

06 November 2015

Share Data

Sensex	Absolute Returns		
	1M	3M	12M
	(2.1)	(6.8)	(5.5)
NTPC	8.1	0.1	(6.4)
PGCIL	0.1	(6.1)	(7.1)
NHPC	4.1	(5.5)	(15.2)
SJVN	11.2	9.1	20.6
Tata Power	0.0	(1.0)	(24.8)
CESC	1.8	(2.8)	(17.9)
PTC India	3.3	(8.2)	(29.3)
Reliance Power	14.9	16.6	(32.3)
Adani Power	18.3	6.1	(35.7)
JSW Energy	0.2	17.8	18.5
Coal India	(2.7)	(22.7)	(4.5)
Neyveli Lignite	6.9	(2.4)	(13.0)
Torrent Power	2.9	12.0	12.6
GMDC	1.4	(18.6)	(52.3)

October '15: Power generation grew by 9% YoY

Sector Generation

- All India Power generation for the month of October grew by 9% YoY. The generation growth since June 2015 is inching up with July, August, and September reporting a growth of 3.2%, 5.3% and 10.9% YoY respectively. The All India generation till date for FY16 grew by 5.1% YoY.

Companies Generation:

- For the October month, NTPC' coal based plants generation stood at 19.7 BU (up 3% YoY) with average PLF of 79% (up 25bps YoY). PLF of gas plants remained weak at 31% (down 310bps YoY). NHPC reported generation of 1.7BU (up 5% YoY) with average PLF of 48% (up 300bps YoY). The generation from SJVN stood at 572MUs (up 5% YoY) with average PLF of 41% (vs. 40% YoY). Neyveli Lignite after commissioning its TPS-II Exp (500MW) in 2QFY16, operated at a low PLF of 8%.
- Amongst IPP's, CESC Dhariwal reported no generation and was led by shutdown on account of weak demand whereas Haldia plant operated at a PLF of 85% (vs. 91% MoM). Adani Power plants operated at an average PLF of 85% vs. 78% YoY. Post commissioning its full capacity in 1QFY16, Reliance Power Sasan UMPP operated at 100% PLF vs. 33% YoY. (Refer table for plant wise generation details)

Coal Stock:

- With the pick in Power demand, coal stock at the plant has come down. In October '15, the average coal inventory at the power plant stood at 18 days versus 5 days YoY and 22 days MoM. Recall, in the month of July, coal stock stood at a high of 25 days.
- For October-15, 80% of the plants operated with coal stock greater than 7 days versus 82% MoM and 33% YoY.

Deficit:

- September'15 energy demand and supply were up by 6.7% and 7.8% YoY which lead to a deficit at 3.2% down 97bps YoY. With demand picking up from July and increasing at a higher rate as compared to supply, led deficit to increase from 2.1% in July'15 to 3.2% in September'15.

Short Term Tariff:

- Short term tariff (IEX Power exchange) in October-15 remained subdued at Rs3/unit (down by 27% YoY and 18% MoM). The volume traded was up 16% yoy and flat MoM.

Imported Coal Cost:

- Imported coal remained subdued in October-15 and stood at USD50/ton (vs. USD66/ton YoY and USD52/ton MoM). The currency stood at Rs65USD (up 6.4% YoY). And thus in rupee terms, the price stood at Rs 3244/ ton (down 20% YoY and 0.4% MoM).

Power generation overview – October 2015

Sector	Power	Power	Growth	Growth	PLF			Generation	Generation	Growth
	Gen (MU)	Gen (MU)	in gen.	in gen.	(%)			(MUs)	(MUs)	in gen.
	(Oct 15)	(Oct 14)	YoY (%)	MoM (%)	Oct 14	Sep 15	Oct 15	YTDFY16	YTDFY15	YoY (%)
Fuel-wise										
Coal and Lignite	81,735	72,353	13.0	9.4	65	64	67	512,342	481,233	6.5
Gas	4,206	3,653	15.1	(4.2)	28	25	23	26,380	25,108	5.1
Thermal	85,941	76,006	13.1	8.6	59	56	61	538,722	506,341	6.4
Nuclear	2,839	2,831	0.3	2.0	80	67	66	21,915	19,635	11.6
Hydro	9,059	11,081	(18.2)	(26.3)	37	40	29	89,017	91,978	(3.2)
Total India	97,840	89,918	8.8	3.9	55	53	55	649,655	617,954	5.1
Sector-wise										
Central	33,772	32,135	5.1	(1.1)	64	63	60	245,721	234,839	4.6
State	31,525	32,435	(2.8)	4.4	47	43	47	205,279	218,053	(5.9)
IPP and Pvt Utilites	32,543	25,347	28.4	9.1	38	38	60	198,655	165,062	20.4
Total India	97,840	89,918	8.8	3.9	55	53	55	649,655	617,954	5.1

Valuation summary

Company	Reco	Target	Price	MCap	Adj. EPS (Rs)		Book value (Rs)		PER (x)		PBV (x)	
		(Rs)	(Rs)		(US\$bn)	FY16E	FY17E	FY16E	FY17E	FY16E	FY17E	FY16E
Coal India	OP	425	337	2,129	24	26	66	69	14	13	5.1	4.9
NHPC	OP	24	18	198	2	2	29	31	8	7	0.6	0.6
NTPC	BUY	160	135	1,121	11	13	105	112	12	11	1.3	1.2
Neyveli Lignite	BUY	110	83	139	9	11	94	101	9	8	0.9	0.8
PGCIL	BUY	180	131	606	11	14	81	92	12	10	1.6	1.4
SJVN	OP	30	28	115	3	3	27	29	9	8	1.0	1.0
Adani Power	SELL	38	30	86	(5)	(3)	15	12	(6)	(11)	2.0	2.4
CESC	UP	570	555	74	47	47	645	684	12	12	0.9	0.8
GMDC	BUY	135	73	23	11	11	109	116	7	7	0.7	0.6
JSW Energy	OP	86	90	147	7	9	51	57	12	10	1.8	1.6
PTC India	BUY	86	62	18	6	7	93	98	10	8	0.7	0.6
Tata Power	OP	75	69	163	3	8	50	55	22	9	1.4	1.2
Torrent Power	UP	175	185	87	16	17	161	177	11	11	1.1	1.0

Note: OP – Outperformer, UP – Underperformer.

Plant-wise generation

Company	Oct 14		Sep 15		Oct 15		YTFY16		YTFY15	
	Generation	PLF	Generation	PLF	Generation	PLF	Generation	PLF	Generation	PLF
Adani	5,270	78	5,624	74	6,444	85	37,432	76	31,096	70
- Mundra	3,029	88	2,827	85	3,156	92	19,803	83	17,851	75
- Tirora	1,376	58	1,576	71	1,836	70	11,741	67	8,620	62
- Kawai	866	88	575	61	823	84	4,614	68	4,624	68
- Udupi	542	61	646	75	628	70	4,117	67	3,485	56
JSW	2,124	93	2,765	85	2,310	71	13,421	74	13,350	83
- Rajwest	653	81	644	83	571	71	3,970	72	4,411	80
- Karnataka	652	102	624	101	628	98	3,685	84	4,175	96
- Ratnagiri	819	92	828	96	799	90	4,784	78	4,764	77
- Karcham Wangtoo	-	-	498	68	242	33	740	51	-	-
- Baspa	-	-	171	78	70	32	242	55	-	-
CESC	754	55	1,042	57	1,016	56	6,726	53	6,078	70
- Standalone	753	79	650	70	635	66	4,688	71	5,632	85
- Dhariwal	-	-	-	-	1	-	1	-	446	24
- Haldia	-	-	393	91	379	85	2,036	57	-	-
Tata Power	3,430	66	3,598	69	3,953	76	24,257	67	23,676	66
- Trombay	595	44	596	48	653	51	4,091	48	3,716	39
- TISCO	217	81	223	86	215	80	1,259	68	1,648	86
- UMPP	1,985	67	2,364	82	2,489	84	14,728	72	14,307	70
- Maithon	634	81	415	55	595	76	4,179	77	4,005	74
Reliance Power	2,427	65	3,799	90	3,781	90	25,016	85	16,708	74
- Rosa	721	81	859	99	747	84	5,079	82	5,504	89
- Butibori	302	68	364	84	407	91	2,419	79	1,961	64
- Sasan	1,404	33	2,576	91	2,627	100	17,518	87	9,242	64
Torrent Power	483	20	936	41	1,021	44	6,007	37	3,438	21
- Amgen	257	86	202	67	226	72	1,520	71	1,896	92
- Sugen	226	27	408	49	269	32	2,216	38	1,542	26
- UnoSugen	-	-	-	-	188	67	624	32	-	-
- Dgen	-	-	326	37	338	39	1,648	27	-	-

Contd.

Company	Oct 14		Sep 15		Oct 15		YTFY16		YTFY15	
	Generation	PLF	Generation	PLF	Generation	PLF	Generation	PLF	Generation	PLF
NTPC	20,213	75	19,962	71	20,836	74	139,421	72	138,765	73
Badarpur	319	61	216	42	148	28	1,600	44	2,322	64
Barh	108	-	385	76	415	72	2,210	63	351	1
Dadri	1,009	75	1,009	77	848	63	6,550	70	7,317	78
Farakka	1,134	73	947	63	966	62	7,132	66	7,477	69
Kahalgaon	1,490	86	1,311	78	1,366	78	8,906	74	8,861	74
Korba	1,825	94	1,829	98	1,798	93	11,885	89	11,362	85
Mauda	263	35	427	59	315	42	1,505	29	2,000	39
Ramagundem	1,606	83	1,483	79	1,598	83	11,544	86	11,236	84
Rihand	1,813	81	1,665	77	1,650	74	11,469	74	12,204	79
Simhadri	943	63	992	69	1,418	95	8,623	84	8,674	85
Singrauli	1,087	73	1,330	92	1,433	96	9,435	92	8,493	83
Sipat	1,900	86	1,822	85	1,710	77	12,140	79	12,192	80
Talcher	319	93	288	87	324	95	2,194	93	2,188	93
Talcher	2,023	91	1,730	80	1,982	89	13,548	88	13,123	85
Tanda	255	78	164	52	271	83	1,812	80	1,838	81
Unchahar	636	81	648	86	523	67	3,941	73	4,605	85
Vindhyachal	2,489	79	2,473	81	3,008	91	17,585	80	17,073	78
Anta	91	30	168	55	6	2	558	26	911	43
Auraiya	122	25	22	5	156	32	783	23	906	27
Dadri	167	28	243	40	273	45	1,577	37	1,374	32
Faridabad	125	40	138	44	86	27	792	36	1,004	46
Gandhar	214	44	138	29	203	42	801	24	1,385	41
Kawas	186	39	112	23	163	34	1,028	31	1,211	36
R. Gandhi	89	34	103	39	16	6	142	8	659	36
NLC	1,382	67	1,543	71	1,437	60	11,737	71	11,358	80
TPS-I	251	56	265	61	278	62	2,081	68	2,040	66
TPS-I Expn.	259	83	302	100	215	69	2,030	94	2,073	96
TPS-II	714	65	802	87	791	72	6,387	86	6,457	86
Barsingsar TPS	137	75	120	67	123	66	728	57	741	58
TPS-II Expn	21	12	54	15	30	8	510	20	48	4
SJVN	544	40	1,102	79	572	41	7,803	80	6,757	74
Nathpa	432	39	867	79	447	41	6,144	80	5,732	75
Rampur	112	44	235	78	125	42	1,659	79	1,025	75

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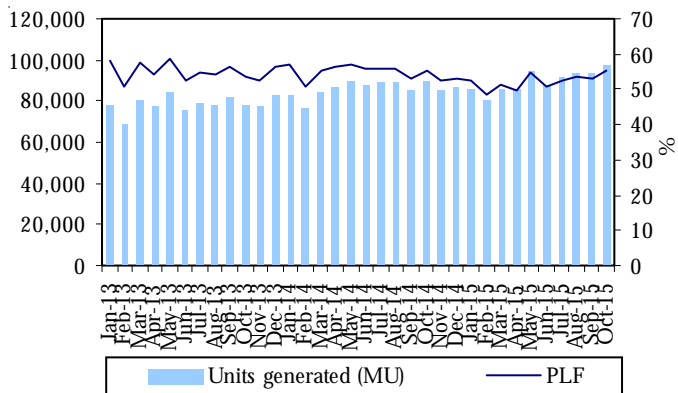
Company	Oct 14		Sep 15		Oct 15		YTFY16		YTFY15	
	Generation	PLF	Generation	PLF	Generation	PLF	Generation	PLF	Generation	PLF
NHPC	1,639	45	2,369	65	1,723	48	18,101	71	17,542	69
Baira Siul HPS	33	25	49	38	31	24	607	66	597	64
Chamera- I HPS	90	23	207	52	109	28	2,235	81	2,032	74
Chamera- II HPS	80	36	154	70	80	36	1,277	83	1,218	79
Chamera-III HPS	53	31	102	61	55	33	915	78	866	73
Chutak HPS	1	NA	2	7	3	10	15	7	16	NA
Dhauli Ganga HPS	73	36	132	65	69	34	951	66	568	40
Dulhasti HPS	214	75	283	100	204	72	1,837	92	1,687	85
Loktak HPS	47	NA	76	NA	77	NA	337	NA	305	NA
Nimboo Bazdo HPS	6	-	5	-	7	-	44	-	38	-
Parbati-III HPS	29	12	60	20	26	20	625	13	614	12
Rangit HPS	42	95	41	93	43	98	257	84	249	81
Salal HPS	228	45	378	75	225	45	2,879	82	2,792	79
Sewa-II HPS	18	21	36	41	33	37	473	77	426	69
Tanakpur HPS	51	74	62	91	41	60	364	76	323	67
Teesta Low Dam-III HPS	45	NA	92	NA	54	NA	422	NA	352	NA
Teesta V HPS	200	54	367	99	266	71	2,142	82	2,099	81
Uri-I	279	80	206	59	252	72	2,138	87	2,239	91
Uri-II HPS	152	NA	116	NA	148	NA	585	NA	1,122	NA
GMDC										
Akrimota	132	71	108	60	130	70	810	63	771	60
JPVL	1,015	49	691	43	994	61	8,207	51	8,033	69
Baspa	77	35	-	-	-	-	908	59	1,094	71
Vishnupriyag	166	57	176	60	164	56	926	45	1,509	74
Karcham Wangtoo	236	32	-	-	-	-	3,331	65	3,649	71
Bina	263	71	81	23	212	57	441	17	1,508	59
Nigrie	273	57	433	45	619	64	2,602	39	273	8
Sterlite	874	39	997	45	927	42	6,328	40	5,243	36
- Jharsuguda	796	45	698	40	648	36	4,849	39	4,980	40
- Talwandi	78	16	299	63	279	57	1,479	44	263	8
Jindal Power	1,141	71	1,017	41	1,035	42	5,675	33	6,386	57
- Chattisgarh	737	99	537	75	591	79	2,888	56	4,957	97
- Tamnar TPP	404	45	480	37	444	33	2,788	30	1,429	23

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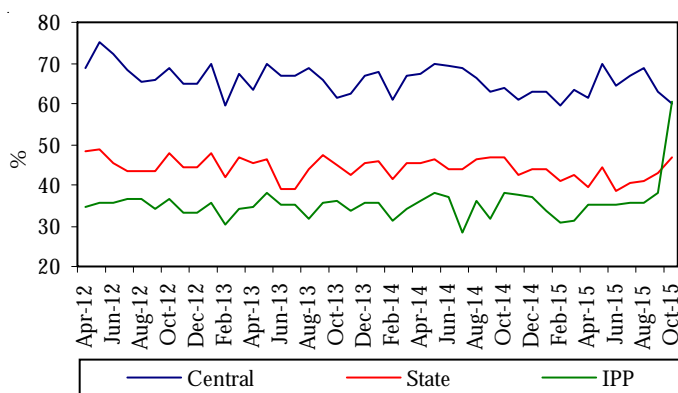
Company	Oct 14		Sep 15		Oct 15		YTDFY16		YTDFY15	
	Generation	PLF	Generation	PLF	Generation	PLF	Generation	PLF	Generation	PLF
GMR	863	53	1,004	47	1,093	52	6,437	43	4,947	46
- Chennai-Vasai	61	42	-	-	-	-	2	-	321	31
- Vemagiri	-	-	126	47	111	41	477	25	-	-
- Kamalanga	432	55	510	67	623	80	3,540	66	2,430	45
- EMCO	369	83	369	85	359	81	2,366	77	2,196	71
- GCEL	-	-	-	-	-	-	51	1	-	-
GVK	23	3	46	7	30	4	560	12	213	5
- JP 1 & 2	23	7	46	14	30	9	429	18	213	9
- Gautami	-	-	-	-	-	-	131	6	-	-
KSK	504	40	543	43	953	75	4,058	46	2,596	36
- Wardha	183	46	137	35	163	41	1,157	42	729	26
- Akaltara	321	72	407	47	790	88	2,902	47	1,867	57
RattanIndia	183	31	628	53	724	61	2,960	36	1,262	30
- Amravati	183	46	628	65	724	72	2,960	43	1,262	44

All India summary

All India generation and PLF

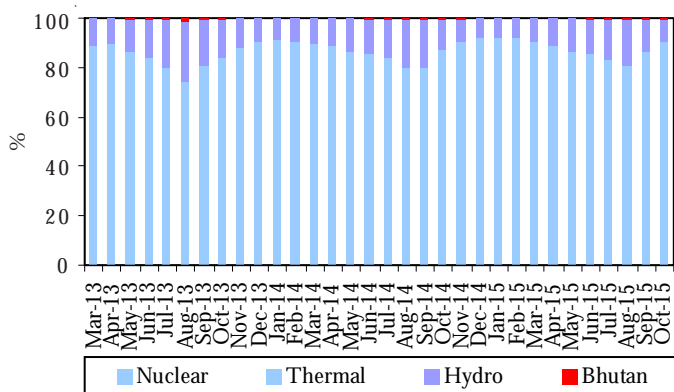


Sector-wise PLF's

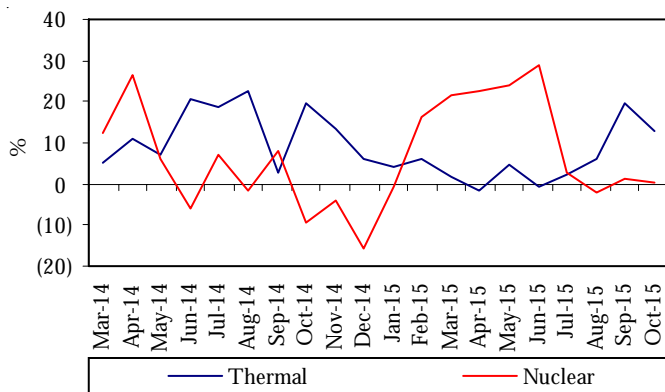


Source: CEA, B&K Research

Mode-wise generation

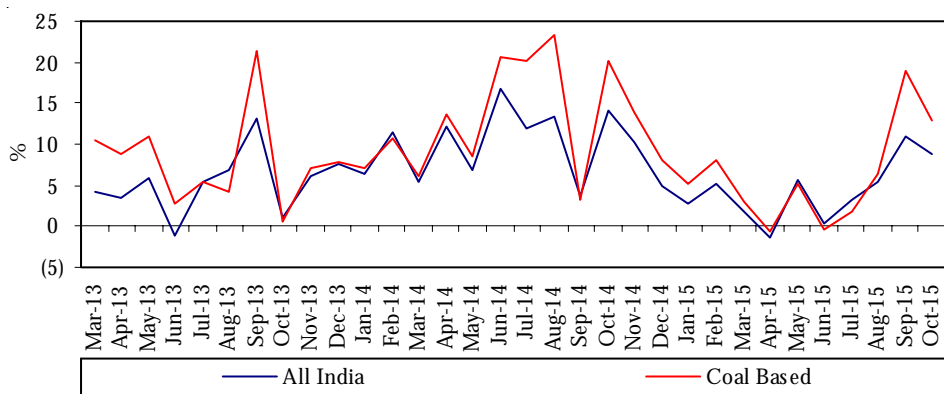


Growth in Thermal and Nuclear generation YoY



Source: CEA, B&K Research

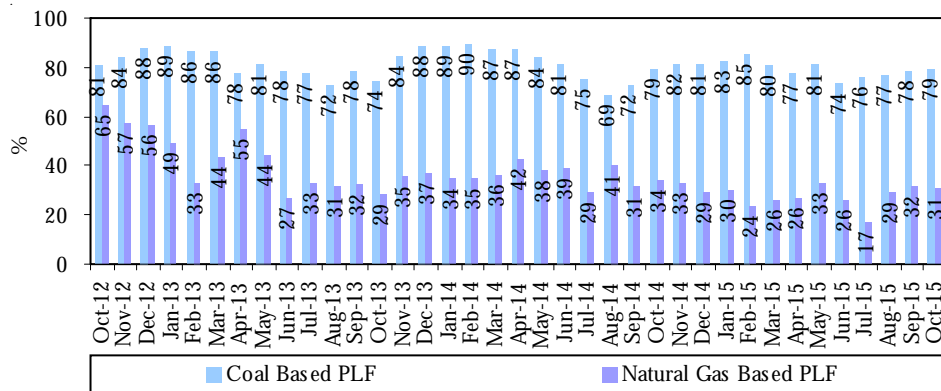
Growth in generation YoY



Source: CEA, B&K Research

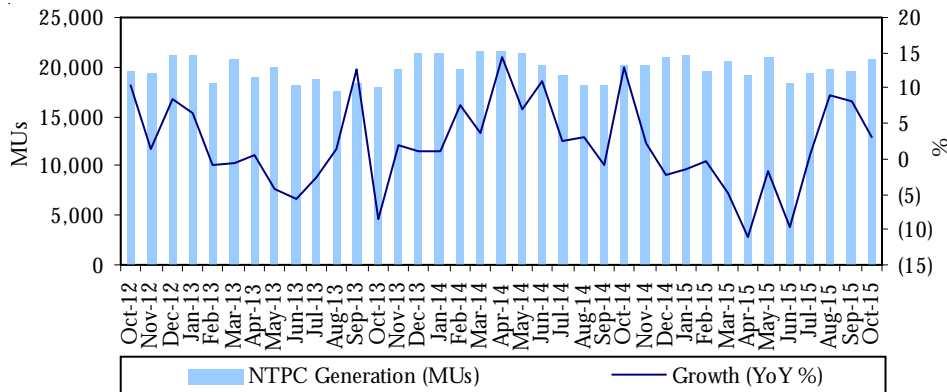
Company-wise summary

NTPC - PLF



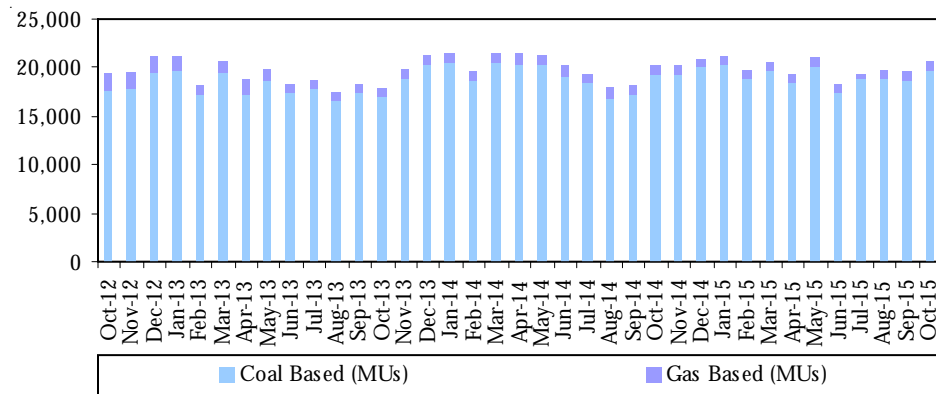
Source: CEA, B&K Research

NTPC generation and Growth YoY



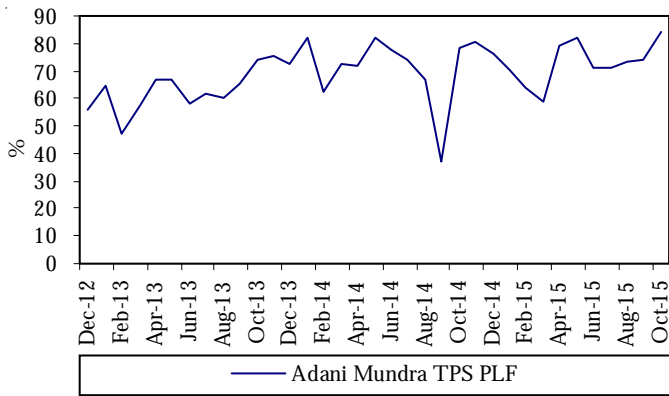
Source: CEA, B&K Research

NTPC generation based on fuel

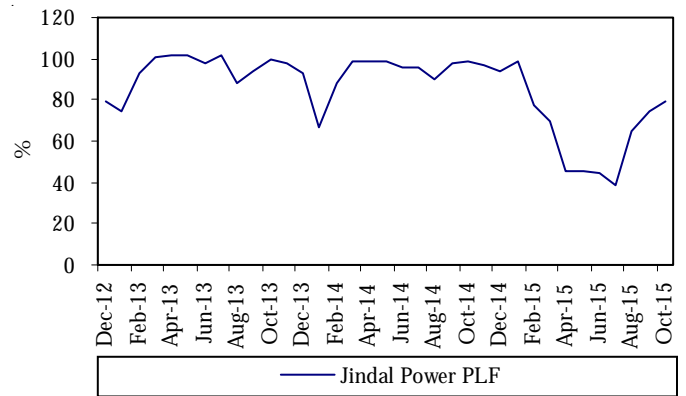


Source: CEA, B&K Research

Adani Power – Mundra

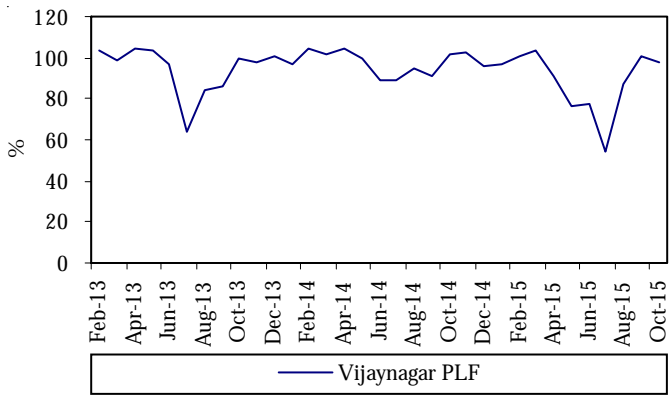


Jindal Power

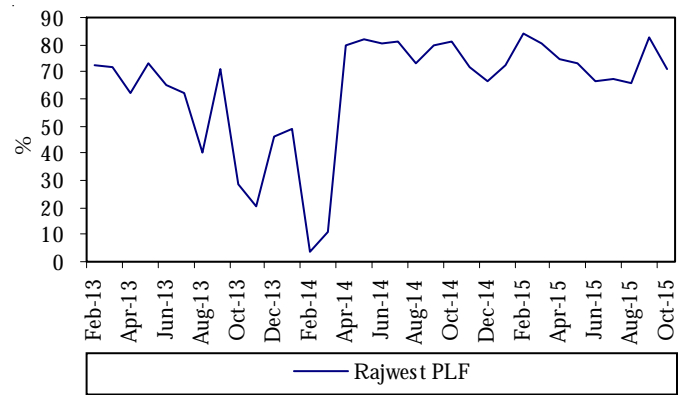


Source: CEA, B&K Research

JSW Energy – Vijayanagar

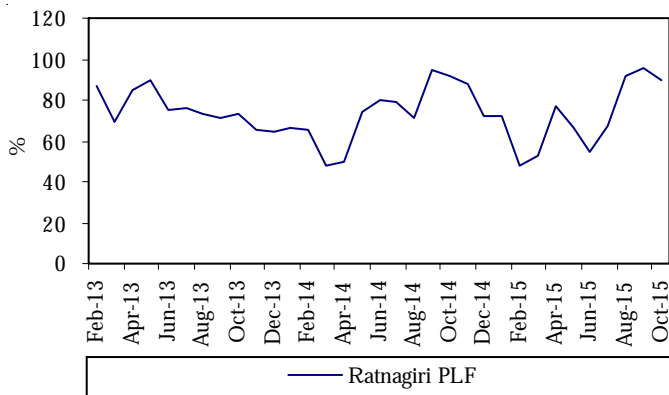


JSW Energy – Rajwest

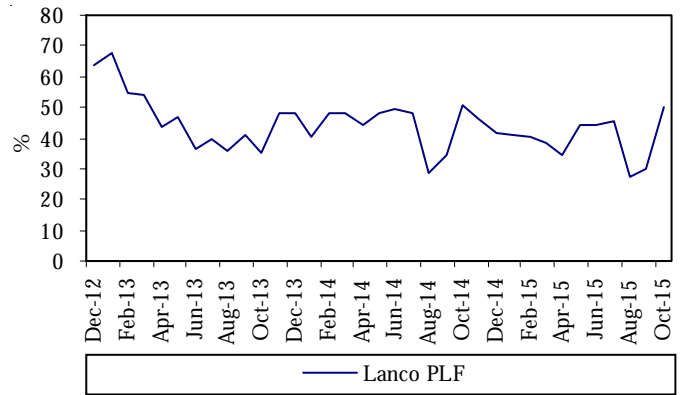


Source: CEA, B&K Research

JSW Energy – Ratnagiri PLF

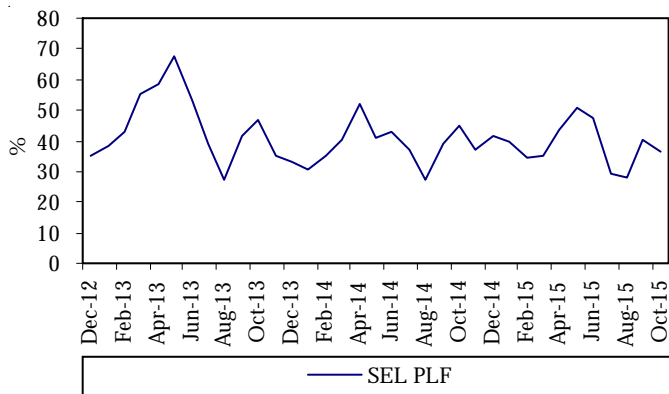


Lanco Infra – Amarkantak

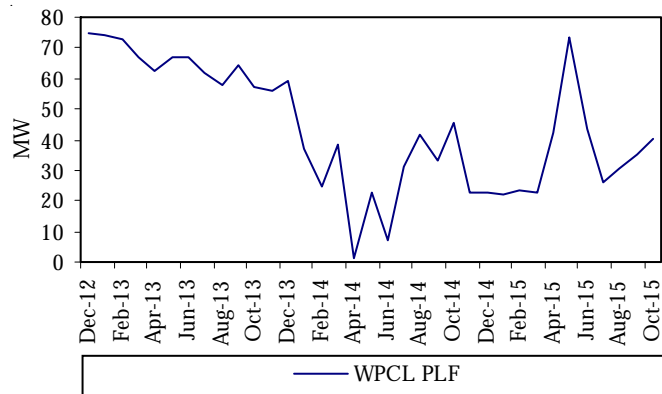


Source: CEA, B&K Research

Sterlite Energy – Jharsuguda

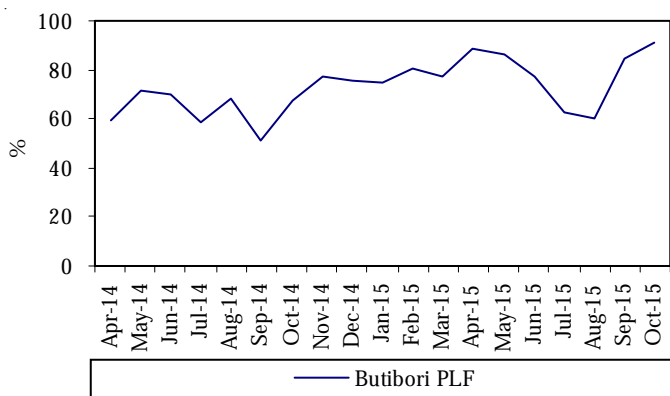


KSK Energy – Wardha Warora

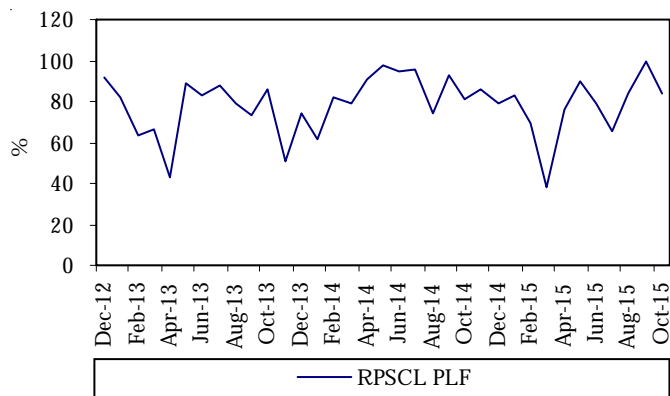


Source: CEA, B&K Research

Reliance Power – Butibori

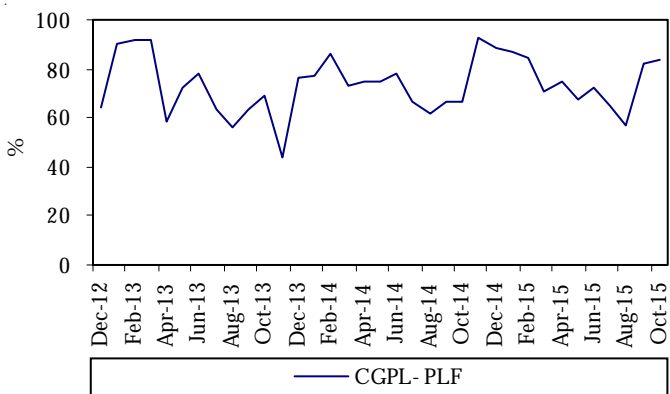


Reliance Power – Rosa I

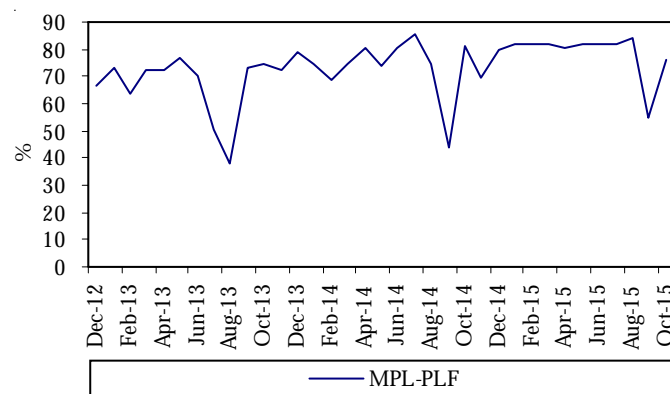


Source: CEA, B&K Research

Tata Power – Mundra UMPP



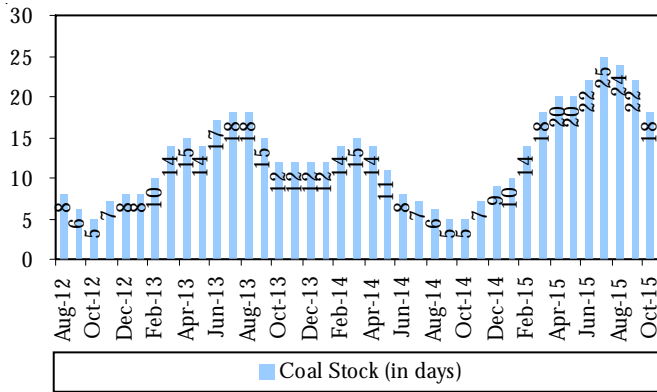
Tata Power – Maithon Power



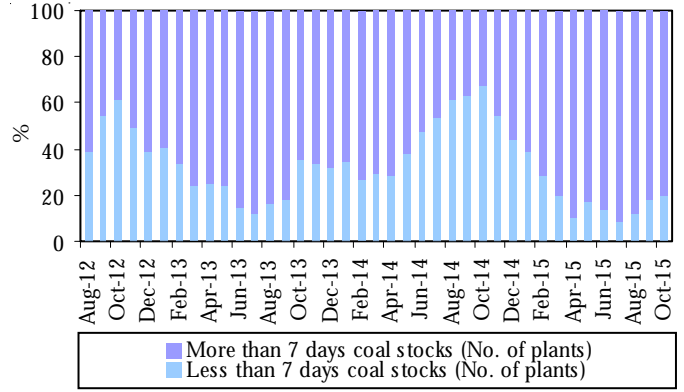
Source: CEA, B&K Research

Coal stock at the plant

All India coal stock at power plant

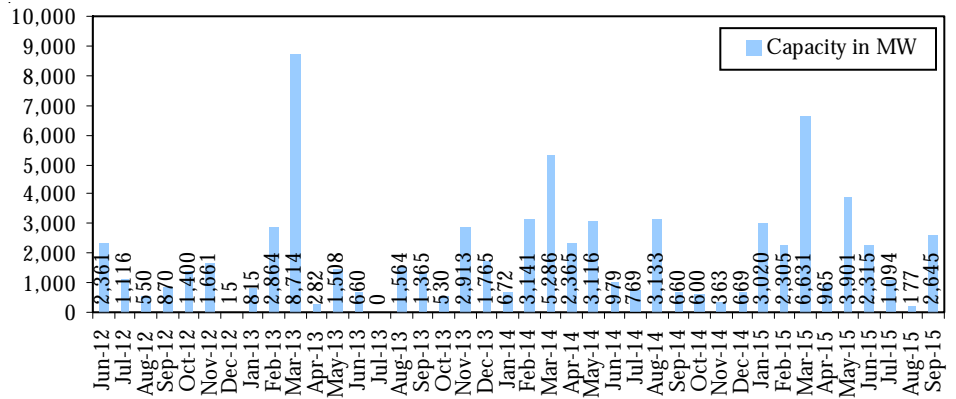


No. of plants with coal stock less and greater than 7 days



Source: CEA, B&K Research

All India capacity addition



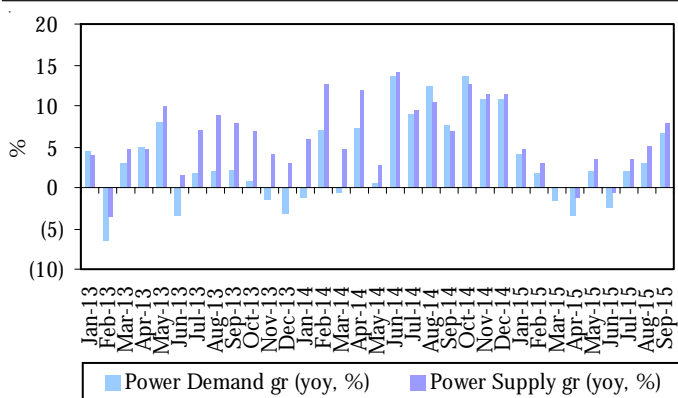
Source: CEA, B&K Research

Power Demand and Deficit

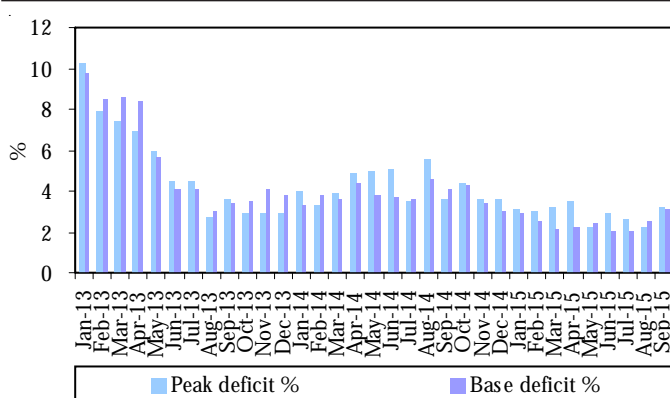
Monthly snapshot – Demand/Supply

Sep 15	Energy demand	Energy available	Energy deficit	Energy deficit (%)
MU	95,220	92,217	3,003	3.2
Growth YoY (%)	6.7	7.8	(18.4)	-
Growth MoM (%)	(2.3)	(2.9)	21.6	-
	Peak Demand	Peak Available	Peak Deficit	Peak Deficit (%)
MW	150,728	145,947	4,781	3.2
Growth YoY (%)	3.3	3.8	(9.4)	-
Growth MoM (%)	0.8	(0.1)	42.0	-

Growth in energy demand and supply

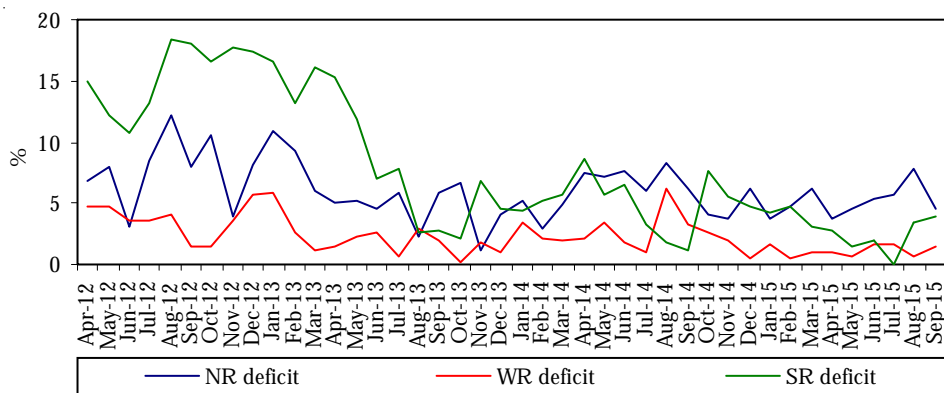


Energy and Peak (Surplus/Deficit)



Source: CEA, B&K Research

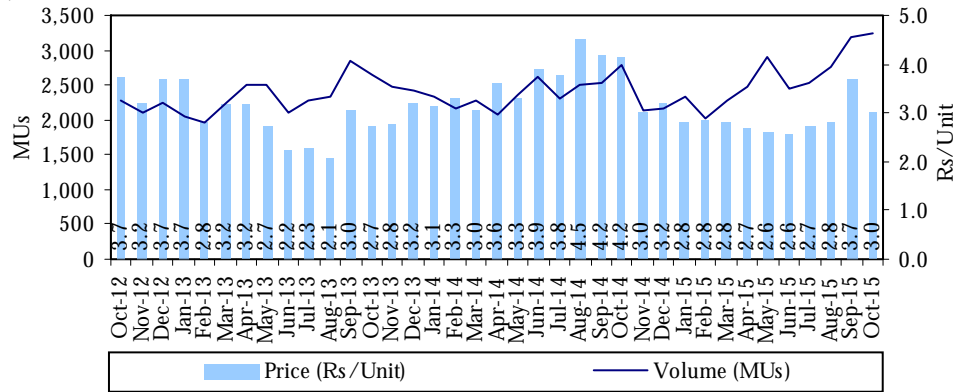
Region-wise deficit



Source: CEA, B&K Research

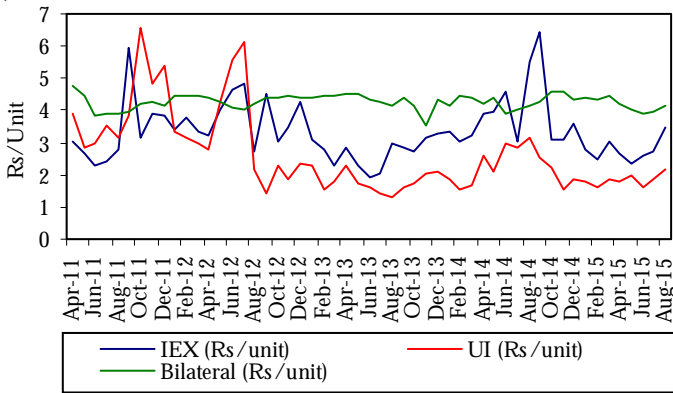
Short term tariff

IEX monthly price and volume



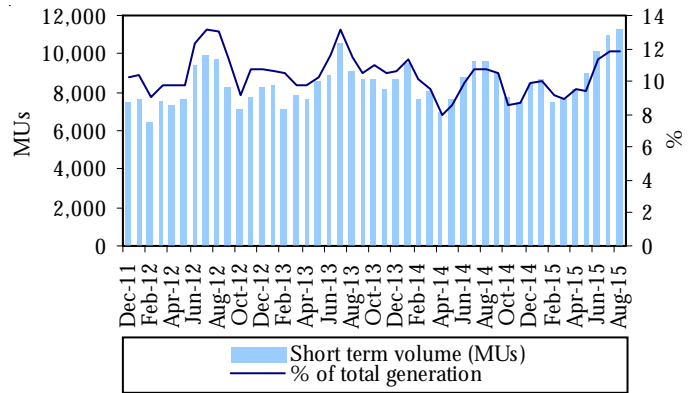
Source: IEX, B&K Research

Short-term tariff



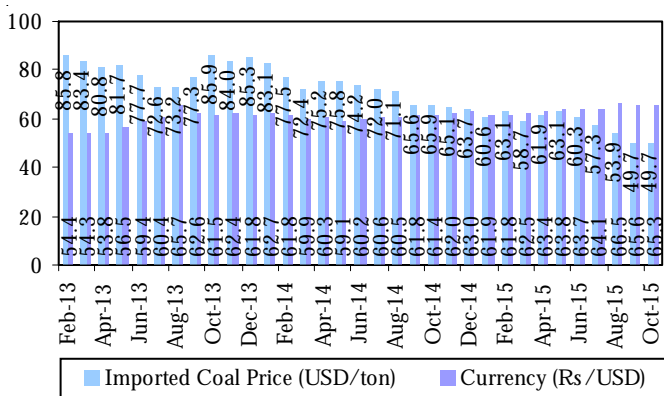
Source: CERC, B&K Research

Short-term volume as a % of total generation

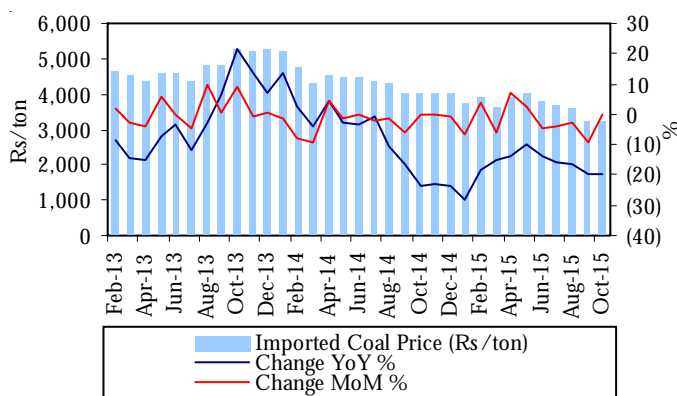


Imported coal movement (RB Index 6000 kcal, FoB)

Imported coal price – Monthly trend

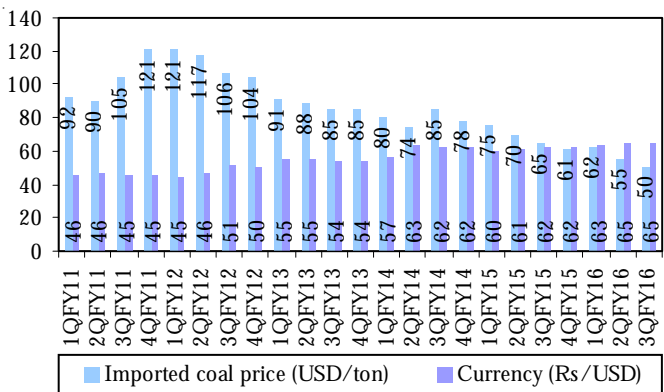


Change in Price YoY and MoM

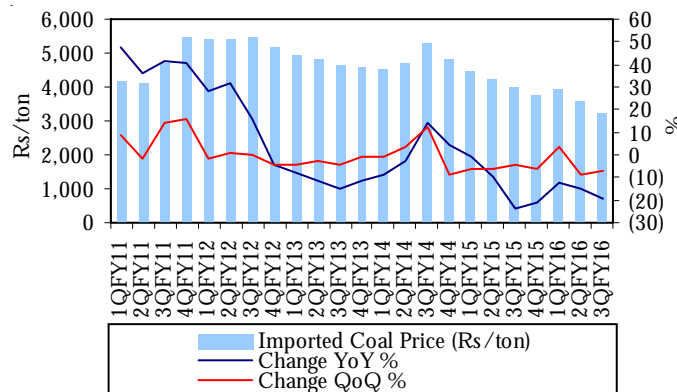


Source: Bloomberg, B&K Research

Imported coal price – Quarterly trend

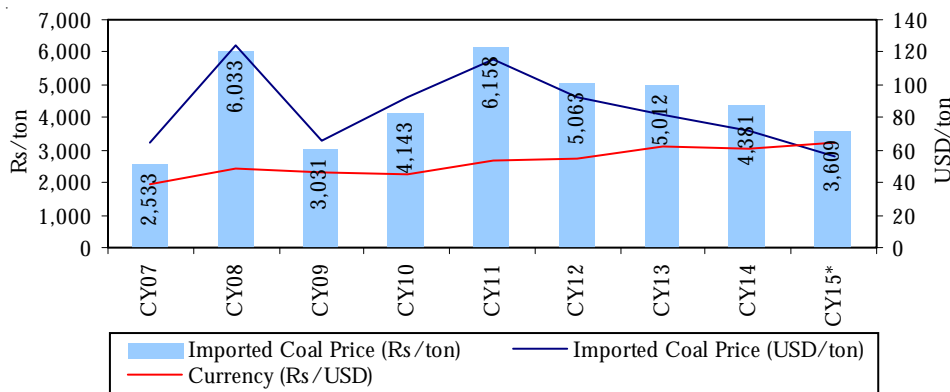


Change in coal prices YoY and QoQ



Source: Bloomberg, B&K Research

Imported coal price calendar year trend



Source: Bloomberg, B&K Research

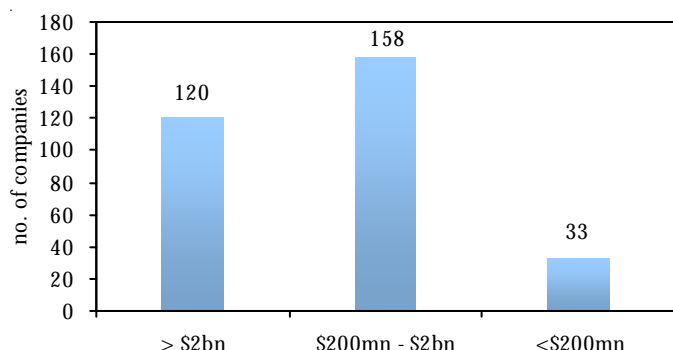
*Till October 2015.

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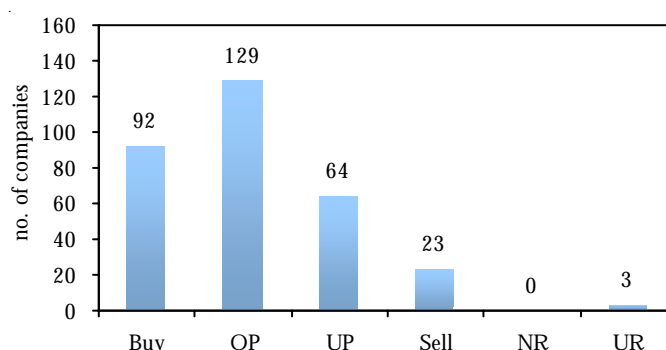
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B&K Universe Profile

By Market Cap (US\$ mn)



By Recommendation



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	LARGE CAP (Market Cap > USD 2 bn)	MID CAP (Market Cap of USD 200 mn to USD 2 bn)	SMALL CAP (Market Cap <USD 200 mn)
BUY	>+20% (absolute returns)	>+25% (absolute returns)	>+30% (absolute returns)
OUTPERFORMER	+10% to +20%	+15% to +25%	+20% to +30%
UNDERPERFORMER	+10% to -10%	+15% to -15%	+20% to -20%
SELL	<-10% (absolute returns)	<-15% (absolute returns)	<-20% (absolute returns)

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