



# Stock Update

**SJVN Ltd**

February 26, 2026



Industry	LTP	Recommendation	Fair Value	Time Horizon
Power	Rs 74.1	BUY on dips between Rs 69-66 band	Rs 82	4 quarters

HDFC Scrip Code	SJVLTDQNR
BSE Code	533206
NSE Code	SJVN
Bloomberg	SJVN IN
CMP Februrary 26, 2026	74.1
Equity Capital (Rs Cr)	3,930
Face Value (Rs)	10
Equity Share O/S (Cr)	392.28
Market Cap (Rs Cr)	29,418
Book Value (Rs)	37.1
Avg. 52 Wk Volumes	69,37,459
52 Week High	108
52 Week Low	68.1

Share holding Pattern % (Dec, 2025)	
Promoters	81.85
Institutions	6.68
Non Institutions	11.47
Total	100.0



\* Refer at the end for explanation on Risk Ratings

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### Our Take:

SJVN Limited is a government-promoted Navratna public sector enterprise under India's Ministry of Power, operating three hydroelectric projects in Himachal Pradesh and Uttarakhand totaling 1,972 MW, alongside eleven renewable projects (solar and wind) in Gujarat, Maharashtra, and Uttar Pradesh aggregating ~1.5 GW. Its wholly-owned subsidiary recently achieved commercial operation of Buxar Thermal Power Plant Unit-I (660 MW) in November 2025, with Unit-II (660 MW) targeted for Q4 FY26, elevating operational capacity (hydro + RE + thermal) to ~4.8 GW by FY26 end.

India has committed to achieving 500 GW of non-fossil fuel capacity by 2030 alongside net-zero emissions by 2070. Hydropower is increasingly viewed as a critical enabler for grid stability and seamless renewable energy integration. SJVN's established expertise in large-scale and run-of-river hydro projects—especially across Himachal Pradesh, Uttarakhand, and Arunachal Pradesh—strategically positions it to drive this national energy shift. Moreover, policy backing for pumped storage development, green open access, and renewable integration unlocks fresh growth opportunities. SJVN remains dedicated to delivering reliable, cost-effective power via projects that balance environmental sustainability with economic feasibility.

SJVN, anchored by its hydroelectric prowess, is aggressively diversifying into solar, wind, green hydrogen, and PSP storage to grow from ~3.6 GW currently, to 25 GW by 2030 and beyond 50 GW by 2040. The 2025-2030 Business Development Plan outlines steps to build a diversified, digitally advanced, and eco-conscious energy leader, harnessing hilly terrain for storage projects and ancillary services aligned with India's renewable energy ambitions.

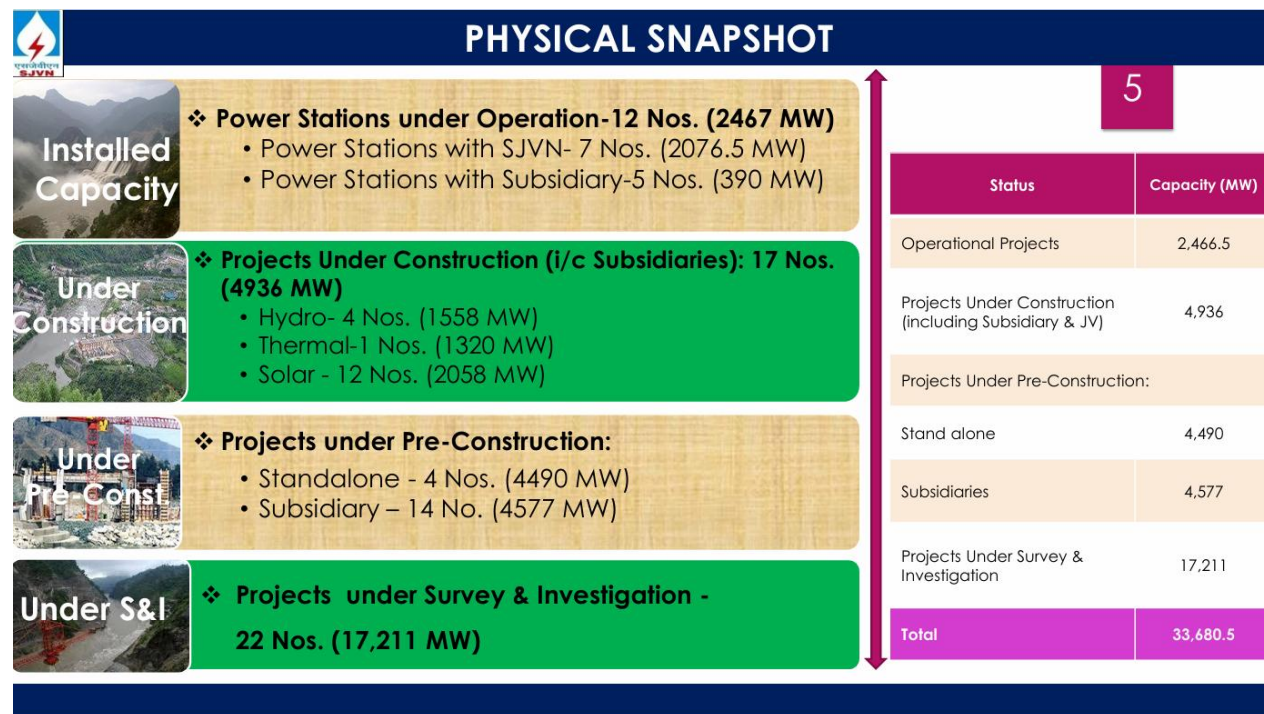
### Q3FY26 Result Update:

Operational Revenue was Rs 1,082 Cr (61.2% YoY/ 4.8% QoQ). Meanwhile, EBITDA Noticed 78.1% YoY growth but declined by -2.6% to Rs 838 Cr, with Margins coming in at 77.4% v/s 70.1% in Q3FY25. PAT for the Quarter was Rs 224 Cr (50% YoY/ -27.1% YoY) while margins declined to 20.7% against 22.2% in Q3FY25.

Hydro Power reported revenues of 835.2 Cr, growing 49% YoY, while Revenue from Solar assets grew by 123% mainly backed by the commissioning of solar projects worth 1 GW over the past year.

The company has operationalised its Unit-I of Buxar TPP (660 MW) in November '25 and expects commissioning of Unit-II (660 MW) by the end of Q4FY26. This project is expected to generate close to 9826.72 million units annually, of which 85% will be supplied to the state of Bihar, and the balance will be supplied to the north-eastern grid.

Locked-in Portfolio of 33+ GW of SJVN



**Valuation & Recommendation:**

While the commissioning of thermal power assets is expected to compress EBITDA margins as fuel costs will account for a significant share of operating expenses, we anticipate healthy EBITDA growth driven by substantial capacity expansion across hydro, renewables, and thermal segments. Of the company's operational capacity, 1,912 MW from hydro projects and 660 MW Buxar Unit-I operate under a cost-plus tariff structure governed by Central Electricity Regulatory Commission (CERC) Tariff Regulations, ensuring full recovery of approved costs alongside a fixed RoE, tied to normative capital costs and performance parameters. The upcoming Buxar Unit-II will similarly benefit from this regulated framework, further bolstering financial predictability, earnings stability, and debt servicing capacity while mitigating merchant market exposure.

Nonetheless, execution risks from project commissioning delays, rising finance costs and counterparty vulnerabilities tied to DISCOM buyers pose ongoing concerns that could pressure cash flows and timelines. Moreover, SJVN's ambitious capacity expansion initiatives are poised to further increase its debt levels, which are currently elevated yet remain manageable, supported by predictable regulated cash

flows and extended debt maturities. As we factor in these concerns into our recommendation, **we recommend investors to BUY the stock on Dips of Rs 69-66 for a Fair value Target of Rs 82** valuing the stock at  $2x$  FY28E BV. We expect newly commissioned thermal and renewable projects to deliver a Revenue/EBITDA/PAT CAGR of 45.2%/21.0%/17.2% over FY26-FY28E.

### Key Risks:

- SJVN currently has ~4.2GW projects under construction, with an annual capex guidance of around Rs 8,000 Cr over the next few years. SJVN faces execution delays in its hydro and renewable projects due to geological uncertainties, land acquisition hurdles, and regulatory clearances, often pushing back COD timelines. This risk erodes projected returns, inflates capital costs through idling expenditures, and delays revenue recognition, impacting overall capacity addition targets like 25/50 GW by 2030/2040
- The Company primarily supplies power to state distribution companies (DISCOMs), exposing it to counterparty credit risks from financially stressed buyers. Delayed payments by DISCOMs lead to receivable accumulation, with debtor days rising to 70 in FY25 from 53 in FY23. This worsens working capital cycles, increasing short-term borrowing needs despite regulated cost-plus PPAs.
- The company operates at a Net Debt/EBITDA ratio of 10.6x as of FY25, signalling elevated concerns regarding its debt position amid anticipated incremental borrowings to fund aggressive capacity expansion. Although this leverage multiple is projected to moderate to 9.6x by FY28E, it remains substantially higher than industry peers, warranting close monitoring of execution and cash flow generation.

### Financial Summary:

Particulars (Rs Cr)	Q3FY26	Q3FY25	YoY-%	Q2FY26	QoQ-%	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Operating Income	1,082	671	61.2%	1,032	4.8%	2,938	2,579	3,072	3,738	6,849	7,887
EBITDA	838	470	78.1%	860	-2.6%	2,230	1,842	2,221	3,032	3,865	4,440
APAT	224	149	50.6%	308	-27.1%	1,359	911	820	1,131	1,387	1,552
Diluted EPS (Rs)	0.6	0.4	50.0%	0.8	-26.9%	3.5	2.3	2.1	2.9	3.5	4.0
RoE %						10.1%	6.5%	5.8%	7.8%	9.3%	10.0%
P/E (x)						24.4	36.4	40.4	29.4	23.9	21.4
EV/EBITDA (x)						19.5	25.0	23.9	19.7	17.1	16.3

(Source: Company, HDFC sec)

## One-Year Price Chart



### HDFC Sec Prime Research Rating description

#### Green Rating stocks

This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. These stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

#### Yellow Rating stocks

This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

#### Red Rating stocks

This rating is given to emerging companies which are riskier than their established peers. Their share price tends to be volatile though they offer high growth potential. They are susceptible to severe downturn in their industry or in overall economy. Management of these companies need to prove their mettle in handling cyclicity of their business. If they are successful in navigating challenges, the market rewards their shareholders with handsome gains; otherwise their stock prices can take a severe beating. Overall these stocks offer high risk high return opportunities.

## Rating Criteria

Buy - > 15%+ return potential

Add - +5% to +15% return potential

Reduce - -10% to +5% return potential

Sell - >10% downside return potential

## Disclosure:

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