



एसजेवीएन लिमिटेड

(भारत सरकार एवं हिमाचल प्रदेश सरकार का संयुक्त उपक्रम)
एक 'मिनी' रत्न शेड्यूल 'ए' पीएसयू आईएसओ 9001:2008 प्रमाणित कंपनी
सीआईएन: L40101HP1988GOI008409

“SJVN Q4 FY16 Results Conference Call”

May 27, 2016



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Management: **Mr. R. N. Misra, Chairman and Managing Director**
Mr. A. S. Bindra, Director (Finance)
Mr. Rakesh Bansal, Director (Electrical)
Mr. Soumendra Das, Company Secretary

Moderator: **Mr. Deepak Agrawala, Elara Securities**



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Moderator: Ladies and Gentlemen, Good Day and Welcome to the SJVN Q4 FY16 Results Conference Call hosted by Elara Securities Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal for an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Deepak Agarwala from Elara Securities. Thank you and over to you.

Deepak Agarwala: Good Afternoon everyone. On behalf of Elara Securities, we welcome you all for the Q4 and full year FY16 conference call of SJVN Limited. I take this opportunity to welcome the management of SJVN represented by Mr. R. N. Mishra – the Chairman and Managing Director and Mr. A. S. Bindra – Director of Finance and their team. We will begin the call with a brief overview by the management followed by a Q&A session. I'll now handover the call to MR. N. Mishra on his opening remarks. Over to you sir.

R. N. Mishra Good afternoon everybody. I just like to introduce my team. Along with me, Mr. A. S. Bindra, Director of Finance; Mr. Rakesh Bansal, our Director of Electrical is also present with us; and Mr. Soumendra Das, Company Secretary.

During this year, 2015-16 the income from operation is 2,498.49 crores. Other income is 409.72 crores. Total expenses are 1,121.75 crores. Profit before tax is 1705.12 crores and profit after tax is 1408.48 crores. The earning per share is 3.40. Total generation during this year is 9346.13 million units whereas during last year our generation was 8136.13 million units, it means we have generated 1210 million units more during this financial year as compared to earlier year. Of course you may observe from the data that income profit before tax and profit after tax have decreased from the last year and if I give the figures in absolute terms the revenue last year was 2817.53 crores which this year is 2498.49 crores a drop of 11.32%. In other income again 438.39 crores this year it is 409.72 crores a drop of 6.54 crores. Profit before tax last year it was 2047.25 crores which is this year 1705.12 crores a drop of 342 crores are 16.71%.

Similarly profit after tax which was last year 1076.75 crores is 1408.48 crores a drop of 16%, but I want to bring one particular fact to you are noticed that during last year we had received arrears and the arrears were 571.25 crores from operations and 107.11 crores as excess interest as compared to this year. If we do not account these arrears and we compare after excluding arrears exceptions items there is increase in the income from operation, there is increase in PBT, there is increase in profit after tax this figure I would like to tell you that after excluding those figures income from operation during last year was 2246.28 crores which this year has become 2498.49 crores it means an increase of 11.23%.

In other income also last year it was 260.18 crore. During this year, it has become 338.62 crores an increase of 30.15% and coming to PBT last year it was 1430.67 crores which this year has become 1634.02 crores it means increase by 203.95 crores that is 14.26%. If we



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compare the similar figures of the last year and this year, you will find that our income from operations have increased, our profit before tax have increased and therefore profit after tax is also increasing. It is evident from the fact that generations have increased as I told 1210 million units. Last year we had declared a dividend of Rs. 1.5. This year we have declared that dividend and Rs. 1.5 and with Rs. 1.10 with dividend tax it is 38.88% of the profit after tax whereas this figure during last year was 31.25%, so with this I would say that we have performed very well during this year as far as our performance is concerned as far our financial results are concerned and for that I thank to my entire team who is engaged in operations and at the our corporate office our other places and our directors and officers and you people whose good wishes have always been with us. Thank you.

- Moderator:** The first question is from the line of Mohit Kumar from IDFC Securities. Please proceed.
- Mohit Kumar:** Good afternoon sir. Sir, can you please help us reconcile the quarterly number because the other income is negative you know and the top line seems pretty high and the finance cost and interest cost is on the lower side.
- R. N. Mishra** I will just about the quarterly that revenue during this quarter from operations is 385.84 crores which was last year 386.28 crores which means this is almost at the same level. Other income you will find that there is a decrease of 48.41 crores, this has happened because of the one reason that interest income we take after realization, but what had happened by mistake during last quarter we had certain interest income on accrual basis, that adjustment we have done here and because of that this is looking as it is decreased by 48.41 crores then coming to profit before tax, this is 164.27 crores as against last year 213.44 crores all this is happening because of certain arrears billing which was done and profit after tax it is 147.48 crores which was last year 185.08 crores a drop of 20% and coming to generations if you see the generation has actually increased last year the total generation was 1173.48 million units which this year is 1284.68 million units, so the generation has increased, so because of all these things as I explained you because last year one basic factor was that our arrears they had increased those figures..
- Mohit Kumar:** Sir couple of suggestive points why the other expense has increased, why the interest cost has decreased where quarter-on-quarter.
- R. N. Mishra:** Quarter you say that expense have increased, administrative expenses. You want to say that was last year it was...
- Mohit Kumar:** Last year it was 22 crores it has become 75 crores.
- A. S. Bindra:** 68 crores now it is 120 crores. Administrative expenses have increased because of a Rampur project was fully constructed during this year whereas last year it was partially constructed, so all of the expenses of the last year has come this year. Moreover, this last quarter figure is the balancing figure it is not the figure which is for this quarter, it is a balancing figure from the total figure. Whatever adjustments have been done that is done in the last quarter itself. Last



quarter figure is always balancing figure. So if we have to compare not the last quarter, we have to compare it with the last year. Total figure of last year with the total figure of this year, that will be better.

Mohit Kumar: Sir one last question there is a line item which a rate regulated income right. The quarter pertained to the entire year

R. N. Mishra: What had happened is that we are foreign exchange variation. We take it as income and we are were taking it again in the expenses. This year it has been taken into expenses, but in the income it has not been included. Foreign exchange variation has been shown as separate amount in the name of regulated income.

A. S. Bindra: It is according **(Inaudible) 12.30** Institute of India rate regulatory income has to be shown separately instead of last year we are showing as a deferred expenses as that is because now it is a regulated income.

Mohit Kumar: Sir does this pertains to this quarter or the entire year?

A. S. Bindra: That's again I am saying. It is pertained to entire year, but up to December it was not changed, so it was remained as it is so balancing figure has to come here, so total figure was 127 December up to December we are not accounting as it is. So it has come as a 127 is for the full year, that was a thing. That is why I am saying it is better we have compared total year with the total year, because up to December accounting policy as per the regulatory income accounting policy is separately.. So it has been accounting in the year for the full year in this quarter expense.

Mohit Kumar: Sir can you please give us the breakup of incentive, UI, PAF for the quarter and for the year?

R. N. Mishra: Coming to incentive for the – I just tell you first about the year for the year the total incentive is 191.09 crores against the last year figure of 174.64 crores. UI charges this year are 29.38 crores last year it was 21.32 crores and secondary energy charges this year are 57.66 crores against 16.21 crores last year. 16.27 crores last year.

Moderator: The next question is from the line of Vaibhav Gupta from SKS Capital. Please proceed.

Vaibhav Gupta: Sir, can you please tell me what is the CAPEX plan for this year?

R. N. Mishra: Our CAPEX plan for this year is 1,000 crores for the entire company including our subsidiaries.

Vaibhav Gupta: Okay and sir what is the outstanding if you have in your book currently?

R. N. Mishra: I will tell you coming to the realization during the end of the year, the total outstanding was 1,132 crores which was last year this figure was 1,507 crores.



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- Vaibhav Gupta:** Sir this year how much you are thinking it would be receiving out of this outstanding?
- R. N. Gupta:** Out of this outstanding picture should be brighter, because you see that one thing you will point that this has reduced this year as compared to last year, these figures have reduced by about 370 cores or something and we are expecting more because of the Uday which has been signed by many states and those states will be making us payment, so this year we find that the things should become brighter.
- Vaibhav Gupta:** Sir, what is blended realization like?
- R. N. Mishra:** Pardon.
- Vaibhav Gupta:** The realization from the power?
- R. N. Mishra:** Average realization.
- Vaibhav Gupta:** Yes.
- A. S. Bindra:** Realization will be much just our CMD has intimated whatever we are during the year we are approximate 2400 crores we are already billed but we have released 370 crores more. The realization is more than whatever we are already bid. This is the reason this has been reduced.
- Vaibhav Gupta:** Sir can you just throw some light on your projects during the year and ahead for FY 17?
- R. N. Mishra:** Pardon. Please repeat your question?
- Vaibhav Gupta:** Sir your project. I would like to know your project program during the year and year ahead?
- R. N. Mishra:** Project program.
- Vaibhav Gupta:** Yes.
- R. N. Mishra:** During this year, we are going to install our first maiden solar power project of 5 megawatt in Charanka. We have also made an MoU which Rajasthan Saurya Urja. Limited for having land where about 300 megawatt of the solar power can be put. If the land comes other things go may that we are able to do something during this year otherwise this result actually the fruits will fructify during next financial year. Our other project which were so far expanded, they are showing sign of very good takeoff as I will tell you that our Natwar Mori project that was 60 megawatt in Uttarakhand that was not held up because we were not getting clearance. For this project we have already received forest clearance and we are expecting environment clearance within a week or so. So we will go for investment decision for this project. So this project we are very much hopeful that during this year we will be able to start. Other project is our 900 megawatt Arun-III three project in Nepal. For that project the proposal is with the government for investment decisions. There also we are very hopefully that in a few months we should get



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the investment decision and that for those project also we will go for tendering and other things and we may award the work by the last quarter of this financial year. Third project is Devsari project 252 megawatt. For this the forest clearance proposal has already been concealed by forest advisory committee. We are expecting its clearance letter very soon and this project has already been recommended by environment appraisal committee, so once this come than other environment clearance may also follow. This project we also we are expecting that this project may also get investment decision during this year itself and if we get the investment decision may that we are able to award the work also for this project. We are very hopeful for this. Fourth is our Buxar Thermal Power Project 1320 megawatt on that we had already made that land acquisition. The entire area is almost fenced. We are going for other infrastructure activity. Our DPR is under advance stage of updation and we are hopeful that we should be able to award for the plant either during last quarter of this financial year are first quarter of next financial year. So this is what you can say the project which are upcoming and [Unclear 00:21:02] project 600 megawatt. What is already under execution in joint venture with Druk Green Power Corporation of Royal Government of Bhutan where we are having 50 % share. So these are the projects which you can see that they are just in pipe line and many other project are just waiting to be started and we are very hopeful that this year will be quite eventful from this point of view

- Moderator:** The next question is from the line of Amit Gulcha from HDFC mutual fund please proceed
- Amit Gulcha:** Sir your interest expense in quarterly total is about 93 crores and in yearly number it is about 209 crores, so there is a significance difference between these two numbers so what is their difference, sir?
- R. N. Mishra:** You are talking about finance cost. 208 .95 crores are this year which was last year it was 55 crores okay.
- Amit Gulcha:** In this 209 crores is there any one time, sir?
- R. N. Mishra:** One thing is that we have included 126 crores as that for foreign exchange variation
- Amit Gulcha:** Which you are saying is included in rate regulatory income
- R. N. Mishra:** Yes it get regulated, yes.
- Amit Gulcha:** So against that sir in the last 3 quarters did you recognize the income at that time or you did not recognize the income at that time.
- R. N. Mishra:** It was not recognize that income during the last 3 quarters. That is why you are getting in this quarter, you are getting balancing figure



- Amit Gulcha** So if I look at only this quarters numbers than what you have recognized is 127 crores of income is related to the whole year, but exchange difference is only for the quarter itself. So can you give me the exchange difference is?
- R. N. Mishra:** Can you give me the exchange difference. Exchange difference I am talking for the full year because of exchange difference there is no difference in the VAT because finance cost sheet also increase rate regulatory income has also come. So overall profit does not change with this exchange variation
- Amit Gulcha** No sir I understand that, but what I am saying is that is this what you are saying is for the full year or for the quarter itself. So in quarter also the exchange rate expense and exchange rate income recognized is same?
- R. N. Mishra:** No, we have recognized in this quarter itself, but for the full year because up to last year...
- Amit Gulcha** Expense and income both.
- A. S. Bindra:** What we want to say that this is inclusive of this quarter also, but we are not recognizing for three quarter separately. So this quarter and the last three quarter total is 127.61 core.
- Amit Gulcha:** Sir what I am saying is that in the first quarter and second quarter in the interest expense you are recognized 41 crores and 75 cores of exchange differences that is the expense which you recognized. Against that income was not recognized there what you are saying is it is recognized in...
- R. N. Mishra:** Income was recognized there in the total income. This figure was included in the total income. One thing it was recognized at the expense also during last three quarters and the same amount was recognized as in the other income also. What has happened this year this time what has happened actually that we have expense figure we have not changed, we have not touched that figure but as far as the income figure is considered that we have put under regulated income.
- Amit Gulcha:** Okay, sir I got it. It is just to clarify a bit more on this. In this quarter what you are saying is that 127 crores of income have been recognized as rate regulated income and similar amount quantum is there in the expenses foreign exchange expense in this quarter itself?
- A. S. Bindra:** No, no not this quarter.
- R. N. Mishra:** No in this quarter itself simply previous year.
- Amit Gulcha:** This 147 crores of profit in this quarter has no impact of foreign exchange.
- A. S. Bindra:** What I am saying all the quarter have finance cost. All the quarter has income also in the other income column also. This year we have reduced from the other income and taken it as a separate rate regulatory income.



- Amit Gulcha:** I got it sir. I got it, but what I am saying is that the quantum rate regulated income in this quarter is equal to FOREX variation in this quarter itself?
- R. N. Mishra:** Foreign variation in the full year.
- Amit Gulcha:** Sir 147 crores of income in this quarter is higher due to....
- A. S. Bindra:** From other income also whatever the portion for the last three quarter. Yes, that has also been reduced from there itself. You are saying other income as a minus although.
- Amit Gulcha:** Okay, so what you are saying is that for previous years wherever the income you recognized you reverse that in this quarter this.
- A. S. Bindra:** One reason is that CMD already explained and the other reason is this was also.
- Amit Gulcha:** Secondly, sir your long-term investments have increased significantly to 470 crores, so this mainly is to....
- A. S. Bindra:** Mainly because of the exchange variation otherwise we have paid the amount, but mainly because of exchange variation and the Indian currencies it has been increased.
- Amit Gulcha:** I am saying in the balance sheet long-term investments have increased to 470 crores. Long-term investments sir. The investments which you will make in subsidiaries?
- R. N. Mishra:** That is at in the Buxar Thermal, during this year we have given 436 crores as an equity.
- Amit Gulcha:** So that is towards the land itself?
- R.N.Mishra:** 436 crores has been given as an equity to the Buxar Thermal Power Project.
- Amit Gulcha:** Right sir. So you mentioned that in Buxar the activity which has happened till date is only land acquisition?
- R.N.Mishra:** Land acquisition plus some other activities have also taken place because when the project was transferred at that time also some money was spent.
- Amit Gulcha:** How much money has been spent in Buxar till date, sir till 31st March?
- R. N. Mishra:** 439 crores.
- Amit Gulcha:** No, no that is your share of equity for the project or that is the total project?
- R. N. Mishra:** This project is 100% owned by us.



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- Amit Gulcha:** No, no sir. You are putting 439 crores of equity. Have you raised any debt in that project as of now? It is all equity we have?
- R. N. Mishra:** Till today it is all equity.
- Amit Gulcha:** Lastly, sir the Solar investment which we are doing all of that is in the spend in this business only or is it a subsidiary?
- R. N. Mishra:** No it is our business. Not full subsidiary. It is our project. By SJVN. We will not treat as a separate unit. Just like other project this is also a project for us.
- Moderator:** The next question is from the line of Mitul Patel from Laburnum Capital. Please proceed.
- Mitul Patel:** Thank you for taking for taking my questions. My question is based on this quarter versus the same quarter last year. There is number of units generated have increased. I did not understand as to why the top line was flat?
- R. N. Mishra:** You see that one thing I will tell you. Yes, you are very right that this has increased. The reason is that what happened that after we generate the power beyond design energy that power after reducing the free power to the state is sold at 90 paisa per unit only. This has got an impact because whatever additional power was generated during last year, some of the power was sold at this rate which comes from the AFC calculation and balance power was sold at the rate of 90 paisa. In this year, more power is being sold at the rate of 90 paisa that is the one reason. Same thing is about the Rampur Hydro Electric Project. What has happened that during last year the entire generations from Rampur Hydro Electric Project was within the design energy. This year we have generated at about 100 million units more than the design energy. So those 100 million units have come only at the 90 paisa. All these are the reasons that is why this top line is almost flat. You know that during last quarter generations and other things did not happen too much. The variations during last quarters is almost very little difference we will find it. The difference is not very stark.
- Mitul Patel:** Also I was wondering this mistake of booking the interest income. It should have been clarified over the press release or something.
- A. S. Bindra:** Clerical mistake are not clarified, but we are showing it as a minus. So when we are showing as a minus it means there is some mistake, otherwise income cannot be a minus.
- R. N. Mishra:** We admit that mistake it is there, but actually when we got to know about this thing this mistake we got to know the time, by that time our balance sheet was getting prepared, so that we admit that this was our mistake which we have rectified now, but the total picture does not change as far as the total year picture is concerned that does not change.



- Mitul Patel:** Also the other expenses variation on a QOQ basis like this quarter compared to the December quarter it is almost up by roughly 15%. So I understand that it is a balancing figure, but my assumption would be that the expenses are recognized as in when they are incurred.
- A. S. Bindra:** Not all the expenses. Expenses is more just I told you Rampur Hydro Electric Project has come under the operation this year itself. So for Rampur expenses are coming much more than the last year expenses, so that is the main reason. Regarding you are saying as and when all everything is we are accounting as an accrual accounting system itself. Regarding what you were saying we are accounting as interest from the beneficiary unless and until it is received. We are not accounting it as an income. That is only exception and that we have given in overall accounting policy also. That interest is not there that interest is penal interest. So penalty cannot be recognized unless and until it is received, that is a main reason otherwise all expenses are income are recognized on the on the accrual basis itself.
- Mitul Patel:** Yes, but the thing is that Rampur has been operational for almost 12 months now.
- R. N. Mishra:** Sir what he explained that Rampur units you know that in year 2014-15 three units came they were in the commercial operation during the month of May. One unit came in the month of August also. One unit came in the month of June and the last unit came in the month of December and so the expenses associated with that all these things were recognized when the units came into the operation. Whereas during this year, this has been for the full year, but that difference is there.
- Mitul Patel:** But there was no change in commissioning between the December quarter and the March quarter?
- R. N. Mishra:** There was no change in commission between December quarter, you are very right. There was no change, so that I explained you know why it is flat I told the explanation that it is on account of the secondary energy.
- A. S. Bindra:** Again I will tell you there are certain expenses just like a security expenses, insurance expenses. Each expenses are not accounted when it is a we have accounted for this. So for the full year we have insurance expenses, there insurance rate has been changed, so that was the main reason for also changes in the other expenses have been in case because of that reason also. Full Rampur Project has come into operation, so insurance expenses have also been increased, so other expenses has been increased, but you will find depreciation for this quarter is a marginal increase, but full year it has been increased. We have to take into account that thing also. So that is why in the beginning itself I told you it is better that we should account for full year first because we have mentioned in our note itself that March figures are balancing figure with the total figure that has also been mentioned in the notes. Last year also we have mentioned, this year also we have mentioned what March figure are balancing.
- Mitul Patel:** Sir just one last question if you can give us the other income 90.46 crores breakup in the December quarter the other income, can you give us the breakup of that?



A. S. Bindra: December quarter?

Mitul Patel: Yes.

A. S. Bindra: At December, I do not have it you can give me the ring later on I will provide you the details. At this moment for December quarter breakup I do not have. I have break up for the full year. If you want I have, you can me the ring later on and I will provide you the detail

Moderator The next question is from the line of Rahul Murkya from Batlivala & Karani Securities. Please proceed.:

Vishal: First on Rampur for CRC has for normative PAF they have given order that the PAF will be 82% for Rampur for FY 15-16, so how do you see this for FY17 will it be on 82% or we are increasing in line with Naphtha?

R. N. Mishra: I think so far it is 82% and the hearing was held during this month and there is no change so far has been mentioned are suggested so far.

Vishal: Will it be right to say that this will stay same for FY17 also or probably there are more hearing?

R. N. Mishra: That is what we feel and we assume that we should stay at 82% during '16-17 also.

Vishal: Last 2 months or 3 months we have seen the generation has been on the lower side by year-on year, so one thing that we understand is bit of seasonal factors less melting of snow. For the full year, can we achieve the design energy do you foresee any risk to that if you can guide us?

R. N. Mishra: I will explain you. Number one, I assure you that we will achieve the design energy that we are very much sure, but during last 2 months there has been definitely less generations on account of lesser inflow of water. This year whatever water inflow we are getting mostly it is less than the last year and sometimes it is in the order of 18%-21% and that is the reason, but you know that last year whatever energy we have generated this was a record generation in the sense that from Naphtha Jhakri it was our second highest generation. Earlier we have generated 7610 million units in 2011-2012 and this year we have generated 7314 million units and from Rampur Hydro Electric Project also you see that we have generated 1983 million units normally just after commissioning of the project in the first year itself people do not cross design energy, but we crossed it. So this year was definitely a very good year from the hydrological point of view and that we do not expect with the trend so far, so the generation is lesser during this year but looking at the entire thing I am very hopeful that we will touch our design energy, we will definitely achieve our design energy, that is our feeling because we've seen the past year data also. From that analysis and from our probing, we find that design energy will be achieved.



Vishal: Okay. For understanding, can you share our plant, did they snow-fed. They're monsoon rainfall-fed in terms of proportion how much it depended upon what...

R. N. Mishra: I will explain you. Mostly this river is snow-fed river. During monsoon period, the rains come. That is the reason that during monsoon period, we run our plant for almost 24 hours or when the snow melts, it's too much. It means that if the temperature rises, at that time when the snowmelt increases and the discharge in the river also increases accordingly. So what happens that normally during the month of June, sometimes during the first week, second week or third week, depending upon what is the situation, from this to up to mid after September, we're having full water for running all the machines. During other months, either we meet the peaking requirement or sometimes we generate more than 3 hours also depending upon the availability of water.

Moderator: The next question is from the line of Mohit Kumar from IDFC Securities. Please proceed.

Mohit Kumar: A couple of follow questions. Sir what is your CAPEX expenditure plan for FY17 and FY18, can you give us project-wise details?

A. S. Bindra: Project wise is not there, but this year plan just we have told you is 1000 crores. Next year it will be around 3545 crores.

Mohit Kumar: Okay and what's the plant renewal space in the FY17?

R. N. Mishra: 18-19.

Mohit Kumar: No, renewal. So how much megawatt you foresee in renewals in FY17?

R. N. Mishra: By FY19, see that we're going for 300 megawatts. We're going for land. This we expect that we should be able to do it during '17-18. As far as about 50 megawatt of wind and as far as we're concerned, we are planning to have about 1000 megawatt total by 2020 or so. You can think of that 300, 300, 300, something like this we should be doing it.

Mohit Kumar: The FY17, 150 megawatt, am I right, 100 solar and 50 wind?

R. N. Mishra: Yes, approximately.

Mohit Kumar: What was the generation in the wind power plant, in this particular area, fiscal year?

R. N. Mishra: From this year, the generation from our wind power plant was 48.95 million units.

Mohit Kumar: They are much lower than expected. Are the power plant qualifies...

R. N. Mishra: The reason was that the wind velocity, which we expect are the generation of power, that was not available during last year. Because of this, normally the wind is associated with the



weather. That is the weather condition. It means that the rain. Because of the lesser rains in the area, the wind velocity was not there and therefore the generation was also affected.

- Mohit Kumar:** Are the power plants qualified by GBI?
- R. N. Mishra:** Yes, it is qualified by GBI and we're getting also GBI.
- Moderator:** Thank you. The next question is from the line of Deepak Agrawala from Elara Securities. Please proceed.
- Deepak Agrawala:** Yes, good afternoon sir. Yes, I have few questions. Can you first share what has been the availability of each of the plant during Q4?
- R. N. Mishra:** Yes, I just talked to my Director of Electrical, he tells that during this last quarter in Naphtha Jhakri was about 104% and for Rampur, it was 99%.
- Deepak Agrawala:** For the full year, we...
- R. N. Mishra:** For the full year for the Naphtha Jhakri it was 104.7% and for Rampur, it was 99.6%.
- Deepak Agrawala:** Okay. My second question is can you comment how much CAPEX that we incurred in FY16 and on which projects?
- R. N. Mishra:** CAPEX, which we have incurred during FY16, we have incurred 697 crores. Out of which, the major expenditure which has been done that was on Buxar Thermal Power Plant. That was 378 crore and Rampur project 174 crore. Then we are constructing our office building in Shimla as well as in Delhi. Well in Delhi, it has been reconstructed by MDDC we will purchase from them. The total expenditure there was about 73 crores. This is the major expense.
- Deepak Agrawala:** Okay. Also can you give us in terms of receivables, which are the top 5 states in terms of breakup of 1132 crores as on March '16?
- R. N. Mishra:** You want to know about top 5 states, which receivables are more? Yes, it is from Himachal Pradesh, 504 crores. Second comes J&K 329 crores, but this J&K has paid a lot of money during the month of April I tell you.
- Deepak Agrawala:** How much they paid approximately?
- R. N. Mishra:** They paid around 191. Then UPCL 76 crores. BYPL 72 crores. Then comes the next number is PSEB 38 crores. These are the top 5.
- Deepak Agrawala:** Okay, just one clarification, regarding these other expenses, now in December quarter, we were at about 56 crores and in March, we were at about 75 crores. Now you mentioned that some of the expenses you book only in Q4 like security and insurance and all. Out of these 75



crores, how much would be the recurring amount for this quarter and how much would you attribute towards 9 months?

A. S. Bindra: I can tell you the detail of the expenses because these expenses are mainly related to the repair buildings, rent is a recurring expenses, and taxes. These are the recurring expenses. Security expense, otherwise it is receiving, but this year because of Rampur project, security has been increased during this quarter. That's why during this year, it is coming as exceptional items much more than the last quarter. The other expenses I would say both, advertisement, EDP, these are the recurring expenses most probably.

Deepak Agrawala: No, no, I agree recurring expense, I just want to how much of this is attributable to Q4 and how much of this attributable for the full year?

A. S. Bindra: Just I told you Q4 we have taken as different balancing figure, individually if you want for the Q4 or the total Q4?

Deepak Agrawala: Yes, usually which are the items which are there in Q4, which was same as that Q3.

R. N. Mishra: We don't have the figures readily available with us, we can give it to you later on.

Deepak Agrawala: Okay. Sure. My last question is now we have this finance cost at about 11 crores, now how much do we expect like with this form basis even for FY17-18 and you will have a consistent rate regulated income as a line item?

A. S. Bindra: Rate regulated depend upon the exchange variation, just we told you. We cannot say for the future, what will be rate regulated income or expenses for the next year because it is exchange variation. What we have calculated on the basis of 66.77 crore on the dollar rate. That was rate. Previously, it was 63.06 crores. Now how much it will change in the future year, we can't say at this moment.

Deepak Agrawala: But this will be a recurring line item henceforth.

A. S. Bindra: This will come as recurring whether it will come or increase or it will decrease.

Deepak Agrawala: Yes, that's fine, but this will be there as a new line item.

A. S. Bindra: It will be there.

R. N. Mishra: It will be there because we have taken the loan from the World Bank in dollars.

Deepak Agrawala: How much is the loan finally that you've taken from the World Bank?

R. N. Mishra: Over \$400 million.



- Deepak Agrawala:** Okay, so 400 million dollar and that multiply by 3 rupee change in the exchange.
- R. N. Mishra:** It's not outstanding. We have started same from May 2013. We have already started paying it.
- Deepak Agrawala:** So what is their outstanding as on today's date as on March 31st.
- A. S. Bindra:** As on March 31st, outstanding loan in the dollar, it is a World Bank loan. It has not been mentioned in the dollar, but in Indian currency, it is 2301 crore, so 2301 divided by 66, it will convert in the dollar.
- Deepak Agrawala:** Okay. There is a fair bit of increase in tax expense relating to rate regulated, what exactly is this, 27 crores?
- A. S. Bindra:** Tax expenses.
- Deepak Agrawala:** Yes.
- A. S. Bindra:** Just like it is deferred tax just on the 127 crores, this is coming as a tax expenses.
- Deepak Agrawala:** Okay, so this 27 crores just linked to the 127 crores.
- A. S. Bindra:** Well, there is income and we have to it is coming only as total income. We have to pay tax on the total income. Well, this is also a part on the total income. It will come as a tax expense also. And it is also pass through item just we have told you in the end. We have mentioned in the note also.
- Deepak Agrawala:** As a last question, can you give as on 31st March, how much was the gross block and CWIP?
- A. S. Bindra:** Yes. You want gross block or net value?
- Deepak Agrawala:** Gross block in CWIP.
- A. S. Bindra:** Yes, our gross block as on 31st March 2016 is 13258 crore and depreciation was 4845 crores, so net value is this much and CWIP was as on 31st March, 339.92 crore.
- Moderator:** The next question is a follow-up question from the line of Mohit Kumar from IDFC Securities. Please proceed.
- Mohit Kumar:** Sir, have you seen the Uday because J&K participated in Uday scheme, so has it helped you realized the entire receivable as mentioned earlier it is only 191 crores you received?
- R. N. Mishra:** Because of the participation of J&K in UDAY scheme, it has helped us a lot and we have received money, but the entire money we have not received. They have again promised us to pay about 70 crores. Again they have promised us recently, so entire money we have not received. But to a large extent, the outstandings have been reduced.



एसजेवीएन लिमिटेड

(भारत सरकार एवं हिमाचल प्रदेश सरकार का संयुक्त उपक्रम)
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- Mohit Kumar:** What about UP Sir, Uttar Pradesh?
- R. N. Mishra:** Uttar Pradesh also you see that what I told you that earlier that the total outstanding from the UP was the order of 75 crores only. Already it's not so much alarming. They are paying. Not much of the worry I think from the UP side as such.
- Mohit Kumar:** Sir, are you also getting delayed payment surcharge from all these ECBs?
- R. N. Gupta:** Yes, yes, surcharge also, definitely we charge, that's why that figure of what we told you that interest from beneficiary. Some are paying, some are not paying.
- Mohit Kumar:** No, no. Do you expect J&K and UP to pay up the delayed payment?
- R. N. Mishra:** From J&K we're getting and UP also getting.
- Moderator:** Thank you. That was the last question. I now had the conference over to Mr. Deepak Agrawala from Elara Securities for closing comments. Over to you.
- Deepak Agrawala:** Yes. We thank the senior management team of SJVN under the leadership of MR. N. Mishra for giving us an opportunity to hold this conference call. We also thank all the participants for joining this call. Over to you sir for any closing remarks.
- R. N. Mishra:** Thank you very much. It was a good conference. You put us very good questions. It gives us an opportunity to analyze ourselves and to have introspection and it gives a lot of learning also to us and we are able to identify something that what we should do more. With your good wishes, I assure you that my company and my team, they will put their best for better performance, for bringing the projects on time and bringing laurels to the company in this service of nation. Thank you very much again.
- Moderator:** Thank you. Ladies and gentlemen on behalf of Elara Securities, that concludes today's conference call. Thank you for joining us and you may now disconnect your lines.