



SJVN LIMITED

11th May, 2023

Incorporated in 1988, SJVN is a listed Mini Ratna Central Public Sector Entity under the Ministry of Power, Govt. of India. SJVN operates two hydropower plants (1,912MW) in Himachal Pradesh, two wind power projects (97.6MW), and two solar power plants (7MW). In addition, it operates an 86km, 400kV transmission line across the Indo-Nepal border through a joint venture. SJVN is implementing hydro, thermal, and solar power projects in Himachal Pradesh, Uttarakhand, Bihar, and Gujarat in India and in Nepal and Bhutan.

The company is promoted by Govt. of India and Govt. of Himachal Pradesh. As per the Articles of Association, the power to appoint directors vests with the President of India through the Administrative Ministry, i.e., the Ministry of Power. SJVN is engaged in the business of Electricity generation. The company provides consultancy for hydropower projects.

Investment Rationale

- Upcoming capacity to lead to higher earnings: Additional capacity of 3415 MW is expected to be added by FY25E, an increase of ~160% from the existing capacity, providing a huge impetus to revenue.
- Policy measures by the Government to promote the hydropower sector augur well for the company. The Government has approved a number of measures for promoting the hydropower sector like large hydropower (LHPs) (>25 MW projects) to be declared as the source of renewable energy, Tariff rationalization measures for bringing down hydropower rate, etc, which will benefit the company.
- Cost-Plus Return on Equity model to ensure stable returns: The operational hydropower plants have a regulated tariff structure that allows recovery of the entire cost, including a fixed return on equity based on approved capital cost, subject to the achievement of normative parameters notified by the Central Electricity Regulatory Commission (CERC) for each plant.
- Linkages with Government of India (GoI): SJVN continues to play an important role in furthering the GoI's cross-border and northern region hydropower development objectives as it operates India's single-largest hydropower plant (NJHPS: 1,500MW).

Outlook: At a CMP of Rs 33, the stock is trading TTM P/E of 9.6(x) to its TTM EPS of Rs 3.43. With the expected commissioning of 1320 MW Buxar thermal power plant and 900 MW Arun-3 hydroelectric project (HEP) by FY24E, installed capacity is slated to more than double from the current 2091.5 MW. The full impact of the additional capacity will be visible in FY25, leading to a significant increase in revenue and profitability. Consistent operational performance of the Nathpa Jhakri HEP and Rampur HEP allows the company to earn incentives over and above the revenue from power generation. Government measures to promote hydropower and renewables would lead to higher offtake. SJVN Ltd has shared an aggressive capacity addition outlook, doubling their target of 12000 MW to 25000 MW by FY2030. The company trades at an attractive dividend yield of 5.2%. Dividend is expected to grow in the coming years as the earnings increase.

Stock Data	
CMP	36.6
52 Week High/Low	42.4/25.4
Face Value	10
Market Cap (In Crs)	14,399
NSE	SJVN
BSE	533206
Bloomberg	SJVN:IN
Sector	Power

Shareholding Pattern (in %)		
	Sep-22	Dec-22
Promoter	86.77	86.77
FII	2.96	2.31
DII	3.83	3.81
Public	6.42	7.11

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	3.83	1.47	12.64
SJVN	12.27	(0.95)	32.43

Key Ratios	
P/E	10.68
P/B	1.03
ROE	9.6%
ROCE	9.2%
Dividend Yield	5.2%

Industry Overview

Indian Power Sector:

India's power sector is the most diversified sector in the world. Power generation sources are from conventional sources such as lignite, coal, natural gas, oil, hydro and nuclear power to non-conventional sources such as wind, solar, agriculture etc. Electricity demand in the country has increased swiftly & is expected to rise further in the upcoming year. Massive addition to Installed generation capacity is required to meet the growing demand for electricity. India is ranked fourth in wind power, 5th in solar power and fourth in renewable energy installed capacity; India is the only country among the G20 nations among all that is on its way to achieving the targets under the Paris Agreement.

Factors leading to growth in the power sector:

Higher Investment: Investment worth Rs 9-9.5 trillion (US\$ 128.24 - 135.37 billion) is expected to be invested in India's power sector between FY19-FY23. FDI inflows in the power sector reached US\$ 15.89 billion Between April 2000-March 2022. As per the National Infrastructure Pipeline 2019-25, energy sector projects account for the highest share, approximately 24% of the total expected CAPEX of Rs. 111 lakh crore (US\$ 1.4 trillion).

Policy support: The government allowing 100% FDI in the power sector has boosted the FDI inflow. Electrification in the country is increasing on the back of support of schemes like Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), Ujwal DISCOM Assurance Yojana (UDAY), and Integrated Power Development Scheme (IPDS).

Electricity demand to boost with growing expansion in Industrial activity. The growing population, along with increasing electrification and per-capita usage, provides a further boost to electricity demand. India has been ranked sixth on the list of countries to make major investments in clean energy by allotting US\$ 90 billion.

Market Size:

India, with an installed power capacity of 408.71 GW as of October 31, 2022, is the third-largest producer and user of energy globally.

India had 165.94 GW of installed renewable energy capacity (including hydro) as of October 31, 2022, making up 40.6% of the nation's total installed power capacity. Estimated contributions from various sources include solar energy (61.62 GW), wind energy (41.84 GW), biomass (10.70 GW), small hydropower (4.92 GW), and hydropower (46.85 GW).

In comparison to the first three months of FY22, when non-hydro renewable energy capacity addition was 2.6 GW, it was 4.2 GW in the first three months of FY23.

India saw a rise of 10.67% YoY, with electricity generation (including renewable sources) of 846.18 BU between April and September 2022. The Ministry of Power's data shows that India's power consumption rose 1.64% YoY to 114.64 BU in October 2022. On June 9, 2022, the country's peak power demand was 210.79 GW.

In June 2022, the real PLF for thermal power plants across all of India was 68.24 %, up from 67.92 % in May 2022.

Conclusion:

In the current upcoming 10 years (2020-2029), the Indian electricity sector is likely to witness a major transformation with respect to demand growth, energy mix and market operations. India wants to ensure that everyone has reliable access to sufficient electricity at all times, while also accelerating the clean energy transition by lowering its reliance on dirty fossil fuels and moving toward more environmentally friendly, renewable sources of energy. Future investments will benefit from strong demand fundamentals, policy support and increasing government focus on infrastructure.

The Government of India is preparing a 'rent a roof' policy to support its target of generating 40 GW of power through solar rooftop projects by 2022. It also plans to set up 21 new nuclear power reactors with a total installed capacity of 15,700 MW by 2031.

The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030. Also, by 2029-30, CEA estimates that the share of renewable energy generation would increase from 18% to 44%, while that of thermal energy is expected to reduce from 78% to 52%.

The government plans to establish a renewable energy capacity of 500 GW by 2030.

Company Overview

Satluj Jal Vidyut Nigam Limited or popularly known as SJVN Limited is primarily engaged in the business of generation and sale of Power. The company is a Mini Ratna, a JV of the government and the Government of Himachal Pradesh (GOHP). GoI holds a majority equity stake of 59.92% in SJVN, while the Government of Himachal Pradesh (GoHP) has a 26.85% stake. The Mini Ratna status gives the company greater operational autonomy and discretion to set up projects up to Rs. 500 cr without the express consent of the government. It operates the Nathpa Jhakri Hydro Power Station with a capacity of 1500 MW located in Shimla district, Himachal Pradesh, India, and the Rampur Hydro Power Station with a capacity of 412 MW in Kullu District, Himachal Pradesh. RHPS is a tailrace extension of NJHPS, which operates in tandem with the generation flow of NJHPS. The units of NJHPS & RHPS were synchronized one by one, and the projects were declared under COD on 18.05.2004 & 16.12.2014, respectively. NJHPS and RHPS are designed to generate 6612 MU & 1878.08 MU of Annual Electrical Energy, respectively, in a 90% dependable year with 95% machine availability. Besides, the projects are designed to provide peaking Power to the Northern Grid.

The Power generated from these projects is being supplied to the various Bulk Power Customers / Beneficiaries / Utilities in Northern Region as per the Power Purchase Agreement (PPA) and allocation order issued by the Ministry of Power, GoI. Out of the total energy generated from NJHPS, 12% is supplied free of cost to the home state i.e. Himachal Pradesh. From the remaining 88%, 25% of energy is supplied to GoHP at the bus-bar rate, and the Ministry of Power, Government of India, allocated balance power to different states / UTs of the Northern Region. Similarly, out of the total energy generated from Rampur HPS, 13% is supplied free of cost to the home state, i.e. Himachal Pradesh. From the remaining 87%, 30% of energy is supplied to GoHP at the bus-bar rate, and the Ministry of Power, Government of India, allocated balance power to different states / UTs of the Northern Region.

The company also operates the Khirvire Wind Power Plant with a capacity of 47.6 MW in Nashik District, Maharashtra; the Charnakha Solar Power Plant with a capacity of 5 MW in Patan District, Gujarat; and an 86 km cross border transmission line with a capacity of 400 kV from Muzaffarpur to Sursand. In addition, it provides consultancy services in the field of hydropower, road/railway tunnels, etc., as well as from concept to commissioning of hydroelectric projects to various organizations.

Top Clients

The company directly sells generated power to various electricity boards through long-term PPAs. Top customers include: -Govt. of Himachal - ~25% of revenues, Power Corp. - ~19%, PDD, J&K - ~12%, Punjab State Power Corp - ~9%

New Projects in FY22

- The company bagged in various projects in FY22 :
- 200 MW solar project from MSEDCL
- 30MW Wind-Solar Hybrid Project by SECI
- 90MW Floating Solar Project at the Omkar Eshwar Reservoir, Madhya Pradesh
- 1,000 MW Solar Power Project bagged by SJVN Green Energy Limited, a wholly-owned subsidiary of the Company at Bikaner, Rajasthan

Project Portfolio

The company has various ongoing projects that are under construction, under pre-construction & investment approval, and under survey and Investigation.

- It has 11 projects under construction.
- 11 projects that are under pre-construction and approval.
- 12 projects that are under survey & Investigation.
- The total capacity of ongoing projects is ~31,905 MW.

Business Segments

Power trading: SJVN has been granted a Category “I” License for Inter-State Trading in Electricity in the whole of India by the Central Electricity Regulatory Commission video Order dated 10th January 2022. SJVN will now be trading electricity generated by any public & private generating entity. The company plans to develop robust systems for Market Research, Forecasting & Management, such as Load Forecasting, Load Management, Weather-Based Load Curve Estimation, Risk Mitigation, etc. By effectively implementing these systems, future demand & supply gaps can be anticipated thereafter, fulfilling the requirements of the customers. The company's endeavor is to facilitate Power Trading by creating a Pan-India network of buyers & sellers. The company shall focus on fulfilling power supply demands across States while addressing seasonal and regional variance of demand & supply.



Thermal Power: After experience gained in harnessing the country's hydropower potential, SJVN forayed into the generation of thermal power. The first project taken up for execution is the 1320 MW capacity Buxar Thermal Power Plant in Distt. Buxar, Bihar. SJVN took over Buxar Bijlee Company Pvt. Ltd. on 04.07.2013, and the name was changed to SJVN Thermal Pvt. Ltd. (wholly owned subsidiary of SJVN Ltd.) on 17.10.2013.



Hydropower: Beginning from a single hydropower project company, SJVN today has a footprint in Hydroelectric Projects in Himachal Pradesh, Uttarakhand, and the neighboring countries of Nepal and Bhutan's is successfully operating the country's largest 1500 MW Nathpa Jhakri Hydropower Station and is setting new benchmarks in generation and maintenance year after year, after having tackled the silt erosion problems in under-water turbine parts.



Wind power: SJVN has diversified into Wind Power generation with the commissioning of its first project i.e. 47.6 MW Khirvire Wind Power Project at Khirvire and Kombhalne villages in Ahmednagar district of Maharashtra. The second wind project i.e. Sadla Wind Power Project of 50 MW Capacity, situated in village Sadla, District Surendra agar in the state of Gujarat, has also been commissioned. The Khirvire Wind Power Project of 47.6 MW capacity is located in Khirvire/Kombhalane villages, Taluka- Akole, District - Ahmednagar, Maharashtra. The project comprises of 56 Wind Electric Generators (WEGs) of 850kW capacity each. The whole project stands commissioned on 20.05.2014. The Sadla Wind Power Project with an installed capacity of 50 MW is situated in village Sadla, Taluka Muli, District Surendranagar in the state of Gujarat. The project comprises of 25 Wind Electric Generators



Solar Power: SJVN has diversified into Solar Power generation with the commissioning of its first project in Charanka Solar Park, Gujarat, on 31.03.2017. As of date, 3 Solar projects with a total installed capacity of 81.3 MW are under operation. SJVN has commissioned 5.6 MW Solar Plant at Charanka Solar Park, Gujarat on 31.03.2017. The project has been conceived and developed under REC Mechanism. The PPA for brown power has been signed with GUVNL for a period of 25 years w.e.f. 31.03.2017. The green component of power (i.e. RECs) are being traded at power exchange.



Power Transmission: From a power generation company, SJVN has also entered into Power Transmission Sector by partnering with other companies to lay out the Cross Border Indo-Nepal Power Transmission Line. The above-mentioned Power Transmission Line was declared commercial on 19th February 2016 and dedicated to the nations jointly by the Hon'ble Prime Minister of India & Nepal on 20th February 2016.



Comprehensive Investment Rationale

Upcoming capacity to lead to higher earnings: Additional capacity of 3415 MW is expected to be added by FY25E, an increase of ~160% from the existing capacity, providing a huge impetus to revenue. The key projects are the Buxar Thermal Power Plant in Bihar and the Arun-3 HEP in Nepal.

Status of 1320 MW Buxar thermal power plant

SJVN is expecting to commission one unit (660 MW) of the supercritical thermal power plant in June 2023 and the second unit in January 2024. Rs. 5,768 Cr has been incurred on the project out of the total anticipated cost of Rs. 10,439 Cr as of July 31, 2022 (55%). Work for power evacuation through 4 transmission lines has commenced after receiving the grant of connectivity for power transmission in March 2022. A power Purchase Agreement (PPA) has been signed with Bihar State Power Holding Company Limited (BSPHCL) for an 85% share of power. Fuel supply has also been secured with CCL for supply of the full quantum of 4.976 MTPA of the coal requirement of the station at a price notified by Coal India Limited (CIL). The project has faced some law and order problems from the locals; however, now it is on track. The cost of power is expected to be competitive due to the proximity of coal mines and hence higher-ranking order in the merit order of state discom leading to full scheduling of power from the plant.

Status of Arun-3 HEP

Arun-3 hydroelectric project is a 900 MW project located on the Arun River in Nepal. The project is a run-of-the-river scheme designed to generate 3924 MUs of energy annually. The project is allocated to SJVN on Build Own Operate and Transfer (BOOT) basis, to be operated for 25 years after commissioning. Civil works were impacted because of heavy rains and flash floods in February and March 2022, which impacted the dam concreting, powerhouse and head race tunnel (HRT). 8.7 km of HRT has been excavated out of the total of 11.8 km. Geological issues have slowed down the pace of HRT works. Procurement/fabrication of different components for Hydromechanical and Electromechanical works is in an advanced stage. Challenges are also being faced on the transmission front. The project is expected to be commissioned by December 2023. MOU has also been signed with PTC India for the sale of hydropower from this project to state utilities, discoms, bulk consumers, etc., in India on a long-term basis and sell untied capacity to power exchanges on a medium/short-term basis.

Other hydropower projects

Naitwar Mori HEP (60 MW) run of the river HEP on river Tons in Uttarakhand. The project is expected to be commissioned by December 2022, and the power sold by this project shall qualify as Hydro Purchase Obligation (HPO). MOU has been signed with PTC to sell its power under various opportunities to state utilities, discoms and consumers.

Luhri HEP Stage I (210 MW) on river Satluj in Himachal Pradesh. The Foundation stone was laid on December 27, 2021, and financial closure was achieved on February 28, 2022. The project is expected to be commissioned in FY26.

Dhulasiddhi HEP (66 MW) on river Beas in Himachal Pradesh. The Foundation stone was laid on December 27, 2021, and financial closure was achieved on April 18, 2022. The project is expected to be commissioned in FY26.

Kholongchhu HEP (600 MW) on river Kholongchhu in Bhutan. SJVN and Druk Green Power Corporation (DGPC) were developing the project in JV mode. However, due to the slow pace of execution and delay in decision-making, the Bhutanese side has recommended the closure of the JV. The matter is being discussed on a ministerial level between India and Bhutan.

Policy measures by the Government to promote the hydropower sector augurs well for the company.

The Government has approved a number of measures for promoting the hydropower sector. These include:

large hydropower (LHPs) (>25 MW projects) to be declared as the source of renewable energy

Making compulsory Hydro Purchase Obligation (HPO) as a separate organization within Non-solar Renewable Purchase Obligation (RPO) from new projects

Providing flexibility to developers to backload tariff by increasing project life to 40 years

Increasing debt repayment period to 18 years

Tariff rationalization measures for bringing down hydropower rate

Because of these measures, the capital cost, as well as the projected tariff, would be less, especially in starting years, which would improve project viability & sale ability and, thus, promote the hydroelectric projects.

Comprehensive Investment Rationale

Cost-Plus Return on Equity model to ensure stable returns: The operational hydropower plants have a regulated tariff structure that allows recovery of the entire cost, including a fixed return on equity based on approved capital cost, subject to the achievement of normative parameters notified by the Central Electricity Regulatory Commission (CERC) for each plant. The company has a decade-long record of operating at more than a normative level. For FY22, the PAF for both the hydro plants was 106% (FY21 – 105%), well above the normative levels of 90% for Nathpa Jhakri HPS and 85% for Rampur HPS. The company expects ROE to continue at a rate of 16.5% for storage-type hydro projects (norms tightened, receivable days 45 days from 60 days, escalation 4.77% instead of 6.64%).

The tariff for Buxar thermal power plant is also based on CERC guidelines, which allow recovery of fixed charges and pass-through of energy charges, along with assured return on equity and incentives. This is a significant source of comfort, as it will offer steady revenues, assured return as well as comfortable debt servicing, subject to operating at normative parameters (minimum plant availability factor of 85%). Fuel cost pass-through will result in full recovery of variable costs, subject to operations within the normative parameters.

Linkages with Government of India (GoI): SJVN continues to play a proactive role in furthering the GoI's cross-border and northern region hydropower development objectives. It also operates India's single-largest hydropower plant (NJHPS: 1,500MW). Moreover, RHPS (412MW) is the country's second-largest hydropower generator. SJVN has moderate operational linkages with the GoI, given its parentage and business standing. The GoI has also provided a guarantee on the project debt funding from the International Bank for Reconstruction and Development (World Bank).

Large Capex Planned, Execution Risks Remain: SJVN has revised its annual capex target to INR80 billion-100 billion from around INR40 billion during the previous review. The UC projects at various stages of construction/survey and investigation stand at around 15GW, including capacities in hydro, thermal and renewable assets; the projects would be built at an average cost of over INR7/MW by FY30. This is in line with SJVN's target to reach 25GW capacity by FY30. Given the large pipeline of assets, the company runs execution risks and cost and time overrun risks.

A large part of the UC capacity in the hydro and thermal segments will be on a regulated cost-plus-equity model, thereby ensuring stability of the cash flow stream and higher return ratios. However, any disallowance of capital costs or inability to tie up power purchase agreements (PPAs) at the expected tariff could pose risks to the projects. Furthermore, a large capex outlay on renewable projects at high capital cost/MW and a lower return profile could cause a deterioration in the consolidated credit profile; this would remain a key monitorable.

Thermal Project Risks Well Covered: SJVN is setting up a 1,320MW thermal capacity under STPL, with a debt-equity ratio of 70:30, which has PPAs with the Bihar state discom for 85% of the capacity and a fuel supply agreement with Coal India Limited. The management expects the project to be operational by March 2024. The total equity commitment amounts to Rs 3100 cr, of which Rs2500 cr had already been invested at FYE22 in the form of equity and advances.

Key Risk & Concerns

The government (of India and HP together) stake is at 87%, which needs to be brought down to 75%. Any stake sale is likely to be seen as an overhang in the market.

Risks of delays in payment due to the weak financial health of state discoms. The receivables are expected to reduce over the medium term with the new Electricity (Late Payment Surcharge and Related Matters) Rules, 2022. The counterparty risks are mitigated by the presence of various payment security mechanisms, such as sales backed by letters of credit, tripartite agreements between the central government, the Reserve Bank of India (RBI) and state governments, and incentive schemes for timely payment.

A majority of hydroelectric projects is located in remote locations and is prone to natural calamities such as landslide, cloud burst, etc. Further, erratic rains and flash floods may delay the construction of the projects. Geological surprises posing technical challenges despite extensive surveys and investigations may slow down the progress and increase the cost.

NJHPS and RHPS are cascade schemes operating in tandem. Any difficulties faced in the operation of NJHPS will have direct consequences on the power generation of RHPS.

Strengths

A. New product mix to be successful - SJVN provides large product mix options to its clients. It helps the company in services to various customer segments in the Electric Utilities industry.

B. Diversity in revenue models - Over the years, SJVN has ventured into various businesses outside the Utilities. This has led the company to develop a diversified revenue stream beyond the utility sector and the Electric utility segment.

C. Good brand recognition - SJVN products have strong brand recognition in the Electric Utilities industry. This has enabled the company to charge a premium compared to its competitors in the Electric utility industry.

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Weaknesses

A. Capex-The company has planned a huge capex. Given that there are many projects in the pipeline, the company faces execution risks. Significant time or cost overruns in under-construction projects may affect the cost competitiveness of these projects.

B. Inability to tie up PPAs: Inability to tie up with PPA by the beneficiary states at the expected tariff or disowning a signed PPA where the tariff of the project is high. However, separate HPO obligations notified by the government should help mitigate this risk.

Geo-political risks: Risk due to the execution of projects in Nepal and Bhutan. Other issues, such as delays in decision-making, differences with respect to the employment of the local population, government involvement, funding issues, etc., also affect the progress of these projects.

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Opportunities

A. Rapid Expansion of Economy As the US economy is improving faster than any other developed economy, it will provide SJVN with an opportunity to expand into the US market. SJVN already have the know-how to operate in the competitive US market.

B. Rising government regulations: They are making it difficult for unorganised players to operate in the Electric Utilities industry. This can provide SJVN an opportunity to increase its customer base.

C. Opportunities in the Online market - Increasing adoption of online services by customers will also enable SJVN to provide new offerings to customers in the Electric Utilities industry.

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Threats

A. Shortage of skilled human resources - Given the high turnover of employees and increasing dependence on an innovative solution, CompanyName can face skilled human resources challenges in the near future.

B. Trade Relations between US and China can affect SJVN's growth plans - This can lead to a full-scale trade war which can hamper the potential of SJVN to expand operations in China.

C. Changing demographics - As the baby boomers are retiring and the new generation is finding it hard to replace their purchasing power. This can lead to higher profits in the short run for SJVN but reduce margins over the long run as young people are less brand loyal and more open to experimentation.

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Quarter3 FY23 Result Analysis

Particulars Rs in Cr	Q3 FY23	Q3 FY22	Q2 FY23	YoY	QoQ
Net Revenue	552	549	878	0.5%	-37.1%
EBITDA	381	379	713	0.5%	-46.6%
PAT	287	235	445	22.1%	-35.5%

Revenue from operation grew by 0.5% YoY and declined by 37% QoQ to Rs 552 cr decline in revenue was due to a decline in generations from Hydro and renewable projects. The generation, if we compare as compared to the last year, generation this quarter is 1394.9 million units, against 1480 million units last year. So there is a decrease of 85 million units, which comes to around 5.7%, there is a decrease in a generation. This decrease in a generation is because of the lesser rains in the catchment areas of hydro projects and, at the same time, marginally lower generation in the wind as well as solar projects.

EBITDA grew by 0.5% YoY and declined by 46% QoQ to Rs 381 cr margin were flat YoY basis and declined by 12.2% QoQ to 69% operating performance on QoQ was impacted by the decline in top line PAT grew by 22% YoY and declined by 35% QoQ to Rs 287 cr YOY growth in PAT was mainly supported by a rise in other income

Con Call Highlights

SJVN plans to commission Buxar and Nepal projects by March 2024.

The company's dividend policy will at least meet the government's guidelines of 5% of net worth or 30% of PAT

Labour issue at Buxar project resolved with the intervention of the state government and district administration.

SJVN withdrew from the Kholongchhu project and received its invested equity of Rs.240 Crore along with an interest of around Rs.114 Crore.

SJVN received incentives of almost Rs. 72 crores this quarter, a decrease of 3.3% from last year.

PPA of more than 1000 MW have already been signed or is likely to be signed for the 1385 MW projects under construction.

The operating margin for solar projects is around 60%, and equity IRR for solar projects is between 10-13%.
Rithvik Power is the lowest bidder for the Sunni Dam project, and there are no pending EPC tenders for hydro projects.

SJVN won several renewable projects, including a 105 MW floating solar power project in Maharashtra and an 83 MW floating solar project in Madhya Pradesh.

The company's renewable portfolio includes 179.5 MW under operation, 1,320 MW under renewal, 1,385 MW under construction, and around 1,100 MW under various stages of development.

SJVN is keeping options open for hydro projects without PPAs, including utilizing them for blending with solar projects.

Technical Outlook

- SJVN on a weekly timeframe has given a Multiyear Breakout, has successfully retested it and has given a strong reversal with record volume, followed by continuous accumulation.
- On the Upper Side Cummins India looks ready for 42 and 54 levels.
- On the Lower Side Cummins India is weak below 33 on closing basis
- 5 Day Exponential Moving Average > 10 Day Exponential Moving Average > 20 > 50 Day Exponential Moving Average > 100 Day Exponential Moving Average > 200 Day Exponential Moving Average which further adds strength to the Bullish Momentum



Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	37.35	37.05
10	36.75	36.50
20	35	35.40
50	33.10	34.05
100	33.55	33.65
200	33.15	32.85

Pivot Levels : FIBONACCI			Relative Strength Index	
R1 38.03	Pivot 37.52	S1 37	Daily Timeframe	61.31
R2 38.35		S2 36.68	Weekly Timeframe	60.45
R3 38.95		S3 36.17		

Peer Comparison on TTM basis:

	SJVN	NTPC	NHPC
CMP (Rs) (11 -05-2023)	36.6	176	44.4
Revenue (Rs in cr)	2,758	1,69,039	10,408
EBIDTA (Rs in cr)	2,064	45,408	5,384
PAT (Rs in cr)	1,350	17,449	1,756
EBIDTA Margin %	75%	27%	52%
PAT Margin %	49%	10.3%	38.7%
ROCE %	9.2%	9.2%	6.5%
ROE %	7.7%	12.6%	10.4%
Debt To Equity (x)	0.6	1.5	0.7
EPS (Rs)	3.43	17.7	3.7
Diluted EPS (Rs)	3.43	17.7	3.7
P/E(x)	10.68	9.93	12
P/B (x)	1.03	1.20	1.21
P/S (x)	5.22	23.9	4.29
Enterprise value (Rs in cr)	19,945	381322	67,601
EV/EBIDTA (x)	7.8	7.7	10.2
Market cap (Rs in cr)	14,363	1,70,855	14,600
Current ratio (x)	1.3	0.8	1.3
Book Value (Rs)	35.6	146	36.8
Dividend Yield %	5.1	3.9	4.2
Interest Coverage (x)	4.7	3.2	10.8
Asset T/O (x)	0.1	0.3	0.1
RoA %	4.9	4.1	5.0

Financial Snapshot

Particulars	FY19	FY20	FY 21	FY 22	TTM
Financial Position (In Cr)					
Equity Share Capital	3,930	3,930	3,930	3,930	3,930
Reserve & Surplus	7,316	8,121	8,861	9,241	10,078
Net worth	11,246	12,051	12,791	13,171	14,008
Borrowing	2,155	2,238	2,174	6,906	8,991
Fixed Asset	8,142	8,051	8,007	7,866	7,852
Total Asset/Liability	14,974	15,955	17,473	23,248	26,273
Operating Results (In Cr)					
Revenue	2,645	2,703	2,485	2,417	2,758
Operating Expenditure	606	590	619	623	694
EBIDTA	2,039	2,112	1,867	1,794	2,064
Interest	251	344	42	226	449
Depreciation	390	384	393	404	414
Profit/(Loss) Before Tax	1,795	1,972	1,856	1,360	1,647
Provision For Tax	428	405	210	370	297
Profit/(Loss) After Tax	1,367	1,567	1,646	990	1,350
Cash Flow (In Cr)					
Cash flow from Operation	1,018	1,714	1,983	2,138	
Cash flow from Investing	-34	-95	-1145	-6,132	
Cash flow from Financing	-1,107	-1,345	-1,105	3,669	
Net cash flow	-123	273	-267	-325	
Ratios					
EBIDTA Margin	77%	78%	75%	74%	75%
PAT Margin	51.6%	57.7%	66.2%	40.9%	48.9%
ROE	12.1%	13.0%	12.8%	7.5%	9.6%
ROCE	16%	15%	15%	9%	9.2%
D/E	0.2	0.2	0.1	0.5	0.6
P/E	9.5	8.3	7.9	13.0	9.6
EPS	3.47	3.99	4.19	2.52	3.43

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