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Techno-Funda Picks

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JSW ENERGY



JSW Energy stands at the forefront of India's energy transition, with a bold vision under its newly launched Strategy 3.0—targeting 30 GW of generation capacity and 40 GWh of energy storage by FY2030. Backed by robust execution, strategic acquisitions, and a growing pipeline of renewable and storage projects, the company is evolving into a diversified, future-ready energy platform.

Ambitious Growth Vision: Strategy 3.0

JSW Energy has entered a transformational phase with Strategy 3.0, targeting 30 GW of generation capacity and 40 GWh of energy storage by FY30. Company added 1.9 GW during the Q1FY26, raising installed capacity to 12.7 GW. Currently, 12.9 GW is under construction (fully tied with long-term PPAs), and another 4.561 GW is at the LOI/LOA stage. With 30.3 GW of total locked-in capacity, JSW is firmly aligned with its decade-end target.

Strategic Acquisitions Fueling Scale

The company is scaling rapidly through smart acquisitions. The KSK Mahanadi acquisition adds 3.6 GW of thermal capacity, with 1.8 GW operational and mostly PPA-backed. The rest can be commissioned cost-effectively. The O2 Power platform adds 4.7 GW of renewables, with strong land access and grid connectivity, positioning JSW to expand swiftly in solar and wind.

Energy Storage

With India's grid evolving and renewable penetration increasing, energy storage is becoming a critical enabler. JSW Energy has positioned itself strongly in this space, with 29.4 GWh of locked-in energy storage capacity. This includes two mega pumped hydro storage projects—12 GWh with MSEDCL and another 12 GWh with UPPCL—ensuring round-the-clock renewable supply in key states. In parallel, the company is actively participating in the Battery Energy Storage System (BESS) segment. Multiple projects are in the pipeline, and a key appeal for the SECI BESS tender is ongoing at APTEL, signaling management's commitment to securing a dominant position in the evolving storage landscape.

Execution Strength & Cost Efficiency

FY25 also demonstrated JSW Energy's execution excellence. The company commissioned 1.3 GW of wind power organically, which accounted for nearly one-third of India's wind capacity additions for the year. To further streamline execution and ensure timely project delivery, the company is setting up in-house wind blade manufacturing facilities, ensuring cost control and compliance with new domestic content regulations.

Financial Strength & Prudent Capital Allocation

Despite aggressive expansion, JSW Energy maintains financial discipline. A ₹1.3 trillion capex pipeline is planned through FY30, to be executed within a strict financial framework. Current leverage with net debt to pro forma EBITDA at ~5.7x (FY27E) and net debt-to-equity at 1.6x, supported by stable PPA-backed cash flows.

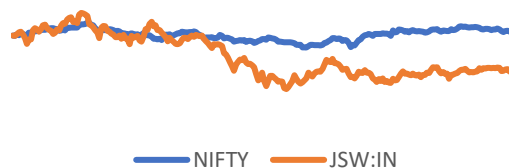
RATING : BUY

NSE/BSE	JSWENERGY / 533148
Buying range	515-532
Upside	15%
Target Price	598
Time Horizon	1 Year
High/Low	805 / 419
Market Cap (in Rs)	927.45 bn

Shareholding %

Particulars	Q1FY26	Q4FY25	Q3FY25
Promoter	69.26%	69.26%	69.32%
FII	12.36%	13.43%	14.57%
DII	11.43%	10.94%	10.05%
Others	6.93%	6.21%	5.92%

Relative Price Movement



Key Matrix

Particulars	FY25	FY26E	FY27E
Revenue	1,17,454	2,09,155	2,37,042
EBITDA	52,436	1,07,802	1,31,127
PAT	19,509	29,909	36,387
EPS	11.18	16.91	20.06

Growth (%)

Revenue	2%	78%	13%
EBITDA	-3%	106%	22%
PAT	13%	53%	22%

Margins (%)

EBITDA Margin	45%	52%	55%
PAT Margin	17%	14%	15%

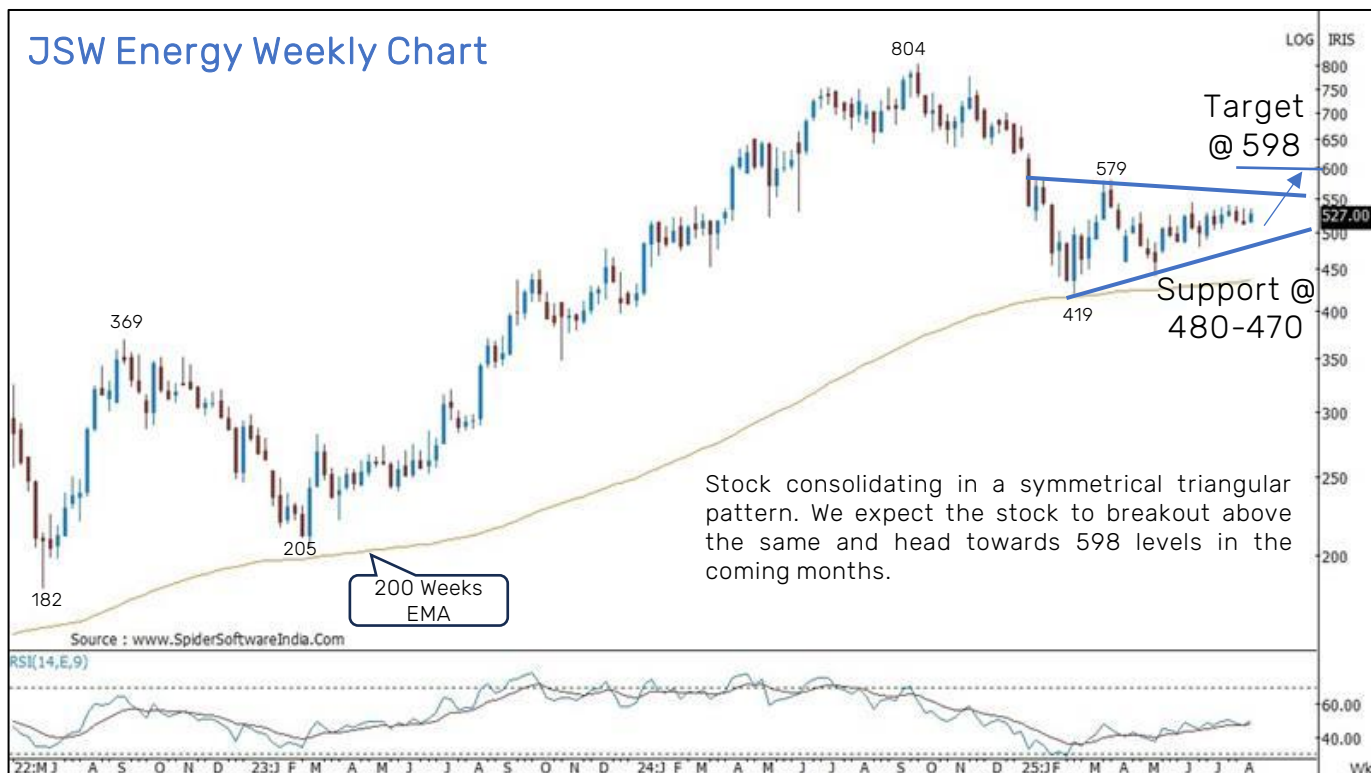
Ratios

EV/EBITDA	26.59x	12.7x	10.47x
P/E	47.2x	31.19x	26.30x
ROE	7%	13%	15%
ROCE	5%	4%	6%
Debt/EBITDA	8.2x	5.8x	5.7x

All figures are in ₹ million (consolidated). # Bloomberg consensus

Source: Bloomberg, NSE, NSDL, BSE, Bajaj Broking Research, Company data

JSW Energy Weekly Chart



Technical Outlook

The stock following a robust and sustained uptrend between March 2023 and September 2024, wherein the stock appreciated significantly from ₹205 to ₹804, the counter has since entered into a corrective phase characterized by a broad-based consolidation over the past 10 months. This retracement appears to be a classic time-wise and price-wise correction, indicative of healthy intermediate digestion of prior gains.

Notably, the stock has recently established a structural base in the ₹420–₹450 zone, which coincides with key technical confluences—specifically:

The **200-week Exponential Moving Average (EMA)**, a long-term trend-following indicator often respected during primary bull markets.

The **61.8% Fibonacci retracement level** of the preceding rally from ₹205 to ₹804, which aligns with the golden ratio and serves as a critical retracement threshold in classical Fibonacci analysis.

In the near term, the price action has carved out a **symmetrical triangle pattern** over the past six months, typically a continuation formation within broader trend cycles. The coiling of price within this triangular structure suggests a state of equilibrium between demand and supply forces, and we anticipate an imminent breakout on the upside as the apex of the triangle is approached.

The projected price target from this anticipated breakout stands at **₹598**, which is derived from the:

Measuring implications of the triangle's widest point added to the breakout zone.

50% Fibonacci retracement level of the preceding corrective leg from the swing high of ₹804 down to the recent swing low of ₹419, thereby lending additional credence to this resistance target.

On the downside, immediate short-term support is delineated at the ₹480–₹470 region, which not only represents the swing low of June 2025 but also aligns with the lower boundary of the ongoing symmetrical triangle, making it a crucial pivot zone to watch.

The momentum structure, as reflected in the 14-period Relative Strength Index (RSI) on the weekly timeframe, has been exhibiting a constructive base-building pattern around its **9-period moving average**. A recent rebound from this mean level suggests resumption of bullish momentum, further reinforcing the positive directional bias.

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