all our operational projects in the Q3 has registered an increase of about 15%. In Q3 generation from all operational projects has been 1480 million units against 1280 million units in the last years so there is an increase of about 200 million units of energy. During this quarter, this is about 15.6% and similarly the revenue from operations has also registered an increase of about 11%. Revenue from operation in Q3 this year is Rs.550.92 Crores against Rs.495 Crores last year, an increase of about Rs.56 Crores. Similarly total income has registered an increase of 14%. It is Rs.607 Crores against Rs.531 Crores last year. Profit before tax has registered a very big increase. This year in the Q3 profit after tax is Rs.232 Crores against Rs.195 Crores last year and similarly net worth of the company has also registered an increase of 8%. This has increased to Rs.13,581 Crores from Rs.12,575 Crores last year. The generation I have already shared in this quarter. There is an increase on all the fronts whether it is hydro, solar or wind. There is an increase in all the segments. Similarly plant availability factor is again at its highest level. It is about 109.95% in case of Nathpa Jhakri and 109.71% in case of Rampur project.

Similarly the incentives, in terms of capacity incentives and UI charges. There is an increase of about 9% in the total incentives. In this quarter the total incentives are about Rs.74.4 Crores against Rs.68.11 Crores last year. Similarly there is almost total liquidation of late payment per surcharges. We have recovered most of the late payment surcharges. The outstanding of late payment surcharges last year was Rs.660 Crores. Now this has reduced to Rs.12.94 Crores this year so we have recovered almost the entire late payment surcharges this year however there are outstanding dues of the main supply of energy from the different beneficiaries but the major defaulter is J&K. We are on the verge of starting construction on the Sunni Dam Project. This is 382 megawatt project. We have already received the environment clearance for this project from the Ministry of Environment and Forests and Climate Change and also the forest clearance stage one. Stage one also, for investment approval the PIB has already recommended the investment approval of Rs.2614 Crores and the matter will go to the union cabinet for CCEA and we are expecting that in the coming months it will be through in the cabinet also and we are ready with the tendering process and the contractor will be awarded as and when we receive the investment approval from the Government of India. Similarly the work on two solar projects one in Uttar Pradesh and one in Gujarat is already going on. On the other hand the investment of over for more than Rs.5400 Crores for 1000 megawatt solar project under the CPSU scheme is already with the Government of India and we are hopeful that in the coming couple of months we will receive investment approval for this PPI project or solar projects of 1000 megawatt capacity. This is all from the management side. We are now ready to have queries or questions from your side. We will try to reply as per our best ability. Thank you very much.



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Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Rohit Natarajan from Antique Stock Broking. Please go ahead.

Rohit Natarajan: Thank you for this opportunity. Sir on this revised target of doubling of these numbers by FY2022 what exactly is the funding plan that you have in mind?

N. L. Sharma: The plan is definitely that for the short term, medium term and long term. Short term the target is the same the 5000 megawatt by 2023. As of now our installed capacity is 2016 megawatt and the projects of about 3500 megawatt are under construction. So we are sure that we will complete and commission these projects by that time and for the midterm period 2030. The Honorable Prime Minister has announced in the meeting that about 500 gigawatt capacity of non fossil fuel will be installed in the country by 2030. So we are encouraged by our speed of taking projects and having projects in the pipeline and we have aligned our strategy with that of the Government of India. We are aggressively going in the solar sector also but at the same time we are also playing with our core strength hydro also. By 2030, our target has been revised from 12,000 megawatt to 25,000 megawatt and out of this 25,000 megawatt, 15 to 18 gigawatt will come from solar and the rest of the 8 to 10 gigawatt from the hydro, thermal or wind also so that is our target and by 2040 the target from 25,000 gigawatt has been revised to 50 gigawatt and we will not only restrict ourselves to this hydro, thermal, solar or wind also, we will try to create energy from hydro zone and also from the new technology and battery storage. We are keeping all these all options open.

Rohit Natarajan: Sir I appreciate all those plans but if I have to do some number crunching between FY2025 and FY2030 let us assume you are planning to add 20 gigawatts, on an average let us assume 40 billion gigawatt calculation, 800 billion is the total capital outlay in FY2030 and out of 800 billion, 30% assuming that is your equity requirement Rs.24,000 Crores will be equity requirement from your side and if you have to aggressively built it over five years you essentially need 48 billion every year of 4% every year which is almost like 3x to 4x, kind of a net profit that you are doing so help him how this very aggressive jump can be funded? What is that equity funding going to be like?

N. L. Sharma: Yes definitely the funds for this ambitious expansion plan there's a requirement of equity. The equity portion, that cash flow from the project of about 3500 megawatt capacity projects will come into operation in the next two to three years. The cash flow from these projects will be there. Similarly we are also exploring the options of fund from the different sources as you know that we have already gone into the bond market. We have raised Rs.1000 Crores bonds also. We have also gone for \$500 million external commercial borrowings. Similarly we will also go for securitization of existing assets. Different agencies are coming forward and we are in touch with them. The existing project Nathpa Jakari and some other projects we have in mind will get securitization of assets so we will be eying for Rs.7500 Crores to Rs.8000 Crores debt. So there



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will be no problem of cash flow for the requirement of the cash equity portion as well as debt portion for these projects.

Rohit Natarajan: Sure Sir I appreciate that part. Sir let me now come to the under construction project? We have close to 900 megawatt Arun III where the progress on transmission front, it seems has not picked up in Q3? I see the land acquisition is done for 147 out of 580, but when it comes to the construction for towers of transmission then it is almost like same 94 out of 580 locations are identified so was there any problem in Q3?

N. L. Sharma: In Arun III on the transmission front, it is agreed that initially there was problem of availability of the land for the construction or erection of the towers but recently we have taken up the issue with the Government of Nepal also and the Government of Nepal has come forward and they have directed the CDOs and field officers in the front and they are now getting site for the erection of the towers so you will see the progress in the next quarter that the availability of the land and the erection of the towers will be faster in the coming quarters.

Rohit Natarajan: Sure Sir. Sir we had a capex target of Rs.1200 Crores this year for Arun phase three and we had incurred close to 7 billion? That was the last amount in Q2? What is the revised amount like?

N. L. Sharma: The capex target for Arun III this year was Rs.1200 Crores both for construction as well as generation as well as the transmission component and the next year target is around Rs.2100 Crores on both these. This year we have spent so far Rs.2205 Crores and this year I think we have already spent Rs.1000 Crores.

Rohit Natarajan: Sure Sir and finally on this Buxar Thermal Project, the main plant excavation we have not made any progress from Q2? Is there a slowdown in work in Q3? What exactly is the situation?

N. L. Sharma: No there is no slowdown. I think the information is not correct with you. There is very good increase. In Q3, we have spent around more than Rs.1300 Crores capex on this project and for boiler one this girder has also been lifted and there is a substantial progress. If you want to have the detail on the progress we can supply that also or you are also welcome to visit the project. There is a substantially good progress on this Buxar Thermal Power project in the Q3.

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

Vipul Shah: You said by 2024 you will be reaching 5000 megawatt so out of this 5000 megawatt how many will be hydro and how many will be thermal, how many will be solar and at that time what will be your debt?



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N. L. Sharma: Out of 500 megawatt, around 1912 megawatt as of now 60 megawatt we will be adding hydro this year. Then 900 megawatt we will be adding next year so more than 2872 around 2900 megawatt hydro and thermal will be 1320 megawatt thermal and about 800 to 900 megawatt of solar.

Vipul Shah: And what will be your debt when all this 5000 megawatt capacity comes on stream?

N. L. Sharma: The debt by 2023-2024 by the time the project the debt will be around Rs.10,000 Crores.

Vipul Shah: Rs.10,000 Crores okay and so are we going to service those debts? Suppose if there is any unexpected development in any of the big projects don't you think we are taking some undue risks Sir?

N. L. Sharma: No, the debt is already tied up with the different banking institutions and we have also kept this second line of credit also so there will be no risk on the front of raising the debt also and for major requirement of the debt as I have already narrated or told that we have already managed what \$500 million ECB and Rs.1000 Crores bonds also. The banking institutions are ready to lend funds to us.

Vipul Shah: My question is not about the availability of debts? My question is suppose if any of the big projects runs into any unexpected problem how will you service those debts because our balance sheet size is small?

N. L. Sharma: Mostly we have taken all the risks mitigation. Moratorium period that is also there and we have the cash flow line from our other projects which are debt free like the biggest project Nathpa Jhakri is debt free now and similarly from Rampur project most of the debt has already been paid also so, so that we have backup also.

Vipul Shah: Lastly Sir in FY2022-FY2023 means till March 2023 how much will be the capacity addition?

N. L. Sharma: By FY2023 the capacity addition will be around 205 megawatt. This 60 megawatt Naitwar Mori project hydro and 145 megawatt solar project in Uttar Pradesh and Gujarat.

Vipul Shah: Sir thank you and all the best.

Moderator: Thank you. The next question is from the line of Santosh Kumar Khemka an Individual Investor. Please go ahead.

S K Khemka: I am Santosh Kumar Khemka a share holder. I along with my son Vineet Khemka are holding 6 lakh shares of SJVN? I have two questions? The first question is regarding the interim dividend for the current year has been drastically reduced from Rs.1.80 to Rs.1.15 while the nine monthly



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EPS remains the same, what is the reason for this drastic reduction in the interim dividend please?

N. L. Sharma: Regarding the interim dividend you know that about 10 projects are under construction and many more projects are under different stages of development so to invest in these projects we need more funds, so the dividend has been marginally reduced but it is even more than the minimum level set by the Government of India that we are giving that is more than 5% of our net worth. This is the interim dividend of Rs.1.15 paisa which the board has approved. This year the interim dividend is Rs.1.15 paisa and final dividend will be determined later on so we want to have more funds for construction projects and make the company grow in the future.

S K Khemka: Another question I have that I understand that SJVN has presently project portfolio of around 16,000 megawatt. Besides you are also going for hydroelectric projects of 5097 in Arunachal Pradesh and 10,000 megawatt solar project in Rajasthan? Both the project cost of around Rs.1.1 lakh Crores? I wish to know the source of funding of these projects besides will there be any increase in equity capital by the way of rights or bonus issue going forward please?

N. L. Sharma: For arranging funds for the expansion plan which we have already spelt we have already worked out the cash flow inflow and out flow and the additional equity requirement from the shareholder will not be required. We will arrange funds from the internal accruals. The cash flow will start from the projects which will come into operation in a year or two years. At the same time, we are also arranging funds from other sources as well. As I have mentioned before that by securitization of leasing assets we are hopeful of getting around Rs.7500 Crores to Rs.8000 Crores. We can also utilize these funds as equity to invest in the new projects.

S K Khemka: Thank you very much Sir.

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

Dhruv: Thank you so much. Sir two quick questions firstly is on the CPSU bid Sir how much of the 1 gigawatt is now tied up under PPA?

N. L. Sharma: Out of 1000 megawatt capacity the 150 megawatt this PPA has been done by state electricity board and 150 megawatt from New Delhi Municipal Corporation so 300 megawatt capacity has already been tied up and we are discussion with the other government entities like in railway, SAIL or some other oil companies or the government DISCOMs, Delhi Metro, DISCOMs in Rajasthan and others in Bihar. We are hopeful that the PPAs not be an issue for this CPSU scheme.

Dhruv: Got it and Sir is there any outer limit before which we have to sign this PPA?



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- N. L. Sharma:** It is two years.
- Dhruv:** Two years, I thought Sir it is for the commissioning or is for the PPA?
- N. L. Sharma:** Before commissioning we will have to arrange the PPA.
- Dhruv:** Got it so you can still go ahead with the project and keep seeking the PPA that way that way?
- N. L. Sharma:** Yes.
- Dhruv:** Got it and Sir in your view will you get the PPA up front or you will start constructing the project and you are hopeful that the PPAs will eventually get signed?
- N. L. Sharma:** We will start the construction of the project and we will keep on pursuing for the PPAs. This will go simultaneously.
- Dhruv:** Sir you mentioned that we are looking for PPAs with government entities like metros and oil companies and others, but Sir these are not DISCOMs so you will probably have to get open access approval and other issues which we generally hear about in DISCOMs direct consumer purchases so will that be an issue when you do such means or will there be some government assistance in helping us manage this?
- N. L. Sharma:** ISTS interstate transmission services are nil so we are in discussion with the various DISCOMs also so for this scheme there is a condition that the CPCA scheme we have to supply power to the government entities only so that is the condition.
- Dhruv:** Got it but local DISCOMs open access charges and all those issues will not be a problem because these are government?
- N. L. Sharma:** It is not a problem.
- Dhruv:** Got it and Sir one last thing was on the Rajasthan you signed this 10 gigawatt congrats for that? Sir with this contract does the government also assure in some sense assure you land and other facilities or that still has to be arranged by you?
- N. L. Sharma:** They have assured in principle. If we go in the mode of JV with one of the entities of the Government of Rajasthan that is Rajasthan Renewable Energy Corporation Limited. They have assured in principle that they will arrange government land for that, but at the same time we will keep the options open for the private land if available while discussing these issues with the Government of Rajasthan and the Chief Minister also. We have already requested that the



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government help is required in the acquisition or the procuring of the private land also. They have assured that they extend every possible help.

Dhruv: Got it. So with the MOU you get probably first preference in terms of getting land is that the way to understand this?

N. L. Sharma: Yes you are right. We will get first preference in getting the land.

Dhruv: Sure Sir. Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Siddhant Dang from GoodWill. Please go ahead.

Siddhant Dang: Firstly I wanted to understand is our company exempt from the 75% promoter holding norm or what is the reason behind government such a high stake where actually the promoter is allowed is only 75% in most companies? I wanted a comment on that?

N. L. Sharma: Yes Sir. Right now the public share holding in the company is around 13% so we are still short of 12% as per the minimum public share holding norms set by the SEBI. Let me share with you that the government has already initiated requisite action on it.

Siddhant Dang: It will happen in the next three months okay? Secondly I wanted to understand can we expect a change in the dividend policy because we are taking a lot of leverage and considering our business is very capital intensive just because the government has set certain norms for PSU to give out dividend. We might end up over leveraging or something and we are not even raising equity so will we consider a change because otherwise it will not be very healthy to keep paying out 50% dividend every year while doing so much capex?

N. L. Sharma: Yes you are right. It is high dividend and at the same time high capex both cannot go together so the dividend policy of course is under the domain of the Government of India. The norms are 5% of net worth or 30% of the PAT, which averages higher. We are following that but right now we are managing this 5% of the debt and at the same time we are doing the capex. This year we are doing more than Rs.5000 Crores the target was Rs.5000 Crores so we will achieve that target of Rs.5000 Crores.

Siddhant Dang: Can we expect an exemption or something because that would be great for retail investors or institutional investors?

N. L. Sharma: The government can consider exemption also.

Siddhant Dang: No from the management can we expect a request to the government or something?



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- N. L. Sharma:** Not right now. We are very comfortable in meeting the capex target and giving this minimum share and minimum dividend also.
- Siddhant Dang:** Another question was that you mentioned, we are entering into thermal also but I consider and I was assuming that we are focused more on renewable and all and because of that our ESGN all might get affected so what is the thesis behind going into thermal energy when there is other PSUs already doing that?
- N. L. Sharma:** Yes thermal we are doing only one project and that too at cost plus basis. The Government of Bihar selected us for executing that project in Buxar but we are giving now more emphasis on renewals that is solar or wind also but at the same time we are also adhering to our core strength of hydro. We are not leaving that. The emphasis will be on hydro and renewable solar energy.
- Siddhant Dang:** That was more of an ESG perspective question because we are a higher rated ESG company so it could have been better but alright that was good enough? I think we just expect comment soon on the dividend policy because I think we might end up over leveraging. That is our only concern?
- N. L. Sharma:** Very good suggestion from your side. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Aniruddha Arondekar an Individual Investor. Please go ahead.
- Aniruddha Arondekar:** You mentioned the funding for our three projects is mostly from securitization and debt so is there any maximum debt equity ratio we are looking at or we are going to fund as the opportunities come?
- N. L. Sharma:** You can very well understand that right now we are under leverage. Our debt equity ratio is what 0.19:1 but in the times to come we can take it up to say 2:1 so there is lot of scope of leveraging. Given the project pipeline with us more debt will be required and we will leverage the company in terms of debt equity ratio.
- Aniruddha Arondekar:** Another question is for last three to four years while generation capacity is almost fixed around 2 gigawatt so is there significant addition in generation capacity in the next six months or one year?
- N. L. Sharma:** Because the construction work on the projects started around two to three years back so given the gestation period for the hydro project is long though we are now also entering into solar also. For solar projects it takes around two years for commissioning a project so this year FY2023 there will be an addition of around 200 megawatt capacity or 205 megawatt to be more specific. 66 megawatt Hydro Naitwar Mori project in Uttarakhand and 145 megawatt of two solar projects one in Uttar Pradesh and one in Gujarat and in the FY2024 there will be addition of I think more than 2500 megawatt capacity thermal, hydro and renewal solar projects.



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Moderator: Thank you. The next question is from the line of Sanjay Jain an Individual Investor. Please go ahead.

Sanjay Jain: Thanks for taking my question. Sir you have actually a very large capex program for the next 10 years that either willfully or it has been pushed by the government on SJVN? This numbers huge like you are talking about 50 gigawatt of solar which might be at Rs.5 Crores something like Rs.75,000 Crores and hydro you are talking about 7 gigawatt, which takes at least Rs.10 Crores to set up per megawatt hydro project so Rs.1,50,000 Crores kind of capex we are talking about over the next 10 years? It is a massive thing we are talking and the other question asked earlier and you tried to reply to that? My thinking is that, is this really going over the top? Are we looking at our balance sheet? It needs a lot of innovative financing to execute these kinds of projects so I am really not sure we are going to have that kind of equity which will be able to generate to fund these capex or you are thinking that this is just a vivid statement and these hydro projects may in Arunachal Pradesh may just not come. There are a lot of hurdles as it might be 20 to 25 years that these projects get over because I remember some of these projects are allotted to private players like Jindal and all, but 10 to 15 years ago and nothing has happened in those projects so what would be like a practical private execution of the capex requirement should we build in or are you also thinking of the solar projects which are coming in which get executed in the shorter period of time and then you spend them off into some inbuilt kind of structure so that your funds get released and then you can redeploy those funds into the next solar projects? Has some serious thought been given on these kind of findings because these are not simple things like you really need to put a serious thought about funding these projects unless like these are like typical PSU within switch you cannot commit and you do not execute and practically like you do fraction of what you talk because these projects are actually you just cannot, we have to put on the drawing board and start constructing in the ground?

N. L. Sharma: Thank you Sanjay for your observations and queries. Let me categorically state that whatever we are stating and we are thinking and what we are envisaging it is very, very serious and practical. Nothing of this kind that what we say and we plan and we do. Our capex line if you go through our capex line say in the last four to five years, five years back we were having a capex of about Rs.400 Crores to Rs.500 Crores. Just in five years we have crossed 10 times Rs.5000 Crores. Next year we are doing Rs.800 Crores and in the coming eight to nine years my capex line is of around Rs.1,50,000 Crores and that has been worked on seriously on the basis of our vision or goal of 25 gigawatt company by 2030 and taking into consideration all the projects in pipeline whether under construction or under various stages of development or the projects which we are aspiring or we are making efforts to get these projects. For example, you have rightly said that for 5000 megawatt capacity projects we have gone to Arunachal Pradesh and I was advocating this theory of one basin and one developer approach for the last four to five years. Now all the governments whether it is Government of India or Government of Arunachal Pradesh or Government of Himachal Pradesh or even the Government of Nepal they have understood this theory of one basin one developer and they optimization of the resources and faster development



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of this energy sources will take place so for these projects whether they were with Reliance or with JSW and you know that the private players they cannot bid for along for the results but central PSU particularly have the capacity of waiting for this period and investing funds also. Similarly for this solar energy projects also whether in Rajasthan we are also having discussion with the Government of Uttar Pradesh, Government of Bihar, and Government of Punjab also so we will be executing and developing these solar projects in these states also so wherever the opportunity falls in Gujarat also so we are very much serious and we are getting the results also. So we will plan and if this equity portion whether we do it in 70:30 or 80:20 ratio so for this project also Rs.1,50,000 Crores capex we will be requiring around Rs.30,000 Crores to Rs.40,000 Crores or Rs.50,000 Crores capex equity also so we have all cash inflows. We have already worked out and we will not seal off the commissioned project. There are other alternate sources of funding and innovative sources of funding like securitization of assets. I have already mentioned in my initial remarks or a reply to the question that securitization of the existing resources we will get more than Rs.10,000 Crores for the two projects or the projects which come into operation in the coming year and through other sources also like raising of bonds or external commercial borrowing or other any innovative source of funding which will come in our bid and we will go step by step, so that is the thinking and the plan on our side.

Sanjay Jain:

Sir just one follow-up? My worry basically is with this kind of capex we have seen history in power sector that companies which were like with very good balance sheet starting from a debt free company? Ten years down the line we do not fall in a debt trap so do we have any debt to EBITDA number because that we will not let this debt number cross beyond the EBITDA that company generating because if project financing increase so is EBITDA in the projects and hydro projects you know they really take very, very long period to come and by the time those projects come, the project cost escalates so much that the states are not willing to pay that kind of tariff? Even we have seen that happening with NHDC some of the projects? The state government giving some kind of liability funding special interest rate for certain portion of debt? You can take the example of Apollo Sunanshi projects that got stuck and these projects are very likely to get stuck because they have a lot of environmental impact in that region so what kind of risk mitigation are we trying to do so that we do not fall in debt trap?

N. L. Sharma:

Right Sanjay in business terminology debt free company may not be a good company. That means the many of the shareholders will not be utilizing it properly, but it is a prudent kind of debt that is there and there is lesser risk but in business to earn more profit we have to have some risk also in business so risk cannot be ruled out but at the same time we will be going with the full wisdom and full prudence whether in the hydro sector or the solar sector. In the hydro sector the Government of India has initiated or has given guidelines also for avoiding this time overrun or cost overrun of the projects also and from our experience we have learned a lot. We are a 33 year old company in the power business and we have learnt a lot how to mitigate the risk and how to complete the projects given the geological risk cost. There are other surprises also within the minimal possible time and you will see in the times to come that in hydro sector also we will



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not only completing the project on the scheduled time but we are planning to even commission the projects before time by taking the innovative steps and lot of those thinking ideas also so we will be doing that. We are sure that we will not enter into any kind of business when we encounter the business strap kind of this debt strap kind of thing so we will be doing that with all prudence.

Sanjay Jain: Thank you very much Sir.

Moderator: Thank you. Ladies and gentlemen, due to time constraints this will be last question, which is from the line of Rohit Natarajan from Antique Stock Broking. Please go ahead.

Rohit Natarajan: Sir your Rajasthan this 10 gigawatt that you have planned the media article says you are planning to invest close to Rs.50,000 Crores in that particular project? EBITDA per megawatt of solar project?

N. L. Sharma: The estimated cost of these projects of 10 gigawatt capacity will be around Rs.40,000 Crores to Rs.50,000 Crores that will depend upon the area. In Rajasthan that insulation is good. The sunshine days in a year are more than 300. It is around 325 sunshine days in Rajasthan. The capacity utilization factor will be good though investment may be around Rs.4 Crores to Rs.5 Crores per megawatt but the generation of energy will be more so the income from the generation of energy will be good.

Rohit Natarajan: I appreciate that part, if you could help me understand what is the EBITDA per megawatt you are looking in those projects?

N. L. Sharma: That we have not yet worked out but we will work out the figures. At this time, it cannot be worked out.

Rohit Natarajan: Sir in the existing portfolio what is that number looking like existing portfolio of solar?

N. L. Sharma: Existing portfolio of solar right now this 145 megawatt capacity projects two projects are under construction and we have portfolio of about 2600 megawatt and with this addition of 10,000 megawatt, which we can say in the pipeline also but at the same time we are bidding other solar projects also. We are in discussions with the Government of Uttar Pradesh, Punjab, and Bihar for more capacity solar projects also. The total capacity by 2030 will be around 15 gigawatt to 17 gigawatt capacity of solar.

Moderator: Thank you. Ladies and gentlemen, as this was the last question for today. I would now like to hand the conference over to Mr. Rupesh Sankhe for closing comments.



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Rupesh Sankhe: So we thank the management of SJVN for giving us an opportunity to host this call. We also thank all the investors and the analytics for joining this call. Good day and take care.

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