Operator: Ladies and gentlemen, good day and welcome to SJVN Limited Q4 FY26 earnings conference call hosted by Elara Securities. 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.

Rupesh Sankhe – Elara Securities: Good afternoon everyone. On behalf of Elara Securities, we welcome you all for the Q4 FY26 conference call of SJVN. I take this opportunity to welcome the management of SJVN, represented by Mr. Bhupender Gupta, Chairman and Managing Director; Mr. Ajay Kumar Sharma, Director Personnel; and Mr. Parthasidh Deb, Director Finance. We will begin the call with a brief overview by the management followed by a Q&A session. I will now hand over the call to Mr. Bhupender Gupta for opening remarks.

Management: Thank you so much. Good afternoon to all. I am Bhupender Gupta, CMD SJVN. I am accompanied by my Director Personnel, Mr. Ajay Kumar Sharma; Director Finance, Mr. Parthasidh Deb; and Director Projects, Mr. Adhikari. It gives me immense pleasure to share with you some key highlights and significant developments from the financial year 2025-26 along with important milestones achieved during the ongoing quarter.

We are delighted to highlight the strong and consistent operational and generation performance of our hydro power stations during FY26. Our flagship project, Nathpa Jhakri Hydro Power Station, a 1,500 megawatt plant as you all are aware, achieved a remarkable generation of 7,506 million units in FY26 as compared to 7,421 during the corresponding previous year. Similarly, Rampur Hydro Power Station, which is 412 megawatt, recorded a generation of 2,108 million units as compared to 2,074 achieved in the previous year, which reflects the sustained operational excellence across our hydro portfolio.

During the financial year, total generation from all our power stations stands at 13,302 million units as compared to 10,646 million units during FY25, reflecting an increase of 2,656 million units, which is approximately 25% higher than the previous year.

On the capacity addition side, during FY26, I am delighted to share the following major milestones. We commissioned the first unit of 660 megawatt of the 1,320 megawatt Buxar Thermal Power Plant, which went into commercial operation on November 14, 2025, marking a significant journey for SJVN in the thermal power sector. I am also pleased to inform that Unit 2 of the project was successfully synchronized with the national grid on May 8, 2026, and commercial operation is expected to be achieved by the end of this month.

Buxar power plant, when fully commissioned, will generate about 9,828 million units annually, of which 85% shall be supplied to the state of Bihar, contributing substantially to meeting the region's growing power demand and strengthening SJVN's position in the thermal power sector.

During the year, we also commissioned the 1,000 megawatt Bikaner Solar Power Project on December 24, 2025, which has significantly enhanced SJVN's renewable energy portfolio. This project is located in the Bikaner district of Rajasthan and developed under the CPSU scheme of the Ministry of New and Renewable Energy, Government of India.

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During this year, we commissioned another solar project in Dhubri, Assam, on February 5, 2026. This project was inaugurated by the Honorable Chief Minister of Assam. The project is expected to generate around 141 million units annually and it will be supplied to Assam Power Distribution Company at a tariff of 3.92 per unit.

With these additions in operating assets, SJVN achieved a total capacity addition of 1,730 megawatt during FY26, comprising 1,070 megawatt of solar and 660 megawatt of thermal. With this, the total installed capacity of SJVN stands at 4,196 megawatt.

In addition to the major capacity additions achieved during the year, SJVN has also made significant progress in expansion initiatives, renewable energy development, and project execution. During FY26, SJVN awarded an 850 megawatt solar project in Gujarat on October 16, 2025, further reinforcing the company's expanding footprint in the renewable energy sector.

As a renewable energy implementing agency, SJVN has awarded 16 gigawatt of renewable energy projects across solar, wind, hybrid, and storage segments. During FY26 alone, SJVN awarded 4 gigawatt capacity and signed power sale agreements of approximately 2,177 megawatt.

SJVN, as a bid implementing agency for Battery Energy Storage Systems (BESS), has successfully awarded 2,000 megawatt-hour BESS projects across Uttar Pradesh and Haryana.

With regard to the progress of SJVN hydro projects, significant advancement has been achieved in the 69.5 megawatt Dhaulasidh Hydro Project, which is targeted for commissioning by March 2027. Considerable progress has also been achieved in the execution of the 900 megawatt Arun-3 Hydro Project in Nepal, including the achievement of critical electromechanical equipment and transmission logistics milestones.

To provide a brief overview of our current project portfolio, SJVN presently has 15 operational projects with a combined capacity of 4,196.5 megawatt along with two transmission lines. We are currently constructing four hydro projects with a total capacity of 1,561.5 megawatt, the second unit of the Buxar Thermal Power Plant at 660 megawatt, and 10 solar projects totaling 1,705 megawatt. This brings our total under-construction portfolio to 3,926.5 megawatt.

I am pleased to share that SJVN received the prestigious SCOPE Eminence Award in HR Management from the Honorable President, Shrimati Droupadi Murmu, on August 29, 2025, for its progressive employee-centric HR practices.

Now I am going to share with you the quarterly and yearly set of numbers along with a detailed analysis. The SJVN board adopted the annual financial results for the year ending March 31, 2026, in its meeting held on May 15, 2026, and the same has already been communicated to the exchanges.

As per these results, revenue from operations in FY26 increased by 648 crores, from 2,897 crores to 3,545 crores, registering a growth of around 22% year-on-year. The increase was primarily driven by the recognition of sales from earlier years amounting to 679 crores pursuant to true-up tariff orders for the tariff period 2019 to 2024 regarding Nathpa Jhakri and Rampur Hydro Power Station, along with the provisional tariff order for the period 2024 to 2029 for the Rampur Hydro Power Station.

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Revenue from operations for Q4 FY26 increased by 488 crores, from 446 crores in Q4 FY25 to 934 crores in Q4 FY26, registering a growth of approximately 109% year-on-year.

During FY26, other income was 325 crores as against 355 crores for FY25, which is about 8% lower, mainly due to a decrease in late payment surcharges from better realization of trade receivables and lower interest from banks. During Q4 FY26, other income was 114 crores as against 127 crores, which is about 10% lower, primarily due to the decrease in interest from banks.

On the expenditure front, during FY26, the employee benefit expenses decreased marginally by 5 crores. Throughout FY26, there has been an increase in finance costs by 184 crores, rising from 726 crores to 910 crores, which is mainly due to the increase in exchange rate variation during the year by 206 crores.

During FY26, depreciation, amortization, and impairment expenses went up by 178 crores from 454 crores to 632 crores, mainly due to the recognition of impairment losses amounting to 174 crores during the year as per Ind AS 36. During Q4 FY26, the depreciation and amortization expenses went up by 182 crores from 108 crores to 290 crores, mainly due to the recognition of that 174 crore impairment loss during the quarter.

During FY26, other expenses increased marginally by 2 crores. Tax expenses went up by 256 crores from 313 crores to 569 crores. This is mainly attributable to higher profit before tax and increased utilization of MAT credit consequent upon the discontinuation of the reduction under section 80-IA of the Income Tax Act 1961, following the completion of the eligible block of 10 consecutive assessment years for the Rampur Hydro Power Station and KWPP.

During FY26, our profit after tax (PAT) was 1,008 crores as against 970 crores in FY25, which is an increase of 38 crores, or approximately 4%. For Q4 FY26, we earned a PAT of 125 crores as against 31 crores in the corresponding previous period, which is up by 94 crores, or approximately 308%.

Regarding incentives for FY26: Secondary energy saw an increase of 20%, Plant Availability Factor (PAF) was -23%, and deviation charges were -3%. For Q4 FY26, secondary energy increased by 16%, PAF-based incentive was -40%, and deviation charges were 0%.

Trade receivables as of March 31, 2026, stand at 1,299 crores as against 262 crores on March 31, 2025. This includes 906 crores as unbilled debtors as against 136 crores in the previous year. Unbilled revenue includes 776 crores on account of the tariff order received in the last week of March 2026 for Nathpa Jhakri and Rampur Hydro Power Station. Billing for the same has been done in FY27. Unbilled revenue also includes 130 crores for power sales for the month of March, which was billed in April 2026.

The Board of Directors has recommended a final dividend of 3.5%, which is 0.35 per equity share, in addition to an interim dividend of 11.5%, which is 1.15 per equity share. This results in a total dividend of 15%, or 1.5 per equity share, on the face value of 10 rupees each for FY26.

This is all from my side. Now the forum is open for questions and answers.

Operator: Thank you very much. We have the first question from Mr. Mohit Kumar from ICICI Securities. Please go ahead.

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Mohit Kumar – ICICI Securities: Good afternoon sir and congratulations on a good set of numbers. My first question is on the losses at the consolidated level. Can you please explain why there is a loss on the consolidated level? Is it due to the fact that Unit 1 of Buxar has started booking revenue for the new power plant at a much lower PAF and potentially a lower tariff because the final tariff order is still to come? Is that the right understanding?

Management: Thank you. Actually, in SJVN, we had a loss of around 257 crores and in Buxar Thermal, which is STPL, we had a loss of around 92 crores. Buxar has been operational for around three months and it has started operating at a PLF of around 60%. Once this PLF goes up to 70% or more, this plant will start bringing in a profit.

As far as SGEL is concerned, this is our solar subsidiary. This year we had slightly lower CUFs on some of our commissioned plants. Plus, the Bikaner solar plant, which is the flagship plant for SGEL, started operating in December 2025. That plant is yet to reach its full capacity, which we will see in the current FY27. Since these plants have already been commissioned, finance costs and depreciation are already being charged to the profit and loss account. That is the major reason these plants have shown a loss for this year, and this will improve substantially in FY27.

Mohit Kumar – ICICI Securities: Is it possible to share the plant availability factor for SJVN Buxar for the quarter and the year?

Management: Like I said, it is a 60% PLF.

Mohit Kumar – ICICI Securities: Buxar's plant availability?

Management: Plant availability was around 70%. All these details will be in the investor presentation, which we are going to upload by Monday. You will have all the details regarding the operational aspects of our different plants for SJVN as well as the subsidiary companies. If you have any further queries, you can reach out to us.

Mohit Kumar – ICICI Securities: Understood, sir. What was the SGEL revenue, EBITDA, and PAT for FY26 for the full fiscal?

Management: For FY26, the revenue of SGEL was 510 crores against 232 crores in the previous year, and expenses were 802 crores against 415 in the last year. That translates to a loss of 258 crores in this year as compared to 151 crores last year.

Mohit Kumar – ICICI Securities: And how is the new capacity addition progressing for FY27 and FY28 for SGEL, the hydro plants, and the project in Nepal?

Management: If you look at the capacity addition for FY27, there will be the 660 megawatt Buxar Thermal Power Plant. Then we are going to commission both units of the 69.5 megawatt Dhaulasidh hydroelectric project in March 2027. There will also be addition of around 1,555 megawatt of solar capacity by March 2027. They are getting commissioned at various dates starting from May 2026 to March 2027.

Mohit Kumar – ICICI Securities: And do you have any guidance for FY28?

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Management: For FY28, we have a plan to add around 650 megawatt. This is again mainly from solar projects because our hydro projects are under construction and have scheduled commissioning dates starting from FY29 to FY30. So, 650 megawatt of solar will be added in FY28.

Mohit Kumar – ICICI Securities: What is the progress on the Nepal hydro power project? When are we expecting commissioning?

Management: The Nepal hydro project is at a very advanced stage. We had some geological surprises on the right bank for the dam. Those have been tackled now, and a certain amount of time is required to stabilize that area, which is in progress. There was a lot of uncertainty on the Nepal government side, so some approvals were pending, but those are now resolved. We are progressing well and plan to commission the entire plant, all four units, by December 2028, in FY29.

Operator: Thank you. The next question is from Ragini Pandey from Elara Capital. Please go ahead.

Ragini Pandey – Elara Capital: Hello. I have a few questions on the Buxar plant. Post commissioning of Buxar, what is the regulated equity for you right now?

Management: As we have already capitalized Unit 1, the total equity as of today is around 4,000 crores, so 2,000 crores is the regulated equity for Unit 1. Once we commission both units, the regulated equity for Buxar will be around 4,000 crores. The capitalized cost of Unit 1 is around 7,000 crores. As my colleague mentioned, that translates to a regulated equity of around 2,100 crores for Unit 1.

Ragini Pandey – Elara Capital: Okay. Could you repeat the generation from Unit 1 of Buxar, the revenue contribution, and the profitability or losses you mentioned for the plant?

Management: STPL, which is Buxar Unit 1, earned revenue of around 522 crores in the last three months of the year, and total expenses were around 644 crores. Post-tax, that turns into a total comprehensive income of around -93 crores.

Ragini Pandey – Elara Capital: What is the design energy for Buxar?

Management: The design energy is 9,800 million units for the full plant, covering both units. If you look at just one unit, it is around 4,900 million units.

Ragini Pandey – Elara Capital: There has been a significant increase in external expenses. Is this because of the commissioning of Unit 1?

Management: Yes. Because we were not running it at full capacity due to various reasons, such as power being curtailed by the beneficiary because of high solar power in the daytime, we were running at only 60% PLF. In thermal, when you run a plant at a minimum technical level, there is always a loss because you must incur minimum expenses. We only start generating profit beyond 70% PLF. However, this year we will be commissioning the second unit and everything has been stabilized in Unit 1. We are very confident that during FY27, we are going to have a profit from the Buxar Thermal Power Plant.

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Ragini Pandey – Elara Capital: My next question is on renewable tendering. Do you see any slowdown in renewable tendering for this year or the next fiscal? Also, what is the status of the unsigned PPA of around 10 gigawatt?

Management: As far as SJVN is concerned, through our renewable energy implementation agency, we have awarded contracts for around 16 gigawatt. Out of that, we have signed PSAs for around 6 gigawatt. What is happening now is that a lot of tenders came out simultaneously in the market and the demand is not that high because this power ultimately has to be purchased by distribution companies (Discoms). They have their own plans to purchase power from different sources based on their adequacy plans. They are looking for a combination of solar, wind, hydro, and thermal because they need base load plants along with daytime and peaking power.

Each state has different requirements. That is why the present tenders handled by all implementation agencies—not only SJVN, but NHAI, SECI, and NTPC as well—have these issues. Most have tied up only 25–30% of their capacity. There is a possibility that all the PPAs may not be signed because the specific configurations in the tenders might not meet Discom requirements. Secondly, there is a decrease in tariffs with subsequent bids in the market. Demand will not decrease for renewable power, but it will come in different configurations like solar plus BESS or hybrids like solar plus wind plus BESS.

Operator: Thank you. The next question is from Rupesh Sankhe from Elara Securities. Please go ahead.

Rupesh Sankhe – Elara Securities: Earlier we had shared a vision for rapid expansion to reach 25,000 megawatt by 2030 and 50,000 megawatt by 2040. Are we still maintaining that same target? Secondly, what is our capex guidance and how are we going to fund it?

Management: Those projections were based on certain market assessments and growth expectations for our renewable and hydro projects. Unfortunately, due to reasons beyond our control, some projects did not come online in time. Viability Gap Funding (VGF) tenders and CPSU schemes did not materialize in the manner we expected between 2022 and 2023. Given these delays and some losses in commissioned projects, we are now consolidating and making future projections based on realistic targets. We will be sharing our new business plan very soon. As I mentioned, our current plan is to commission around 2,284 megawatt in FY27, 650 megawatt in FY28, and another 2,500 megawatt between FY29 and FY30. We are reviewing the long-term targets of 25,000 and 50,000 megawatt.

Regarding the capex plan, for this year we have a target of around 9,400 crores. For FY28 and FY29, we have plans for 7,800 crores and 7,500 crores respectively.

Operator: Thank you. We have a follow-up question from Mr. Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar – ICICI Securities: Thank you for the opportunity once again. For your operational renewable assets, are you seeing any curtailment, and how are you mitigating it?

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Management: We are facing curtailment at Bikaner. We commissioned 1,000 megawatt, but there is a curtailment of around 120 megawatt due to the Shunt Variable Reactor (SVR) requirements. There is an availability issue with the grid compensation equipment, so we will be commissioning our own SVR by October 2026, after which we will be running at the full 1,000 megawatt capacity. That is the one place where curtailment exists. Similarly, we will be commissioning plants very soon in Khavda, Gujarat, and we are having some connectivity issues there. The connectivity dates have been postponed due to delays in the transmission line. We might have a curtailment of around 300 megawatt in those plants as well. At other locations where we operate plants, there is no curtailment.

Mohit Kumar – ICICI Securities: And why is there a delay with the SVR? Is it in our scope?

Management: This requirement came from the Central Electricity Authority following new regulations in 2023. Because of the massive influx of solar power into the grids, this equipment is required to balance the grid. By the time this regulation came, we had already awarded the Bikaner contract and construction was underway. There is a limited number of manufacturers for this equipment, and their delivery schedules did not match our requirements. They are delivering to us in October 2026. This equipment acts as a reactor, similar to a transformer.

Mohit Kumar – ICICI Securities: But this 1 gigawatt is under the CPSU scheme, correct? What is the status of projects under the implementation agency for you? How much PPA is still pending?

Management: Out of around 15 gigawatts, we have signed PPAs for around 6 gigawatts. The balance is pending as negotiations are in progress.

Mohit Kumar – ICICI Securities: How much of that remaining 9 gigawatt do you think you can convert?

Management: It is very difficult to say right now. We are trying very hard. It depends on the specific components of those various tenders, which are a mix of Firm and Dispatchable Renewable Energy (FDRE), standalone solar, and solar-wind hybrids. Because of the planning cycles of different Discoms and states, some do not find certain configurations suitable for their requirements.

Mohit Kumar – ICICI Securities: How much of that is pure solar?

Management: I would have to check. It is approximately 2,500 megawatt of pure solar and around 900 megawatt of solar plus BESS.

Mohit Kumar – ICICI Securities: Is it right to suggest that the balance 6 gigawatt should easily find a buyer in due course, or could some be cancelled?

Management: Some of the tariffs are very attractive. We have solar tariffs at 2.53 or 2.54 per unit, while new state tenders are seeing costs around 2.8 or 2.9. We are following up with the respective Discoms and I am hopeful that we will be able to sell even the pure solar capacity.

Rupesh Sankhe – Elara Securities: We thank the SJVN management for giving us the opportunity to host this call. We also thank all the investors and analysts for joining us.

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Management: Thank you so much.

Operator: On behalf of Elara Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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