

Power

On the road to recovery

Power sector continued its resurgence in Q4FY21. Power demand witnessed spectacular recovery in H2FY21 (up 7.8% YoY) to close FY21 only 1.1% lower YoY, despite enduring the difficult H1FY21, when power demand declined 8.7% YoY. As a result, during FY21, while conventional generation was lower by 1.3% YoY (FY21 thermal PLF at 54.5% was ~500bps higher over H1FY21), renewable generation was up 3.7% YoY. During Q4FY21, peak all-India demand touched an all-time high of 190.2GW and consistently ranged above 180GW due to which both volumes and prices at exchange increased. With coal PLF touching 67% in Q4FY21, Coal India's Q4FY21 offtake increased 0.3% YoY to end FY21 at 574mnte, only 1.3% lower YoY. Demand, billing and collection normalised for many discoms, but may be disrupted in the near term again due to the worsening Covid situation. PFC/REC disbursed another ~Rs300bn in Q4FY21 helping normalise PSU companies' receivables. NTPC, NHPC, CESC and PTC India are our top picks.

Merchant volumes and prices increased during the quarter with IEX MCP averaging Rs3.55/kWh due to good demand, taking FY21 average MCP to Rs2.82/kWh (Rs2.48/kWh in H1FY21). International coal prices inched higher, impacting importers. PFC/REC scheme's total disbursement reached Rs755.6bn, helping clear overdue and leading to normalising of receivables for most PSU power companies to FY20-end levels. Solar tariffs inched higher at Rs2.2/kWh due to increase in module prices after reaching record lows of Rs1.99/kWh in Dec'20. Barring an impact on the economy due to the ongoing second Covid wave, we expect power demand to witness strong growth in FY22, which will have a positive impact throughout the value chain. We also expect continuation of policy actions, ongoing capex and tendering activities in the sector.

Q4FY21E preview – key actionables:

- ▶ **Maintain NTPC as one of our top picks:** NTPC closed FY21 with excellent operational figures despite the challenges faced during H1FY21. NTPC group has added 3.4GW (net) commercial capacity during the year to reach 64.5GW, while standalone commercial capacity reached 51.7GW. Non-fossil fuel capacity addition of 904MW (RE + hydro) helped its pie to increase by 100bps YoY to 7.8% of total installed capacity, which it plans to increase to ~40% in the next decade. Helped by disbursements through the *Aatmanirbhar Bharat* scheme for discoms, NTPC's FY21-end receivables are estimated to have declined to 45-48 days (Rs120bn-Rs140bn). NTPC's transition towards an integrated energy company with focus on clean and green energy is taking shape with projects in several business areas, both large scale and pilots. For Q4FY21, NTPC's PAT is estimated to increase by 6.1% YoY to Rs36.1bn due to 1) higher availability and generation on account of higher demand, 2) incremental earnings from new capacity commissioned in FY20/FY21, and, 3) lower fuel cost. Maintain **BUY** with a target price of Rs165/share.
- ▶ **NHPC has good potential:** NHPC's increase in standalone capacity from 5,551MW to 8,351MW in FY24E takes its regulated equity to Rs221bn in FY24E, at a CAGR of 14.5%, resulting in an earnings CAGR of 11%. NHPC is the largest 'completely green' power generating company in India. We believe it will be able to maintain its dividend payouts as per the DIPAM guidelines, despite the planned capex (as free cashflows are expected to significantly increase once the 2,800MW under construction capacity operationalises by FY24E). We maintain our **BUY** rating on the stock with a target price of Rs34. In Q3FY21, NHPC's PAT is estimated to decline by 18% YoY at Rs3.1bn due to poor water flow at many plants and scheduled maintenance activities at few units.
- ▶ **PTC India is an operational and divestment play:** We expect PTC India's Q4FY21E revenue to increase by 40.2% YoY on the back of >33% increase in volumes at 16,000MUs due to higher short-term volumes. On the back of higher revenue, Q4FY21E PAT is estimated to increase 7.5% YoY. We believe the company's dilution of stake in its non-core holdings will result in value unlocking and lead to meaningful upward re-rating of the stock price. The company had also announced a dividend policy in FY20, wherein it stated its intent to pay out at least 50% of the annual profit. At CMP, the dividend yield is 10.4% on FY23E basis.

Q4FY21 result preview

Utilities

Top Picks

- NTPC (BUY)
- NHPC (BUY)
- CESC (BUY)
- PTC India (BUY)

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- **CESC may re-rate on any positive commentary/actions:** CESC's Q4FY21E PAT is estimated to decline by 17.5% YoY due to lower EBITDA and lower other income as distribution businesses continue to recover from the severe impact of lockdown during H1FY21 and lower revenue from Noida Power. But interest expense is estimated to decline further due to debt repayment/prepayment. We believe CESC is amongst the most undervalued stocks in the midcap power space and hence, can re-rate on any positive commentary on growth/ approval of pending tariff order in Kolkata. The company had announced interim dividend of Rs45/share, which translates into 47% payout at FY21E EPS of Rs95. At CMP, the dividend yield is 7.2%. If the payout ratio of 50% is maintained going forward, the dividend yield averages >7.5% over FY21E-FY23E.

Table 1: Q4FY21E result estimates

Company (Rs mn)	Sales			EBITDA			PAT		
	Q4FY21E	% chg		Q4FY21E	% chg		Q4FY21E	% chg	
		(YoY)	(QoQ)		(YoY)	(QoQ)		(YoY)	(QoQ)
NTPC	277,998	2.0	13.4	86,111	17.7	16.9	36,084	6.1	9.1
Coal India	260,503	(5.5)	10.0	57,247	(14.9)	10.8	41,475	(10.3)	34.5
NHPC	17,000	(11.2)	(18.7)	11,780	112.2	110.6	3,116	(18.6)	(61.4)
PTC India	44,800	40.2	32.4	1,055	3.4	(33.6)	701	7.5	(38.0)
JSWEL	14,505	(19.1)	(9.8)	5,390	(6.2)	(10.8)	930	(14.2)	(24.7)
CESC	26,400	(3.8)	(2.1)	9,200	(1.8)	3.7	3,623	(17.5)	11.8
Torrent Power	34,610	16.0	17.2	9,210	11.4	5.8	3,727	11.9	27.8

Source: Company, I-Sec research

Table 2: Valuation summary

Company	Reco	Target Price (Rs/sh)	CMP (Rs/sh)	M/Cap (Rs bn)	P/BV (x)				P/E (x)				RoE (%)			
					FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E
NTPC	BUY	165	101	982	0.9	0.8	0.8	0.7	8.2	8.2	6.1	5.5	10.7	10.2	12.6	12.9
Coal India	BUY	234	129	799	2.4	2.2	2.0	1.8	4.7	6.2	5.0	4.4	51.3	35.1	40.0	39.9
NHPC	BUY	34	24	241	0.8	0.8	0.7	0.7	8.0	8.4	8.2	6.9	10.0	9.1	9.0	10.1
PTC India	BUY	120	83	25	0.7	0.7	0.6	0.6	7.7	6.1	6.4	5.7	9.1	10.9	9.8	10.4
JSWEL	REDUCE	83	96	158	1.4	1.3	1.2	1.0	20.5	19.5	16.0	12.4	6.6	6.8	7.8	8.6
CESC	BUY	883	614	77	0.9	0.8	0.7	0.7	6.3	6.5	6.2	5.8	13.6	12.3	12.1	12.0
Torrent	REDUCE	376	396	190	2.1	1.9	1.7	1.6	15.0	17.3	14.5	13.0	14.0	11.5	12.5	12.7
Median					0.9	0.8	0.8	0.7	8.0	8.2	6.4	5.8	10.7	10.9	12.1	12.0

Source: Company, I-Sec research, Bloomberg

Recommendations and key risks

- **Coal India:** We maintain our **BUY** rating on CIL and our target price of Rs234. We remain structurally positive on the stock, valuing it on DCF basis with peak production of 850mnte FY29E onwards. The stock is currently trading at 4.4x P/E and 2.2x EV/EBITDA on FY23E basis with 40% RoE.

Key downside risks: 1) Weakness in power sector leading to lower volumes, 2) weakness in international coal prices (impacting the sentiment and making imported coal more competitive vs domestic coal), and 3) natural disasters impacting volumes.

- **NTPC:** With standalone EPS for FY21E/FY22E/FY23E at Rs12.3/Rs16.5/Rs18.5, and consolidated EPS at Rs14/Rs18.5/Rs21, respectively, we maintain our **BUY** rating on NTPC with target price unchanged at Rs165/share. The stock is currently trading at 5.5x FY23E standalone P/E and 0.7x P/BV.

Key downside risks: 1) Delay in capitalisation of assets leading to lower capital efficiency, and 2) lower-than-expected utilisation due to weak demand resulting in lower incentive income.

- **NHPC:** We maintain our **BUY** rating and target price of Rs34. NHPC is trading at 6.9P/E and 0.7 P/B on FY23E basis. Its dividend yield is 6.8%. We believe the company will be able to maintain its dividend payouts as per the DIPAM guidelines, despite the planned capex (as free cashflows are expected to significantly increase once the 2,800MW capacity currently under construction becomes operational by FY24E).

Key downside risks: 1) Delay in project commissioning, 2) disallowance of project capex leading to lower profit, and 3) any adverse regulatory changes lowering the regulated RoE by CERC in 2024-29 regulations.

- **PTC India:** We maintain our **BUY** rating on PTC India with SoTP-based target price of Rs120/share. We believe the company's dilution of stake in its non-core holdings will result in value unlocking and lead to meaningful upward re-rating of the stock price. The company had also announced a dividend policy in FY20, wherein it stated its intent to pay out at least 50% of the annual profit. At CMP, the dividend yield is 10.4% on FY23E basis. The stock is currently trading at FY23E standalone P/BV of 0.5x.

Key downside risks: i) Delay in operationalisation of LT/MT PPAs, and ii) delay in sale of non-core assets.

- **JSW Energy:** We downgrade JSW Energy from **Hold to REDUCE** but increase our target price to Rs83/share from Rs75/share incorporating the 450MW SECI wind bid win and increase in share price of JSW steel in our estimates. The stock is currently trading at FY23E consolidated P/E of 12.4x and P/B of 1x, with an expected earnings CAGR of 1.6% over FY20-FY23E.

Key downside risks: 1) Lower than expected merchant realisations, 2) higher than expected coal cost, and 3) slower than expected capacity growth.

- **CESC:** We maintain **BUY** on CESC but increase our SoTP-based target price to Rs883/sh from Rs851/share as we rollover our estimates to FY23 and also incorporate better-than-estimated recovery in DF businesses. The stock is currently trading at FY23E P/E of 5.8x and P/BV of 0.7x.

Key downside risks: 1) Higher than anticipated coal cost, 2) under-recovery at Sarisatolli coal block, 3) delay in locking PPAs for the remaining capacity at Chandrapur plant, and 4) severe demand, billing and collection disruption in DF areas.

Table 3: CESC earnings revision (consolidated)

(Rs mn, year ending March 31)

	FY21E			FY22E			FY23E		
	Previous	Revised	% chg	Previous	Revised	% chg	Previous	Revised	% chg
Sales	113,819	114,852	0.9	117,934	118,607	0.6	122,783	123,104	0.3
EBITDA	33,352	34,385	3.1	34,192	34,866	2.0	35,154	35,474	0.9
PAT (Rs)	11560	12,679	9.7	12456	13,311	6.9	13448	14,111	4.9

Source: Company data, I-Sec research

- **Torrent Power:** We downgrade TPW to **REDUCE from Hold** rating on stock price run up but increase our target price to Rs376/share from Rs347/share earlier incorporating better-than-estimated improvement in DF businesses.

Key risks: 1) Lower utilisation of plants and higher gas prices, 2) negative regulatory orders impacting profitability of regulated businesses and 3) inability to win new license areas and renewable projects' profitably.

Table 4: TPW earnings revision (consolidated)

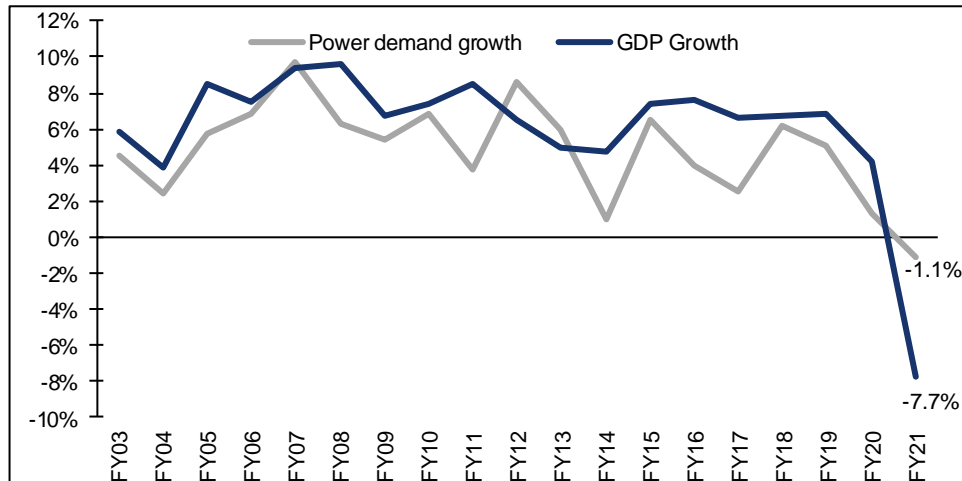
(Rs mn, year ending March 31)

	FY21E			FY22E			FY23E		
	Previous	Revised	% chg	Previous	Revised	% chg	Previous	Revised	% chg
Sales	133,403	133,495	0.1	128,047	131,826	3.0	132,408	136,602	3.2
EBITDA	32,917	33,604	2.1	33,953	34,886	2.7	35,275	36,839	4.4
PAT (Rs)	10,706	10,986	2.6	12,635	13,089	3.6	13,991	14,646	4.7

Source: Company data, I-Sec research

Sector trends

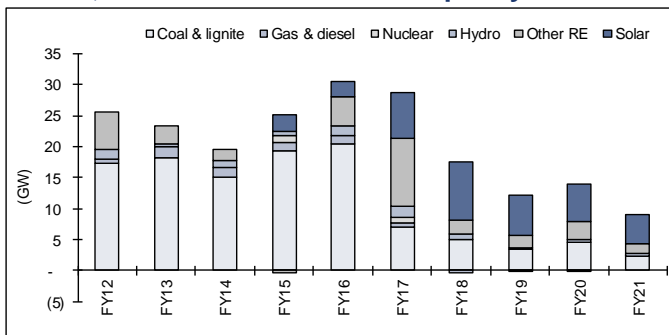
Chart 1: Power demand growth improves from Q1FY21 lows of -16.2% to -5.2% in 8MFY21



Source: CEA, I-Sec research

Note: FY21 Power demand growth has been compared with FY21E GDP growth considered at -7.5%, which is as per the National Statistics Office's first advanced estimate.

Chart 2: Net capacity addition – solar up by 4.7GW, retirements lower coal capacity addition



Source: CEA, I-Sec research

Table 5: RE capacity overview as of Feb'21-end (MW)

Type	Installed capacity	Under implementation	Under bidding
GRID-INTERACTIVE POWER CAPACITY			
Wind	38,789		
Solar - ground	34,759		
Solar - roof top	4,325		
Small hydro	4,783		
Bagasse	9,374		
Biomass	772		
Waste to power	169		
Total	92,970	50,150	27,020
OFF-GRID / CAPTIVE POWER CAPACITY			
Waste to power	218		
Solar PV	1,124		
Total	1,342		

Source: MNRE, I-Sec research

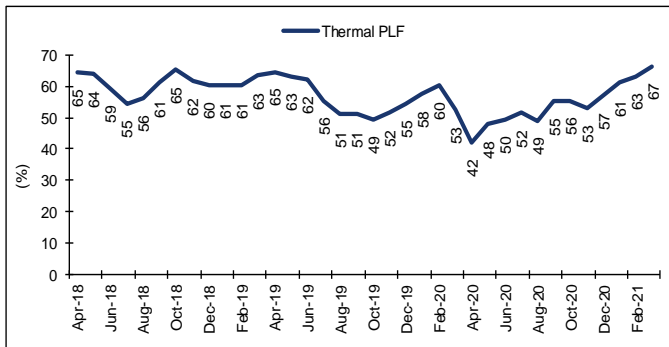
Table 6: Power capacity – renewables addition remain firm; conventional strong despite retirements

Capacity (MW)	Coal	Gas	Diesel	Total Thermal	Nuclear	Hydro	Solar, wind and others	Total Addition	Thermal PLF (%)
FY04	64,956	11,840	1,173	77,969	2,720	29,507	2,488	112,684	72.7
FY05	67,791	11,910	1,202	80,902	2,770	30,942	3,811	118,426	74.8
FY06	68,519	12,690	1,202	82,411	3,360	32,326	6,191	124,287	73.6
FY07	71,121	13,692	1,202	86,015	3,900	34,654	7,761	132,329	76.8
FY08	76,049	14,656	1,202	91,907	4,120	35,909	11,125	143,061	78.6
FY09	77,649	14,877	1,200	93,725	4,120	36,878	13,242	147,965	77.2
FY10	84,198	17,056	1,200	102,454	4,560	36,863	15,521	159,398	77.5
FY11	94,653	17,706	1,200	113,559	4,780	37,567	18,455	174,361	75.1
FY12	112,022	18,381	1,200	131,603	4,780	38,990	24,503	199,877	73.3
FY13	130,221	20,110	1,200	151,530	4,780	39,491	27,542	223,343	70.1
FY14	145,273	21,782	1,200	168,255	4,780	40,531	29,463	243,029	65.6
FY15	164,636	23,062	1,200	188,898	5,780	41,267	31,692	267,637	65.1
FY16	185,173	24,509	994	210,675	5,780	42,783	38,822	298,060	62.3
FY17	192,163	25,329	838	218,330	6,780	44,478	57,244	326,833	60.0
FY18	197,172	24,897	838	222,907	6,780	45,293	69,022	344,002	60.7
FY19	200,705	24,937	638	226,279	6,780	45,399	77,642	356,100	61.1
FY20	204,724	24,955	510	230,189	6,780	45,699	86,759	369,427	56.1
11MFY21	207,705	24,957	510	233,171	6,780	46,209	92,970	379,130	54.5*

Source: CEA, I-Sec research

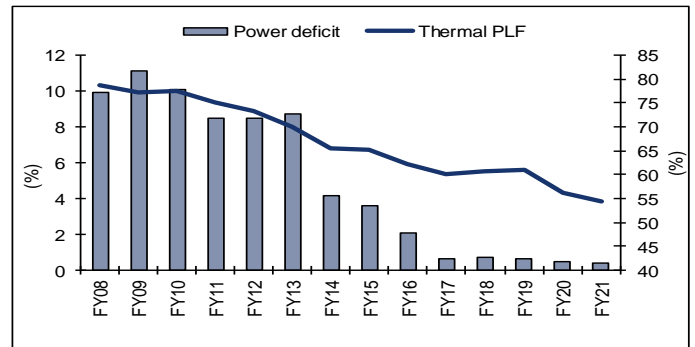
* PLF % is tentative for FY21

Chart 3: Thermal PLF improves significantly in Q4FY21 to reach 67% in Mar'21...



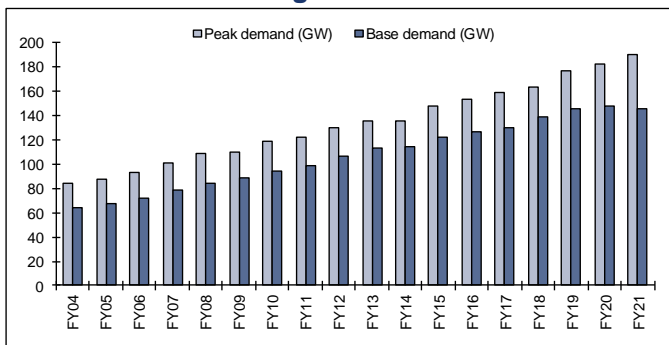
Source: CEA, I-Sec research

Chart 4: ... resulting in recovery of FY21 thermal PLF to 54.5%; power deficit declined 10bps YoY



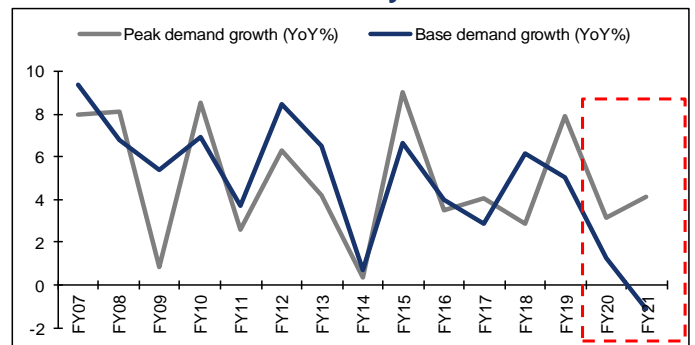
Source: IEX, I-Sec research

Chart 5: In FY21, all-India peak power demand reached an all-time high of 190.2GW



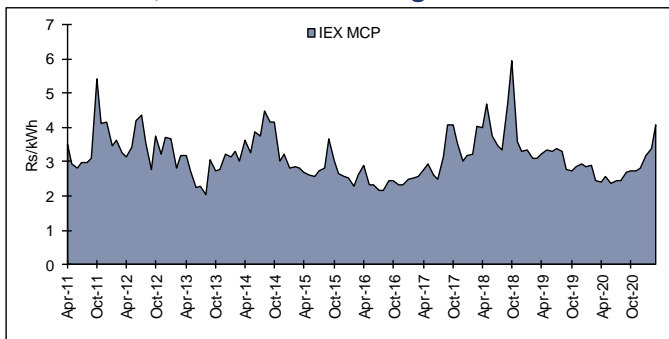
Source: CEA, I-Sec research

Chart 6: All-India peak power demand grew 3.5% but base demand declined by 1.1% YoY in FY21



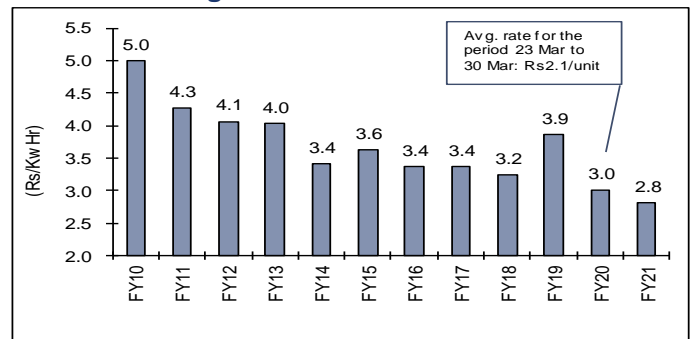
Source: CEA, I-Sec research

Chart 7: Higher power demand results in increase in IEX MCP; Mar'21 MCP averages Rs4.07/kWh



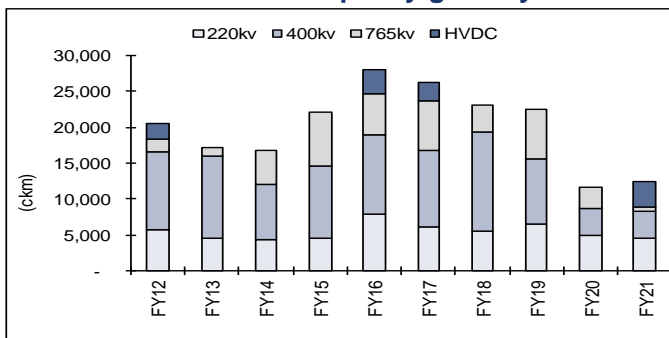
Source: IEX, I-Sec research

Chart 8: IEX MCP averaged Rs2.8/kWh in FY21 after recovering in H2FY21



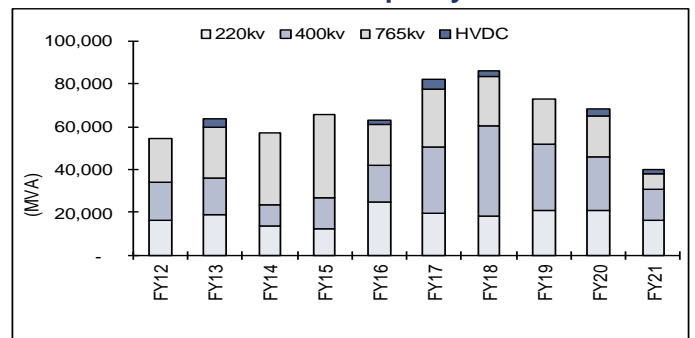
Source: IEX, I-Sec research

Chart 9: Transmission capacity grew by 6% YoY



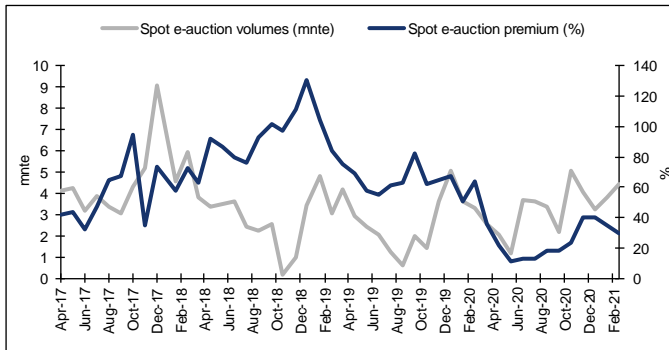
Source: CEA, I-Sec research

Chart 10: Transformation capacity addition lower



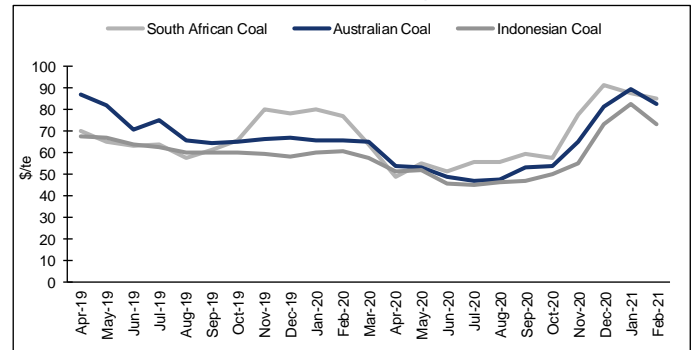
Source: CEA, I-Sec research

Chart 11: Spot e-auction premiums improve to 40% in Nov'20 from 18% in Aug'20



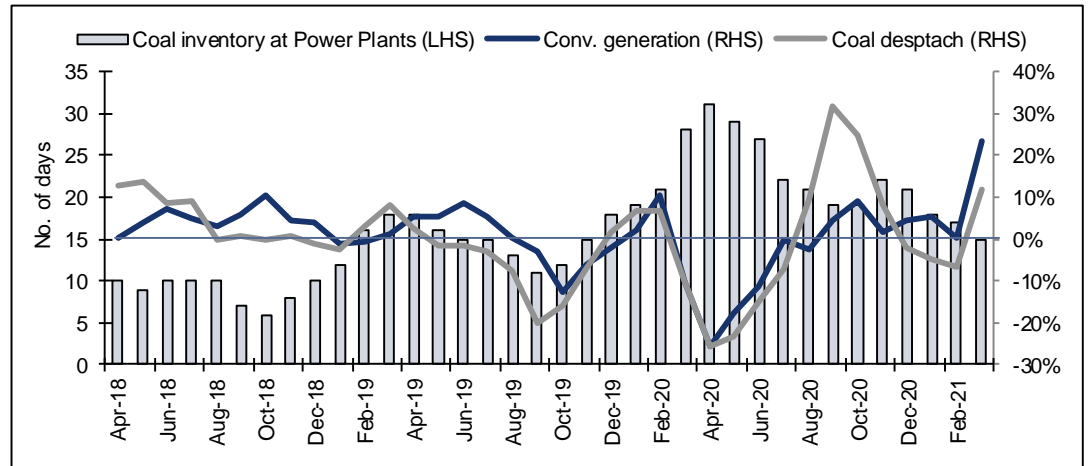
Source: Coal ministry, I-Sec research

Chart 12: Imported coal prices (US\$/te) – South African & Australian coal at 6,000kcal/kg NAR; Indonesian Coal at 5,900kcal/kg NAR



Source: Coalspot, I-Sec research
NAR: Net as received

Chart 13: Coal inventory at plants (15 days) reduces as of Mar'21-end due to higher coal PLFs

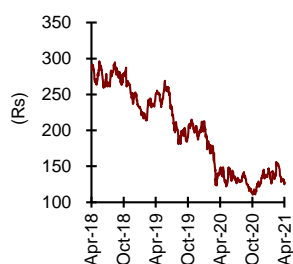


Source: CEA, Company, I-Sec research

Coal India (BUY)

(QoQ chg: -10.5%; YoY chg: -12.7%)

Price chart



Q4FY21E earnings preview

(Consolidated)	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)
Production (mn-te)	203.3	213.7	-4.9%	153.9	32.1%
Offtake (mn-te)	164.4	163.9	0.3%	156.8	4.9%
Average realisation/te	1,475	1,560	-5.5%	1,408	4.7%
EBITDA/te	348	411	-15.2%	329	5.7%
Revenues	260,503	275,682	-5.5%	236,860	10.0%
(Inc)/Dec in Stock	-20,000	-24,954	-19.9%	19,030	-205.1%
Consumption of Stores & Spares	21,701	22,462	-3.4%	-4,361	-597.6%
Employee expenses	105,000	105,765	-0.7%	93,540	12.3%
Power & Fuel	6,576	6,196	6.1%	6,433	2.2%
Social Overhead	1,151	4,307	-73.3%	909	26.5%
Repairs	5,754	5,526	4.1%	3,207	79.4%
Contractual Expenses	42,744	45,137	-5.3%	43,515	-1.8%
Other Expenses	12,330	14,893	-17.2%	11,054	11.5%
Provision/Write-off	0	1,159		5,029	
Op expenses	175,256	180,491	-2.9%	178,355	-1.7%
EBITDA (Excluding OBR Adjustment)	85,247	95,191	-10.4%	58,505	45.7%
EBITDA margins (excluding OBR adj)	32.7%	34.5%		24.7%	
OBR adjustment	28,000	27,903	0.3%	6,858	308.3%
EBITDA	57,247	67,289	-14.9%	51,648	10.8%
EBITDA margins	22.0%	24.4%		21.8%	
Depreciation	10,000	10,294	-2.9%	9,159	9.2%
EBIT	47,247	56,995	-17.1%	42,489	11.2%
Other Income	10,000	19,131	-47.7%	6,486	54.2%
Interest	1,200	1,651		1,554	-22.8%
Prior Period Adjustment	0	0		2	
PBT	56,047	74,474	-24.7%	47,422	18.2%
Tax	14,572	28,216	-48.4%	16,581	-12.1%
PAT	41,475	46,258	-10.3%	30,841	34.5%

Source: Company data, I-Sec research

Coal India – sales and volume assumptions

	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)
Sales volume (mn-te)					
FSA	137.8	139.2	-1.0%	123.1	11.9%
E-auction	23.0	21.0	9.4%	27.3	-15.6%
Coking coal (washed)	0.5	0.3	50.0%	0.3	32.4%
Non-coking coal (washed)	2.5	3.0	-16.7%	2.5	-1.6%
By-product	0.7	0.6	17.5%	0.9	-27.2%
Total sales	164.4	163.9	0.3%	156.8	4.9%
Realisation (Rs/te)					
FSA	1,415	1,446	-2.1%	1,354	4.5%
E-auction	1,600	2,105	-24.0%	1,466	9.2%
Coking coal (washed)	7,000	6,394	9.5%	7,425	-5.7%
Non-coking coal (washed)	2,200	2,164	1.7%	2,056	7.0%
By-product	3,000	3,643	-17.6%	2,858	5.0%
Avg. realisation	1,475	1,560	-5.5%	1,408	4.7%

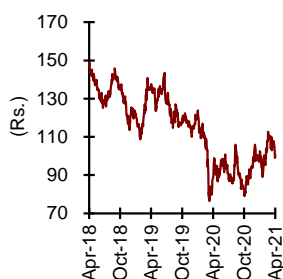
Source: Company data, I-Sec research

- Q4FY21E PAT may remain lower, declining by 10.3% YoY, despite 0.3% growth in offtake, mainly due to lower e-auction premiums. As a result, average realisation at Rs1,475/te is estimated to be 5.5% lower YoY. However, e-auction volumes will continue to be higher. Average premiums during Q4FY21 have slightly abated from Nov'20 levels, with spot e-auction premium averaging 32% in Jan-Feb'21. Continuing growth in power demand and lower coal inventory at power plants (15 days at Mar'21-end vs 21 days at Dec'20-end) resulted in higher coal PLFs (67% in Mar'21), which may lead to higher coal offtake in Q1FY22.
- **Key factors to watch out:** 1) Management guidance on FY22 and production/offtake ramp-up in Q1FY22, 2) e-auction premium trajectory, 3) update on receivables, and 4) update on diversification and solar bid win.

NTPC (BUY)

(QoQ chg: 0.9%; YoY chg: 12.7%)

Price chart



Q4FY21E earnings preview

(Rs mn, year ending March 31)

(Standalone)	Q4FY21E	Q4FY20	Q3FY21	% YoY	% QoQ
Total revenue	277,998	272,469	245,093	2.0	13.4
Fuel costs	146,886	149,884	126,909	(2.0)	15.7
SG&A expenses	32,000	35,128	31,648	(8.9)	1.1
Employee expenses	13,000	14,279	12,865	(9.0)	1.1
Total operating expenses	191,886	199,291	171,422	(3.7)	11.9
EBITDA	86,111	73,178	73,671	17.7	16.9
EBITDA margin (%)	31.0	26.9	30.1	411.8	91.7
Depreciation & amortisation	26,000	21,290	25,554	22.1	1.7
Other income	8,000	10,319	7,593	(22.5)	5.4
Interest & finance charges	20,000	18,369	20,094	8.9	(0.5)
Extraordinary items	-	18,523	9,224		
Reported pre-tax income	48,111	43,838	35,616	9.7	35.1
Less: Taxation	12,028	49,837	11,686	(75.9)	2.9
Reported PAT	36,084	12,524	33,153	188.1	8.8
Less: Adjustments	-	21,487	(70)		
Recurring PAT	36,084	34,012	33,084	6.1	9.1

Source: Company data, I-Sec research

NTPC – Q4FY21E operational performance

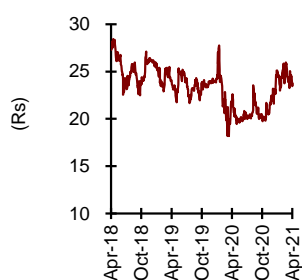
	Q4FY21E	Q4FY20	Q3FY21	% YoY	% QoQ
Commercial capacity (MW)	51,725	49,695	51,170	4.1	1.1
Gross generation (MU)	77,400	68,004	65,171	13.8	18.8
Power sold (MU)	72,059	63,464	60,741	13.5	18.6
Average realisations (Rs/kWhr)	3.86	4.3	4.0	(10.1)	(4.4)
Fuel cost/unit (Rs/kWhr)	2.04	2.4	2.1	(13.7)	(2.4)

Source: Company, CEA, I-Sec research

- NTPC's Q4FY21E revenue may increase 2% YoY as it will benefit from higher availability and generation due to higher demand and incremental earnings from new capacity commissioned in FY20/FY21.
- Adjusted PAT is likely to increase 6.1% YoY due to higher EBITDA, but other income will continue to be lower YoY as cash balance normalised only in Mar'21, when the company received bulk of the overdue amount from discoms.
- Receivables have declined from Rs235bn at Dec'20-end to Rs120bn-Rs140bn (45-48 days; overdue receivables are 50-60%). Massive improvement in receivables has become possible due to substantial disbursements by PFC & REC through the *Aatmanirbhar Bharat* scheme as well as improvement in billing and collection by all discoms.
- Consolidated income will be higher YoY due to the acquisition of THDC and NEEPCO and gross commercialisation of 4.3GW capacity in FY21. NTPC group commercialised unit-III & IV of Kameng (2x150MW), Bilhaur Solar (150MW), Meja unit-II (660MW), Auraiya Solar (5MW), Gadarwara Unit-II (800MW), Bilhaur Solar (70MW), and retired Talcher Old TPS (460MW) during the quarter.
- **Key factors to watch out:**
 - Update on receivables situation
 - Progress of under-construction projects and commissioning schedule
 - Guidance for FY22
 - Update on ESG initiatives and rating improvement, if any

NHPC (BUY)

(QoQ chg: -3.6%; YoY chg: 7.9%)

Price chart**Q4FY21E earnings preview**

(Rs mn, year ending March 31)

(Standalone)	Q4FY21E	Q4FY20	Q3FY21	YoY %	QoQ %
Net sales	17,000	19,136	20,922	-11.2%	-18.7%
Expenditure	11,450	13,542	9,142	-15.4%	25.2%
Employee	3,950	3,826	3,787	3.2%	4.3%
Other expenditure	7,500	8,205	5,355	-8.6%	40.1%
Purchase of power - trading	-	1,511	-		
EBITDA	5,550	5,594	11,780	-0.8%	-52.9%
EBITDA margins	32.6%	29.2%	56.3%		
Other income	3,000	3,850	2,023	-22.1%	48.3%
Depreciation	3,350	3,858	3,349	-13.2%	0.0%
Interest	1,400	1,512	1,417	-7.4%	-1.2%
Exceptional item	-	-	-		
Rate Regulated Income/Expense	-	407	417		
PBT	3,800	4,481	9,453	-15.2%	-59.8%
Tax	684	652	1,372	5.0%	-50.1%
- current tax	684	1,163	1,746		
- deferred tax	-	(511)	(375)		
PAT	3,116	3,829	8,081	-18.6%	-61.4%

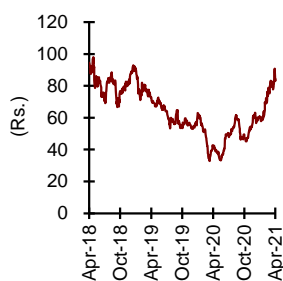
Source: Company data, I-Sec research

- We expect NHPC's Q4FY21E revenue to decline 11.2% YoY as generation and sales volumes were lower by 17% YoY due to poor water flow at many plants and scheduled maintenance activities at a few units. This will also lead to lower secondary generation incentives.
- NHPC is expected to report 18% YoY decline in PAT at Rs3.1bn.
- As of FY21-end, receivables are expected to normalise since many states were able to clear their overdue after receiving further loans through the PFC/REC schemes (Q2FY21-end receivables were at Rs50bn).
- **Key factors to watch out:**
 - Update on under-construction projects
 - Update on approvals, court orders related to recent acquisitions
 - Update on renewable projects under planning/implementation stage

PTC India (BUY)

(QoQ chg: 40.1%; YoY chg: 97.7%)

Price chart



Q4FY21E earnings preview

(Rs mn, year ending March 31)

(Standalone)	Q4FY21E	Q4FY20	Q3FY21	YoY (%)	QoQ (%)
Net Sales	44,800	31,962	33,846	40.2%	32.4%
Other Operating Income	675	591	991	14.2%	-31.9%
Total Income	45,475	32,553	34,837	39.7%	30.5%
Cost of Purchase	(44,160)	(31,225)	(32,718)	41.4%	35%
Staff cost	(120)	(99)	(124)	21.0%	-3.5%
Other operating expenses	-	(80)	(261)	-100.0%	-100.0%
Other expenditure	(140)	(128)	(146)	9.3%	-3.8%
EBITDA	1,055	1,021	1,588	3.4%	-33.6%
EBITDA Margins	2.3%	3.1%	4.6%		
Adjusted EBITDA	1,055	263	631	301.4%	67.3%
Depreciation	(8)	(8)	(7)	6.7%	12.7%
Other Income	-100	-143	-64	-30.0%	56.5%
Profit before Tax	947	870	1,517	8.8%	-37.6%
Tax	(246)	(219)	(387)	12.5%	-36.4%
Profit after Tax	701	652	1,130	7.5%	-38.0%

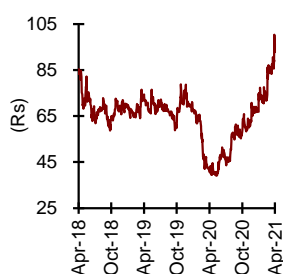
Source: Company data, I-Sec research

- We expect PTC India's Q4FY21E revenues to increase by 40.2% YoY on the back of >33% increase in volumes at 16,000MUs due to higher short-term volumes.
- On the back of higher revenue, EBITDA is expected to increase by 3.4% YoY.
- Q4FY21E adjusted PAT is estimated to increase 7.5% YoY.
- **Key factors to watch out:**
 - Volume mix and trend
 - Trading margins
 - Divestment status and use of proceeds
 - Revival of medium and long term tenders

JSW Energy (REDUCE)

(QoQ chg: 27.7%; YoY chg: 136.1%)

Price chart



Q4FY21E earnings preview

(Rs mn, year ending March 31)

(Consolidated)	Q4FY21E	Q4FY20	Q3FY21	% YoY	% QoQ
Total capacity (MW)	4,531	4,531	4,531	-	-
Net generation (million units)	3,760	4,106	4,613	(8.4)	(18.5)
Total revenues	14,505	17,934	16,089	(19.1)	(9.8)
Total expenses	9,115	12,186	10,044	(25.2)	(9.3)
Fuel costs	7,315	9,963	8,227	(26.6)	(11.1)
O&M	1,800	2,136	1,818	(15.7)	(1.0)
Staff costs	600	591	558	1.5	7.6
Other expenditure	1200	1545	1260	(22.3)	(4.8)
Purchase of power	0	87	0	(100.0)	#DIV/0!
EBITDA	5,390	5,748	6,044	(6.2)	(10.8)
Depreciation	2,900	2,893	2,916	0.2	(0.6)
Other income	550	542	504	1.4	9.1
EBIT	3,040	3,397	3,632	(10.5)	(16.3)
Exceptional items	0	0	0		
Interest	1,800	2,480	1,912	(27.4)	(5.8)
PBT	1,240	917	1,720	35.2	(27.9)
Tax	310	26	338	1,092.5	(8.4)
Minority interest	0.0	193.1	-146.6	(100.0)	(100.0)
Recurring PAT	930	1,084	1,235	(14.2)	(24.7)

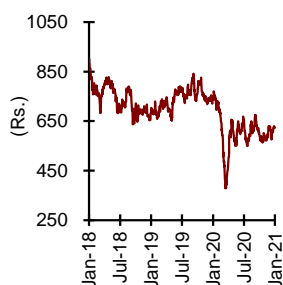
Source: Company data, I-Sec research

- We expect JSW Energy's Q4FY21E consolidated revenue to decline 19.1% YoY due to lower generation at Ratnagiri (-31% YoY) and hydro plants (11% lower YoY) due to lower water flow. Average realisation is expected to decline by 12% YoY to Rs3.9/kWh.
- Standalone fuel cost per unit is expected to decline 21% YoY (from Rs2.9/kWhr in Q4FY20 to Rs2.3/kWhr in Q4FY21E), but increase on QoQ basis as international coal prices increased during the quarter. As a result, EBITDA is expected to decline by 6.2% YoY.
- The company is estimated to report lower Q4FY21E PAT (14% lower YoY) due to lower revenue.
- **Key factors to watch out:**
 - Update on announced/upcoming acquisitions
 - Update on status of recently won renewable projects and Ind-Barath acquisition
 - PPA tie-ups for untied capacity
 - Imported coal substitution, if any

CESC (BUY)

(QoQ chg: -10.8%; YoY chg: 22.4%)

Price chart



Q4FY21E earnings preview

(Rs mn, year ending March 31)

(consolidated)	Q4FY21E	Q3FY21	Q4FY20	QoQ (%)	YoY (%)
Units Generated	3,400	3,235	3,219	5.1	5.6
Net Sales	26,400	26,960	27,450	(2.1)	(3.8)
Fuel costs	7,500	7,200	7,430	4.2	0.9
Personnel costs	2,700	2,440	2,920	10.7	(7.5)
Power purchased	4,200	5,020	4,780	(16.3)	(12.1)
Other expenses	2,800	3,430	2,950	(18.4)	(5.1)
Total expenses	17,200	18,090	18,080	(4.9)	(4.9)
EBITDA	9,200	8,870	9,370	3.7	(1.8)
Interest	2,800	3,040	3,600	(7.9)	(22.2)
Depreciation	2,000	2,030	2,050	(1.5)	(2.4)
Other Income	300	420	1,010	(28.6)	(70.3)
Share of profit from JVs/associates	120	120	90	0.0	33.3
Recurring pre-tax income	4,820	4,340	4,820	11.1	0.0
Taxation	1,157	1,060	360	9.1	221.3
Reported net income	3,663	3,280	4,460	11.7	(17.9)
Minority	40	40	70		
Net income	3,623	3,240	4,390	11.8	(17.5)

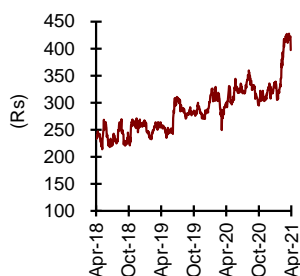
Source: Company data, I-Sec research

- We expect CESC's Q4FY21E consolidated revenue to decline 3.8% YoY as distribution businesses continue to recover from the severe impact of lockdown during H1FY21 and lower revenue from Noida Power.
- EBITDA is expected to decline by 1.8% YoY, primarily due to lower revenue.
- Q4FY21E PAT is estimated to decline by 17.5% YoY due to lower EBITDA and lower other income, although interest expense is estimated to decline further due to debt repayment/prepayment.
- In consolidated business, the company continues to recover in terms of demand at both its licensed and franchised distribution businesses, although Kota DF's recovery is slower. We expect the momentum to continue in coming quarters as well, and DF businesses' contribution to consolidated PAT is expected to become positive from FY22E onwards. Since this was the first year of operations for Malegaon DF, it will remain a drag on profitability.
- **Key factors to watch out:**
 - Demand scenario in all distribution areas
 - Collection, particularly in franchise distribution
 - Impact of lockdowns
 - New opportunities in distribution space
 - Growth outlook

Torrent Power (REDUCE)

(QoQ chg: 19.1%; YoY chg: 32.9%)

Price chart



Q4FY21E earnings preview

(Rs mn, year ending March 31)

(Consolidated)	Q4FY21E	Q3FY21	Q4FY20	QoQ (%)	YoY (%)
Net Sales	34,610	29,528	29,835	17.2%	16.0%
Cost of Purchase	9,000	9,061	7,802	-0.7%	15%
Fuel Cost	9,000	8,399	8,039	7.2%	12.0%
Staff cost	1,400	1,339	1,245	4.6%	12.4%
Other expenditure	6,000	2,027	4,478	196.1%	34.0%
EBITDA	9,210	8,703	8,270	5.8%	11.4%
EBITDA Margins	26.6%	29.5%	27.7%		
Interest	1,850	1,897	2,224	-2.5%	-16.8%
Depreciation	3,200	3,193	3,350	0.2%	-4.5%
Other Income	400	374	373	7.1%	7.1%
Profit before Tax	4,560	3,987	3,069	14.4%	48.6%
Tax	821	770	(4,191)	6.7%	-119.6%
Profit after Tax	3,739	3,217	(2,739)	16.2%	-236.5%
MI	12	12	10		
PAT (after minority)	3,727	3,205	(2,749)	16.3%	-235.6%
Adj. PAT	3,727	2,917	3,330*	27.8%	11.9%

Source: Company data, I-Sec research

* Note: During Q4FY20, TPW had the following one-off adjustments: Rs10bn write-off of DGEN plant impairment, Rs510mn cancellation penalty of SECI-5, Rs480mn provisions for bad debts at Bhiwandi & Agra and Rs4.3bn MAT credit used.

- We expect Torrent Power's Q4FY21E revenues to be higher by 16% YoY as performance of its distribution businesses has improved better than estimated earlier.
- EBITDA is expected to remain flat YoY.
- Q3FY21E adjusted PAT is estimated to remain flattish YoY.
- With a demand mix in which commercial & industrial (C&I) segment comprises 85% of the total demand in Bhiwandi and 30% in Agra, demand decline post the lockdown severely impacted the distribution franchise business. Although demand has revived further in Q4FY21 on YoY basis, resurgence of the virus and strict restrictions imposed particularly in Maharashtra for 15 days starting 14th Apr'21 (may be extended depending on the situation at the end of the period) may result in a power demand slide again, although not as severe as Q1FY21.
- **Key factors to watch out:**
 - Performance of distribution businesses
 - Renewed interest in solar and the recent GUVNL bid win
 - Tie-up of remaining untied power capacity at DGEN
 - New opportunities in distribution space
 - Impact of restrictions in Maharashtra and guidance for FY22

CESC - Financial summary (consolidated)

Table 7: Profit and loss statement

(Rs mn, year ending March 31)

	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Operating Income (Sales)	83,634	102,749	112,340	116,772	114,852	118,607	123,104
Operating Expenses	56,245	73,432	78,470	81,417	80,467	83,742	87,629
EBITDA	27,845	29,991	33,870	35,355	34,385	34,866	35,474
% margins	33.3	29.2	30.1	30.3	29.9	29.4	28.8
Depreciation & Amortisation	7,148	7,515	7,640	7,814	8,272	8,483	8,652
Gross Interest	13,724	13,030	13,250	13,574	12,762	12,280	11,814
Other Income	2,300	2,520	2,040	2,025	2,327	2,360	2,447
Recurring PBT	8,564	12,464	15,710	16,686	15,815	16,603	17,603
Less: Taxes	3,210	3,562	3,730	3,627	3,136	3,293	3,491
Net Income (Reported)	6,703	9,753	11,980	13,059	12,679	13,311	14,111
PAT (ex-discontinued ops)	5,149	8,902	11,980	13,059	12,679	13,311	14,111

Source: Company data, I-Sec research

Table 8: Balance sheet

(Rs mn, year ending March 31)

	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Assets							
Total Current Assets	51,170	39,641	42,676	50,273	52,669	55,530	59,336
of which cash & cash eqv.	16,061	11,940	10,307	17,910	16,746	18,815	21,583
Total Current Liabilities & Provisions	24,860	24,637	26,016	28,208	28,392	28,466	28,652
Net Current Assets	26,311	15,004	16,660	22,065	24,277	27,064	30,684
Investments							
of which	11,095	11,737	11,855	6,853	6,853	6,853	6,853
Strategic/Group	4,224	6,673	6,724	6,703	6,703	6,703	6,703
Other Marketable	6,871	5,064	5,130	150	150	150	150
Net Fixed Assets	246,156	238,535	236,485	235,866	232,180	227,697	223,045
Capital Work-in-Progress	3,919	2,166	1,614	1,468	1,468	1,468	1,468
Other fixed assets	62,310	37,783	42,053	49,262	49,262	49,262	49,262
Total Assets	349,791	305,226	308,667	315,513	314,039	312,343	311,311
Liabilities							
Borrowings	155,942	145,778	144,721	139,909	131,596	122,701	114,071
Deposits from Customers	16,190	15,067	14,843	16,280	16,280	16,280	16,280
Equity Share Capital	1,332	1,332	1,332	1,332	1,332	1,332	1,332
Face Value per share (Rs)	10	10	10	10	10	10	10
Reserves & Surplus*	104,895	82,870	88,406	94,942	101,628	108,678	116,129
Less: Misc. Exp. #.	-	-	-	-	-	-	-
Net Worth	106,227	84,202	89,738	96,274	102,960	110,010	117,462
Minority interest	12,101	694	821	858	1,011	1,160	1,306
Other non-current liabilities	59,332	59,486	58,544	62,192	62,192	62,192	62,192
Total Liabilities	349,791	305,226	308,667	315,513	314,039	312,343	311,311

Source: Company data, I-Sec research

Table 9: Quarterly trend – standalone

(Rs mn, year ending March 31)

	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Net sales	21,530	22,960	19,070	19,160	24,110	22,940	17,830	18,800	17,300	20,700	17,730
% growth (YoY)	8.2	9.5	7.4	-1.7	14.0	-0.1	-6.5	-8.1	-22.6	-9.8	-0.6
EBITDA	4,450	5,540	4,020	5,330	4,940	5,110	4,120	5,480	3,730	4,190	4,130
Margin (%)	21.1	24.5	21.1	26.1	20.5	22.3	23.1	29.1	21.6	20.2	23.3
Other income	200	280	450	720	230	230	290	490	340	140	280
Add: Extraordinaries	-	-	-	-	-	-	-	-	-	-	-
Net profit	1,820	2,770	1,730	3,090	2,170	2,170	1,760	2,500	1,340	2,280	1,820

Source: Company data, I-Sec research

Table 10: Cashflow statement*(Rs mn, year ending March 31)*

	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Operating Cashflow	12,829	16,273	17,580	18,848	18,624	19,434	20,316
Working Capital Chgs	(918)	(6,336)	(3,565)	1,406	(3,374)	(719)	(852)
Capital Commitments	(15,527)	(10,317)	(8,397)	(9,688)	(4,586)	(4,000)	(4,000)
Free Cashflow	(3,616)	(380)	5,618	10,565	10,664	14,715	15,465
Cashflow from Investing Activities	2,300	2,651	1,973	7,005	2,327	2,360	2,447
Issue of Share Capital	158	22	-	-	-	-	-
Buyback of shares	-	-	-	-	-	-	-
Inc (Dec) in Borrowings	24,658	19,428	(1,056)	(4,813)	(8,313)	(8,895)	(8,629)
Dividend paid	(1,599)	(1,902)	(2,797)	(3,197)	(5,994)	(6,260)	(6,660)
Extraordinary Items	(20)	49	(30)	-	-	-	-
Chg. in Cash & Bank balance	12,445	3,152	(5,171)	4,190	(1,163)	2,068	2,768

Source: Company data, I-Sec research

Table 11: Key ratios*(Rs mn, year ending March 31)*

	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Per Share Data (Rs)							
EPS(Basic Recurring)	38.6	66.8	89.9	98.0	95.2	99.9	105.9
Diluted Recurring EPS	38.6	66.8	89.9	98.0	95.2	99.9	105.9
Recurring Cash EPS	92.3	123.2	147.3	156.7	157.3	163.6	170.9
Dividend per share (DPS)	10.2	12.1	17.5	20.0	45.0	47.0	50.0
Book Value per share (BV)	797	632	674	723	773	826	882
Growth Ratios (%)							
Operating Income		22.9	9.3	3.9	(1.6)	3.3	3.8
EBITDA		7.7	12.9	4.4	(2.7)	1.4	1.7
Recurring Net Income		72.9	34.6	9.0	(2.9)	5.0	6.0
Diluted Recurring EPS		72.9	34.6	9.0	(2.9)	5.0	6.0
Diluted Recurring CEPS		33.5	19.5	6.4	0.4	4.0	4.4
Valuation Ratios (x)							
P/E	16.0	9.2	6.9	6.3	6.5	6.2	5.8
P/CEPS	6.7	5.0	4.2	3.9	3.9	3.8	3.6
P/BV	0.8	1.0	0.9	0.9	0.8	0.7	0.7
EV / EBITDA	8.6	7.6	6.7	6.3	6.2	5.9	5.5
EV / Operating Income	2.8	2.2	2.0	1.9	1.9	1.7	1.6
EV / Operating FCF	18.6	14.0	12.9	11.8	11.5	10.5	9.7
Operating Ratios							
Raw Material/Sales (%)	41.3	47.3	49.2	48.9	47.8	47.8	48.0
SG&A/Sales (%)	10.4	9.4	9.2	9.3	9.9	10.2	10.4
Other Income / PBT (%)	24.8	21.1	13.6	12.7	14.8	14.3	14.0
Effective Tax Rate (%)	35.7	28.7	24.1	18.3	20.0	20.0	20.0
NWC / Total Assets (%)	7.5	4.9	5.4	7.0	7.7	8.7	9.9
Inventory Turnover (days)	36.7	20.6	22.8	22.5	23.4	22.8	22.5
Receivables (days)	67.7	54.3	56.5	58.8	70.6	70.6	70.6
Payables (days)	84.0	54.6	47.6	50.8	54.1	52.9	51.9
D/E Ratio (x)	1.3	1.6	1.5	1.3	1.1	0.9	0.8
Profitability Ratios (%)							
Recurring Net Income Margins	6.2	8.7	10.7	11.2	11.0	11.2	11.5
RoCE	5.3	7.9	9.4	10.2	9.8	9.9	10.2
RoNW	4.8	10.6	13.3	13.6	12.3	12.1	12.0
Dividend Payout Ratio	26.4	18.2	19.5	20.4	47.3	47.0	47.2
Dividend Yield	1.7	2.0	2.8	3.2	7.3	7.6	8.1
EBITDA Margins	33.3	29.2	30.1	30.3	29.9	29.4	28.8

Source: Company data, I-Sec research

Torrent Power – Financial summary (consolidated)

Table 12: Profit and loss statement

(Rs mn, year ending Mar 31)

	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Operating Income (Sales)	100,001	115,121	131,510	136,406	133,495	131,826	136,602
Operating Expenses	75,398	83,950	99,515	100,846	99,891	96,940	99,764
EBITDA	24,603	31,171	31,995	35,561	33,604	34,886	36,839
<i>% margins</i>	24.6	27.1	24.3	26.1	25.2	26.5	27.0
Depreciation & Amortisation	10,059	11,315	12,265	13,043	13,051	12,142	12,555
Gross Interest	10,580	8,482	8,989	9,546	8,337	8,174	7,917
Other Income	1,909	2,636	1,896	1,776	1,750	1,850	2,000
Recurring PBT	5,873	14,010	12,636	14,748	13,966	16,420	18,367
Add: Extraordinaries	-	-	-	(10,000)	-	-	-
Less: Taxes	1,576	4,489	3,598	(7,040)	2,933	3,284	3,673
- Current tax	1,576	4,489	3,598	(7,040)	2,933	3,284	3,673
- Deferred tax	-	-	-	-	-	-	-
Less: Minority Interest	8	98	49	47	47	47	47
Net Income (Reported)	4,290	9,423	8,989	11,742	10,986	13,089	14,646
Recurring Net Income	4,290	7,558	9,730	12,692	10,986	13,089	14,646

Source: Company data, I-Sec research

Table 13: Balance sheet

(Rs mn, year ending Mar 31)

	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Assets							
Total Current Assets	23,545	27,524	40,116	42,161	32,834	38,859	45,891
<i>of which cash & cash eqv.</i>	2,693	3,176	3,280	2,803	2,931	10,288	16,647
Total Current Liabilities & Provisions	19,286	20,431	20,429	36,322	25,375	26,175	27,025
Net Current Assets	4,258	7,093	19,688	5,839	7,459	12,684	18,865
Investments	6,714	8,730	9,144	7,235	7,235	7,235	7,235
<i>of which</i>							
<i>Strategic/Group</i>	6,714	8,730	9,144	7,235	7,235	7,235	7,235
<i>Other Marketable</i>	-	-	-	-	-	-	-
Net Fixed Assets	171,356	182,632	183,732	181,369	184,317	188,176	191,621
<i>of which</i>							
<i>Intangibles</i>							
<i>Capital Work-in-Progress</i>	3,321	3,925	3,593	5,674	5,674	5,674	5,674
Goodwill & other long term assets	6,311	7,035	12,548	5,466	5,466	5,466	5,466
Total Assets	188,639	205,490	225,112	199,908	204,477	213,561	223,187
Liabilities							
Borrowings	87,681	92,981	97,152	88,705	85,412	84,532	82,637
Deferred Tax Liability	13,363	14,829	15,654	5,528	5,528	5,528	5,528
Equity Share Capital	4,806	4,806	4,806	4,806	4,806	4,806	4,806
<i>Face Value per share (Rs)</i>	10	10	10	10	10	10	10
Reserves & Surplus	64,115	72,389	84,896	86,729	94,543	104,460	115,934
Net Worth	68,921	77,195	89,702	91,535	99,349	109,266	120,740
Other long term liabilities	18,673	20,484	22,604	14,140	14,188	14,235	14,282
Total Liabilities	188,639	205,490	225,112	199,908	204,477	213,561	223,187

Source: Company data, I-Sec research

Table 14: Quarterly trend

(Rs mn, year ending March 31)

	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Total Revenues	32,535	29,248	37,361	38,420	30,790	29,835	30,071	31,287	29,528
EBITDA	7,364	7,098	8,337	10,550	8,404	8,270	9,694	7,111	8,703
Margin (%)	22.63	24.27	22.31	27.46	27.29	27.72	32.24	22.73	29.47
Other income	533	399	545	493	365	373	347	374	374
Add: Extraordinaries	-	-	-	-	-	10,000	-	-	-
Net profit	2,370	240	2,753	7,544	4,194	3,291	1,017	3,007	3,205

Source: Company data, I-Sec research

Table 15: Cashflow statement*(Rs mn, year ending Mar 31)*

	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Operating Cashflow	13,134	20,271	19,899	26,396	24,085	25,278	27,248
Working Capital Changes	92	(922)	(4,729)	1,258	(1,492)	2,132	178
Capital Commitments	(24,549)	(22,894)	(19,887)	(13,337)	(16,000)	(16,000)	(16,000)
Free Cashflow	(11,323)	(3,544)	(4,717)	14,317	6,593	11,410	11,426
Cashflow from Investing Activities	3,332	(1,290)	1,602	1,796	-	-	-
Issue of Share Capital							
Buyback of shares							
Inc (Dec) in Borrowings	3,621	6,482	5,835	(6,679)	(3,293)	(881)	(1,895)
Dividend paid	(29)	(1,310)	(2,925)	(9,683)	(3,172)	(3,172)	(3,172)
Extraordinary Items							
Chg. in Cash & Bank balance	(4,399)	337	(204)	(249)	128	7,358	6,359

Source: Company data, I-Sec research

Table 16: Key ratios*(Year ending Mar 31)*

	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Per Share Data (Rs)							
EPS(Basic Recurring)	8.9	15.7	20.2	26.4	22.9	27.2	30.5
Diluted Recurring EPS	8.9	15.7	20.2	26.4	22.9	27.2	30.5
Recurring Cash EPS	29.9	39.3	45.8	53.5	50.0	52.5	56.6
Dividend per share (DPS)	2.2	5.0	5.0	11.6	6.6	6.6	6.6
Book Value per share (BV)	143.4	160.6	186.6	190.5	206.7	227.3	251.2
Growth Ratios (%)							
Operating Income	(14.6)	15.1	14.2	3.7	(2.1)	(1.3)	3.6
EBITDA	(19.6)	26.7	2.6	11.1	(5.5)	3.8	5.6
Recurring Net Income	(52.7)	76.2	28.7	30.4	(13.4)	19.1	11.9
Diluted Recurring EPS	(52.7)	76.2	28.7	30.4	(13.4)	19.1	11.9
Diluted Recurring CEPS	(21.3)	31.5	16.5	17.0	(6.6)	5.0	7.8
Valuation Ratios (x)							
P/E	44.3	25.1	19.5	15.0	17.3	14.5	13.0
P/CEPS	13.2	10.1	8.6	7.4	7.9	7.5	7.0
P/BV	2.8	2.5	2.1	2.1	1.9	1.7	1.6
EV / EBITDA	11.2	9.0	8.9	7.8	8.1	7.6	6.9
EV / Operating Income	2.7	2.4	2.2	2.0	2.0	2.0	1.9
EV / Operating FCF	(24.3)	(78.9)	(60.2)	19.3	41.3	23.1	22.4
Operating Ratios							
SG&A cost / Revenue	9.6	9.6	10.1	11.7	18.9	22.0	26.5
Operating expenses / Revenue	75.4	72.9	75.7	73.9	74.8	73.5	73.0
Other Income / PBT (%)	32.5	18.8	15.0	12.0	12.5	11.3	10.9
Effective Tax Rate (%)	26.8	32.0	28.5	(47.7)	21.0	20.0	20.0
NWC / Total Assets (%)	0.8	1.9	7.3	1.5	2.2	1.1	1.0
Inventory Turnover (days)	57.1	46.5	49.1	52.6	70.6	102.3	152.3
Receivables (days)	37.1	33.4	32.8	33.6	36.5	35.7	32.4
Payables (days)	73.8	70.9	64.2	90.0	87.2	72.7	70.8
Net D/E Ratio (x)	1.2	1.2	1.0	0.9	0.8	0.7	0.5
Return/Profitability Ratios (%)							
Recurring Net Income Margins	4.3	6.6	7.4	9.3	8.2	9.9	10.7
RoCE	7.8	8.0	8.8	15.1	9.7	10.7	11.2
RoNW	6.4	10.3	11.7	14.0	11.5	12.5	12.7
Dividend Payout Ratio	0.2	0.3	0.2	0.4	0.3	0.2	0.2
Dividend Yield	0.6	1.3	1.3	2.9	1.7	1.7	1.7
EBITDA Margins	24.6	27.1	24.3	26.1	25.2	26.5	27.0

Source: Company data, I-Sec research

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