



“SJVN Limited Q4 Financial Year 2015 Earnings Results Conference Call”

May 28, 2015



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Moderator: Ladies and gentlemen, good day and welcome to the SJVN Q4 FY 2015 Results Conference Call, hosted by Religare Capital Markets Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Pawan Parakh from Religare Capital Markets. Thank you and over to you Mr. Parekh!

Pawan Parakh: Thanks. Welcome you all for the Q4 and FY 2015 conference call of SJVN Limited. On behalf of Religare Capital Markets Limited, we would like to thank the management of SJVN, which is represented by Mr. Misra, who is the Chairman & Managing Director, Mr. Bindra, Director (Finance) and Mr. Bansal, Director (Electrical) and Mr. Sharma, Director (Personnel). Sir, we will begin the call with the opening remarks from you. I will hand over the call to you. Over to you Sir!

R. N. Misra: Good morning, I am R. N. Misra, CMD., SJVN. I am very pleased to inform that our financial results for 2014-2015 has been declared and these results are very good and I am very happy to say that we have got the record, net profit highest ever net profit during this year which is 1676.75 Crores, which is 50.43% more than last year’s profit.

Our profit before tax during this year is 2047.25 Crores, which is 52.99% more than last year’s profit before tax. During this year our income from operation is 2817.53 Crores, which has registered an increase of 50.38% over last year’s income from operation. During the current financial year 2014-2015, our total turnover is Rs.3261.10 Crores, which is 54.50% more than the last year’s total turnover.

Our networth during this year is 10,203.04 Crores, which was 9050.35 Crores during last year. During this year, our earning per share is 4.05%, which is 50.55% more than last year’s earnings per share. During last year our earning per share was 2.69%. We have declared a dividend of Rs.1.05 per share, which was last year 0.98 paisa per share.

During this year we have generated electricity of the order of 8136 million units, which was last year 7,192 million units. During this year our Nathpa-Jhakri hydropower station, Rampur hydropower station, and our Wind Power Plant at Khirvire, all three have contributed towards generation. Their breakup is 6838 million units have been generated by Nathpa-Jhakri Power Station, 1258 million units have been generated by Rampur Hydroelectric Power Station and 40 million units by our Khirvire Wind Power Plant.

During this year our plant availability factor was 105.50% against our excellent annual target of 93% and from Rampur project, the plant availability factor was 98.10%. During the current



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financial year we have put our entire Rampur Project all the six units under commercial operation and our Khirvire Project had also come under commercial operation. Thus, we have added 412 megawatts of Rampur Project and 47.6 megawatts of Wind Power Project to our kitty.

During this financial year another good development has taken place that Honorable Prime Minister had laid the foundation stone for 600 megawatts Kholongchu Hydroelectric Project in Bhutan and also the project development agreement for around three projects in Nepal was also signed between SJVN and the Government of Nepal in the august presence of our Honorable Prime Minister in Nepal.

On our Buxar Thermal Power Project we have also received the approval from the government for starting infrastructure activities and for that we have received and they have given us a sanction of Rs.436 Crores to take up this activity. Thus our activities are very well advancing and I am very happy to say that our company is in excellent shape. Thank you.

Moderator:

Thank you very much. We will not begin with question and answer session. The first question is from the line of Mr. Deepak Agarwal from Elara. Please go ahead.

Deepak Agarwal:

Good morning Sir. Sir, great set of results. I have few questions. First of them can you just give some reason why the other income for the fourth quarter been so high at about 220 Crores?

R. N. Misra:

The other income in the fourth quarter had increased by 206 Crores, reason being number one we had received interest from beneficiaries of the order of Rs.178.21 Crores. This we have done the arrears we have built subsequent to this ERC order for 2009 to 2014, for revised order for haircut Nathpa-Jhakri Power Station. We have built, we have put the bills for energy on our beneficiaries and on that we have received interest of the order of Rs.178.21 Crores. Another thing, there was increase in the interest from bank by Rs.18.06 Crores both all this makes around 206.43 Crores.

Deepak Agarwal:

Okay, and the entire interest that you have received from beneficiaries; everything has been accommodated in the fourth quarter?

R. N. Misra:

Yes, it has been accounted for in the fourth quarter itself, it has been account in the fourth quarter.

Deepak Agarwal:

My next question is, can you share kind of incentive income that we have earned in fourth quarter and full year separately?

R. N. Misra:

Incentive income, which we have earned during this year, is of the order of Rs.212. 23 Crores for the full year. We do not have separate figures for the quarter.

Deepak Agarwal:

But how will you split it this between availability secondary energy and UI?



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- R. N. Misra:** Availability you see that capacity incentive I have already told you that depends upon the plant availability factor, UI we have received Rs.21.32 Crores during this financial year, wind energy is 16.27 Crores.
- Company Speaker:** Capacity incentives 142.34 Crores.
- Deepak Agarwal:** 142.34 Crores and would you like to give the breakup of this capacity incentive between Rampur and Nathpa-Jhakri?
- R. N. Misra:** Capacity incentive between Rampur and Nathpa-Jhakri, 142.34 Crores Nathpa-Jhakri, Rampur it is 32.30 Crores and secondary 16.27 and UI charges 21.32 Crores, this is the breakup of 212.23 Crores.
- Deepak Agarwal:** My next question is now that we have completed our first round of capex since the time we have listed with commissioning of Rampur and wind and we have been discussing even in the past concalls and in our meetings on the starting of the next set of projects on the construction phase, so can you share the progress and what kind of capex we expect in FY 2016-2017, in down Nepal and Buxar Thermal Power Project?
- R. N. Misra:** Our total capex which we have planned for this year is 1175 Crores out of that the major portion goes to 300 Crores we will be spending on Rampur project and 381 Crores we will be spending on Buxar Thermal Power Project and we are also going in the solar power and there we are expecting to spend around Rs.311 Crores. This is the major chunk which I have explained to you.
- Deepak Agarwal:** We have not budgeted anything for Bhutan?
- R. N. Misra:** For Bhutan we have kept very small amount that for Kholongchu Project, we have kept 33 Crores and for Wangchu we have kept 4 Crores, and that will be on equity reason being that this project will be constructed by the joint venture company of the SJVN and DGPC. There we will be contributing towards equity that will be done on 30/70 basis, then 50/80 it is again in the 30 % equity will be contributed equally by SJVN and DGBC. Our shares comes only 15%, or contributing that 15%, we have planned this year 33 Crores for Kholongchu and 4 Crores for Wangchu project and the entire loan etc., will be taken over by the joint venture company, so that that does not come in our capex.
- Deepak Agarwal:** But you expect the financial closure to happen this year and construction activity to get about?
- R. N. Misra:** Financial closure for Kholongchu project during this year, we are expecting for the Wangchu project, we are yet to sign the shareholder's agreement and we have to get the investment decision, that will follow, so far for Kholongchu project, we may expect soon.



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- Deepak Agarwal:** For solar what capacity are you planning, because I think that ultra mega solar project is not starting as of now, so this is for some other project?
- R. N. Misra:** One is that, we are already into put in one 5 megawatt, Charanka Solar Power Project in Gujarat, this is one thing. Second thing, we are exploring some other places where we can put some solar power plant and we are expecting that we should be able to start somewhere get some start in somewhere around 100 megawatt or so of the solar power project. So, there we are expecting that we may do it and we are exploring something with the railways also and with the railways we can get some land if there is land is available where could be put some solar power project, these are under provisional stage and second thing is that in Gujarat, there is one place Karagoda, it is the land that is of Hindustan Salts Limited. In that land also we are in the discussions with the Hindustan Salts Limited and we are trying to explore that whether we can put some solar power plant in that area.
- Deepak Agarwal:** That is it from my side. I will come back in the queue.
- Moderator:** Thank you. The next question is from the line of Mohit Kumar from IDFC. Please go ahead.
- Mohit Kumar:** Good afternoon Sir. What was the PAF/plant availability factor for the quarter for Nathpa-Jhakri, and Rampur hydroelectric power plant?
- R. N. Misra:** Plant availability factor you want to know for the quarter. We are having figure for the full year for Nathpa-Jhakri it is 105.504% and Rampur 98.1%. These figures are for the full year. For the quarter, I do not have the separate figures, but they will be of course almost of the similar order what you are getting for the entire year. It will be almost similar order. There will be not much difference.
- Mohit Kumar:** As you have mentioned that the breakup of capacity charge between Nathpa-Jhakri and Rampur, can you give it us again?
- R. N. Misra:** Breakup of capacity charge between Rampur and Nathpa-Jhakri, capacity charges of the Rampur project is Rs.968.64 Crores.
- Mohit Kumar:** I am talking about the incentive on the capacity charge?
- R. N. Misra:** Capacity incentive for the Nathpa-Jhakri is Rs.2.34 Crores, Rampur is Rs.32.30 Crores, secondary charge is Rs.16.27 Crores, UI charges Rs.21.32 Crores, so total incentive is Rs.212.23 Crores.
- Mohit Kumar:** Where is tariff petition of regarding our extra additional cost which were incurred Nathpa-Jhakri and also for Rampur HEP of what stages they are and when likely expected to come in the order?



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R. N. Misra: Actually for Nathpa-Jhakri, we had put our petition and we had been allowed and add cap of Rs.341 Crores during this year for the 2014. So earlier our total cost was Rs.8187.71 Crores and this has come now to Rs.8575 Crores as far as the Nathpa-Jhakri is concerned. As far as Rampur is concerned, we had put our tariff petition and what they have allowed to calculate the tariff and to get the tariff at a cost of Rs.3109.6 Crores. For the final tariff petition, we will be going for the final tariff petition little later during this year.

Mohit Kumar: Have you got revised the central government approval for revised cost estimate?

R. N. Misra: Revised cost estimate, we have submitted our estimates for Rs.8575 Crores, we have already put with the government, but the approval is yet to be received. We are pursuing it and we are hopeful that it will come very soon.

Mohit Kumar: This is for Rs.8800 Crores or Rs.8500 Crores?

R. N. Misra: Rs.8575 Crores.

Mohit Kumar: Why we have written off Luhri HEP in this quarter, is there any particular reason or and how much you invest entirely and is there any further write off which you can explain?

R. N. Misra: I will explain you. For Luhri hydroelectric project, the scheme which we were having, it was consisting of a dam and 38 kilometer long head rest tunnel and underground power house. This scheme we had prepared the DPR, made investigation and all these things, but later on we were facing two, three problems here. One problem was that a lot of reservation was being expressed by the environmentalist on the ecological issue that on account of this long tunnel, the river will get dry up, of course the river was not getting dry up, but there was a lot of apprehension and many quarters were not very happy with the situation. Second thing that we were earlier putting in every project that after HRT, we have to put one Surge Shaft. Here we could not put an open Surge Shaft we have provided Surge galleries. The designs of the Surge galleries were examined by PWC and we even got some certain model studies done, medical modeling done. After all these studies, there was an apprehension that whenever there will be a drawdown of the water at that stage, in this particular scheme there may be separation of water and in case there is separation of water it means the cavitation may occur and it may endanger the structure itself. So, after a long deliberation, a lot of discussion, it was decided that surge galleries might not be the optimum solution for the project. So, what is to be done, it was thought either we should construct a surge shaft open to a sky or surge shaft where for that here the surge shaft could have been only underground. It means we were supposed to construct a dome over the surge shaft and this dome diameter would have been of the order of 41 to 45 meter diameter and constructing a dome of this diameter in that rock was almost impossible. So, considering this technical constraint, considering the local feeling and the environmental issues, ecological issues, we thought that it is better to revise the total layout of the entire project. So, we are now revising this



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Luhri hydroelectric project and in this revision what we are contemplating that we will have multistage projects development. It means that we will have two or three dams and the powerhouse associated with them and we will try to have smaller HRT or no HRT. So now what we have done whatever cost we have incurred on the portion, which we will not utilize in our next schemes what we are contemplating that amount we have charged to our profit and loss account that is of Rs.132 Crores.

Mohit Kumar: Is there any kind of further write off which may happen in this project or some other project?

R. N. Misra: No, what was to be written off that has been done completely.

Mohit Kumar: You say that in solar you are expecting around Rs.311 Crores of investment in this fiscal year right, but we have only got 15 megawatt power project in Rajasthan I believe, so in the power project have you signed the PPA for all these solar power plants?

R. N. Misra: No, we have not signed any PPA so far, only thing is that we have got certain sites which we have explored and we are under discussion like I told that in Gujarat at Karagoda, in Charanka and we are also in discussions with railways that we can have some area where we can put some solar power plants, so this is our plan that we should be able to invest around Rs.311 Crores during this year on the solar power project which we are contemplating.

Mohit Kumar: Will it be possible to give the breakup, give the revenue, EBITDA and PAT for the wind power plant?

R. N. Misra: For the wind power plant just a minute. Revenue you see that from the wind power plant, the income from operation was Rs.23.48 Crores was the income from operation from the wind power project.

Mohit Kumar: If possible to give the EBITDA and PAT separately. Our generation was less than expected generation.

R. N. Misra: Generation was only 40 million units and our design energy is 85 million units, so definitely the generation was less, but during this year was this was the first year. So it takes some time to stabilize and during this year the entire all the units were not operated from the first of April itself, actually the units came into operation somewhere last fortnight of May and therefore this generation was less.

Mohit Kumar: What kind of profit we can expect in FY2016 from this wind power plant?

Company Speaker: For the wind power profit is 5.30.

R. N. Misra: This year profit was Rs.5.30 Crores from the wind power plant, this means 2014-15.



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- Company Speaker:** Income was Rs.23.48 Crores and expenditure was 18.18 Crores, so net profit was 5.80 Crores.
- Mohit Kumar:** Thank you Sir. That is it from my side.
- Moderator:** Thank you. The next question is from the line of Deepak Agarwal from Elara. Please go ahead.
- Deepak Agarwal:** Just a follow up. Can you comment on the receivables position, because it has risen to Rs.1500 Crores, so which are the major states, which is contributing to this?
- R. N. Misra:** You have very rightly said that the receivables are Rs.1507.8 Crores as on March 31, 2015. The receivables are I will give you the breakup. The major parties, it was the receivable was there. From Government of Himachal Pradesh, it was Rs.562 Crores and I am giving you the major figures, UPPCL Rs.230 Crores, the J&KPDD Rs.322 Crores, BSES Rajdhani Power Limited BRPL Rs.91 Crores, BYPL BSES Yamuna Power Rs.66 Crores, Punjab State Electricity Board Rs.68 Crores and from Jodhpur Vidyut Nigam Limited Rs.21 Crores, Jaipur Rs.25 Crores, Ajmer Vidyut Nigam Limited Rs.35 Crores and from Haryana Vidyut Power Nigam Limited Rs.35 Crores, these are the major one I have told you.
- Deepak Agarwal:** Just one housekeeping question, what was the gross block and CWIP as on March 31?
- R. N. Misra:** Gross block and CWIP just a minute.
- Company Speaker:** As on March 31, Rs.9052.16 Crores and CWIP is Rs.252.56 Crores only. Rs.9052.16 Crores this is after depreciation, if you want gross block before depreciation, you want a figure separate for depreciation gross block that result also I have, gross block is Rs.13221 Crores and depreciation is Rs.2050 Crores.
- Deepak Agarwal:** Thanks a lot Sir.
- Moderator:** Thank you. The next question is from the line of Chirag Vakharia from Budhrani Finance. Please go ahead.
- Chirag Vakharia:** Good morning Sir. There is question on capex for FY2016, you said it is Rs.1175 Crores, this funding would be 30 equity and 70 debts or this is entire equity?
- R. N. Misra:** Equity is Rs.741.18 Crores that is internal resources and loan is 433.82 Crores.
- Chirag Vakharia:** This trend is likely to continue or we are going to see increased capex over the next two, three years?
- Company Speaker:** After we are getting Buxar project and other projects, we will come under provision.



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R. N. Misra: This capex will definitely increase during next year and the way it will be funded that will also get changed, because at every project, when the project comes into construction at that time, we would like to spend, we will like to maintain 30:70 equity and debt ratio. When the project gets into construction, we will go for loan and other things. When the project does not get into the construction up to that time mostly we try to fund through our internal resources.

Chirag Vakharia: Just wanted to get a sense, our company is generating very high cash flows, so is there a possibility that given the kind of capex whether the dividend amount will increase?

R. N. Misra: I cannot exactly tell what will be the dividend amount next time or what will happen that I cannot predict.

Chirag Vakharia: I mean the pay out Sir?

R. N. Misra: Except that I am very hopeful the dividend will always be good, but as far as our finance, the cash is available with us, we are having a number of projects in pipeline and we are expecting that all those projects when they start a lot of expenditure will be done like in Buxar Thermal Power Plant, we have already got approval for spending on infrastructure. This will take around two years for the Buxar Thermal Power Plant to get through the infrastructure phase and the main power plant we expect that it may be awarded in another two years. It means it could be March 2017. At that time a lot of money will have to be spent on this project. Second thing for a Kholongchu Power Project, there also we are expecting that within next one year, the work should start, major work should start. There also we will be spending money on the equity and for the Wangchu project, also that 570 megawatts there also we are quite hopeful after one year or so. There also the things will start moving very fast and similarly in Arun III project, 900 megawatt of Nepal. There also we have already signed the project development agreement, of course there is some setback because of the earthquake, which has happened in Nepal, but our area is not that much affected because of the earthquake. So, there also we expect that after a year or so, we should be able to move ahead and spend money. So the money, which we are having, we will have a lot of scope to spend cash amount and when these projects start taking shape, we will not be actually left with too much of the money in our bank.

Company Speaker: If you see the trend, every year increasing some amount in the dividend, so you can expect that also, but all depends upon the cash flow in the future time.

Chirag Vakharia: Thank you Sir. That was it from my side.

Moderator: Thank you. The next question is from the line of Mohit Kumar from IDFC. Please go ahead.

Mohit Kumar: Sir on Buxar power station have we started the work in the sense, have we started mobilizing and are we in a position tender the BTG by the end of this fiscal year? As regard the mines, have you



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got the forest clearance, environment clearance for power plant and mines, can you just update on the same?

R. N. Misra:

At Buxar, we have already mobilized our people, our people are there at site. At first activity, which we have to do is to take the purchase the land and the land where the purchase is being done in cooperation with the state government. The state government is into this action. After we have got the approval from the government for infrastructure development, now we will purchase the land. We will make the cost of the land. We will take land into our possession. We will make the boundary around the area and start developing something for the construction power, some units for our temporary office, transit camp, all these things we will be doing infrastructure. As far as the main plant is concerned as I have already told that situation will come only somewhere around March 2017.

Mohit Kumar:

Sir what about the current coalmine Sir, has it started again?

R. N. Misra:

Deocha-Pachami coal block has been allocated that has been located to six states and SJVN has also got an allocation of 162 million metric tonne that has been allocated to us. For that the JV agreement amongst those states have been already signed on January 7 and the JV company is under formation, we are expecting its name etc., was getting finalized, they have already filed their application with Registrar of Companies and thereafter we all will sit together and try to push this particular project so that some mine development operator or something is finalized and the work on this project can be taken up.

Mohit Kumar:

So there is no EC and FC available for neither the power station?

R. N. Misra:

EC and FC what you are telling, as far as the power station is concerned there is no forest plant therefore question of FC is not involved at all. As far as EC is concerned, there we have already done a one EIA report and we had submitted to MoEF. But because of the intervening period, some updation on the EIA may be required and one thing I will tell you that during that area whatever we have done earlier and now, not much of the change has taken place in terms of any industry or anything coming up. So, on that we are already into the action. Under the EC, we are already following up with the MoEF for the EC, of course at present EC is not available, FC will not be required at all.

Mohit Kumar:

What kind of capacity addition you see in the renewal space passed on this 615 megawatt power plant in Charanka, do you see any?

R. N. Misra:

Exactly if you ask me how much will you add during this year, I may not be able to exactly tell you, but our plan is that we want to add 1000 megawatt of the renewable power during next five years.



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- Mohit Kumar:** Thank you for answering my question. That is it from my side.
- Moderator:** Thank you. The next question is from the line of Abhishek Anand from JM Financial. Please go ahead.
- Abhishek Anand:** Good morning Sir. Firstly on the receivables, you have given us the breakup. How much of the receivables will be more than 60 days?
- R. N. Misra:** Receivables, which are more than 60 days, is Rs.932.66 Crores.
- Abhishek Anand:** I think from September quarter, the amount of receivables more than 60 days has actually gone up?
- R. N. Misra:** From September quarter yes it has gone up.
- Abhishek Anand:** December also it was Rs.860 Crores. It is primarily because of Himachal?
- R. N. Misra:** From the Himachal mostly, major amount with the Himachal, PDD, J&K and UPPCL, these are the three who have got and this BSES Rajdhani and BSES Yamuna Power Limited.
- Abhishek Anand:** Which states according to you are actually showing worse trends in terms of receivables, in terms of deteriorating trends?
- R. N. Misra:** If you ask me that which are showing such trends, actually you see that here not some trend, sometime it is not very difficult to identify the trends, reason being that whenever the receivables are mounting, we just approach them and sometimes that all of a sudden in one go they release a lot of money and we are in discussions with all of them and we are getting after the discussions, we are finding that yes okay that Himachal Pradesh is also going, they have also told given that indication that they may also clear the dues, J&K also are having discussion, only with the BSES Rajdhani and BSES Yamuna Power Limited, their receivables are standing as it is. So, it is very difficult to tell the trend to you.
- Abhishek Anand:** What is Himachal Pradesh government contesting in terms of Nathpa-Jhakri tariff petition?
- R. N. Misra:** Actually they are contesting on the portion of interest. We have raised the bills and during the bills we have asked that to pay the interest that interest version they are contesting. I think their contention in that unless you have got a final bill, you put a final bill to us, do not ask for interest.
- Company Speaker:** BSES is allowed us a provisional tariff, so their contention is on the provisional tariff, there should not be any interest that is why they have to challenge that is the main point.
- Abhishek Anand:** Could you just remind us how much investment did we make in our wind power plant?



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- Company Speaker:** Wind power plant it is around Rs.306 Crores.
- Abhishek Anand:** Rs.306 Crores and we made a profit of Rs.5 Crores for the full year?
- R. N. Misra:** During last year.
- Abhishek Anand:** We expected to double from here?
- R. N. Misra:** I think yes. This year it should increase, because last year we could not generate much of the power, this year the generation should be more, the things should definitely lookup.
- Abhishek Anand:** In terms of solar power, what kind of return ratios is actually looking at?
- R. N. Misra:** Solar power return you see that whenever we are going for any project we always expect that and we should get internal rate of return of around 12% or so that is our intention.
- Abhishek Anand:** If I am looking at wind asset in a steady state we should be ideally be making Rs.30 to Rs.40 Crores if our return objective is to be met, but at present we are making just Rs.5 Crores of profit?
- R. N. Misra:** But these things will improve, they are expected to improve in future was our first year.
- Abhishek Anand:** Thank you so much Sir.
- Moderator:** Thank you. The next question is a follow-up from the line of Mohit Kumar from IDFC. Please go ahead.
- Mohit Kumar:** A couple of clarification Sir. How this wind power plant is funded, how much of debt and how much of equity?
- R. N. Misra:** Wind power has been funded entirely by equity from our internal resources.
- Mohit Kumar:** Second Sir, what is the tax rate on income, which you receive from beneficiaries, interest income which you receiver beneficiaries, will we pay 33% tax or will we pay business income, business tax of around 20%.
- R. N. Misra:** I think we were in MAT regime so far.
- Company Speaker:** For the other income it will be the business tax not the MAT tax for other income. That income it will be MAT for the electricity generation, but other income it will be the business tax that is the 33%.



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- Mohit Kumar:** Are you saying that the interest on the cash will be taxed at 33% and interest income from beneficiaries will be tax at 20%?
- Company Speaker:** Interest income for the beneficiary as well as the interest income from the bank both will be tax as other income at the rate of 33%.
- Mohit Kumar:** Thank you that is it from my side.
- Moderator:** Thank you.
- Pawan Parakh:** I have couple of questions. You said that we are going to spend something like rs.300 Crores on Rampur project we have already all these units are commercially operational, so why they need for further capex at Rampur?
- R. N. Misra:** For the project, there are certain amounts which are yet to be released to the contractors like that whenever you get the works done certain retention amount is there, some after supply have taken place, but they have not been paid so far, some of the work has been done during last year, whenever the project is done, they are always remain some undischarged liability also. That is the reason that we have kept around Rs.300 Crores to be spent on Rampur project during this financial year.
- Pawan Parakh:** For Luhri Rs.132 Crores write-off is it a complete chunk cost or is it going to be the part of the project cost for the project going ahead?
- R. N. Misra:** We had spent there around Rs.148 Crores out of that Rs.132 Crores we have charged to our profit and loss account. It means that Rs.16 Crores will be considered for the alternatives, which we are exploring further and that will be capitalized there.
- Pawan Parakh:** So, Rs.132 Crores there are no chances of recovering in any manner in the future?
- R. N. Misra:** That has been charged to P&L account that is Rs.132 Crores.
- Pawan Parakh:** For Buxar we have said that we will take two years for infra development that is primarily be the time that we will take for land acquisition?
- R. N. Misra:** It is time for taking land acquisition, time for developing the land there, putting the construction power, developing the office, colonies, and the boundary, also developing our railway siding, all the infrastructure development.
- Pawan Parakh:** So this is the land acquisition for the area which is for the power plant and what about the land which is for mine is that acquired?



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- R. N. Misra:** That area is already allocated to that group of six states, so that area is the given by the government, I do not think that there will be any problem in the land acquisition in that area.
- Pawan Parakh:** As of now, do we have the possession of that land or that JV the possession is there or is it still to be taken in possession?
- R. N. Misra:** All that possession etc. is to be taken by the joint venture company. Our rule will be to provide them equity. These are the six states they will be doing it. They will be acquiring the land and doing all the things and developing the mine.
- Pawan Parakh:** For the solar, so 50 megawatt at Charanka, we have done all the engineering work it is just that the project is to be awarded now, is that the current status?
- R. N. Misra:** It is not 50, 5 megawatt. For that we have done it is to be awarded now. Most of the things we have involved an expert organization with us and with their help we are going ahead on this project.
- Pawan Parakh:** Is there any scope for more at this location?
- R. N. Misra:** There could be something but so far we have not put anywhere we have not involved ourselves, but it could be there.
- Pawan Parakh:** Just Rs.311 Crores that we are planning to spend in solar, so that is only the equity portion or is it both equity and debt combine?
- R. N. Misra:** It could be equity and debt both combined.
- Pawan Parakh:** That is the total amount that we are anticipating to spend in this year. Charanka is only 5 megawatt, so where would be balance of the money go then?
- R. N. Misra:** Balance of the money as I told that we are expecting some area with our discussion in this railway with Karagoda and some areas whatever in these areas, we are trying to explore. So all these places where we put our plant and we are even exploring, we are trying to discuss with other states also where we can get some land and we can put our plant. So these are actually in the exploration stage, but we are expecting during next 10 months we should be able to get something and put our start the activities there and spend this amount.
- Pawan Parakh:** Karagoda land at that we have with Hindustan Salt, so is this place yet to be explored for Solar or is that the potential has already been identified?
- R. N. Misra:** That area is potentially exists there and it is a very big chunk of land and only thing is that we are engaging somebody who is expert in the field of solar to go and find out exactly where the plant



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can be put, what will be the megawatt, what could be the evacuation system and other things. Those explorations are going on.

- Pawan Parakh:** On an overall basis, we do not expect any many equal capacity addition in solar in this year?
- R. N. Misra:** I cannot say that in terms of megawatt that so many megawatts will be added during this financial year, but we expect that a lot of work would start which would yield results in coming years.
- Pawan Parakh:** My final question is on your note accounts, note #3. You said that there is Rs.571 Crores of revenue recognized on account of arrears. So these are recurring revenues going ahead?
- R. N. Misra:** It is not recurring revenue. For 2009-2014 the CRT has given the ADKAR for Nathpa-Jhakri power station. These are the arrears because of that ADKAR. So this will not be recurring, because these are the areas, these are not recurring amount.
- Pawan Parakh:** So essentially the total revenue of about Rs.2800 Crores that we have in this year, so next year will have Rs.571 Crores and less revenues in next year and profits also lesser to that extent?
- R. N. Misra:** Let me say like this reason being that Rampur project revenue will increase, because Rampur project units were commissioned on the different dates during the year, now this year all the units are on the stream from April 1 itself. So the revenue from the Rampur project will increase and also there will be some addition because of this ADKAR in the revenue, which we are getting on the Nathpa-Jhakri. We are going for doing a petition also, so that we cannot say it will be the difference of 2800 minus 571. It could be 2800 minus 571 plus something X.
- Pawan Parakh:** Do we have any more questions?
- Moderator:** We do not have anyone in the question queue at the moment?
- Pawan Parakh:** We will wind up the session. Sir anything closing remarks you will like to say?
- R. N. Misra:** Thank you very much. It was the good session. You asked questions and I hope that you are satisfied with our answers. We expect that we will be doing very well during the next financial year also and we need all the good wishes from you and thank you very much.
- Moderator:** Thank you. On behalf of Religare Capital Market Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.