



# **SJVN Ltd.**

Q4FY12 and FY12 Post Result Conference Call  
Hosted by IDBI Capital Market Services Ltd.

**May 28, 2012**

## **Moderators**

**SHRI. R. P. SINGH**  
(CHAIRMAN & MANAGING DIRECTOR, SJVN LTD.)

AND

**TOP MANAGEMENT TEAM**

- Moderator:** Good afternoon ladies and gentlemen. I am Moumita, moderator for this conference. Welcome to the post results conference call of SJVN Limited. From the company, we have with us today Chairman and Managing Director, Mr. R.P. Singh, Director – Finance Mr. A.S. Bindra, along with other Directors and Company Secretary. At this moment, all participants are in the listen only mode. Later, we will conduct a question and answer session. At that time, if you have a question, please press \* and 1 on your telephone keypad. Please note this conference is recorded. I would now like to hand over the floor to Mr. Rohit Singh from IBDI Capital. You may please go ahead, sir.
- Rohit Singh:** Thank you Moumita. Good afternoon everyone. On behalf of IDBI Capital, I welcome you all to this post results conference call of SJVN Limited. Without any delay I would like to hand over the conference to Mr. R.P. Singh for the opening remarks and post that we can have question and answer session. Over to you sir.
- R.P. Singh:** Thank you very much Mr. Rohit. First of all, I will give you the highlights that company has recorded highest ever growth in the region of 7610 million units during 2010-11 against 7140 during the previous year. During the year 2011-12, the company has achieved highest plant availability factor of 104.26%, of course against 98.3% during the previous year. The revenue from operation during the year is 1927.50 crores as compared to 1829.75 crores during the previous year, registering an increase of 5.34% over previous year. Total expenses during the year have been reduced by Rs.45 crores from Rs.823 crores to Rs.778 crores, mainly due to reduction in finance cost. Company has also recorded high (not clear) of Rs.1668.68 crores as against Rs.912.13 crores, registering an increase of 17% over previous year. Other income which mainly comprises of interest on surplus funds during the year is Rs.209.29 crores as compared to Rs.149.42 crores during the previous year, registering an increase of 40% over previous year. The earnings per share during the year is Rs.2.58 as against Rs.2.21 during previous year, on the face value of Rs.10 each. The Board has recommended a dividend of Rs.0.94 per share as compared to Rs.0.80 during the previous year. And this is the major highlight of this. Mr. Rohit.
- Rohit Singh:** Moumita, we can start with the question and answer.
- Moderator:** Alright sir.

### **Question and Answer Session**

- Moderator:** Thank you sir. Ladies and gentlemen, we will now begin the question and answer session. If you have a question, please press \* and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing \* and 1 again.
- The first question comes from, Mr. Kedar Wagle from Akshayam Capital. You may please go ahead sir.**
- Kedar Wagle:** Thank you and thank you for this call. I had a few questions. First of all, can you tell me of the total trade receivables, how much is the amount which arises because of the issue with the new tariff policy, where you are accruing certain revenues, but you are not billing it at this point, so if you can just give me that number at the end of the financial year? Second, on the Rampur project, if you can update us on how much has been the cumulative CAPEX spent and what is the updated schedule for the project? And third, if I look at your balance sheet, I looked at the short term provisions number that has gone up quite sharply year on year; can you just throw some light on that please? Thank you.
- R.P. Singh:** As far as your question is regarding trade receivables, trade receivable is 579.51 crores as against 55 crores earning last year as on 31st March 2011. This year there has been an increase, because some of the beneficiaries, they were not going for the last six months, but now they have started. So, during April around 200 crores we have already recovered out of this. Regarding your another point on Rampur, Rampur we have already spent around Rs.1700 crores up to 31st March 2012. As your another point regarding short term, short term borrowings, it has been reduced, not increased.
- Kedar Wagle:** No, I am talking about short term provisions.

- R.P. Singh:** Short term provisions, yeah. Short term provisions have been decreased. It was 877.51 crores last year, today it is 799.27. It has not increased. It was 877 last year as on 31st March 2011, as on 31st March 2012 it is 799.27 crores.
- Kedar Wagle:** In your release it shows short term provisions as 1251 crores at the end of March 2012.
- R.P. Singh:** How much?
- Kedar Wagle:** 1251 crores.
- R.P. Singh:** Short term provisions.
- Kedar Wagle:** Maybe I can follow up on this offline. But, going back to the issue about accounts receivables, I thought there was an element to your accounts receivables where you are accruing revenues under the new tariff regime, but you are not billing your customers. So, a part of the increase in account receivables is because of that, so I just wanted that number. How much is that number out of the total accounts receivables?
- R.P. Singh:** Accounts receivable is, as stated 579 crores, just now I told you against 95 crores in last year. What figure do you want? Already in April we have received around 200 crores, around 217 crores we have already received out of this in April itself.
- Kedar Wagle:** Okay fine, thank you.
- Moderator:** Thank you sir. The next question comes from Mr. Abhishek Anand from JM Financial. You may please go ahead sir.
- Abhishek Anand:** Good afternoon sir.
- R.P. Singh:** Good afternoon.
- Abhishek Anand:** Sir, just a couple of questions from my side. Again, on the receivables front, by the end of nine months we had receivables of roughly 690 crores. So, by the end of the year I guess we have 580, so we have recovered something?
- R.P. Singh:** Can you just speak loudly?
- Abhishek Anand:** Sir, by the end of nine months, we had a receivable of 690 crores and by the end of FY12 we have 580 crores, so we have recovered something from this account, so could you just list out?
- R.P. Singh:** Now we are recovering and in the April itself we have recovered, further 217 crores.
- Abhishek Anand:** Yes sir, what I want is the Discoms which have already paid and which are still in the pipeline, as in which still haven't paid? So, could you just name those and how much exposure you have?
- A.S. Bindra:** In general if you talk about the Discoms number, including the small defaulters will be quite large, let me tell you. Our seven defaults have come from two-three Discoms, BSES Rajdhani Power earlier, BSES Yamuna Power, the Government of Himachal Pradesh and Utter Pradesh Power Corporation Limited. In case of UPPCL, BSES Rajdhani, BSES Yamuna Power, we have already taken extent of regulation of their power and finally we have withdrawn it also in recent days. And this has set right their current payment that they are making it, current dues regularly and they have agreed to pay for their arrears in installments. So, this is our mechanism, this is all working. And altogether if you see, the total receivables as on 31st of March 2012 stands at 571.51 crores, against that we have already received 217 crores in the month of April.
- Abhishek Anand:** Okay. Sir then that means that UP and as well as Delhi Discoms have started paying off their dues?
- A.S. Bindra:** Yes. Their current dues they have started paying it and their arrears they are paying in installments. They have agreed to pay. And their letter of credit has already been established.
- Abhishek Anand:** Sure. Sir, secondly on Rampur project, as we understand we have incurred 1700 crores by the end of FY12. Sir, could you just give us the estimates of the cost as well as the COD of the project, any revision to that?

- A.S. Bindra:** No, the estimates of cost we cannot you right now. There will be some upward revision of the cost that will come because of the exploration. But, that we will not be able to tell you right now, it will be in the order of something around say, 2700-2800 crores, that we will not be able to tell you right now. But, so far the commissioning date is concerned, that is all set to be commissioned during the year 2013-14, more precisely September 2013. And so far the activities are going on in the site, these all are on schedule.
- Abhishek Anand:** Okay. And sir, in terms of CWIP, because we don't have the figure of CWIP in our balance sheet, 1700 crores is for Rampur and anything incremental to that?
- R.P. Singh:** 1700 relates to the Rampur only. There are other projects also Luhri and Devsari, Naitwar Mori, Arun-III, Dhaulasidh, Kholongchu, in that project also we are signing. So, this work in progress includes all those projects.
- Abhishek Anand:** Sir, what will be the figure of work in progress?
- R.P. Singh:** Work in progress total is as on 31st March 2012 is 2022 crores.
- Abhishek Anand:** 2022 crores?
- R.P. Singh:** Yeah. Major part of this 1700 crores is Rampur, other are small projects, Luhri, Dhaulasidh, all those projects include 500 crores.
- Abhishek Anand:** And lastly sir, on the Nathpa Jhakri project, how much is the debt remaining on the balance sheet and any increase to the core equity for the project?
- R.P. Singh:** What is it, sorry?
- Abhishek Anand:** Nathpa Jhakri project, sir what is the debt remaining for that project and any increase in core equity or it is the same as nine months figure?
- R.P. Singh:** As far as the Nathpa Jhakri, whatever the projects' loans have been outstanding, all those loans will be paid by 2013-14. So, after 2013-14, for the Nathpa Jhakri there will be no loan outstanding. As far as your concern is for the 7990 crores, we have already filed the revised petition with CERC for Rs.8687. For this Rs.700 crores, we have separate 795 crores, for that further we will get when the REC, will be approved by the tariff regulator.
- Abhishek Anand:** Okay. And sir, this is the final question from my side. Just if I look at our balance sheet, in spite of doing 1000 crores plus of profits, we see our cash flows actually declining for the current year, any specific reason for the same?
- R.P. Singh:** Which increase?
- Abhishek Anand:** The cash on books has actually declined.
- R.P. Singh:** Cash flow decline, there are some increase in the trade receivables, you can say 500 crores. Further, we are spending this whatever flow is there in all other projects, just like Rampur and other projects. We are not getting any money from the Government of India. So, that amount is being spend in all other projects. So, that is the main reason and which is very minor. It is not a major decrease. It is a very minor decrease.
- Abhishek Anand:** Fine, thank you sir. Thank you so much.
- Moderator:** Thank you sir. The next question comes from Mr. Mohit Kumar from Antique Capital. You may please go ahead.
- Mohit Kumar:** Hello. Sir, how much gateway you have drawn for the Rampur project till date?
- R.P. Singh:** Actually we have spent 1700 crores in Rampur. After this 1700 crores, approximately 500 crores we have spent on all projects and 1200 crores is the rest. So, Rampur project is being billed on 30-70 ratio. Around 1208 crores specifically as you say, we have spent till 31st March.

- Mohit Kumar:** Okay. My second question is sir, how much, sir we have seen a significant increase in employee expense in this particular year. Last year the employee expense was roughly 85 crores, this year it has increased to 112 crores, is there any particular reason for this?
- R.P. Singh:** Yes, there is one reason. Our Board of Directors has approved one pension scheme applicable from 1 January 2007, so that scheme has been included. For this we have created a provision, so around Rs.12 crores have been created for that purpose.
- Mohit Kumar:** How much?
- R.P. Singh:** Rs.12 crores because of that and that is the reason why the same increased because of DA.
- Mohit Kumar:** Sir, the entire expenditure that we have on account of employee expense and the R&M is roughly 250 crores, right?
- R.P. Singh:** Which expenses?
- Mohit Kumar:** The employee and the other expense for the entire year is roughly around 250 crores?
- R.P. Singh:** Yeah.
- Mohit Kumar:** How much is recoverable from the beneficiaries on this account?
- R.P. Singh:** Full. We are 100% beneficiary. Whatever we are spending we are under that beneficiary scheme. The entire amount is recoverable from there.
- Mohit Kumar:** So, even the increase on account of one time increase in the pension scheme.
- R.P. Singh:** Whatever, as per the CERC regulation, we are spending less than that, so that full amount is recoverable from there.
- Mohit Kumar:** And how much is the interest we earn or cash on this particular year?
- R.P. Singh:** Cash?
- Mohit Kumar:** How much are the interest income from the cash in this particular year?
- R.P. Singh:** Cash income is, 209 crores is the total income we have received.
- Mohit Kumar:** That is from the customer, right?
- R.P. Singh:** Yeah. So, out of this interest income is, just if you want, the interest income is 196 crores, 195.84 crores. It was 126 crores last year.
- Mohit Kumar:** And this is part of the other income?
- R.P. Singh:** Yeah, part of the other income.
- Mohit Kumar:** Okay sir, that's it from my side. Thank you.
- Moderator:** Thank you sir. The next question comes from Ms. Jaishree Dhananjayadu from Parry Washington. You may please go ahead, ma'am.
- Chellapa:** Yeah, this is Chellapa from Parry Washington Company Advisors. Good afternoon. See, I want to understand this exceptional item of 1273 lakhs expenses incurred on the Khab project? Have we made the claim on the Government of Himachal Pradesh?
- R.P. Singh:** Khab project is in the Himachal Pradesh. That contract is with Government of Himachal. So, whatever expenses we have incurred on that, we have created a provision against that of Rs. 13 crores.
- Chellapa:** Okay. But, you made the claim from the Himachal Pradesh Government, because there is an expense incurred on that project.
- R.P. Singh:** Your volume is coming low.
- A.S. Bindra:** There is little noise. Echo problem is there.

- Chellapa:** I just want to know whether you made the claim on Himachal Pradesh Government for the payment of this expense incurred on this Khab project.
- A.S. Bindra:** See, here I will tell you that Government of Himachal Pradesh, they are telling us that the moment this project shall be allotted to any developer, is subject to the verification of the cost that shall be reimbursed to SJVN that is there from the Himachal Government, Government of Himachal Pradesh.
- Chellapa:** Okay. And I also want to understand item number four, the income has been raised, there has been additional demand raised 117 crores and you have paid against that 60 crores. Is the entire amount in dispute or you accept part of the amount which has been raised by the IT department?
- A.S. Bindra:** Hello, excuse me; your voice is not so clear.
- Chellapa:** See, I just want to know the IT department has raised 117 crores, for earlier years that is from 2004 to 2009 and you have paid 60 crores against that, I don't understand whether you agree only to the tune of 60 crores and only the balance amount is in dispute.
- A.S. Bindra:** I think you are not audible.
- R.P. Singh:** You can contact me on my mobile number that is available with Mr. Rohit, because your voice is not clear, so you can get the number from Mr. Rohit.
- Chellapa:** Okay, we will do that.
- Chellapa:** Okay, we can move on to the next question, we will give you a call. We will take it offline.
- Moderator:** Thank you sir. The next question comes from Mr. Hrishikesh Bhagat from B&K Securities. You may please go ahead.
- Hrishikesh Bhagat:** Hi sir, I would like to know the incentives you have earned in FY12 and in 4Q FY12, incentives? Hello? Incentives you earned in FY12.
- A.S. Bindra:** Excuse me; your voice is not audible properly.
- Hrishikesh Bhagat:** Hello, am I audible?
- A.S. Bindra:** Yeah.
- Hrishikesh Bhagat:** Incentives you earned in FY12?
- R.P. Singh:** Incentives?
- Hrishikesh Bhagat:** Incentives, yeah.
- R.P. Singh:** This year we have received a total incentive of Rs.296 crores that is because of the plant availability factor as well as over excess energy and UI charges. Break up for the plant availability factor is around 207 crores, energy incentive which is 70 crores and 18 crores is UI charges.
- Hrishikesh Bhagat:** Okay. And in 4Q FY12?
- R.P. Singh:** Hello?
- Hrishikesh Bhagat:** Yeah, in 4Q FY12 current quarter.
- R.P. Singh:** This all depends upon the water flow and what will be the availability.
- Hrishikesh Bhagat:** No, no, I am asking for the quarter gone up 4Q FY12.
- A.S. Bindra:** Fourth quarter. There is no separate figure for the fourth quarter at this moment. For the full year I have the figure, this is the consolidated figure. Consolidated figure I have.
- Hrishikesh Bhagat:** Okay, thank you.
- Moderator:** Thank you sir. Ladies and gentlemen, if you have a question please press \* and 1 on your telephone keypad to ask the question.

The next question comes from Mr. Rakesh Vyas from HDFC Mutual Fund. You may please go ahead.

**Rakesh Vyas:** Hello good afternoon sir. Sir, just to begin with, can you give me what was the generation in the fourth quarter and the third quarter?

**R.P. Singh:** Fourth quarter and third quarter?

**Rakesh Vyas:** Yeah.

**R.P. Singh:** Overall generation is 7610MUs.

**Rakesh Vyas:** Or, you can give me fourth quarter that will be fine.

**R.P. Singh:** Fourth quarter generation is not there with me, but meanwhile we will continue and will intimate you later.

**Rakesh Vyas:** Okay. And sir, can you just let us know what is the PAF for the full year?

**R.P. Singh:** Pardon?

**Rakesh Vyas:** The plant availability factor for full year.

**R.P. Singh:** Plant availability factor is 104.26% for the full year against 98.30% last year.

**Rakesh Vyas:** Okay. Sir, so is it correct to assume that the secondary energy incentive which you have recorded of 70 crores for the full year has primarily come in, hello?

**R.P. Singh:** Incentive energy is calculated in this way, whatever energy we generate more than that 6612 that is our design energy, on that 80% is given to us and 12% is going to the Himachal Government, so that is the incentive we are getting.

**Rakesh Vyas:** Sir, is it correct to assume that most of it is accounted for in the fourth quarter?

**R.P. Singh:** Yeah. Full, most, most. It is 100% fourth quarter. We have already generated more than 6612 crores up to third quarter. It is fully secondary energy.

**Rakesh Vyas:** Yeah, fully secondary energy. Got it. And sir, can you just highlight what is this tax demand from IT department all about of the 117 crores which they have done after the assessment of FY10, so what does this actually pertain to sir?

**R.P. Singh:** Actually there is advance against depreciation; we have received 849 Crores as future year income. That has been shown as a separate item in this year. So, they are asking and it is an income itself and demanding 117 crores, against which we have already deposited 60 crores and 57 crores has been booked as contingent liability. Of course, as per the Supreme Court of India also, it is not an income for the last year that they have already decided in case of NHPC. So, we are fighting with that and most probably we will get it back from them.

**Rakesh Vyas:** Okay. So, income tax, assumed this as an income item.

**R.P. Singh:** 849 crores they have treated, in 2009-10, they have treated it as an income and raised a tax demand of Rs.117 crores.

**Rakesh Vyas:** Okay. And from the new tariff period of 2009 to 2014, AAD has been completely removed, so none of that provision can actually come up in this tariff period, is that correct to assume sir?

**R.P. Singh:** 2009-14, we have already filed a petition with the CERC, so whatever will come through that and that arrears we will get it, then it will be decided.

**Rakesh Vyas:** Sir, what I am trying to understand sir, that the tax demand which Income Tax department has made pertaining to the earlier tariff period, it is mostly recoverable; it is completely recoverable from the beneficiary?

**R.P. Singh:** There was one advance against depreciation and that will be treated as an income after the complete over repayment of loans. Over repayment of loans we will be completing in 2013-14. After this, 849 crores will be treated as over income. Now, this is the amount we have received in advance and income will be after

2014-15. We are getting it as an income now in 2009-10 itself. So, repayment of income is 2014-15 and thereafter. It is not an income, it is only the advance that they have received, it is not the income. But, in our case, Himachal they have not agreed, so we are not fighting with that.

**Rakesh Vyas:** Sir, what I am trying to understand is that in the new tariff period which is from 2009 to 2014, the tax liability, apart from the grossing up lies with the developer. So, in case there is the tax implication because you will recognize this as an income beyond this period, will you be required to take a hit or will it be passed on to beneficiaries?

**R.P. Singh:** Yeah, then it will, because your tariff regulation will be priced on 2009-14 onwards. So, this will be over income. Income, we have to pay from our own pocket. It will not be passed on. Passed on item will be only up to 2009.

**Rakesh Vyas:** Okay. But, you have already received cash, right?

**R.P. Singh:** We have received cash, but it not an income, it is an advance.

**Rakesh Vyas:** So, effectively you will be paying higher tax, is that a correct assessment?

**R.P. Singh:** will be applicable at that date and it will be an income at that time and it will be effective at that time.

**Rakesh Vyas:** Okay, okay. Great sir. Sir, the fourth quarter generation number if I can get? And sir, can you just also highlight what is the trend right now sir for the generation, because we are hearing that this year the hydro generation is slightly lagging compared to what it has been in the last year. So, if you can just throw some light on that part as well?

**A.S. Bindra:** Yes, yes, we have generated 920 million units against 1368 during the same period. The shortfall up to this period is over 432, something around 432-433 like that from the last year. But, the thing is plant availability factor which was 101% last year; it is almost 108% this year. So, this has increased by 8%, but of course this energy, generation is down like something around 25%-35%.

**Rakesh Vyas:** Sir, can you just highlight any specific any reason why we taking such...

**A.S. Bindra:** Less energy means lesser flow. This year there will be, the quarter is very less, we can see 25% approximately less than the normal discharge in all rivers in Northern India. But, so far as the performance part is concerned, that if you compare it is 101% last year during the same period, which is 108% this year. This increased by 7%. And it is quite handsome amount, if you translate into money.

**Rakesh Vyas:** Got it. And sir, when will you be taking the maintenance shutdown?

**A.S. Bindra:** Maintenance shutdown is concluded, we will commence it in the month of November-December as per our convenience.

**Rakesh Vyas:** Okay. And sir, any scope?

**R.P. Singh:** During quarter generation up to 31st December 2011, generation was 6974. Up to 31st March 2012 it was 7610. We can say that 636 units we have generated during the fourth quarter.

**Rakesh Vyas:** Okay, got it. And sir, on this current trend of generation, I am just trying to understand is there a scope that the generation can actually improve from current levels or this year we are likely to see these trends continuing with lower generation compared to last year?

**A.S. Bindra:** If you compare the generation from a particular plant and, once we generate, once we test the design vis-à-vis 6612 in our case, once we test the design, where we're maintaining the good plant availability factor, everything will be good. Some additional energy which is called secondary energy and being paid at the rate of 30 paise per unit, that has got little impact. But, as I told you although our energy generation is less due to reduction in water flow, our plant availability factor from the day one, it is in the increasing trend. So, let us see. So far as the other part of your question is that, with the monsoon, good monsoon is to commence from June to August and mid of September, that is yet to come in.

**Rakesh Vyas:** Is it delayed sir, that is what I am trying to understand?

**R.P. Singh:** Monsoon you know, monsoon will be coming to Northern India what I already told, which is something in the first week of June. It's something around that.

**Rakesh Vyas:** Great sir. Thank you so much. Thank you.

**Moderator:** Thank you sir. The next question comes from Mr. Abhishek Anand from JM Financial. You may please go ahead.

**Abhishek Anand:** Sir, a follow up from my side sir. Just to argue on the note number four, sir could you help us out with the accounting of this 60 crores and 75 crores line items?

**R.P. Singh:** Yes, 60 crores. They have raised a demand of 60 crores, as it is a pass through item. So, in that whatever they have demanded, that will also be grossing up. So, by making it grossing up, it comes to 35 crores. On 35 crores we have to pay the tax. We have to pay the tax of around 15 crores.

**Abhishek Anand:** So, basically we have included it in the fourth quarter numbers.

**R.P. Singh:** Because, the demand has come only in the last week of March.

**Abhishek Anand:** Okay. And we can safely assume that it is a non-recurring item for you, it's one off.

**R.P. Singh:** Yeah, it's one off, because it is a pass through item and the demand has come only in the month of March and which is a one time item as discussed and we have included. But the net tax will remain the same. Net tax, whatever 1068 crores figure we are paying, even if this demand has come or not come, this figure will remain the same.

**Abhishek Anand:** Okay, fine, fine. Thank you so much.

**Moderator:** Thank you sir. Ladies and gentlemen, if you have a question please press \* and 1 on your telephone keypad to ask the question.

**The next question comes from Ms. Roopa Shah from Prabhudas Lilladher. You may please go ahead.**

**Roopa Shah:** Hi, I have just joined in late, just wanted to ask have you calculated the adjusted PAT for this year.

**A.S. Bindra:** Can you, ma'am can you speak loudly?

**Roopa Shah:** Yeah sure. Have we calculated the adjusted PAT for FY12, I have just missed the figure?

**A.S. Bindra:** Kindly repeat your question once again ma'am.

**Roopa Shah:** Sir, we have this one off item of this tax in Q4, right?

**A.S. Bindra:** Tax in Q4?

**Roopa Shah:** Yeah, just wanted to know what would be the adjusted PAT for Q4.

**A.S. Bindra:** Adjusted tax in Q4, quarter four. Tax, tax, quarter four.

**Roopa Shah:** Yeah, the tax figure, yes.

**R.P. Singh:** Tax for quarter four?

**Roopa Shah:** Yes sir, yes.

**R.P. Singh:** That is what I said. In the quarter four, the tax is 100 crores and there were deferred tax only 18 crores. What is the figure you are asking? What is the figure madam, you are asking?

**Roopa Shah:** Sir, I am asking in the Q4 we have this tax which we have included in the quarter four, right?

**R.P. Singh:** That is the reason 145 crores.

**Roopa Shah:** Yeah, so if you exclude that, what would be the actual tax which we have paid this quarter?

**R.P. Singh:** Tax we have paid?

**Roopa Shah:** Yes.

- R.P. Singh:** Total tax during the year we have told you, we have paid 60 crores on the demand of the last year. Otherwise, this is the amount after that, so you can say 40-45 crores, we have paid for Q4.
- Roopa Shah:** So, that is the clarification needed.
- R.P. Singh:** 145 crores includes that 60 crores also.
- Roopa Shah:** Okay, thank you very much.
- Moderator:** Thank you. The next question comes from Mr. Rakesh Vyas from HDFC Mutual Fund. Please go ahead.
- Rakesh Vyas:** Thank you sir once again. Sir, someone was trying to ask you about these provisions. So, if I look at this release, the total provisions including both short and long term combined has increased year on year. So, can you just highlight what is the reason?
- R.P. Singh:** Our short term provision is 877 crores from 799 crores and regarding long term provisions, 32.28 to 43.59. As far as this long term provisions include post retirement, other retirement benefits etc. Till the person retires, this person will continue to be increasing.
- Rakesh Vyas:** Correct. Sir, even the short term provisions in the release against last year of 877 crores, this year it is indicated as 1251 crores. So, short term provision seems to have increased.
- R.P. Singh:** Short term provision is reducing.
- Rakesh Vyas:** Sir, the release unfortunately says against 877, it is 1251 crores.
- R.P. Singh:** Against 877.81 crores, now it is 799.21. It has been reduced. Last year it has reduced from this year.
- Rakesh Vyas:** Correct. There seems to be some misrepresentation in the release, because the release clearly says 1251 crores and that is why I think people are getting confused.
- R.P. Singh:** 799, this includes addition, utilisation everything and which is a net amount you are saying.
- Rakesh Vyas:** Okay, got it. Thank you sir.
- Moderator:** Thank you. The next question comes from Mr. Mohit Kumar from Antique Capital. You may please go ahead
- Mohit Kumar:** Hello. Sir, our accrued capital cost for Nathpa Jhakri is roughly around 8000 crores, am I correct?
- R.P. Singh:** Nathpa Jhakri?
- Mohit Kumar:** Yeah.
- R.P. Singh:** The total cost now it will be, for this year 8786 crores.
- Mohit Kumar:** 8000?
- R.P. Singh:** 8786 crores.
- Mohit Kumar:** 8886 crores?
- R.P. Singh:** No, no, 8700.
- A.S. Bindra:** 8786 crores.
- Mohit Kumar:** Okay, okay. And sir, how much CAPEX you have incurred in this year?
- R.P. Singh:** This year, for Nathpa Jhakri?
- Mohit Kumar:** No, no, for the entire company.
- R.P. Singh:** For the entire company we have incurred CAPEX of around 579 crores.
- Mohit Kumar:** 579 crores?
- R.P. Singh:** Yeah.
- Mohit Kumar:** Sir, you have given us incentive break up for FY12, can you give us the similar figure for FY11?

- R.P. Singh:** Break up of?
- Mohit Kumar:** Incentive income, UI income, CAS income and the incentive on account of debtor generation for FY11, you have given for FY12.
- R.P. Singh:** That also I can give you. For 2010-11, for the plant availability factor, it was 149 crores and energy charges were 38 crores and UI charges were 29 crores.
- Mohit Kumar:** Okay sir, that's it from my side. Thank you for answering my questions.
- Moderator:** Thank you sir. The next question comes from Mr. Ashish Shah from Budhrani Finance. You may please go ahead.
- Ashish Shah:** Good afternoon sir. Sorry, I joined in a little late. I have three-four questions. Sir, you gave the number for CAPEX for FY12 as 579 crores. Would you have that number for FY13?
- A.S. Bindra:** I will tell you. 579 crores this is receivable through 579.51 crores as on 31st of March 2012. And during April itself we have received 216.92 crores against that. So, this receivable has further reduced.
- Ashish Shah:** No, my question to you sir is what will be the capital spend for FY13 or in terms of CAPEX what will be the number for FY13?
- R.P. Singh:** FY12-13?
- Ashish Shah:** Yeah, '12-'13.
- R.P. Singh:** 796 crores.
- Ashish Shah:** 796 crores. Sir, the other question I have is, your trade receivables in the press release have gone up quite a bit from 95 crores to 579 crores. Could you help us understand what has led to that increase?
- A.S. Bindra:** That's what I said; just now I replied to you, that 579.51 crores was receivable as of 31st of March against that we have already received 217 crores during April.
- Ashish Shah:** Okay, sorry. I joined in late, that was helpful. Sir, the other thing is while we have the fixed asset, could you give the capital work in progress, what is that number be sir?
- R.P. Singh:** Capital work in progress?
- Ashish Shah:** Yeah, what would that number, because we have the net fixed asset number as 8252 crores.
- R.P. Singh:** This includes the capital work in progress of 2023 crores.
- Ashish Shah:** 753 crores?
- R.P. Singh:** 2023, 2023.
- Ashish Shah:** 2023?
- R.P. Singh:** Yeah.
- Ashish Shah:** And sir, last item sir, could you help us with, what will be the net cash on books, because we have cash balance here and then we have is, could you tell us what would be the net cash as on books?
- R.P. Singh:** Net cash?
- Ashish Shah:** Yes.
- R.P. Singh:** Net cash is, because most of this is in cash, so the exact amount we want. It's 1859 crores.
- Ashish Shah:** Sorry sir?
- R.P. Singh:** 1859 crores.
- Ashish Shah:** Okay. And sir, there are no investments, okay sir, okay. Thank you very much, that's it from my side, thank you.

**Moderator:** Thank you sir. The next question comes from Mr. Jonas Bhutta from Bank of America. You may please go ahead. Mr. Bhutta, you may please go ahead.

**Jonas Bhutta:** Hello, hello, what is the amount of energy sold? You gave us the gross generation of 7610, what is the energy sold amount sir?

**R.P. Singh:** 1927 is the total income from the energy.

**Jonas Bhutta:** In million units sir, wanted million units of net energy, saleable energy.

**A.S. Bindra:** Saleable energy is 6697 million units.

**Jonas Bhutta:** Okay. And sir, the status on the wind project, because I think the last time you had shortlisted four sites, any progress on that?

**A.S. Bindra:** Yes, there were some time extensions given on request on the world bank and we are likely to obtain it.

**Jonas Bhutta:** So, do you expect this to be commissioned by year end?

**A.S. Bindra:** No, it will be that after placement of it will be taking seven to eight months time. So, in all probability, these benefits will start coming from the year 2013-14.

**Jonas Bhutta:** Alright so it will slip into FY14. Fine, that's it from my side.

**Moderator:** Thank you sir. Ladies and gentlemen, if you have a question, please press \* and 1 on your telephone keypad to ask the question.

**The next question comes from Mr. Avinash Aggarwal from Sundaram Mutual Fund. You may please go ahead.**

**Avinash Aggarwal:** Yes sir, this wind project how many megawatt are we planning to do here?

**A.S. Bindra:** Yes please, can you speak loudly?

**Avinash Aggarwal:** Wind project, how may megawatt are we planning to do?

**A.S. Bindra:** Wind project?

**Avinash Aggarwal:** Yes sir.

**A.S. Bindra:** Wind project, what we have already done and what is in the pipeline is 50 megawatt. In the Twelfth Plan, the planning of the company is to go for 450 megawatt of windmill.

**Avinash Aggarwal:** The one which is under tender right now is how many megawatts sir?

**A.S. Bindra:** 50 megawatts.

**Avinash Aggarwal:** Okay, it is the entire 450 megawatt?

**A.S. Bindra:** 50. 50 megawatt.

**Avinash Aggarwal:** 50 megawatt. Okay fine.

**A.S. Bindra:** For the Twelfth Plan, we intend to go for 450 megawatt.

**Avinash Aggarwal:** Okay. And what is the CAPEX here per megawatt roughly?

**A.S. Bindra:** CAPEX will be something around 6½ crores per megawatt. So CAPEX, it will be 325 crores, but overall for the Twelfth Plan, it will be 2600 approximately.

**Avinash Aggarwal:** Okay, okay. And sir, which States are we targeting right now for this?

**A.S. Bindra:** Right now we are targeting four States, Rajasthan, Andhra, Gujarat and Madhya Pradesh.

**Avinash Aggarwal:** Okay. And sir, on the first question where you were mentioning about the receivables, you said you have taken some action against BSES and UPPCL. What about Himachal Pradesh sir, that being your parent, can we actually do anything?

- A.S. Bindra:** That is under process and we are likely to get our dues in two weeks time, plus we will be taking the measures, we will be taking against all other Discoms.
- R.P. Singh:** We have already received 26 crores and next week also we are going to receive around 30 to 35 crores. So, in this range we are hoping that we will get the amount.
- Avinash Aggarwal:** Okay. What is the outstanding from them sir?
- R.P. Singh:** Himachal?
- Avinash Aggarwal:** Yes sir.
- R.P. Singh:** As on today, 106 crores is due plus 66 crores which is not due for the last two months. So, total is 168 crores is outstanding against Himachal.
- Avinash Aggarwal:** Okay sir. That's it from my side. Thank you.
- Moderator:** Thank you sir. The next question comes from Anshul Saigal from Kotak Asset Management. You may please go ahead.
- Anshul Saigal:** Sir, could you please tell me the breakup of long term loans and advances, how much of this is to Rampur and otherwise?
- R.P. Singh:** Long term loans and advances mainly relate to Rampur itself, that is what I said. Around 208 crores relates to the Rampur project. This balance 300 crores is related to the Nathpa Jhakri project, which will be paid in 2013-14, full amount will be paid in 2013-14.
- Anshul Saigal:** Okay. And also CWIP of 2023 crores, how much of this is attributable to Rampur?
- R.P. Singh:** 1700 crores is attributable to Rampur.
- Anshul Saigal:** 1700 crores?
- R.P. Singh:** Yeah.
- Anshul Saigal:** And the remaining would be to which project?
- R.P. Singh:** Remaining, we are putting many projects just like Luhri Hydro Electric project, Devsari, Naitwar Mori, Jakhol, Dhaulasidh, Kholongchu and Wangchu in Bhutan. So, all these projects contains the amount, balance amount pertains to all other projects.
- Anshul Saigal:** By our understanding, these projects were at a very nascent stage, so 300 crores looks like a very high amount for these projects?
- R.P. Singh:** Luhri project, Arun-III and Naitwar Mori, all these projects are containing this, so we are spending on survey and investigation and other things we are investing and these projects contain that and Bhutan projects, Kholongchu, Wangchu.
- Anshul Saigal:** Okay. And the new tariff order, when do you expect it to be applicable for you?
- R.P. Singh:** We have already finalized. So, we can hope that by July we will get that whatever amount was final till 2012-13 to raise the bill and get the amount for us for 2009-14.
- Anshul Saigal:** Okay. So, how much of your current receivables would you receive after this, would you attribute to this new tariff order, receivable as per the new tariff order?
- R.P. Singh:** Tariff amount, whatever amount we will receive, because currently whatever we are billing on, on 7990 crores, we are billing. The balance amount, we are expecting, around 100 crores per year for the last three-four years, we will receive as per CERC regulation as per whatever tariff petition we have filed, everything is accepted for around 300 crores, of more than 350 crores we can say we will receive as an arrear.
- Anshul Saigal:** And this 350 crores is currently housed in this trade receivables, right?
- R.P. Singh:** No, no. Trade receivable is separate thing. Trade receivable is separate.
- Anshul Saigal:** So, this is over and above this?

- R.P. Singh:** Trade receivable is whatever amount we have already paid plus there is a revised guideline for 2009-14. This revised guidelines we have followed, 15.5%. So, we are getting the bill for that. But, for that increase in cost, unless and until it is approved, they cannot raise to have as our income. The 300 crores will be in addition which we have got in the year itself. But, we have wrote in our notes that we have filed the revised petition for this amount, so for that the income will be separate, whatever will be approved by the CERC.
- Anshul Saigal:** So, this number will be about 300 crores?
- R.P. Singh:** Around 300, more than 300 crores we are expecting.
- Anshul Saigal:** Okay. And most of it would be due to the higher ROE or will capital cost also come into play here?
- R.P. Singh:** ROE we have already accounted for, that's what I am saying. The 3.5% on 7990, we have already accounted for in that income. But, because of inflation cost that income will be higher. We have already shown as unbilled sales.
- Anshul Saigal:** Okay. And this increase in cost is how much, 600 crores?
- R.P. Singh:** We have filed a petition for 8786 crores and we are getting a present tariff on 7990. So, around 700 crores, 795 crores.
- Anshul Saigal:** Okay, alright. Thank you.
- R.P. Singh:** Thank you.
- Moderator:** Thank you sir. Ladies and gentlemen, this will be the last question and it comes through Ms. Roopa Shah from Prabhudas Lilladher. You may please go ahead.
- Roopa Shah:** My question has already been answered. Thank you.
- Moderator:** Thank you ma'am. Now, I hand over the floor to Mr. Rohit Singh for closing comments. You may please go ahead, sir.
- Rohit Singh:** Thank you all for joining us during the conference. Thank you so much Mr. Singh, Mr. Bindra and the entire team. Thanks for your making people understand on the large topics. Thank you so much sir.
- R.P. Singh:** Thank you Mr. Rohit. Thank you very much.
- A.S. Bindra:** Thank you very much.
- Moderator:** Ladies and gentlemen, this concludes your conference call for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a pleasant day ahead.