



2nd October 2023



India's Best Performing and Most Customer Centric PMS

SJVN Limited, a prominent player in the field of electricity generation and consultancy for hydro-power projects, is at the forefront of India's energy landscape. Established as a joint venture between the Government of India and the Government of Himachal Pradesh, SJVN has consistently demonstrated its commitment to power generation and sustainable energy solutions. With an exemplary track record and a vision for exponential growth, SJVN has emerged as a catalyst for India's energy security, aiming to lead the nation into a future marked by energy sustainability and self-reliance.

Operational Capacity and Vision: Presently, SJVN operates six electricity projects across India, boasting a combined capacity of approximately 2,017 MW. Among its flagship projects are the Nathpa Jhakri Hydro Power (1,500 MW) in Himachal Pradesh, the Rampur Hydro Power (412 MW) also in Himachal Pradesh, and the Khirvire Wind Power (47.6 MW) in Maharashtra. However, SJVN's ambitions extend far beyond its current achievements. The company has set a visionary course to elevate its electricity generation capacity to 5,000 MW by 2023, a staggering 12,000 MW by 2030, and an impressive 25,000 MW by 2040.

Promoter and Financial Stability: As a venture promoted jointly by the Government of India and the Government of Himachal Pradesh, SJVN's governance is overseen by the President of India through the Administrative Ministry, the Ministry of Power. This backing ensures stability and strategic guidance. Moreover, SJVN enjoys a robust revenue stream through long-term Power Purchase Agreements (PPAs) with state electricity boards and distribution licensees. The company's clientele includes entities such as the Government of Himachal Pradesh, U.P. Power Corp., PDD, J&K, and Punjab State Power Corp.

Diverse Project Portfolio: SJVN's project portfolio is a testament to its dedication to sustainable energy solutions. With ongoing projects encompassing various stages of development, the company is actively involved in construction, pre-construction, and survey and investigation phases.

As of now, SJVN is constructing 12 generation projects, comprising five hydro projects, one thermal project, and six solar projects. Additionally, the company is engaged in two transmission line projects. The combined capacity of these projects stands at 4,323 megawatts, signifying SJVN's pivotal role in India's energy future.

New Ventures and Sustainable Growth: In the fiscal year 2022, SJVN marked its expansion into new projects, securing contracts for a 200 MW solar project from MSEDCL, a 30 MW Wind-Solar Hybrid Project by SECI, a 90 MW Floating Solar Project at the Omkareshwar Reservoir in Madhya Pradesh, and a monumental 1,000 MW Solar Power Project in Bikaner, Rajasthan, through its subsidiary, SJVN Green Energy Limited.

Stock Data	
CMP	73.15
52 Week High/Low	83.65/25.45
Face Value	10
Market Cap (In Crs)	28,746
Enterprise Value (In Crs)	38,072
NSE	SJVN
BSE	533206
Bloomberg	SJVN:IN
Sector	Power Generation

Shareholding Pattern (in %)		
	JUN 23	MAR 23
Promoter	86.77	86.77
FII	1.40	1.75
DII	4.32	4.06
Public	7.50	7.41

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	1.53%	14.97%	16.77%
SJVN	19.14%	123.70%	131.12%

Key Ratios	
P/E	27.60
P/S	11.00
P/B	2.07
EV/EBITDA	17.4
PEG Ratio	10.5
Debt To Equity	1.01
ROE	10.3%
ROCE	9.27%
Dividend Yield	2.48%

Q1 FY 24 Result Update

Q1 FY24 Result Comparison (In Rs Cr)					
	Q1 FY24	Q4 FY23	Q1 FY23	QOQ	YOY
Sales	675	504	1004	33.92%	(32.7%)
Expenses	192	326	176	(41.1%)	9%
Total Income	744.39	582.78 Cr	1072.23	27.73%	(30.58%)
Net Profit	271.75	17.21	609.23	1479.02%	(55.48%)
EPS (In Rs)	0.69	0.04	1.55	1625.00%	(55.48%)

Result Highlights

In the first quarter (Q1) of the financial year (FY) 2023-24, SJVN Limited, a joint venture between the Government of India and the Government of Himachal Pradesh, reported a net profit of INR 271.5 crores. This represents a significant year-over-year (YoY) decrease of 55.39% compared to the previous year's INR 609.23 crores.

The company's revenue during Q1 FY 24 stood at INR 675 crores, indicating a YoY decrease of 32.7% when compared to the INR 1004 crores generated in the same period of the previous year.

The net profit margin, calculated as profit for the period divided by revenue from operations, was 40.22% for Q1 FY 24, in contrast to the 60.40% achieved during Q1 FY 23. SJVN attributed these less promising Q1 results to inadequate water availability in the Sutlej River, where two major hydropower projects are situated.

This scarcity of water was influenced by various factors, including significantly lower river discharge during the first quarter compared to the previous year, dropping to as low as 50% at one point. Unusually limited winter snowfall in the hills during April, May, and June resulted in reduced springtime snowmelt and river discharge, with a decrease of approximately 25% to 30% compared to the previous year. This ultimately led to a 25% drop in power generation, with SJVN's total power generation reaching 2,061 million units, down from 2,735 million units in the same period last year. Wind projects contributed 53.09 million units, while solar projects added 2.37 million units to the total.

Revenue generated from renewable energy sources, including wind and solar power, amounted to INR 194.5 crores during the quarter, down from INR 215.2 crores in the corresponding quarter of the previous year. This decrease also had a cascading effect on power sales, leading to a 25% decline in generation-related revenue, resulting in a decrease of INR 271 crores, as stated by SJVN's Chairman and Managing Director, NL Sharma.

Total expenses for the quarter stood at INR 192 crores, compared to the INR 176 crores incurred during the same period last year. SJVN currently operates with a total operational capacity of around 2.1 GW, distributed among two hydroelectric projects, two wind energy projects, and four additional solar projects. The company is also actively engaged in 16 ongoing projects under construction, collectively expected to have a capacity of approximately 4.5 GW.

In a notable development, SJVN Green Energy, a wholly-owned subsidiary of SJVN, secured a letter of intent from the Punjab State Power Corporation (PSPCL) in July to develop 1,200 MW solar power projects. Additionally, the Ministry of Power granted approval to SJVN in the same month for setting up overhead transmission lines for its 1,000 MW solar power project in Bikaner, Rajasthan.

Concall Highlights

During the recent conference call, SJVN (Satluj Jal Vidyut Nigam Limited) unveiled its ambitious capital expenditure (Capex) and growth plans, shedding light on several key aspects of the company's future prospects.

Capex for Rapid Expansion:

- SJVN aims to undergo a significant transformation by increasing its installed capacity sixfold in the next three years, with plans to add a total of 10,000 megawatts to its portfolio.
- Currently, the company has 16 projects under construction, collectively contributing 4,500 megawatts to its capacity expansion efforts.
- SJVN's extensive project portfolio stands at an impressive 55,000 megawatts, with 40 visible projects in the pipeline.

Project Costs and Pump Storage Plans:

- The Buxar Thermal Power Plant, a notable project in India, is estimated to cost approximately INR 10,400 crores.
- The Arun-3 project in Nepal, featuring both generation and transmission components, is valued at INR 6,000 crores and INR 1,600 crores, respectively.
- In addition to its conventional projects, SJVN is venturing into pump storage projects, with an envisaged capacity of 5,000 megawatts and a substantial investment ranging from INR 45,000 to INR 50,000 crores.

Upcoming Projects:

- SJVN is gearing up to commission several new projects, including Naitwar Mori, Buxar Thermal Power Plant, Bagodara Solar Power Project, and more, contributing to its growth trajectory.

Revenue and Generation Outlook:

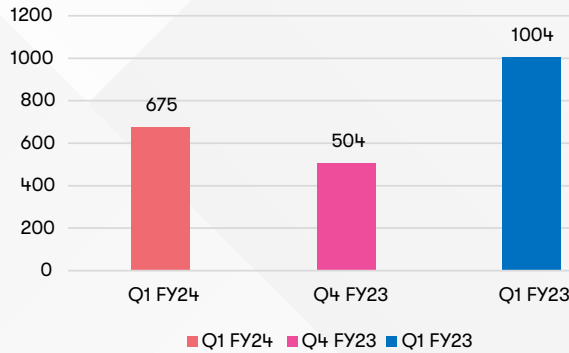
- The first quarter of FY '24 saw less favorable financial results due to lower water availability, leading to reduced generation and revenue.
- SJVN anticipates an upturn in generation and revenue during the second quarter, primarily due to the onset of the monsoon season.
- Over the next three years, the company estimates substantial revenue potential, with projections of INR 1,800 crores in the first year, INR 6,000 to INR 7,000 crores in the second year, and INR 3,000 crores in the third year.

Receivables and Financial Metrics:

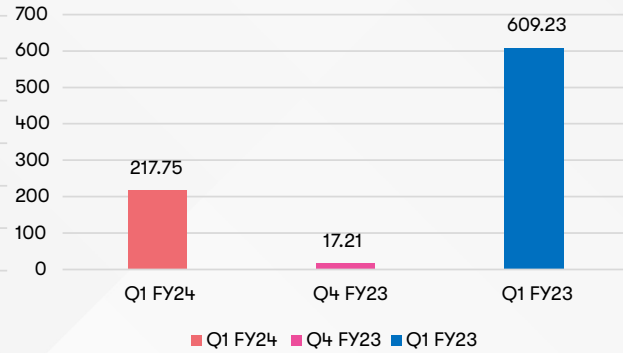
- SJVN reported significant improvements in receivables, with a notable difference of INR 729 crores compared to the previous year.
- Equity IRR (Internal Rate of Return) for solar projects is expected to range between 12% to 15%, complemented by a debt rate of approximately 8%.
- The company's regulated equity, presently at INR 6,200 crores, is forecasted to reach around INR 14,000 crores at the end of the three-year period.
- SJVN's consolidated debt is currently around INR 15,000 crores, with an anticipated increase to approximately INR 27,000 to INR 28,000 crores by the conclusion of the three-year period.

These highlights underscore SJVN's commitment to significant expansion, diversified project initiatives, and financial resilience in the dynamic energy sector. The company's ambitious Capex plans and strategic vision position it for substantial growth and contribution to India's energy landscape.

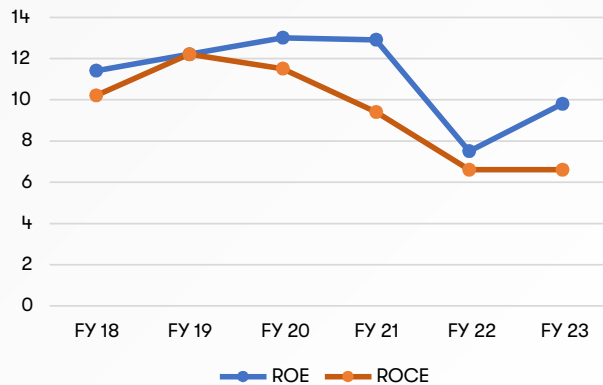
Revenue (In Cr)



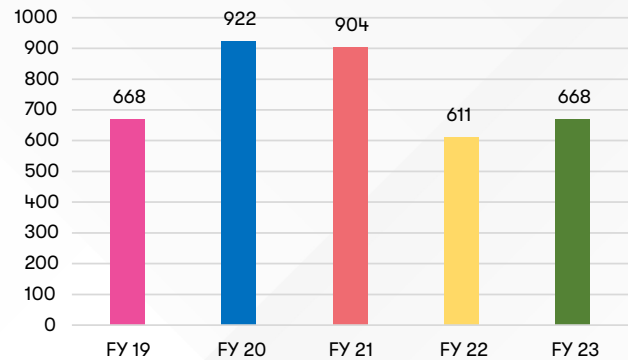
PAT (In Cr)



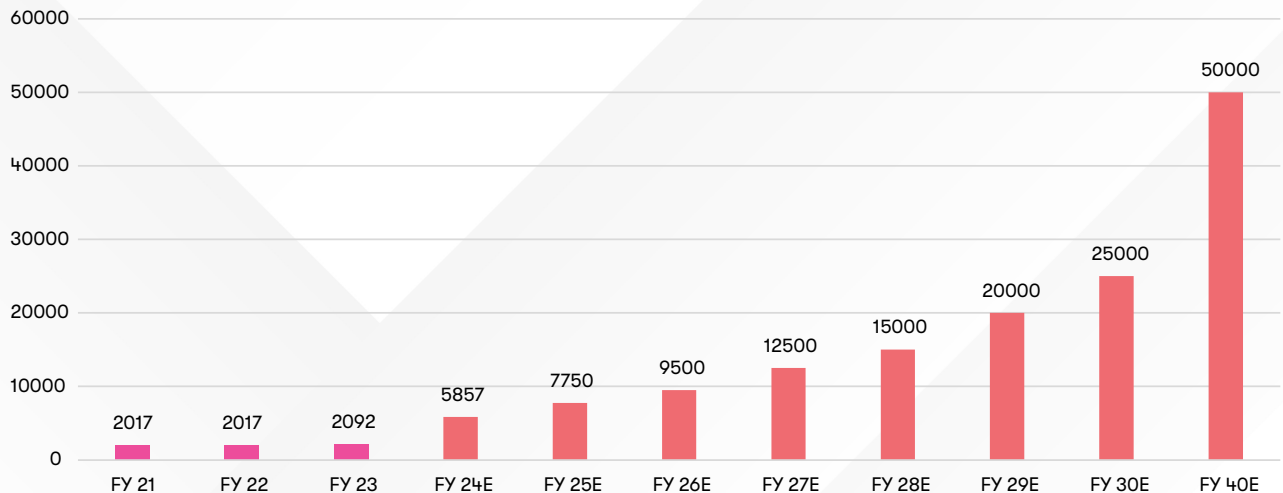
Return Ratio



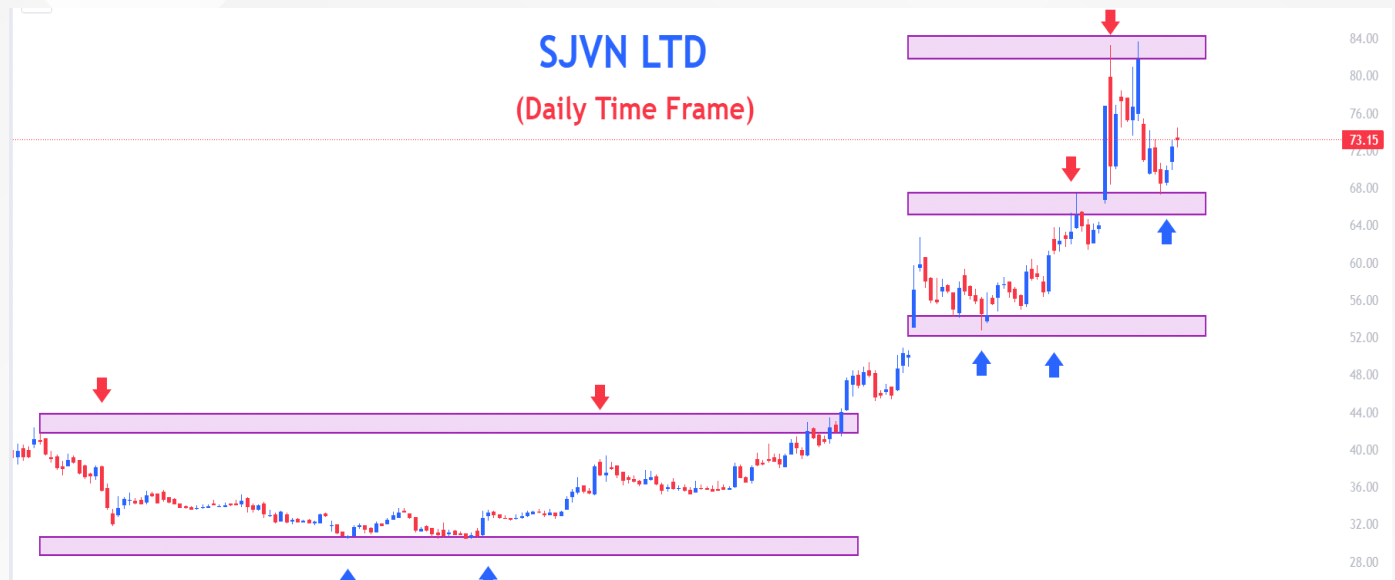
Consistently Paying Dividend



Capacity Addition due to Identified Projects (MW)



Technical Outlook



SJVN Limited exhibits a trend of forming lower highs and lower lows, coexisting with an upward trajectory. Presently, it trades within a 12% range from its all-time peak, signaling potential for a robust breakout once the peak level is taken out.

Daily RSI is 62.97 and Weekly RSI is 79.05 indicating bullishness and strength in buying.

When the 5-day Exponential Moving Average (EMA) surpasses the 10-day EMA, which in turn is greater than the 20-day EMA, and so on, it signals a strong uptrend and bullish sentiment, suggesting that the trend is likely to persist.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	70.76	71.96
10	73.08	71.83
20	70.65	69.90
50	62.49	62.87
100	51.12	54.79
200	42.36	46.66

Pivot Levels : FIBONACCI		
R1 74.33	Pivot 71.62	S1 68.90
R2 76.00		S2 67.23
R3 78.72		S3 64.52

Relative Strength Index(RSI)	Daily	Weekly
	62.97	79.05

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**This research has been done by the
Core Fundamental Research Team of InvAsset PMS Desk.**

Anirudh Garg

anirudhgarg@invasset.com

Harshal Dasani

harshaldasani@invasset.com

Bhavik Joshi

bhavikjoshi@invasset.com



India's Best Performing and Most Customer Centric PMS



MUMBAI

911 One Lodha Place,
Lower Parel, Mumbai 400013

GURUGRAM

4th Floor Two Horizon Centre,
DLF Phase 5, Gurugram,
Haryana 122002

LUDHIANA

1401, Aspen 2, Centara Greens,
Pakhawal Road, Opp. Riviera Resort,
Ludhiana 141001



1800-309-2172
98158-10172



info@invasset.com



www.invasset.com
