

Q2FY21 result review

Utilities

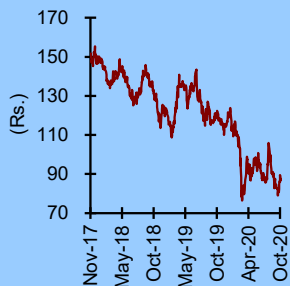
Target price: Rs165

Shareholding pattern

	Mar '20	Jun '20	Sep '20
Promoters	51.0	51.0	51.0
Institutional investors	46.1	46.0	46.3
MFs and others	19.9	20.5	20.8
FI & Banks	1.0	1.0	1.0
Insurance Co	12.6	13.1	13.1
FII's	12.6	11.4	11.4
Others	2.9	3.0	2.7

Source: NSE

Price chart



INDIA

NTPC

BUY

Maintained

Green capex, buyback, dividend, valuation – can't get better **Rs89**

NTPC has reported strong operational numbers in Q2FY21 on the back of power demand recovery. While reported standalone PAT was Rs35bn, up 7.4% YoY, adjusted PAT was Rs39.4bn, improving 22.9% YoY (adjusting for one-offs and onetime rebate on fixed charges). With H1FY21 consolidated adjusted profit at Rs83.6bn, up 16% YoY, NTPC is expected to register 15% earnings CAGR over FY21-23. The company's green commitments remain firm and we expect it to be visible in its ESG scores going forward. NTPC has announced it will buy back 197.9mn shares (2% of total share capital) at Rs115/sh (total consideration Rs22.76bn), but still expects to pay 5% of net worth as dividend over and above the buyback in FY21 (implies Rs6/sh). Maintain BUY with an unchanged target price of Rs165/sh.

- ▶ **Operational profitability remains high:** For standalone, reported PAT in Q2FY21 was Rs35bn (up 7.4% YoY) while adjusted PAT was Rs39.4bn (up 22.9% YoY). NTPC provided for the balance Rs5.6bn rebate during Q2FY21 (Rs8bn provided in Q1FY21). Adjusting for the same, PAT in H1FY21 was Rs73bn, up 19% YoY. Revenue for the quarter was Rs246.8bn, up 8.4% YoY, while EBITDA was Rs71.8bn, up 13.2%. Regulated equity was Rs635bn vs Rs618bn at FY20-end. On consolidated basis, reported PAT in Q2FY21 was Rs34.9bn, down 7.7% YoY, but adj. PAT in H1FY21 (adjusting one-offs and Rs15.07bn FC rebate) was Rs83bn, up 16.2% YoY.
- ▶ **Buyback announced:** NTPC has announced a buyback programme through which it will buy back 197.9mn shares (2% of total share capital) at Rs115/sh (total consideration Rs22.76bn). It has fixed 13th Nov as the record date. Special approval has been taken so that Gol's stake does not go below 51%. NTPC expects to continue paying 5% of net worth as dividend in FY21 (implies Rs6/sh), over and above the buyback.
- ▶ **Decoding the quarter for the year ahead:** With adjusted EPS for standalone/consolidated entity at Rs7.4/Rs8 in H1FY21, we believe, NTPC is on course to achieve FY21E target EPS of Rs12.3/Rs14. Rs102.6bn increase in regulated equity in TTM has resulted in strong core earnings, which a robust commissioning pipeline, supported by green initiatives will strengthen further. Over dues (>45days) now stand at Rs191.6bn but are expected to reduce to Rs160bn by FY21-end. Under-recoveries were Rs4.97bn at Q2FY21-end. The company expects FY21 under recovery at ~Rs2.5bn.
- ▶ **Evolution into a cleaner and greener company should be rewarded:** We believe NTPC is taking huge strides to transform itself into a company with cleaner coal assets, higher share of renewables and greater focus on all ESG parameters. Transition to cleaner technologies requires huge investments, which, without external support, only cashflows from company's current basket of assets is able to fund. This is apart from the fact that thermal will continue to retain its status as the primary fuel for power generation in the next two decades in India. Thus, being essential for NTPC's as well as India's transition to cleaner generation technologies, rather than completely discrediting it, investors should view current thermal technologies as vital for funding future green technologies and give it a larger scope in our endeavour to achieve a greener future. Intent of the company is very clear, which is to move towards "Clean, Green & Sustainable". We believe if all forms of hydrocarbons (solid, liquid or gas) are shunned immediately, most of the companies become un-investible.
- ▶ **Maintain BUY:** We maintain **BUY** with an unchanged target price of Rs165/share. The stock is currently trading at FY22E standalone P/BV of 0.7x (P/E of 5.4x) and FY22E consolidated P/E of 4.8x.

Market Cap	Rs883bn/US\$11.9bn	Year to March	FY20	FY21E	FY22E	FY23E
Reuters/Bloomberg	NTPC.BO/NTPC IN	Revenue (Rs mn)	977,004	1,056,688	1,160,564	1,245,907
Shares Outstanding (mn)	9,894.6	Net Income (Rs mn)	121,735	121,803	163,448	182,781
52-week Range (Rs)	127/76	EPS (Rs)	12.3	12.3	16.5	18.5
Free Float (%)	49.0	% Chg YoY	14.7	0.1	34.2	11.8
FII (%)	11.4	P/E (x)	7.3	7.3	5.4	4.8
Daily Volume (US\$'000)	29,674	CEPS (Rs)	18.9	23.3	29.0	32.7
Absolute Return 3m (%)	5.7	EV/E (x)	9.4	8.2	6.8	6.1
Absolute Return 12m (%)	(23.8)	Dividend Yield	3.5	6.8	7.1	7.7
Sensex Return 3m (%)	6.1	RoCE (%)	5.6	6.1	7.4	7.8
Sensex Return 12m (%)	0.2	RoE (%)	10.7	10.2	12.6	12.9

Please refer to important disclosures at the end of this report

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Table 1: Key metrics

	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Coal PLF (%)	78.0%	72.6%	77.7%	77.6%	73.9%	64.3%	63.5%	69.5%	58.2%	64.3%
Regulated equity (Rs bn)	509.0	519.9	521.1	539.9	531.4	532.6	565.7	618.1	628.6	635.1
Fuel cost/kWhr (Rs)	2.03	2.09	2.22	1.9	2.18	2.27	2.21	2.36	2.06	2.07
Realisation/kWhr (Rs)	3.52	3.61	3.69	3.31	3.80	4.01	4.17	4.29	4.20	3.93
PLF-linked incentive (Rs mn)	824	796	900	1,050	1,130	n.a.	n.a.	350*	n.a.	n.a.

* PLF incentive for FY20 is Rs1,993mn

Source: Company, I-Sec research

Table 2: Q2FY21 & H1FY21 result review – standalone

(Rs mn, year ending March 31)

	Q2FY21	Q2FY20	Q1FY21	% YoY	% QoQ	H1FY21	H1FY20	YoY %
Total revenues	246,771	227,646	234,535	8.4	5.2	481,306	469,572	2.5
Fuel costs	130,385	129,122	115,082	1.0	13.3	245,467	267,865	(8.4)
SG&A expenses	31,088	23,690	29,124	31.2	6.7	60,212	50,391	19.5
Employee expenses	13,465	11,372	12,878	18.4	4.6	26,342	23,330	12.9
Total operating expenses	174,937	164,184	157,084	6.5	11.4	332,021	341,586	(2.8)
EBITDA	71,834	63,462	77,451	13.2	(7.3)	149,285	127,986	16.6
<i>EBITDA margin (%)</i>	<i>29.1</i>	<i>27.9</i>	<i>33.0</i>	<i>123.2</i>	<i>(391.4)</i>	<i>31.0</i>	<i>27.3</i>	<i>13.8</i>
Depreciation & amortisation	25,294	21,231	25,297	19.1	(0.0)	50,592	41,741	21.2
Other income	13,462	8,937	5,675	50.6	137.2	19,137	12,199	56.9
Interest & finance charges	17,728	16,190	20,825	9.5	(14.9)	38,553	31,843	21.1
Extraordinary items	(2,136)	8,678	0			-2,135	13,784	
Reported pre-tax income	42,274	34,977	37,004	20.9	14.2	79,277	66,601	19.0
Less: Taxation	5,090	11,030	12,302	(53.9)	(58.6)	17,392	21,732	(20.0)
Reported PAT	35,048	32,624	24,702	7.4	41.9	59,750	58,652	1.9
Adjustments	4,346	(558)	2,359			(13,176)	(2,779)	
Recurring PAT	39,394	32,066	33,723	22.9	16.8	72,926	61,431	18.7

Source: Company, I-Sec research

Table 3: Q2FY21 operational performance – standalone

	Q2FY21	Q2FY20	Q1FY21	% YoY	% QoQ
Commercial capacity (MW)	50,355	46,525	50,355	8.2	-
Gross generation (MU)	67,528	61,139	60,127	10.4	12.3
Power sold (MU)	62,866	56,814	55,845	10.7	12.6
Coal PLF (%)	64.3	64.3	58.2	(1.0)	605.0
Gas PLF (%)	26.2	13.1	25.4	1,311.0	83.0
Average realisations (Rs/kWhr)	3.93	4.0	4.2	(2.0)	(6.5)
Fuel cost/unit (Rs/kWhr)	2.07	2.3	2.1	(8.7)	0.6
EBITDA/unit (Rs)	1.1	1.1	1.4	2.3	(17.6)
EBITDA margin (%)	29.1	27.9	33.0	123.2	(391.4)
Reported PAT margin (%)	14.2	12.7	11.5	147.1	266.4
Regulated equity	635,140	532,567	628,640	19.3	1.0

Source: Company, CEA, I-Sec research

Table 4: Q2FY21 & H1FY21 result review – consolidated*(Rs mn, year ending March 31)*

	Q2FY21	Q2FY20	Q1FY21	% YoY	% QoQ	H1FY21	H1FY20	YoY %
Total revenues	277,078	257,090	261,948	7.8	5.8	539,025	525,952	2.5
Fuel costs	137,483	135,323	121,019	1.6	13.6	258,503	281,228	(8.1)
SG&A expenses	38,353	32,114	36,086	19.4	6.3	74,438	67,361	10.5
Employee expenses	16,119	13,936	15,367	15.7	4.9	31,486	28,060	12.2
Total operating expenses	191,955	181,373	172,472	5.8	11.3	364,426	376,648	(3.2)
EBITDA	85,123	75,717	89,476	12.4	(4.9)	174,599	149,304	16.9
<i>EBITDA margin (%)</i>	<i>30.7</i>	<i>29.5</i>	<i>34.2</i>	<i>127.0</i>	<i>(343.6)</i>	<i>32.4</i>	<i>28.4</i>	<i>14.1</i>
Depreciation & amortisation	30,148	25,312	29,366	19.1	2.7	59,515	49,605	20.0
Other income	9,699	8,596	5,999	12.8	61.7	15,698	13,268	18.3
Interest & finance charges	22,194	19,117	24,653	16.1	(10.0)	46,846	37,692	24.3
Share of profit of JVs	1514	1239	1341	22.2	13.0	2,855	2,711	5.3
Extraordinary items	(2,642)	9,222	558			-2,084	14,850	
Reported pre-tax income	43,994	41,124	42,797	7.0	2.8	86,791	77,985	11.3
Less: Taxation	6,406	12,464	13,866	(48.6)	(53.8)	20,271	23,627	(14.2)
Reported PAT	34,946	37,881	29,489	(7.7)	18.5	64,436	69,208	(6.9)
Adjustments	9,908	(558)	9,305			(19,213)	(2,779)	
Recurring PAT	44,855	37,323	38,794	20.2	15.6	83,648	71,988	16.2

Source: Company, I-Sec research

Earnings call takeaways

- In Q2FY21, **six coal stations were in the top-10** with highest PLF in the country (Korba: 96.87%, Sipat: 95.45%, Rihand: 94.47%, Talcher: 94.44%, Vindychal: 90.31%, Nabinagar: 86.74%).
- **Gross generation** NTPC (SA): 67.5BU in Q1FY21 (up 10.4% YoY). Coal PAF was at 91.8% during the quarter vs 84.1% in Q2FY20.
- **Consolidated gross generation** in Q2FY21 was 77.9BU (up 13.5% YoY) and for H1FY21 was 145.9BU (up 0.4% YoY).
- For Q2FY21 on YoY basis, coal **PLF** was flat at 64.3% due to grid restrictions and coal availability issues. Gas PLF was higher by ~1300bps at 26.2% and hydro PLF was lower by 385bps YoY at 96.4% due to lower water flow.
- **Under-recoveries** came at Rs4.97bn at Q2FY21-end vs Rs3.3bn at Q1FY21-end. Company expects to close FY21 under recovery at similar levels to FY20 at ~Rs2.5bn. Major contributors to the under recoveries were Darlipalli (now operating at 104% PLF) and Kahalgaon, where there was an ash dyke related issue.
- During H1FY21/Q2FY21, company earned **surcharge** of Rs11.5bn/Rs6.6bn (vs Rs8.2bn/Rs6.5bn in H1FY20/Q2FY20).
- **Loss due to grid restrictions:**
 - Coal – 61BU in H1FY21
 - Gas – 12BU in H1FY21
- **Loss due to fuel supply constraints** at coal-based stations: 0.11BU in H1FY21.
- **Materialisation of coal against ACQ** during H1FY21 was 88.1% (89.6% in H1FY20).
- **Coal consumption** for H1FY21: 79mnte (78.5mnte – domestic; 0.5mnte – imported coal) vs 80.7mnte in H1FY20.
- **Average tariff:** Rs3.86/kWh (vs Rs3.74/kWh for Q2FY20).
- **Captive coal production** at Pakri-Barwadiah mines: H1FY21 – 3.19mnte (H1FY20 – 4.5mnte). Cumulatively, the mine has produced 22.65mnte coal till H1FY21. Dulanga produced 0.94mnte during H1FY21 (0.35mnte in H1FY21). Target captive production for FY21/FY22 is 18mnte/29mnte.
- **Cumulative captive coal mines expenditure** till Sep'20 on development of mines is Rs72.7bn.
- **Regulated equity** at Q2FY21-end was Rs635bn vs Rs532.5bn in Q2FY20 (up 19.3%).
- **Standalone capex** in H1FY21 was Rs71.4bn (vs Rs91.4bn in H1FY20) while that for group was Rs129.8bn. Capex outlay for FY21 is estimated at Rs210bn.
- **Total capacity commercialised** by NTPC till date in H1FY21 reached 1,968MW: 984MW RE, 660MW at Khargone, 300MW at Kameng (NEEPCO), 24MW RE for THDC.

- **Commercialisation target** for FY21: 6,292MW; FY22: 6,426MW; FY23: 4,216MW. Installation target for FY21: 5,566MW; FY22: 7,336MW; FY23: 5,016. Unit-wise:
 - Lara (800MW) by Nov'20
 - Gadarwara (800MW) by Dec'20
 - Meja (660MW) by Dec'20
 - NPGCL (660MW) by Mar'20
 - Barh (660MW) by Mar'20
 - RE (160MW) by Mar'20
 - Kameng (300MW; NEEPCO) by Dec'20
 - RE (74MW; THDC) by Mar'20
- ~65GW **FGD** capacity is targeted to be achieved over the next two years, of which, 1,340MW has already been commissioned, 58.94GW has been awarded and 4.57GW is under tendering.
- NTPC has awarded contract for install **low-NOx combustion system** for 19GW capacity (capex required: Rs1mn/MW). Equipment has already been installed at five units (2GW). Contracts for 19GW capacity have been awarded, while award for further 43GW is under process.
- **Average cost of debt** was 6.37% for H1FY21 vs 6.91% for H1FY20.
- Company signed **term loan agreement** for Rs50bn, Rs10bn and Rs9bn respectively with HDFC, Bol and Axis Bank.
- Company signed a foreign currency loan agreement for JPY50bn (~Rs35bn) for FGD and RE projects.
- Company is in final stages of refinancing Masala Bonds worth Rs40bn.
- Received Rs5.6bn as **dividend income** during the quarter. Company's reported consolidated PAT is lower due to loss at NEEPCO as there was an accident at Kopili HEP. But adjusted for the FC rebate, H1FY21 PAT has increased ~15%.
- **Receivables** have increased substantially and over dues (>45days) now stand at Rs191.6bn vs Rs164bn at Q1FY21-end. Receivables are expected to reduce to Rs160bn by FY21-end. Over dues >90 days stood at Rs110bn. Top five states with over dues >45 days:
 - Uttar Pradesh: Rs44bn
 - Jammu & Kashmir: Rs37bn
 - Karnataka: Rs29.9bn
 - Madhya Pradesh: Rs19bn
 - Telangana: Rs13.5bn
- Company has **received Rs67.4bn/Rs80.9bn at standalone/group level through the PFC/REC scheme**. It is yet to receive further ~Rs75bn since many states have still not received their share of loans. Additionally, Rs25bn is expected to be

received from Karnataka, which is not availing this facility and will borrow from banks.

- Company has **realized 78.5%** of billed amount in H1FY21.
- **Renewables:** Currently renewables operational capacity owned by NTPC is 1,070MW. 2,404MW is under construction and 2,088MW is under various stages of tendering. In case of RE assets through developer mode, 3,983MW has been commissioned, 1,400MW is under construction and 1,170MW is under various stages of tendering.
- Company has set up a subsidiary – **NTPC Renewable Energy Ltd.** – in which it plans to hive off its RE assets and strive to take the RE share to over 25% of group capacity.
- **NVVN** transacted 8.36BU during H1FY21 (vs 7.92BU during H1FY20). NVVN has won a 50MW tender of DVC to set up a solar plant (estimated capex is Rs2bn).
- NTPC is also looking to use **agro-residue for power generation**. 5mnte biomass pellet will be procured for five plants – Korba, Dadri, Rihand, Sipat and Kudgi. Co-firing is already being done at NTPC Dadri. This technology will be replicated at 17 more stations.
- Group level **ash utilization** for H1FY21 was 59% (55.9% for standalone).
- **MoUs signed:** Company has signed MoU with BARC for developing WtE and other technologies. It has also signed MoU with International Solar Alliance to set up solar projects in 47 member states. Another MoU has been signed with L&T hydrocarbon engineering to develop technologies to convert CO2 to methanol. Another MoU has been signed with Greenko Solar for trading collaboration for RTC RE power.
- NTPC has selected three plants – Solapur, Kudgi and Gadawara – for **setting up energy intensive industries** in phase-I.
- NTPC is in discussion with REC to form a **new national discom**.

Valuation methodology and risks

We maintain **BUY** on NTPC with the target price unchanged at **Rs165/share**. The stock is currently trading at FY22E standalone P/BV of 0.7x (P/E of 5.4x) and FY22E consolidated P/E of 4.8x.

Table 5: Valuations based on P/BV

Constituent	Multiple (x)	Amount (Rs mn)	Value (Rs/share)
Standalone core business	1.8	1,409,073	142
Cash	1	25,000	3
JV & Subsidiaries	1.25	200,000	20
Total	1.90	1,634,073	165

Source: Company data, I-Sec research

Key risks to our call: i) Delay in capitalisation of assets, leading to lower capital efficiency, and ii) lower-than-expected utilisation due to weak demand, resulting in lower incentive income.

Financial summary (standalone)

Table 6: Profit & loss statement

(Rs mn, year ending March 31)

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Operating Income (Sales)	708,438	782,734	834,527	903,074	977,004	1,056,688	1,160,564	1,245,907
Operating Expenses	529,567	569,892	617,854	675,359	706,077	747,082	790,480	836,411
EBITDA	178,871	212,843	216,673	227,715	270,927	309,605	370,084	409,496
<i>% margins</i>	25.2	27.2	26.0	25.2	27.7	29.3	31.9	32.9
Depreciation & Amortisation	51,723	59,208	70,989	72,544	86,229	108,710	123,913	140,593
Gross Interest	32,964	35,972	39,843	47,167	67,820	65,659	66,039	66,419
Other Income	11,654	10,689	17,553	18,721	27,780	19,928	24,178	25,993
Recurring PBT	105,837	128,351	123,395	126,725	144,659	155,163	204,309	228,476
Add: Extraordinaries	121	(4,472)	5,530	(38,413)	48,288	-	-	-
Less: Taxes	(1,738)	30,026	25,493	(29,187)	91,820	33,360	40,862	45,695
Net Income (Reported)	107,696	93,853	103,432	117,499	101,128	121,803	163,448	182,781
Recurring Net Income	97,726	96,021	96,940	106,160	121,735	121,803	163,448	182,781

Source: Company data, I-Sec research

Table 7: Balance sheet

(Rs mn, year ending March 31)

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Assets								
Total Current Assets	298,898	289,661	373,660	422,606	488,252	491,141	515,613	570,819
<i>of which cash & cash eqv.</i>	<i>44,608</i>	<i>29,305</i>	<i>39,784</i>	<i>21,443</i>	<i>22,091</i>	<i>61,385</i>	<i>93,948</i>	<i>139,802</i>
Total Current Liabilities & Provisions	241,732	271,527	301,520	328,824	335,212	345,212	345,212	345,212
Net Current Assets	57,166	18,134	72,140	93,781	153,040	145,929	170,401	225,608
Investments	83,930	89,524	100,475	131,459	264,009	274,009	284,009	294,009
<i>of which</i>								
<i>Strategic/Group</i>	<i>83,930</i>	<i>89,524</i>	<i>100,475</i>	<i>131,459</i>	<i>264,009</i>	<i>274,009</i>	<i>284,009</i>	<i>294,009</i>
<i>Other Marketable</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net Fixed Assets	1,581,965	1,800,928	1,988,354	2,168,273	2,301,706	2,402,996	2,479,083	2,538,490
<i>of which</i>								
<i>Capital Work-in-Progress</i>	<i>664,232</i>	<i>807,371</i>	<i>777,832</i>	<i>912,067</i>	<i>733,593</i>	<i>657,143</i>	<i>546,893</i>	<i>406,468</i>
Goodwill & other LT assets	186,590	185,662	139,447	186,440	222,708	222,708	222,708	222,708
Total Assets	1,909,651	2,094,248	2,300,416	2,579,954	2,941,463	3,045,642	3,156,201	3,280,814
Liabilities								
Borrowings	931,272	1,068,402	1,216,046	1,429,334	1,685,881	1,727,881	1,737,881	1,747,881
Deferred Tax Liability	11,522	14,848	24,086	42,001	80,940	80,940	80,940	80,940
Equity Share Capital	82,455	82,455	82,455	98,946	98,946	98,946	98,946	98,946
<i>Face Value per share (Rs)</i>	<i>10</i>	<i>10</i>	<i>10</i>	<i>10</i>	<i>10</i>	<i>10</i>	<i>10</i>	<i>10</i>
Reserves & Surplus*	830,482	879,858	935,323	975,136	1,036,749	1,098,928	1,199,487	1,314,100
Net Worth	912,937	962,312	1,017,778	1,074,082	1,135,694	1,197,874	1,298,433	1,413,046
Other LT Liabilities	53,919	48,685	42,506	34,537	38,948	38,948	38,948	38,948
Total Liabilities	1,909,651	2,094,248	2,300,416	2,579,954	2,941,463	3,045,642	3,156,201	3,280,814

*excluding revaluation reserves

Source: Company data, I-Sec research

Table 8: Quarterly trend

(Rs mn, year ending March 31)

	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sept-19	Dec-19	Mar-20	Jun-20	Sep-20
Total Revenues	227,036	222,611	241,204	212,224	241,926	227,646	234,964	272,469	234,535	246,771
EBITDA	59,548	55,924	65,799	46,444	64,524	63,462	69,764	73,178	77,451	71,834
Margin (%)	26.23	25.12	27.28	21.88	26.67	27.88	29.69	26.86	33.0	29.1
Other income	1,364	2,249	1,877	13,232	3,262	8,937	5,263	10,319	5,675	13,462
Add: Extraordinaries	1,601	3,699	(3,100)	(63,759)	5,106	8,678	15,982	18,523	-	(2,136)
Net profit (reported)	25,881	24,260	23,854	43,503	26,028	32,624	29,951	12,524	24,702	35,048
Net profit (adjusted)	25,550	24,653	23,406	34,167	29,765	28,982	29,537	34,012	33,722	34,770

Source: Company data, I-Sec research

Table 9: Cashflow statement*(Rs mn, year ending March 31)*

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Operating Cashflow	29,129	177,534	246,414	166,145	221,719	276,245	329,222	363,801
Working Capital Changes	103,784	23,730	(43,528)	(39,982)	(58,611)	46,405	8,091	(9,353)
Capital Commitments	(281,612)	(278,172)	(258,415)	(252,462)	(219,661)	(210,000)	(200,000)	(200,000)
Free Cashflow	(148,699)	(76,908)	(55,528)	(126,299)	(56,553)	112,650	137,313	154,448
Cashflow from Investing Activities	(14,920)	(30,877)	(33,241)	(59,431)	(172,589)	(55,732)	(51,862)	(50,426)
Issue of Share Capital	(0)	-	-	16,491	-	-	-	-
Buyback of shares	-	-	-	-	-	-	-	-
Inc (Dec) in Borrowings	95,949	137,130	147,644	213,288	256,547	42,000	10,000	10,000
Dividend paid	(27,622)	(39,413)	(42,217)	(54,420)	(31,168)	(59,624)	(62,888)	(68,168)
Extraordinary Items	-	-	-	-	-	-	-	-
Chg. in Cash & Bank balance	(95,293)	(10,068)	16,658	(10,371)	(3,763)	39,294	32,563	45,854

Source: Company data, I-Sec research

Table 10: Key ratios*(Year ending March 31)*

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Per Share Data (Rs)								
EPS(Basic Recurring)	11.9	11.6	11.8	10.7	12.3	12.3	16.5	18.5
Diluted Recurring EPS	11.9	11.6	11.8	12.7	12.3	12.3	16.5	18.5
Recurring Cash EPS	19.3	18.6	21.2	19.2	18.9	23.3	29.0	32.7
Dividend per share (DPS)	3.4	4.8	5.1	5.5	3.2	6.0	6.4	6.9
Book Value per share (BV)	110.7	116.7	123.4	108.6	114.8	121.1	131.2	142.8
Growth Ratios (%)								
Operating Income	(3.3)	10.5	6.6	8.2	8.2	8.2	9.8	7.4
EBITDA	11.2	19.0	1.8	5.1	19.0	14.3	19.5	10.6
Recurring Net Income	9.8	(1.7)	1.0	9.5	14.7	0.1	34.2	11.8
Diluted Recurring EPS	9.8	(1.7)	1.0	7.7	(2.8)	0.1	34.2	11.8
Diluted Recurring CEPS	4.9	(4.0)	14.0	(9.2)	(1.4)	23.0	24.7	12.5
Valuation Ratios (x)								
P/E	7.5	7.7	7.6	8.3	7.3	7.3	5.4	4.8
P/CEPS	4.6	4.8	4.2	4.6	4.7	3.8	3.1	2.7
P/BV	0.8	0.8	0.7	0.8	0.8	0.7	0.7	0.6
EV / EBITDA	9.1	8.3	8.8	10.1	9.4	8.2	6.8	6.1
EV / Operating Income	2.3	2.3	2.3	2.5	2.6	2.4	2.2	2.0
EV / Operating FCF	(10.9)	(23.1)	(34.4)	(18.1)	(45.0)	22.6	18.4	16.1
Operating Ratios								
SG&A cost / Revenue	66.9	66.3	65.1	66.4	63.4	62.1	59.9	59.1
Other Income / PBT (%)	11.0	8.3	14.2	14.8	19.2	12.8	11.8	11.4
Effective Tax Rate (%)	(1.6)	24.2	19.8	(33.1)	47.6	21.5	20.0	20.0
NWC / Total Assets (%)	0.7	(0.5)	1.4	2.8	4.5	2.8	2.4	2.6
Inventory Turnover (days)	48.3	41.7	35.8	43.2	55.5	47.5	42.6	40.3
Receivables (days)	40.2	38.1	33.1	34.1	58.5	45.0	40.0	40.0
Payables (days)	116.9	119.9	127.5	137.6	134.7	132.2	124.9	118.1
Net D/E Ratio (x)	1.0	1.1	1.2	1.3	1.5	1.4	1.3	1.1
Profitability Ratios (%)								
Rec. Net Income Margins	13.8	12.3	11.6	11.8	12.5	11.5	14.1	14.7
RoCE	7.3	6.2	5.9	6.8	5.6	6.1	7.4	7.8
RoNW	10.7	10.0	9.5	9.9	10.7	10.2	12.6	12.9
Dividend Payout Ratio	0.3	0.4	0.4	0.4	0.3	0.5	0.4	0.4
Dividend Yield	3.8	5.4	5.7	6.2	3.5	6.8	7.1	7.7
EBITDA Margins	25.2	27.2	26.0	25.2	27.7	29.3	31.9	32.9

Source: Company data, I-Sec research

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