

Power Generation

BSE Sensex: 17,223

S&P CNX: 5,114

20 October 2009

September 2009 all India generation up 8% YoY, PLF up by 188bp YoY driven by gas based projects

During September 2009, all India generation stood at 62.6BUs (vs 58.1BUs YoY), while overall PLF improved by 188bp to 62.7% (vs 60.9% YoY). Coal and lignite based power generation increased by 3.6% YoY to 41BUs (66% of total generation) at PLF of 71.7% (flat YoY), whereas gas based generation increased 52% YoY to 7.7BUs (12% of total generation) at PLF of 64.9% (up 14.7pps YoY). Hydro power generation remained flat YoY to 12.3BUs, while nuclear power generation increased by 42% YoY to 1.6BUs.

During YTD FY10, all India generation increased by 7% YoY to 379.5BUs (vs 354.7BUs YoY) and PLF increased by 313bp YoY at 61.1%. Coal based generation increased by 7% YoY to 262.4BUs (vs 245.2BUs YoY) at a PLF of 71.7% (up 374bp YoY) whereas gas based generation increased by 36% YoY to 46.4BUs (vs 34.2BUs YoY) at PLF of 66.6%.

ALL INDIA GENERATION (BUS) & PLF (%)

	SEP-09		SEP-08		YTD FY10		YTD FY09	
	GENERATION	PLF (%)	GENERATION	PLF (%)	GENERATION	PLF (%)	GENERATION	PLF (%)
Thermal-Coal & Lignite	41.0	71.7	39.6	71.8	262.4	71.7	245.2	68.0
Thermal-Gas	7.7	64.9	5.1	50.2	46.4	66.6	34.2	49.2
Nuclear	1.6	55.1	1.2	38.9	8.8	47.5	7.7	43.1
Hydro	12.3	44.2	12.3	45.0	61.9	37.0	67.6	41.3
Total*	62.6	62.7	58.1	60.9	379.5	61.1	354.7	58.0

* Excludes generation from Bhutan

Source: CEA

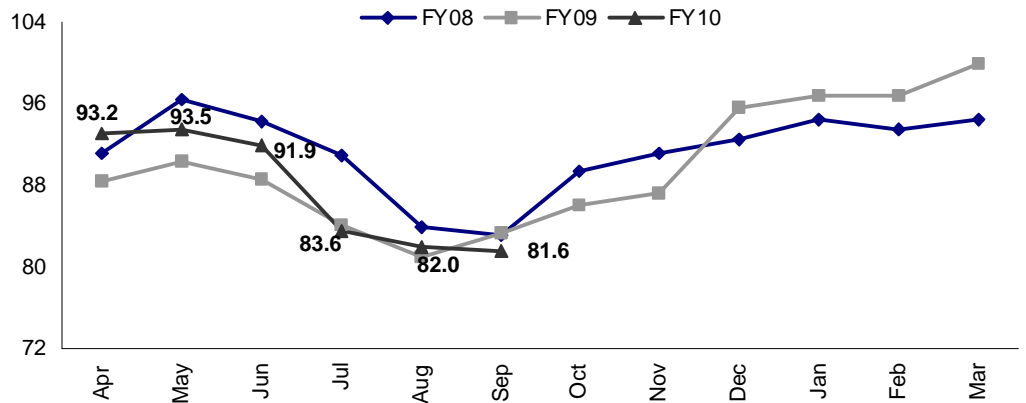
Adani Power reports PLF of 60% for September 2009

During September 2009, Adani Power (APL) has reported generation of 144.4MUs from the first unit of 330MW of Mundra Phase 1 commissioned in June-09. We calculate PLF at 59.9% based on the reported generation by the company. During YTD FY10, company has reported net generation of 254MUs.

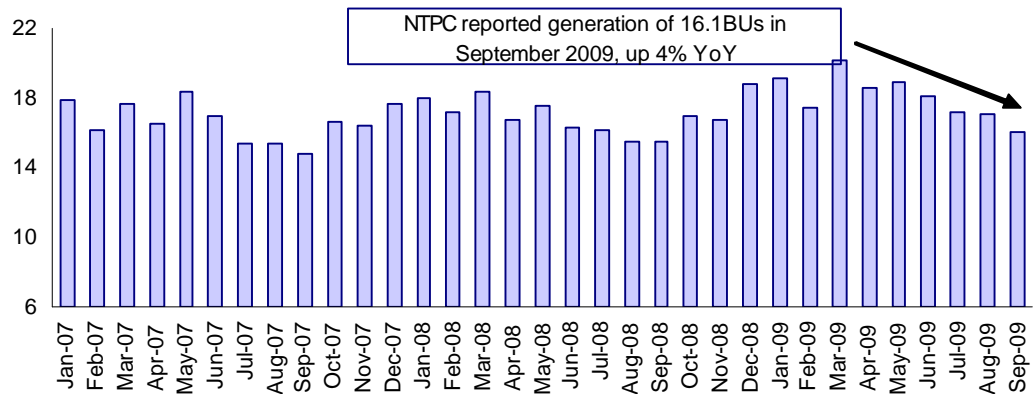
NTPC (September 2009): Generation increase by 4% YoY, PLF for coal based project down 186bp to 82%

During September 2009, net generation of NTPC increased by 4% YoY at 16.1BU (vs. 15.4BU YoY), while PLF for coal based projects was down by 186bp to 81.6% (vs 83.4% YoY). During YTD FY10, net generation of NTPC increased by 8.5% YoY at 105.9BU (vs. 97.6BU YoY).

NTPC SEPTEMBER PLF (%) DOWN 186BP



NTPC AUG-09 MONTHLY GENERATION UP 8% YOY (BU)

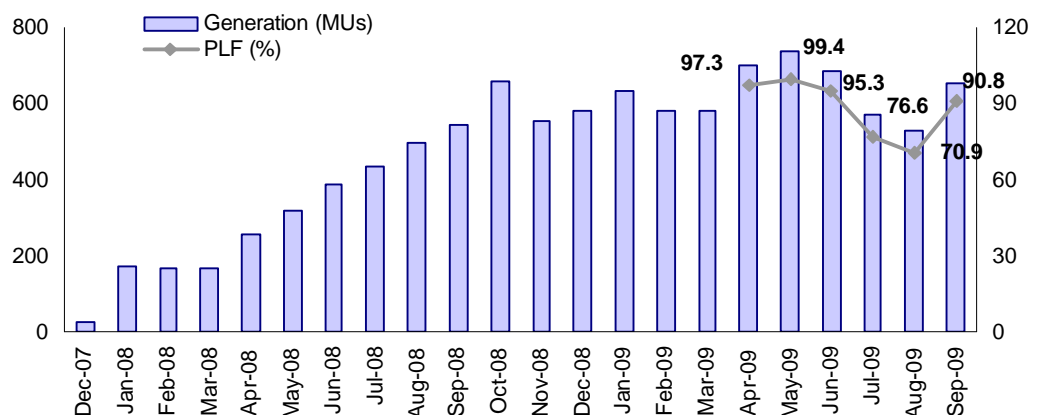


Source: CEA

JSPL: Power generation up 20% YoY; PLF at 91% (vs 71% in August 2009)

- During September 2009, Jindal Steel and Power (JSPL) reported generation increase of 20.2% YoY to 654MUs (vs 544MUs in September 2008), due to lower base effect as project capacity was being ramped up.
- PLF for the month of September 2009 stood at 91%, vs 77% in July 2009 and 71% in August 2009, as maintenance shutdown was completed by end August 2009.

JSPL: SEPTEMBER 2009 GENERATION UP 20%, PLF AT 91%



Source: CEA

PLF for gas based project on uptrend

- GVK Power reported PLF of 87% for its JP 1 and 2, while PLF for Gautami power project stood at 82.8%.
- GMR's Barge mounted project reported lower PLF at 39% for September 2009, while Chennai project reported a decline in PLF at 65.7% (vs 84% in September 2008). Vemagiri power project reported 92.8% PLF.
- JPSL witnessed higher PLF for Chhattisgarh power project due to increase in demand post monsoon season. PLF stood at 91%, vs 71% in August 2009.
- Reliance Infrastructure's Dahanu project (500MW) reported PLF of 105% (flat YoY), while PLF for Samalkot project (220MW) in AP improved to 81% (vs 45% in September 2008). PLF for Kochi power project (200MW) stood at 10.3%, vs 39.7% in September 2008.
- Tata Power's Trombay unit reported PLF of 75.2%, vs 93.9% YoY, while Karnataka IPP reported PLF of 33.5% (vs 47.5% YoY). Tata Steel CPP operated at 69.3% PLF, up from 66.6% in September 2008.
- Torrent Power project existing units reported decline of ~120bps in PLF to 103%, while Sugden reported healthy PLF of over 86.4% (higher number is attributable to change in rated capacity, vs monitored capacity).

PLF OF MAJOR PRIVATE SECTOR UTILITIES

	CAPACITY (MW)*	SEP-09		SEP-08		YTD FY10		YTD FY09	
		GEN, (MUS)	PLF (%)	GEN, (MUS)	PLF (%)	GEN, (MUS)	PLF (%)	GEN, (MUS)	PLF (%)
Adani Power	330	144.4	59.9	-	-	254.0	17.6	-	-
GVK									
- JP 1 & 2	455.4	288.9	86.9	111.0	33.4	1,585.0	79.5	670.3	-
- Gautami	464	280.5	82.8	-	-	1,155.2	85.3	-	-
GMR									
- Barge Mounted	220	63.9	39.8	-	-	266.4	27.6	134.6	14.0
- Chennai	200	95.9	65.7	122.6	84.0	686.8	78.4	713.0	81.4
- Vemagiri	370	250.6	92.8	-	-	1,453.5	89.7	213.9	-
JSPL									
- Chattisgarh	1000	654.0	90.8	543.9	74.5	3,944.6	90.1	2,451.8	-
Rel Infra									
- Dahanu	500	378.1	105.0	377.4	104.8	2,281.6	103.9	2,267.5	103.3
- Samalkot (AP)	220	129.7	80.8	72.2	45.0	787.9	81.8	485.8	60.5
- Goa	48	18.9	53.9	27.6	78.8	164.4	78.2	171.7	98.0
- Kochi	174	13.0	10.3	50.4	39.7	449.8	59.0	298.8	39.2
Tata Power									
- Trombay	1580	852.2	75.2	777.8	93.9	5,395.9	77.5	5,052.3	91.1
- Karnataka IPP	81	19.8	33.5	28.1	47.5	180.2	50.8	183.8	62.2
- TISCO (Jamshedpur)	360	182.1	69.3	174.9	66.6	1,212.6	63.3	1,101.1	76.7
Torrent Power									
- Existing	490	356.4	103.3	363.3	104.5	2,172.2	102.5	2,161.1	103.3
- Sugden	1147.5	724.0	86.4	-	-	2,473.2	73.8	-	-

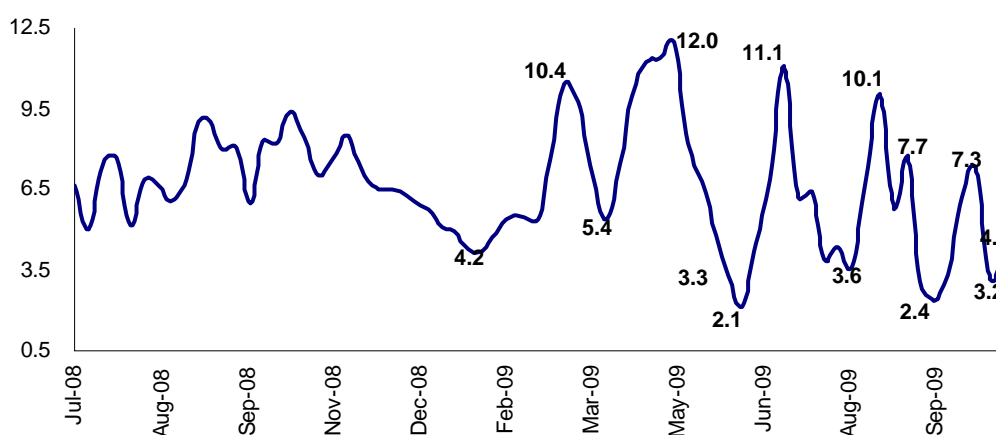
*Monitored capacity by CEA

Source: CEA

Cap on ST prices applicable till 26th October 2009

Central Electricity Regulatory Commission (CERC) has in its order dated September 11, 2009 imposed a cap on short term power trading prices at Rs8/unit (lower range at Rs0.8/unit) for a period of 45 days currently (Section 62 of the Electricity Act of 2003 allows the regulator to cap power prices for period of upto 1 year). Thus, the cap on ST power would not be applicable from 26th October, 2009, which may boost the average tariff for the day, given that the current peak tariff is peaked at Rs8/unit. Short term prices in the interim have been volatile and are hovering in the range of Rs3-7/unit. For the week ended 18th October, 2009, ST prices stood at Rs4/unit, vs Rs7.30/unit for the week ended 4th October, 2009.

SHORT TERM POWER TRADING PRICES (RS/UNIT)



Source: CEA

COMPARATIVE VALUATIONS

COMPANY	EPS GR. (%)		ROE (%)		P/BV (X)		P/E (X)		EV/EBITDA (X)	
	FY10E	FY11E	FY10E	FY11E	FY10E	FY11E	FY10E	FY11E	FY10E	FY11E
NTPC	4.9	12.5	14.3	14.7	2.8	2.6	20.8	18.5	17.1	12.5
Reliance Infra	35.5	14.1	10.4	10.9	2.6	2.3	23.8	20.9	35.1	29.3
Tata Power	0.2	0.0	9.6	9.6	3.3	3.1	22.6	22.6	17.8	15.3
CESC	-2.0	9.4	11.3	11.2	1.6	1.4	13.6	12.5	7.1	10.1

Source: MOSL

N O T E S



For more copies or other information, contact

Institutional: Navin Agarwal. **Retail:** Manish Shah

Phone: (91-22) 39825500 Fax: (91-22) 22885038. E-mail: reports@motilaloswal.com

Motilal Oswal Securities Ltd, 3rd Floor, Hoechst House, Nariman Point, Mumbai 400 021

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