

Power Generation

BSE Sensex: 17,338

S&P CNX: 5,198

14 June 2010

All India generation up 4.6% YoY in May 2010, PLF at 65.6% (v/s 65.4% in May 2009)

All India generation up ~4.6% YoY in May 2010, PLF up marginally

All India generation during May 2010 was 67.7BU (v/s 64.7BU in May 2009), while overall PLF was up 20bp to 64.9% (v/s 63.8% in May 2009). Coal and lignite based power generation declined 4.2% YoY to 47.3BU (70% of total generation) at PLF of 78.2% (down 420bp YoY, validating media reports of coal shortage in the country), whereas gas-based generation increased 31% YoY to 9.1BU (13% of total generation) and PLF moved upwards to 77% (up 13.9pp). Hydro power generation increased by 36.7% to 9.7BU, while nuclear power generation grew 25% YoY to 1.7BU.

ALL INDIA GENERATION (BUS) & PLF (%)

	MAY-10		MAY-09		YTD FY11		YTD FY10	
	GENERATION	PLF (%)	GENERATION	PLF (%)	GENERATION	PLF (%)	GENERATION	PLF (%)
Thermal-Coal & Lignite	47.3	78.2	49.4	85.1	94.6	77.7	93	80.8
Thermal-Gas	9.1	77.1	6.9	63.0	18.5	74.3	14	63.1
Nuclear	1.7	53.3	1.4	44.3	3.5	51.9	3	48.5
Hydro	9.7	34.7	7.1	26.2	18.1	32.6	16	29.3
Bhutan IMP	0.3	NA	0.1	NA	0.4	NA	1	NA
Total*	67.7	65.6	64.7	65.4	134.7	64.5	126	63.8

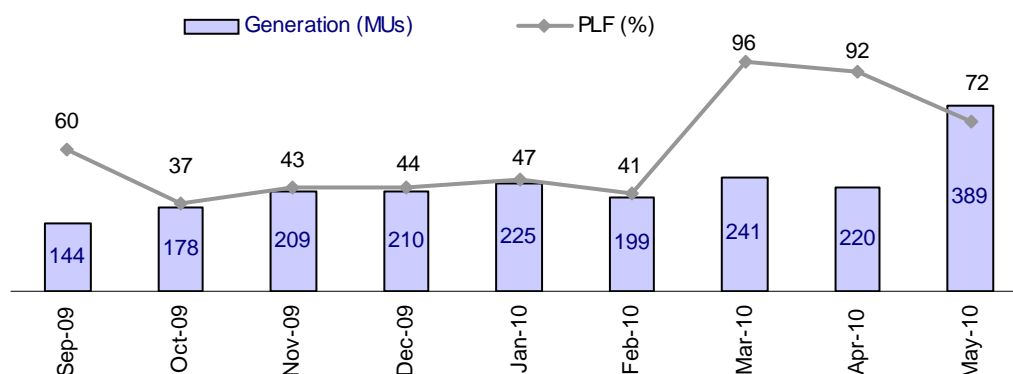
* Excludes generation from Bhutan

Source: CEA

Adani Power reported PLF of 72% for phase-1 (660MW) of its Mundra plant

During May 2010, Adani Power (APL) reported generation of 389MU and PLF of 72% for phase-1 (660MW) of its Mundra plant. Unit-2 (330MW) of phase-1 was commissioned only in March 2010; generation could have been lower due to stabilization period. For YTD, APL has generated 746.9MU.

ADANI POWER: PLANT IN STABILIZATION MODE, PLF DOWN MOM

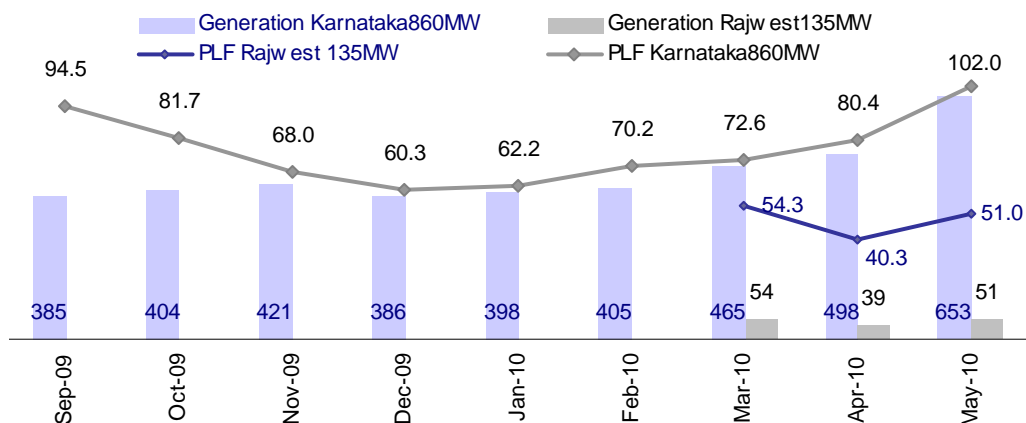


*PLF for the month of March and April is as reported by CEA; for the remaining months, PLF is calculated based on reported generation
 Source: Company/MOSL

JSW Energy reported PLF of 102% for Karnataka (860MW) and 51% for Raj West (135MW)

JSW Energy's Karnataka Power Project (860MW) reported generation of 652MU at a PLF of 102%. However, unit-1 (135MW) of Raj West Power Project reported PLF of 51% due to non-availability of water. Management has indicated that water supply would be normalized from 1QFY10 onwards.

JSW ENERGY: 860MW PLANT REPORTED PLF OF 100%+

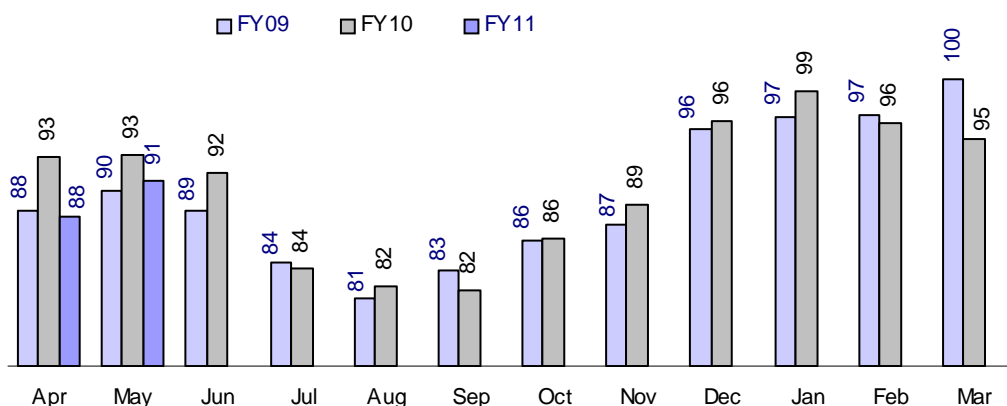


Source: CEA

NTPC's generation increased by 1.3% YoY, thermal projects reported PLF of 91%

During May 2010, NTPC's net generation increased by 1.3% YoY to 19.1BU (v/s 18.9BU in May 2009), while PLF for thermal projects was down by 226bp at 91%. However, due to improved gas availability, gas-based projects at Kawas and Gandhar reported PLF of 80% and 85%, respectively.

NTPC: MAY 2010 PLF (%) DOWN 226BP YOY

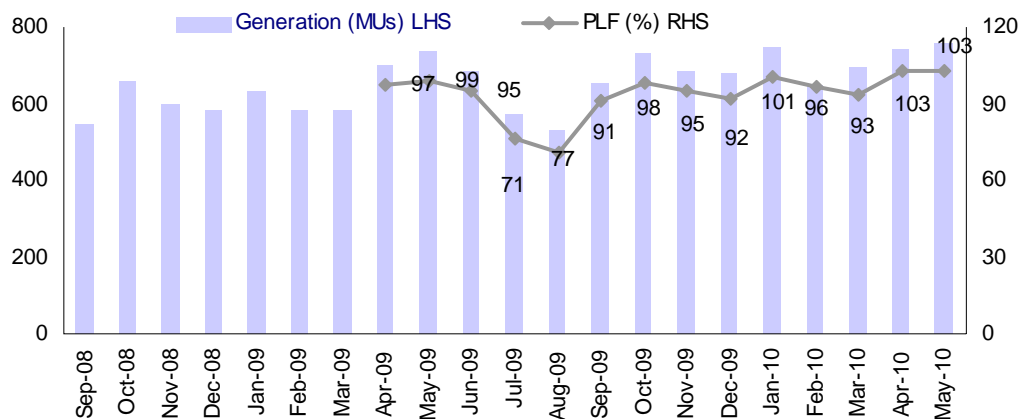


Source: CEA

Jindal Power's generation up 2.9% YoY; PLF at 103%

During May 2010, Jindal Power's (JPL) generation grew 2.9% YoY to 760MU (v/s 739MU in May 2009). PLF for the month of May 2010 stood at 103%, up 366bp.

JINDAL POWER: MAY 2010 GENERATION UP 2.9%, PLF AT 103%



Source: CEA

PLF for gas-based projects on uptrend

- GVK Power reported PLF of 82.9% for JP 1 and 2, while PLF for Gautami Power Project stood at 86.5%.
- GMR's barge-mounted plant was non operational in May 2010, as the project is being shifted to Kakinada. Earlier, the company had indicated CoD for the project by 1QFY11. The Chennai Project reported increase in PLF to 61.2% (v/s 76.8% in May 2009). Vemagiri Power Project reported PLF of 88.7% (v/s 95.3 in May 2009).
- JPL reported PLF of 102% for Tanmar-I Power Project v/s 98.7% in May 2009.
- Reliance Infrastructure's Dahanu Project (500MW) reported PLF of 104% (v/s 105% in May 2009), while PLF of Samalkot Project (220MW, part of Reliance Power now) in AP improved to 89.5% (v/s 77.4% in May 2009). Kochi Plant (part of Reliance Power now) reported PLF of 37% v/s 77% in May 2009.
- Tata Power's Trombay unit (1,580MW) reported PLF of 83% v/s 82.6% in May 2009, while CEA has clubbed Karnataka IPP Generation with Tisco (Jamshedpur). Tata Steel CPP (now with capacity of 441MW including Karnataka IPP of 81.3MW) operated at 79.4% PLF (v/s 84.5% in May 2009).
- Torrent Power unit reported PLF of 98% (down 517bp YoY), while Sugden reported PLF of 95%.
- JSW Energy's Raj West Power (unit-1) reported PLF of 51% due to non-availability of water. Management has indicated that water supply would be normalized from 1QFY10. Karnataka Power Project reported generation of 652MU, at a PLF of 102%.

GENERATION OF MAJOR PRIVATE SECTOR UTILITIES (MUS)

	CAPACITY (MW)*	MAY-10		MAY-09		YTD FY11		YTD FY10	
		GENERATION	PLF (%)	GENERATION	PLF (%)	GENERATION	PLF (%)	GENERATION	PLF (%)
Adani Power									
- Mundra Phase 1	660.0	388.6	71.7	0.0	0.0	746.9	77.5	0.0	0.0
GVK									
- JP 1 & 2	455.4	275.7	82.9	305.3	91.8	556.6	83.7	442.8	66.6
- Gautami	464.0	292.8	86.5	137.8	40.7	598.5	88.3	158.8	23.4
GMR									
- Barge Mounted	220.0	0.0	0.0	75.6	47.1	0.0	0.0	0.0	0.0
- Chennai	200.0	89.3	61.2	112.1	76.8	205.5	70.4	236.0	80.8
- Vemagiri	370.0	239.5	88.7	257.4	95.3	507.8	94.0	439.1	81.3
JSPL									
- Chattisgarh	1,000.0	760.2	102.2	720.8	98.7	1,504.0	103.0	1,410.0	96.6
Reliance Infra									
- Dahanu	500.0	386.4	103.9	390.0	105.0	762.1	104.1	769.9	105.2
- Samalkot (AP)	220.0	143.8	89.5	124.3	77.4	285.3	88.8	234.5	73.0
- Goa	48.0	10.2	29.1	32.8	93.5	39.5	56.3	64.1	91.4
- Kochi	174.0	47.0	37.0	98.7	77.7	123.8	48.7	196.3	77.3
Tata Power									
- Trombay	1,580.0	1,000.0	83.0	1,005.0	82.6	1,945.1	82.0	1,945.9	82.6
- Karnataka IPP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Tata Steel (Jamshedpur)	441.3	292.0	98.2	233.0	88.6	569.6	95.1	500.5	81.5
Torrent Power									
- Existing	500.0	362.2	98.0	372.5	103.2	714.6	98.5	726.0	103.2
- Sugan	1,147.5	797.0	95.1	223.7	40.1	1,602.6	95.7	287.5	17.2
JSW Energy									
- Rajwest Unit-I (RWPL JSW)	135.0	51.2	51.0	0.0	0.0	90.5	45.9	0.0	0.0
-Karnataka (Jindal)	860.0	652.5	102.0	0.0	0.0	1,270.5	101.2	292.2	48.4

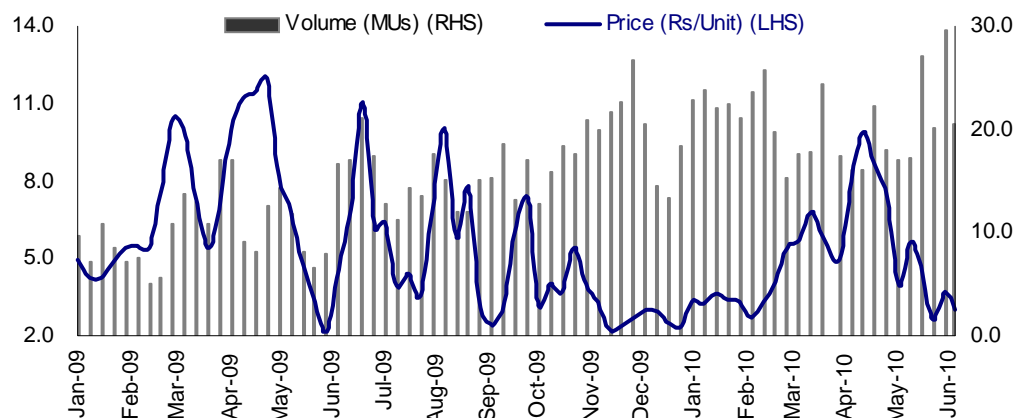
*Monitored capacity by CEA

Source: CEA

Short-term prices remain low, post recent highs

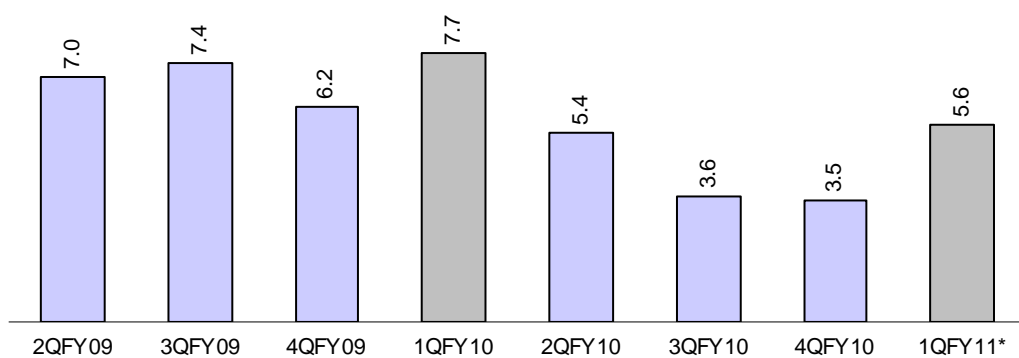
With the onset of monsoon and the proposed move by CERC to cap short-term prices at Rs5/unit, day-ahead prices on Indian Energy Exchange (IEX) remain subdued. For the week ended 14 June 2010, short-term prices stood at Rs3.2/unit, v/s Rs5.6/unit a month ago for the week ended 19 May 2010. During the first week of June 2010, short-term prices dropped to Rs2.6/unit. ST Prices has inverse co-relation to the volumes of electricity traded. During November 2009 to April 2010 IEX registered highest volumes at low price.

SHORT TERM POWER TRADING PRICES: HIGHER PRICE AT LOW VOLUME AND VICE VERSA



Source: IEX

QUARTERLY AVERAGE DEPICTING YOY FALL IN ST PRICES



* Till 14 June 2010

Source: IEX

COMPARATIVE VALUATIONS

COMPANY	REC	EPS GR. (%)		ROE (%)		P/BV (X)		P/E (X)		EV/EBITDA (X)	
		FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E
NTPC	Neutral	11.1	3.1	14.1	15.0	2.4	2.2	18.0	15.5	12.9	10.5
Reliance Infra	Buy	20.1	18.8	9.7	10.1	1.5	1.4	19.5	16.4	15.1	11.9
Tata Power	Neutral	43.5	34.9	8.8	9.2	2.4	2.2	14.0	10.4	15.5	14.4
CESC	Neutral	5.9	10.2	12.6	12.4	1.3	1.2	9.9	9.0	9.0	9.4
PGCIL	Buy	10.6	29.1	15.0	17.3	2.5	2.2	17.2	13.4	11.0	9.4

Source: MOSL



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