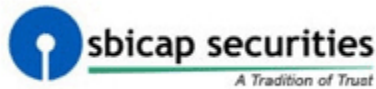




“JSW Energy Limited  
Q3 FY2020 Earnings Conference Call”

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**Moderator:** Ladies and gentlemen, good day and welcome to the JSW Energy Limited Q3 FY2020 Earnings Conference Call hosted by SBICAP Securities 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, 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. Santosh Hiredesai from SBICAP Securities. Thank you, and over to you Sir!

**Santosh Hiredesai:** Thanks Faizan. I would like to thank the management of JSW Energy for giving us this opportunity to host the call. On behalf of SBICAP Securities, I extend a warm welcome to all the participants to JSW Energy’s 3Q and 9-month FY2020 earnings call. I will now hand over the call to Mr. Pritesh Vinay, Head Investor Relations for JSW Group to take this forward. Over to you and thank you.

**Pritesh Vinay:** Thank you Santosh. A very good evening to all the participants and on behalf of JSW Energy, I welcome all of you to the third quarter and 9-month fiscal 2020 results earnings call. We have with us today the management team of JSW Energy represented by Mr. Prashant Jain, Joint Managing Director; Mr. Sharad Mahendra, Director and COO; and Mr. Jyoti Kumar Agarwal, Director Finance. We will start with a few minutes of opening remarks by Prashant and open the floor for Q&A after that. With that over to you Prashant.

**Prashant Jain:** Thank you Pritesh. Good evening ladies and gentlemen. During the quarter gone by, we saw the power demand fell 6.2% year-on-year that was primarily due to poor economic activity and higher base.

In October this year, we saw the demand fell by 13% and same time in FY2019, power demand went up by 12%, but in November and December we saw this got moderated. In November power demand fell 4.4%, in December 0.5%. In January, what we have got the data for the first 24 days for generation, the generation is up by 1.7% so we have a reason to believe that power demand has seen its worst and it is recovering and it is going to come back on track.

During the quarter, the thermal generation or the PLF went down by 6.1% year-on-year whereas in case of hydro it was 18.4% higher and in case of renewable the generation was up by 8.4%. During the quarter the net capacity addition was 5.4 GW. With this we saw 8.3 GW of capacity addition in renewable space in first 9 months, which is more than the last year, whole last year and total capacity addition during the first 9 months was 12.7 GW. With this the total capacity in the country is at 368.8 GW.

Merchant prices have further moderated during the quarter and it was down 34% year-on-year at Rs.2.83 and for the 9 months the merchant prices are at Rs.3.09, down 22% year-on-year. API 4 Index has gone down 21% year-on-year, but it was up 23% quarter-on-quarter. During the quarter, average API 4 Index price was \$75.

In the recent budget, we saw two structural positives for the power sector, one was, in the 15% reduced corporate tax, power generation has been included thereby it is a structural positive for the companies who are planning to enter or build renewable capacities, which will come on stream before March 2023, they will get benefited, and second was the smart metering prepaid meter concept, which will improve the cash flows of distribution companies and which will be helpful to reduce the receivable issue going forward.

For the company, during the quarter, net generation was down 10% year-on-year at 4.6 billion units and that was primarily due to the lower merchant sales as well as the back down by the distribution companies. However, the deemed PLF for the thermal consolidated for the company for Q3 was at 72% as compared to 75% last year. This reflects that the predictability of the cash flow and is improving substantially for the JSW Energy in spite of the challenging environment. For the first 9 months, the deemed PLF for the thermal assets is 73% as compared to the last year's 74%.

During the quarter, our revenue was down 19%, EBITDA was down 13% year-on-year at Rs.706 Crores, interest was down 11% due to the reduction in debt due to repayment and PBT was down 4%. At the end of the quarter, our net debt stood at Rs.9530 Crores reflected in debt-to-equity at 0.76x. For the quarter, we generated a cash profit of close to Rs.500 Crores and first 9 months we generated in excess of Rs.1700 Crores.

I would like to touch upon 3 things, which happened during the quarter, one is the JPVL restructuring. JSW Energy had Rs.752 Crores outstanding towards JPVL. Of that, Rs.352 Crores was converted into equity at face value. At the time of the conversion, the market value was Rs.62 Crores, which has since gone up, but that was considered at Rs.62 Crores in the books at the time of the conversion.

Of the balance Rs.400 Crores, Rs.120 Crores has been converted into a debt, which will be priority debt in a waterfall mechanism after repayment of 10% of the sustainable debt of JPVL's secured lenders. They will be paying this Rs. 120 Crores in a priority. Balance Rs.280 Crores was written off by JSW Energy. For that, JPVL waived off its claim for ~Rs.477 Crores of the contingent receivable related to the share purchase agreement signed between the two companies for transfer of Karcham and Baspa hydro assets.

Of this Rs.477 Crores of the contingent receivable, Rs.300 Crores represents towards the up-rating of the capacity for which a substantial progress has happened so far. There was an Independent Expert Committee, which was appointed by Ministry of Water Resources, which has given its recommendation in the favor of the project. We are seeing a good visibility to get that approval in due course of time.

The second part is Rs.177 Crores of the contingent receivable. We are having a good visibility for north of Rs.100 Crores pursuant to the true up, which is in process and in the next 9 to 15-month timeframe that money will be received. So therefore of that Rs.280 Crores write-off we will be having a visibility of close to Rs.400 Crores, plus Rs.120 Crores of the priority debt and balance is 5% equity share at the time of the conversion value where its market value was Rs.62 Crores, whatever upside comes or downside comes that has to be borne by JSW Energy.

Second thing is on the GMR Kamalanga. The talks are progressing very well and it is in the advanced stage. We expect that in a couple of weeks' time, we should be in a position to sign a share purchase agreement and at that point of time we will be disclosing the transaction details, but one thing which we want to highlight, our investment rationale has been further bolstered after the actual order, which has been received in the last quarter by the GMR Kamalanga for various coal pass through recoveries, which will be an added advantage for us and also for an untied capacity of 170 MW, new SHAKTI linkage scheme has also come up and which will be going for auction later this week so that will be further adding visibility to tie up the fuel linkage for untied capacity.

Lastly about the Ind-Barath. Subsequent to our submission of resolution plan, which was recommended by CoC to NCLT, a number of hearings have happened and it is in process. There are a number of petitions, which have been filed by various operational as well as financial creditors disputing the intercreditor allocation and we were expecting earlier that the NCLT approval will come by March 31, 2020. Now we see that, that approval may get delayed by June or July. With this, I would like to conclude my remarks and I open the forum for the discussion or questions. Thank you.

**Moderator:**

Thank you very much. Ladies and gentlemen we will now open the question and answer session. The first question is from the line of Mohit Kumar from IDFC Securities. Please go ahead.

**Mohit Kumar:**

Sir, first question is we had short-term PPA with Telangana, how is the offtake during the quarter and if not has it improved during January?

**Prashant Jain:** No, I think Telangana has not given any schedule during the quarter. Whatever we supplied, was in Q2 to Telangana. Post that they have not taken any power from the company and I would like to tell you that under the PPA contract we have signed with them, if Telangana is not taking power then they have to give the compensation at the rate of 20% of the tariff and we have not recognized this money into our income, but given the past track record as well as our discussion with Telangana we are confident that we will be recovering the compensation from Telangana.

**Mohit Kumar:** How has been the offtake in January?

**Prashant Jain:** No, there is still no schedule from them and we do not expect that schedule will be coming in the month of February and March also..

**Mohit Kumar:** Understood. Second Sir, Ind-Barath committee of creditors had approved our proposal long back. why there is so much delay?

**Prashant Jain:** Jyoti - would you like to take that question?

**Jyoti Kumar Agarwal:** There are these usual litigations around the sharing of the proceeds among the various classes of creditors, so the assessors have secured creditors with varying degrees of security, and then there is a class of unsecured creditors. We have prescribed a certain sharing of our resolution value, but we have left it open to the CoC to distribute it in any manner that they deem fit, which the CoC has agreed and taken a call. It is just that parties who felt that they have got less than their fair share and sort of moved IAs with the NCLT. The NCLT is hearing various applications that have been filed, interim applications. There are some other issues also where one of the lenders have questioned the resolution value being lower than the liquidation value and to that extent being a dissenting creditor that the lender wants to be paid based on liquidation value so this is also one of the matters that is outstanding. There are 1 or 2 operational creditors who have also filed for recognition of their claims, which, in their opinion, has not been recognized, so there are about 4 or 5 of such IAs and the hearing is happening very slowly. There is a gap of about 20 - 25 days between 2 hearings so we think that this plan of ours should take at least about 4 or 5 hearings before it sort of gets resolved, so we expect that maybe by the June quarter is when the NCLT resolution should happen. We have about 90 days after that to close the transaction so this looks more like a September close for us.

**Mohit Kumar:** Understood. There is a lot of tax-related items undergone changes in the current quarter is it possible to explain the rationale behind it?

**Jyoti Kumar Agarwal:** Yes, so we have decided to not go for the new tax regime because it makes sense to continue in the old regime till the time our 80-IA benefits are available and our MAT credit can be utilized. Now because of that assessment, the deferred tax liabilities that we are carrying is in excess of Rs.165 Crores because when we have exhausted all our benefits then we will switch to the new regime so there is no time correction that will happen because the regime will change and based on our internal assessment, that period will be, I think, in year 2034- 35 and by that time we feel a minimum of Rs.165 Crores of excess deferred tax liabilities would exist so we have reversed that so that is the major part of the reversal of Rs.192 Crores that you are seeing on the tax side. In addition to this, for JPVL we had earlier made a provision and as some of you may know, provisions are not tax deductible so now we have actually written off Rs.570 Crores out of the provision that we have made from a tax point of view, so this year we are not going to be paying any MAT because that write-off is actually set off as a deductible and for the first two quarters we had provisioned for about Rs.39 Crores of MAT, which also we have reversed in this quarter. So these are the two main reasons why you are seeing a huge reversal on the tax side.

**Mohit Kumar:** Understood Sir. Thank you.

**Moderator:** Thank you. The next question is from the line of Apoorva Bahadur from Jefferies. Please go ahead.

**Apoorva Bahadur:** Couple of questions. Sir, firstly, on this JPVL loan restructuring, so what exactly led to this restructuring because anyways, if I believe, we have largely provided for it?

**Jyoti Kumar Agarwal:** No, we have provided for it, but that was more an accounting entry. We were continuing to be discussing with the company for resolution of the payable from their side and as part of an overall restructuring there, we entered into an agreement whereby we are supposed to get Rs.120 Crores of debt on priority basis plus we have got about 5% equity and we have agreed to sort of set off any receivable or payable under the SPA for buying the Karcham Wangtoo assets so because of that agreement we had to now account for whatever we have agreed and that is why we are now accounting for it whereby we have reversed about Rs.177 Crores of payables to them. We have recognized the shares, we have recognized the outstanding dues from them and we have written back the provision to the extent not required, so the reason why we are doing it is because now there is a resolution of the outstanding through an agreement between us and JPVL.

**Prashant Jain:** See, look at this way that we were an unsecured financial creditor to JPVL and lenders were approving the restructuring of JPVL and which would have not been possible without final agreement with JSW Energy and that is why this restructuring has happened.

**Apoorva Bahadur:** Secondly, please pardon my ignorance over here, but the conversion of this Rs.352 Crores of equity at face value, was it necessary to convert it at face value itself or could this had been there at market value, what is the regulation over here?

**Prashant Jain:** We need to look that out of Rs.752 Crores totally, which was outstanding, against which, now, as I told you about, there is a visibility of Rs.520 Crores towards the contingent receivable as well as the priority debt, plus we are having Rs.62 Crores of the carrying value in our books, which, at the time of conversion so you were talking about. So out of Rs.752 Crores, there is a visibility of close to Rs.620 odd Crores that is the way you have to look at it whereas we had already provided Rs.574 Crores into our books. So as we realize all this money, we will be taking them into the P&L, so the income will be coming in future as and when, we all recognize all this money. so there is an upside only, which will be coming from the financial point of view.

**Apoorva Bahadur:** Right and this equity value will not have to be mark-to-market, right?

**Jyoti Kumar Agarwal:** No, it will have to be mark-to-market, but the movement post recognition will flow through OCI and not through the main P&L.

**Apoorva Bahadur:** Got it Sir. Lastly just one more question, there is decline in your revenue so is that completely justified by lower short-term sales or is there anything else?

**Prashant Jain:** Both lower short-term sales as well as variable cost, lower fuel prices.

**Apoorva Bahadur:** Got it Sir. Thank you very much. I will get back in the queue.

**Moderator:** Thank you. The next question is from the line of Atul Tiwari from Citigroup. Please go ahead.

**Atul Tiwari:** Sir, you referred to this independent committee giving some kind of approval for up-rating of capacity worth Rs.300 Crores what this is exactly and what is the Rs.300 Crores amount, could you throw some light on that?

**Prashant Jain:** So Rs.300 Crores is the amount, which was payable by JSW Energy to JPVL pursuant to the share purchase agreement, which we signed in 2015. So as I mentioned that, when we have written off Rs.280 Crores for that amount JPVL has waived off all its receivable rights from the JSW Energy pursuant to the share purchase agreement and there were 2 amounts, one was up-rating of the project for which Rs.300 Crores was earmarked, another was Rs.177 Crores contingent receivable pursuant to the true up as well as the fixed cost order, which is pending before CERC. Of that Rs.300 Crores is amount for the up-rating for which

there was an independent committee which was constituted and that independent committee has given the report in our favor. So in due course now we should be getting that up-rating done.

**Atul Tiwari:** So what I meant to ask that post this favorable report by independent committee, what happens to the generation levels in the project does it go up and if yes how much and how much incremental EBITDA that could give to you?

**Prashant Jain:** So the project capacity will go up from 1000 MW to 1091 MW, so the 9% project capacity will go up and accordingly that capacity is available to tie up either in the new PPA or to sell in the merchant market, whatever we deem fit.

**Atul Tiwari:** Thank you.

**Moderator:** Thank you. The next question is from the line of Abhishek Puri from Axis Capital. Please go ahead.

**Abhishek Puri:** So on this previous question this capacity increase for Karcham, is there any CERC approval also required after this CWC report?

**Prashant Jain:** After CWC report, the CEA has to approve it and CERC has already passed the order that once the CEA approved it then we can come back to the CERC for further determination, but in any case we will be going to CERC after we sign any PPA. In case we are not signing a PPA and we want to operate the capacity into the merchant market we need not to go to CERC, but if we tie up this capacity with any distribution company for that any additional 91 MW we will have to go to CERC.

**Abhishek Puri:** Right. Secondly, on this Telangana short-term PPA, could you tentatively let us know what could be the compensation amount for the entire quarter that we have let go and what is the rate, what is the PLF at which that would have been decided, any tentative number should be fine?

**Prashant Jain:** It is Rs.0.99 per unit.

**Abhishek Puri:** Rs.0.99 is the compensation and this is at what PLF?

**Prashant Jain:** For the 75% of the quantum.

**Abhishek Puri:** Great and third if you can guide us in terms of, for the coming summer season, are there any contracts that we have participated in, have we tied up anything?



**Prashant Jain:** Now the Pilot 2 Scheme is again coming for bidding. So that is one thing, which we are looking at it. Second is, in any case, for Ratnagiri, we have been signing various short-term contracts and if you see that all our units are running full in spite of the lower merchant prices. So that is primarily because we have been entering into various short-term contracts with various parties within the State of Maharashtra and that strategy has been successful so far for the year and we have booked our power for up to March 2020 and now we are entering into the discussion with those parties for the short-term contracts for 2020-2021 and with the increase in the capacity for JSW steel during the financial year 2021 the long-term PPA portfolio may increase, but we have a clear visibility as far as the Ratnagiri is concerned, we will be running all 4 units with a reasonably decent PLF. However, for Vijayanagar, we are totally dependent upon success of Pilot 2 Scheme or any other scenario where we are able to sell power into the Southern DISCOMs; otherwise for Vijayanagar the visibility is poor.

**Abhishek Puri:** Alright that is quite helpful. Thanks a lot Sir.

**Moderator:** Thank you. The next question is from the line of Manish Gupta from Solidarity Investment Advisors. Please go ahead.

**Manish Gupta:** Sir, I have two questions. One is what is your debt repayment in FY2021 and FY2022 per year?

**Jyoti Kumar Agarwal:** For the next year, which is 2021, our scheduled debt repayment would be to the tune of about Rs.1550\* Crores and thereafter it will be Rs.1100 Crores, but then these repayments, they have a mechanism to sort of rollover by refinancing them from the same lender so that mechanism is available, but, yes, the scheduled repayment is to the tune of about Rs.1550\* Crores for the next year and about Rs.1100 Crores thereafter.

**Manish Gupta:** Second question is that recently there has been a lot of stuff about ESG-related risk to investing with fund managers saying they are not going to invest in companies with coal assets so on and so forth. Now given that climate risk is becoming a real risk and even though some of the assets that we are acquiring are, I would imagine, fairly attractively priced, how do you think about your future foray into thermal assets in the light of risks around climate change and the fact that, that could have some impact on the multiple of your company?

**Prashant Jain:** The business growth decision as well as the business decision is based on the return measures, not on the valuation measures. This is how we have been looking at. However, we believe very strongly that directionally the industry is moving towards renewable because of two things, one is there is a technological shift, which has decisively happened

in favor of renewable and second is the economic viability from the renewable sources is very, very attractive, is at par at thermal, in some cases it is better than thermal power. Therefore, JSW Energy is now concentrating in building the renewable capabilities and as we mentioned last quarter also that now we are building this capability and then now we are in a process of building the renewable both in wind as well as solar for JSW Group as well as third parties and for that we have decided a strategy to acquire such sites where we can build these capabilities or capacities, which is in progress and we are feeling that of our stated 10 GW of growth strategy, 2 GW, which has come up from the announced plan from Kamalanga, Ind-Barath and Kutehr. Balance 3.5 GW will be primarily coming in next three to four years' timeframe from renewable sources. So we generally believe that renewable is the future and more and more growth will be coming only from the renewable sources, both organically as well as inorganically.

**Manish Gupta:** Thank you.

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

**Dhruv Muchhal:** Sir, just to understand the Karcham capacity increase to 1091 MW, just to understand it correctly the generation of the plant will not change because anyways it is running at the optimum capacity. It is just the energy, which is available for the PPA holders will decline and that gives you because that 91 MW is now available you can sell it in probably merchant or sign PPAs for that, that understanding is correct?

**Prashant Jain:** No, your understanding is wrong. See, there is a higher discharge of water, which is available, which can enable the plant to run 1091 MW without overloading and with 10% overloading to 1200 MW. Right now plant is running at 1000 MW without overloading and during the monsoon time with a 10% overloading at 1100 MW. So there is a total new additional energy generation for 91 MW without overloading and 100 MW with overloading during the entire financial year, which will be available capacity.

**Dhruv Muchhal:** So you were currently restricting your plant to that 1,000 MW, there is no other thing getting restricted?

**Prashant Jain:** Correct.

**Dhruv Muchhal:** So by what time do you expect for the MMP report, I believe, as you said, is done, so by what time line do you expect this to happen now?

**Prashant Jain:** Shortly.

**Dhruv Muchhal:** Secondly, to the previous question you mentioned your RE target. So earlier in the analyst question, you had mentioned about 400 to 500 MW as target I just missed your number in the previous answer?

**Prashant Jain:** No. Basically what we are saying is that during FY2021, certainly, there will be a progress, which will start happening, but in next 3 to 5 years' timeframe we will be setting up 3 to 3.5 GW because we have set a target to achieve 10 GW in the next 3 to 5 years timeframe, which we announced last quarter and our current capacity is 4.6 GW. Another 2 GW is coming from Kamalanga, Ind-Barath and Kutehr and balance 3.5 GW will be coming from renewables, both wind and solar, in next 3 to 5 years' timeframe. This is how we are looking at it. So going forward, we are talking about more and more renewable capacity. Now you know, hydro is already classified as a renewable power. So we will be having out of 10 GW close to 5 GW will be our renewable capacity and 5 GW will be thermal.

**Dhruv Muchhal:** Got it and Sir lastly, in the Ind-Barath thing, you mentioned there is a litigation, which is going on regarding the liquidation value do you see that is a risk to closure of the deal or it is a normal procedural issue?

**Prashant Jain:** We do not see any kind of a risk. However, you know that in case of IBC process there are various litigations, which continue and post the Essar judgment, CoC decision is of paramount and that is what in case of Essar, Supreme Court has given a judgment, but it is subject to the interpretation by various adjudicating authorities and then it can be a long drawn process. That is why we are talking about that we do not have a visibility that the case may get concluded by March 31, 2020; it may go up to June 30, 2020 or July 30, 2020.

**Dhruv Muchhal:** Thank you so much.

**Moderator:** Thank you. The next question is from the line of Rahul Modi from ICICI Securities. Please go ahead.

**Rahul Modi:** Sir, just a quick couple of questions. Sir, if you can just touch upon whether there is any issue with the PPA, now that stands started for the Ind-Barath Utkal or the earlier PPA stands okay?

**Prashant Jain:** No, basically, there was a termination, which has been done by the TANGEDCO, but during the IBC process and also as per the advisory of the Ministry of Power, any asset which is under default or under the IBC process they have issued the advisory that respective DISCOMs or the Ministry of Coal or Coal India they should not be terminating any FSA or PPAs and based on that there has been a representation, which has been moved by RP as well as JSW Energy and we are in active discussion with TANGEDCO and

TANGEDCO is considering it. We have to see how things progress in that regard and as we mentioned also that it is a very, very remunerative PPA for us and we can come out with the win-win situation along with TANGEDCO to give certain discounts or incentives to them in order to revise this PPA. In the eventuality that PPA is not revised there has to be a plan B action so we are also evaluating on that.

**Rahul Modi:** So your price of the buyout will not change as per the PPA?

**Prashant Jain:** The resolution plan is not contingent upon PPA. However, in our resolution plan we have considered that we would like to continue with the PPA.

**Rahul Modi:** Sure and Sir can you throw some light on the extension of Barmer 1200 MW, any progress there?

**Prashant Jain:** So far not.

**Rahul Modi:** On Kutehr, any progress you want to throw some light on?

**Prashant Jain:** So the regulator has started the hearing and we believe that once the hearing is completed the PPA will be signed and we are working on various preoperative activities and our idea is that once PPA is signed in 54 months' timeframe we will complete the project.

**Rahul Modi:** Sure. Thank you and all the best.

**Moderator:** Thank you. The next question is from the line of Abhishek Puri from Axis Capital. Please go ahead.

**Abhishek Puri:** Could you let us know on the ramp-up of JSW-Ispat or at the JSW Steel level and the subsequent PPAs that were supposed to come into us in FY2021 or 2022?

**Prashant Jain:** So as we mentioned that we are entering into very short-term contracts also from our Ratnagiri. So we do not see any downside in case the delay in PPAs, which are coming up from a group company. So our all 4 units, which have been running throughout the year, even in the worst challenging environment we believe that all 4 units will be running and we will be having a good PLF. For the first 9 months our Ratnagiri deemed PLF had been more than 80%.

**Abhishek Puri:** Right and for Vijayanagar any expansion of capacity that has been planned and PPA that has been planned?

- Prashant Jain:** No. At this point of time, I cannot talk about any concrete visibility. Of course I have been given to understand that JSW Steel wants to grow that capacity in future, but at this point of time I do not have any kind of a concrete visibility. We see that the Vijayanagar will continue to operate at a lower PLF for near foreseeable future.
- Abhishek Puri:** Right and in terms of the JSW-Ispat one, Ratnagiri, I understand you have short-term contracts, which are covering right now, but when is the longer-term PPA with the Ispat likely to start, have you reached that 81% capacity in terms of PPA that you were looking at?
- Prashant Jain:** Yes, already for the JSW Energy as a whole we are already at 81.4% of the PPA capacity and in terms of further increase in the PPA portfolio from Dolvi Works of JSW Steel I have been given to understand that some time during the H1 or by end of H1 to next year financial year they are expecting the completion of their expansion plan and then probably the PPA quantum will be going up.
- Abhishek Puri:** Alright. Thanks a lot Sir.
- Moderator:** Thank you. The next question is from the line of Chirag Patel from Adinath Shares. Please go ahead.
- Chirag Patel:** I have a few questions. First one, what percentage of our revenue coming from hydro capacity and bifurcation within the sub-segment of our different energy production capacity?
- Prashant Jain:** So we have 1.3 GW as hydro out of 4.6 GW and balance all is thermal capacity other than 10 MW of solar. You can look at our website and you will be able to see that.
- Chirag Patel:** Particularly in this quarter, in the extent sharing of result, the Himachal Pradesh capacity outcome is comparatively lower. I am talking about the plant load factor at all, why it is such, is there any specific reason for it?
- Prashant Jain:** So hydro is a seasonal business where 70% of the generation happens in the 6 months and balance 30% happens in the rest of the 6 months. During the winter there is a snowfall, so water discharge does not take place and that is why no power generation or less power generation.
- Chirag Patel:** Recently we hiked our debt limit, so is there further any plan to raise debt or anything such?
- Chirag Patel:** Our debt limit, we increased that we filed on exchange..

- Prashant Jain:** Which debt limit?
- Chirag Patel:** Like we taken approval for our working capital debt
- Jyoti Kumar Agarwal:** I am not sure what you are referring to. Our working capital lines get renewed every year, and there is no meaningful difference in the lines between last year and this year. So I am not so sure I understand your question.
- Chirag Patel:** I will take it offline. So in upcoming year any further plan to raise debt or any kind of capex plan?
- Jyoti Kumar Agarwal:** Yes. So look, we are looking at a couple of acquisitions and on the renewable side also we are looking to grow, so based on our growth plans whatever debt is required would be reasonable.
- Chirag Patel:** Any receivables pending from DISCOMs?
- Jyoti Kumar Agarwal:** Yes. We do have receivables pending from DISCOMs as part of the normal bidding cycle as well as the normal delay that we are experiencing from some of our DISCOMs.
- Chirag Patel:** So situation is improving in last 6 months from the government or DISCOMs side, or is it as usual like?
- Prashant Jain:** For JSW Energy, it is stable.
- Chirag Patel:** Thank you.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.
- Pritesh Vinay:** Thank you very much for your time. In case there are any followup questions, please feel free to get in touch with myself or Nitin and we will be happy to take those offline. Thank you very much.
- Moderator:** Thank you. On behalf of SBICAP Securities that concludes this conference. Thank you for joining us. You may now disconnect your lines.