

August 2, 2017

NTPC (NTPC)

₹ 168

EBITDA miss but other income buoys PAT...

- NTPC reported Q1FY18 results, which were disappointing operationally, given lower EBITDA. However, significant other income led to beat on reported PAT
- Reported revenues came in at ₹ 19879.3 crore vs. estimate of ₹ 19934.3 crore. The revenue miss was on account of lower-than-expected energy sold as auxiliary consumption at 7.1% was higher than estimates of 6.6%. The company sold 59.8 billion units during Q1FY18 vs. our estimate of 60 billion units. Gross generation declined 0.2% at 64.4 billion units. Average tariff for Q1FY18 was at ₹ 3.25/KwHr, in line with our estimates
- NTPC disappointed on the EBITDA front as it came in at ₹ 5040 crore vs. our estimate of ₹ 5770 crore. Key reason for the disappointment was higher-than-expected other expenses, which were up 61% YoY. Though up 11% YoY, employee expenses were also higher at ₹ 1071.2 crore vs. estimate of ₹ 946.9 crore. On the other hand, fuel cost per unit at ₹ 1.88/KwHr was in line with estimates
- Optically, PAT came in at ₹ 2618.2 crore vs. our estimate of ₹ 2385.3 crore. Deviation was on account of higher-than-expected other income. It came in at ₹ 662.6 crore vs. estimate of ₹ 200 crore

Generation, energy sales muted as tariff up 5.6% YoY, flat QoQ

NTPC's installed power capacity has grown, up to Q1FY18, to 40.5 GW while installed capacity was at 44419 MW. We expect installed capacity of NTPC group to increase at 7.6% CAGR in FY17-19E to 58.2 GW capacity. The plant load factor (PLF) for coal-based stations declined in Q1FY18 to 79% vs. 81.3% YoY. PLF across gas-based plants was at 24.4% vs. 26.3% YoY. Consequently, gross generation declined 0.2% YoY in Q1FY18 to 64.41 billion units. Similarly, units sold also declined 0.8% to 59.82 billion units vs. our estimate of 60 billion units. Tariff per unit came in at ₹ 3.25/unit, in line with our estimate for Q1FY18. Going ahead, with increase in capacity over ~9000 MW in FY18E-19E, we expect energy sold to grow at a CAGR of 7.2% to 29503 crore units in FY17-19E. We expect total capacity to reach 52888 MW by the end of FY19E.

Total 970 MW commercialised in Q1FY18, target for FY18E intact

Commercial capacity as of Q1FY18 was at 41522 MW vs. 39542 MW (FY17). The company has commercialised 1840 MW of capacity in FY17 while the target for FY18 has been pegged at 4000 MW and 5400 MW for standalone and consolidated level, respectively.

Likely to mine 2-3 MT of coal in FY18

NTPC has started commercial operations of Pakrih Barwadih and mined ~3 lakh tonne of coal. The company also expects to commission another mine by FY18 and expects to mine 2-3 MTPA of coal. The capex incurred till now on development of coal mines was at ₹ 3800 crore.

Conundrum across power sector to act as overhang; maintain HOLD

Falling solar tariffs, higher inclination of SEBs to lower cost of power and increasing environmental concerns over coal based power plants will act as an overhang on NTPC's stock price. This is despite the fact that commercialisation will grow more than 2x in FY18 over FY17. In the medium term, we believe the stock will languish in a range until more clarity emerges on where the solar tariffs make a bottom. We continue to value NTPC at 1.3x FY19E ABV and maintain fair value of ₹ 176.

Rating matrix		
Rating	:	Hold
Target	:	₹ 176
Target Period	:	12 months
Potential Upside	:	7%

What's Changed?		
Target		Unchanged
EPS FY18E		Unchanged
EPS FY19E		Introduced at ₹ 14.4
Rating		Unchanged

Quarterly Performance					
	Q1FY18	Q1FY17	YoY (%)	Q4FY17	QoQ (%)
Revenue	19879	18881	5	20417	(3)
EBITDA	5040	5243	(4)	6204	(19)
EBITDA (%)	25	28	(242)	30	(503)
PAT	2618	2400	9	2096	25

Key Financials				
(₹Crore)	FY15	FY16	FY17E	FY18E
Net Sales	70507	76532	81876	88001
EBITDA	17513	21085	22323	23792
Net Profit	10231	10543	11451	11984
EPS (₹)	12.3	12.8	13.9	14.5

Valuation summary				
	FY15	FY16	FY17E	FY18E
PE (x)	13.5	12.9	11.9	11.4
Target PE (x)	15.5	14.9	13.7	13.1
EV/EBITDA (x)	11.3	10.3	10.4	10.3
P/BV (x)	1.5	1.4	1.3	1.2
RoNW (%)	11.6	11.0	11.1	10.7
RoCE (%)	9.4	7.3	6.3	7.4

Stock data	
Particulars	Amount
Market Capitalisation	₹ 141780 Crore
Debt (FY16)	₹ 86382 Crore
Cash (FY16)	₹ 4406 Crore
EV	₹ 223756 Crore
52 week H/L	₹ 178/127
Equity capital	₹ 8245 Crore
Face value	₹ 10

Price performance (%)				
	1M	3M	6M	12M
NTPC	(2.5)	(10.7)	(4.7)	(9.3)
CESC	3.0	5.0	(21.5)	(6.1)
Tata Power	(6.2)	(11.6)	(22.3)	(32.4)

Research Analyst	
Chirag Shah	
shah.chirag@icicisecurities.com	

Variance analysis

	Q1FY18	Q1FY18E	Q1FY17	YoY (%)	Q4FY17	QoQ (%)	Comments
							Revenues were mostly in line with estimates. Energy sold was slightly lower on account of higher-than-expected auxiliary consumption. Revenue growth was on account of increased tariff at ₹3.25/KwHr
Energy sales net	19,879.3	19,934.3	18,881.5	5.3	20,416.7	(2.6)	
Other operating income	0.0	0.0	0.0	-	0.0	-	
Total Income	19,879.3	19,934.3	18,881.5	5.3	20,416.7	(2.6)	
Fuel	12,077.7	12,021.5	11,632.4	3.8	11,945.4	1.1	Fuel cost/KwHr stood at ₹ 1.88/unit, which was flat QoQ
G&A	1,690.3	1,196.1	1,047.1	61.4	1,369.8	23.4	
Employee expense	1,071.2	946.9	958.9	11.7	897.9	19.3	Lower employee expenses led to EBITDA beat
Total expenses	14,839.2	14,164.5	13,638.3	8.8	14,213.2	4.4	
EBITDA	5,040.1	5,769.8	5,243.2	(3.9)	6,203.5	(18.8)	EBITDA was lower on account of higher-than-expected rise (61% YoY) in tariffs
EBITDA Margin (%)	25.4	28.9	27.8	-242 bps	30.4	-503 bps	
Depreciation	1,570.0	1,610.0	1,395.2	12.5	1,606.2	(2.3)	
Interest	895.6	900.0	900.4	-0.5	897.9	-0.3	
Other Income	662.6	200.0	158.8	317.3	470.2	40.9	
PBT	3,465.4	3,097.8	3,106.4	11.6	3,024.6	14.6	
Total Tax	847.2	712.5	706.6	19.9	928.6	(8.8)	
Adjusted PAT	2,618.2	2,385.3	2,399.8	9.1	2,096.1	24.9	Lower-than-expected EBITDA led to profitability miss. However, higher-than-expected other income led PAT to come in higher than estimate
Key Metrics							
Generation (Crore units)	6,441.1	6,428.6	6,455.5	(0.2)	6,377.0	1.0	Generation was in line with estimates
Sales (Crore units)	5,981.5	6,004.3	6,027.5	(0.8)	5,959.6	0.4	Energy sold was lower on account of higher auxiliary consumption
Tariff rate (₹/Kwh)	3.25	3.25	3.12	4.3	3.43	(5.1)	

Source: Company, ICICIdirect.com Research

Change in estimates

(₹ Crore)	FY18E			FY19E		
	Old	New	% Change	Old	New	% change
Revenue	81,875.7	81,875.7	0.0	87,593.0	88,001.4	0.5
EBITDA	22,323.1	22,323.1	0.0	23,627.0	23,792.2	0.7
EBITDA Margin (%)	27.3	27.3	0 bps	27.0	27.0	0.2
PAT	11,451.4	11,451.4	0.0	11,893.0	11,984.4	0.8
EPS (₹)	13.9	13.9	0.0	14.4	14.5	0.8

Source: Company, ICICIdirect.com Research

Assumptions

Crore units	Current			Earlier	Comments
	FY17	FY18E	FY19E	FY18E	FY19E
Generation	24,197.5	25,649.4	27,444.8	25,649.4	Generation growth driven by capacity addition
Sales	22,503.7	23,853.9	25,523.7	23,853.9	
Tariff rate (₹/Kwh)	3.18	3.20	3.20	3.2	

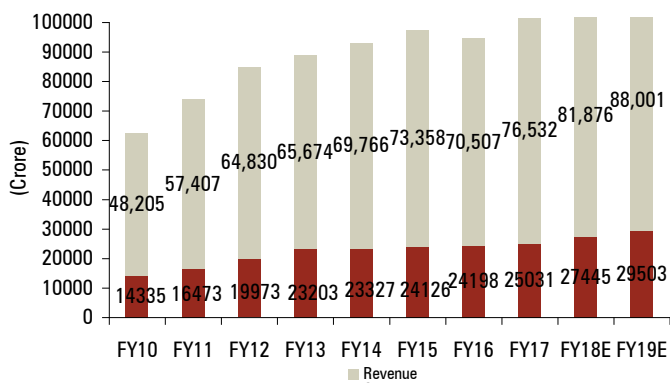
Source: Company, ICICIdirect.com Research

Company Analysis

Steady capacity addition programme in place, renewables on radar

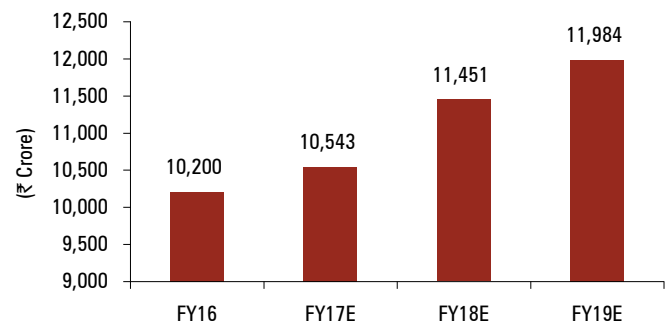
NTPC's installed power capacity has grown, in FY13-16, to 43.5 GW. We expect the installed capacity of the NTPC group to increase at 7.6% CAGR in FY17-19E to 58.2 GW capacity. Tariff realisation grew over the same period at 2.4% CAGR to ₹ 3.2 in FY16, which is among the lowest in the country as it is based on CERC regulation, thus lowering the risk of backdown by SEB. With assured fuel linkages and offtake agreement for existing and upcoming capacity, NTPC is least impacted by current sectoral woes. Accordingly, NTPC has managed to maintain better PLF and PAF over the years. Going ahead, we expect NTPC's generation to grow at 7.2% CAGR in FY17-19E while revenues and PAT are expected to grow at ₹ 88001 crore and ₹ 11984 crore in FY19E, respectively.

Exhibit 2: Generation and revenue trend



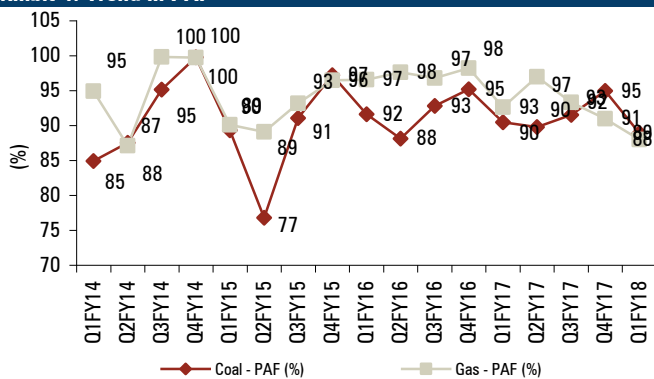
Source: Company, ICICIdirect.com Research

Exhibit 3: Trend in profitability over FY16-18E



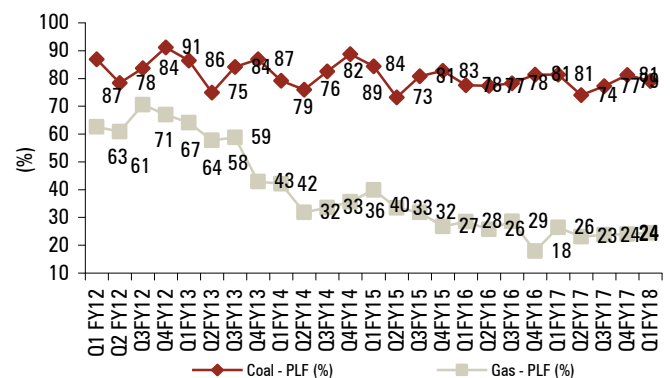
Source: Company, ICICIdirect.com Research

Exhibit 4: Trend in PAF



Source: Company, ICICIdirect.com Research

Exhibit 5: Trend in PLF



Source: Company, ICICIdirect.com Research

In the Twelfth Five Year Plan, we expect NTPC to add 13,500 MW capacity. For FY17, NTPC has added 1840 MW. Going ahead, we expect NTPC to install 5000 MW and commercialise 4000 MW of capacity. Total projects under construction are ~21000 MW.

Apart from these, NTPC plans to add 10,000 MW of solar capacity over the next four to five years. As of FY17, the company has solar capacity to the tune of 870 MW. NTPC is also in the process of tendering 1200 MW of capacity, which will come up in the next year or two.

Exhibit 6: Total 17084 MW projects under construction

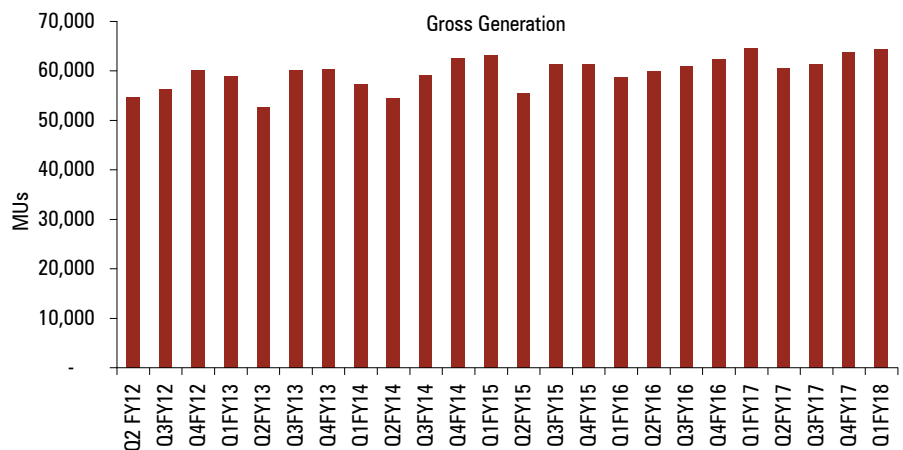
Projects	Capacity (MW)
Coal based	
Barh-I	1980
Bongaigaon	750
Barh II	660
Solapur	1320
Mouda-II	1320
Vindhyachal-V	500
Kudgi	2400
Lara	1600
Gadarwara	1600
Total - Coal based	12130
Hydro	
Tapovan Vishnugadh	520
Lata Tapovan + Singrauli	179
Total - Hydro	699
Renewable Projects	
Unchacha Solar	10
Ramagundam	10
Talcher	10
Faridabad	5
Rajgarh Solar	50
Total - Renewable	85
Projects under JVs/Subsidiaries	
Nabinagar-JV with Railways	1000
Nabinagar (JV with BSEB)	1980
Muzaffarpur expansion	390
(MTPS)-JV with BSEB Meja (JV with UPRVUNL)	1320
Total - Project under JVs/ Subsidiaries	4690
Total	17084

Source: Company, ICICIdirect.com Research

Q1FY18 result and analyst meet highlights

- The company sold 59.8 billion units during Q1FY18 vs. our estimate of 60 billion units. Gross generation declined 0.2% at 64.4 billion units
- Plant availability factor (PAF) for coal based stations was at 89% in Q1FY18 vs. 90.5% YoY and 95% QoQ. PAF for gas-based stations was at 88.2% in Q4FY17 vs. 92.6% YoY
- The plant load factor (PLF) for coal-based stations declined in Q1FY18 to 79% vs. 81.3% YoY. PLF across gas-based plants was at 24.4% vs. 26.3% YoY
- The company expects to increase its regulated base by 10% in FY18, which will go up to ~₹ 48000 crore
- NTPC received 38.3 MMT of domestic coal in Q1FY18 vs. 39.5 MMT in Q1FY17. Imported coal quantity declined 75% YoY to 0.14 MMT in Q1FY18 vs. 0.56 MMT in Q1FY17. Total coal consumption by FY19E is expected to be 169 MMTPA
- NTPC group's installed capacity was at 51671 MW. On a standalone basis, the same was at 44455 MW whereas commercial capacity as of Q1FY18 was at 41522 MW
- For FY17, NTPC incurred capex of ₹ 28252 crore while the subsidiaries spent ₹ 5739 crore. For FY18, NTPC is expected to incur a capex of ₹ 28000 crore on a standalone basis. The company has spent ₹ 3800 crore in the coal mining segment till date
- The company expects to mine 2-3 MTPA and 5 MTPA of coal in FY18E and FY19E, respectively. Over the next five years, the company expects to mine 20-25 million tonne (MT) of coal. The dependence on coal is likely to reduce to almost 0.5 MTPA by FY19E

Exhibit 7: Trend in generation (million units)

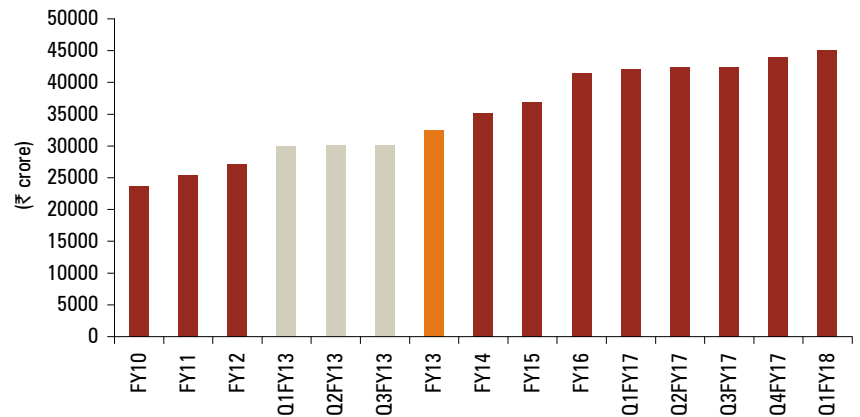


Source: Company, ICICIdirect.com Research

Outlook and valuation

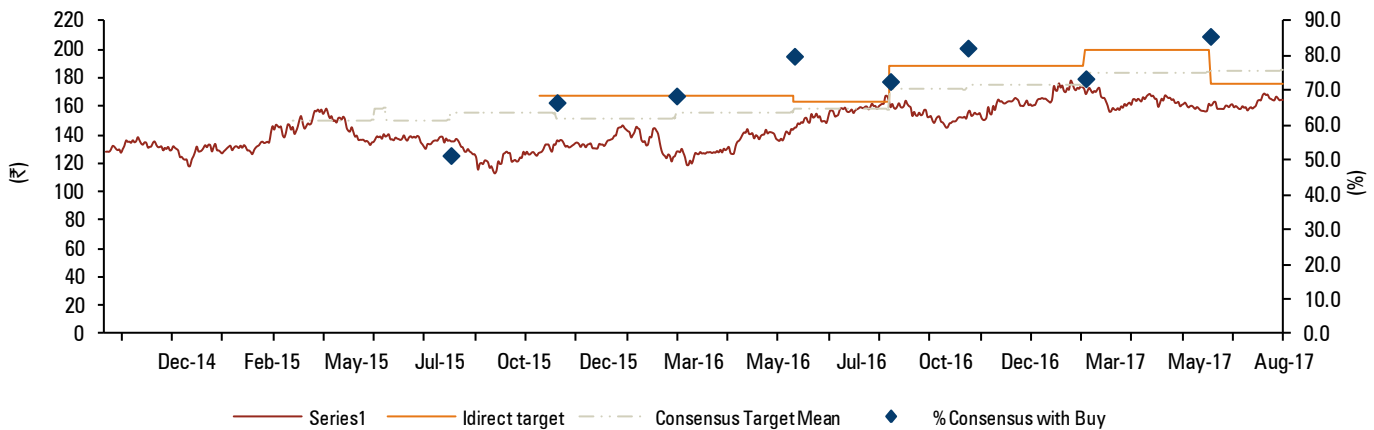
Falling solar tariffs, higher inclination of SEBs to lower cost of power and increasing environmental concerns over coal based power plants will act as an overhang on NTPC's stock price. This is despite the fact that commercialisation will grow more than 2x in FY18 over FY17. In the medium term, we believe the stock will languish in a range until more clarity emerges on where the solar tariffs make a bottom. We continue to value NTPC at 1.3x FY19E ABV and maintain a fair value of ₹ 176.

Exhibit 8: Trend in regulated equity



Source: Company, ICICIdirect.com Research

Recommendation history vs. Consensus



Source: Bloomberg, Company, ICICIdirect.com Research

Key events

Date	Event
Jan-11	Ansaldo approaches the Delhi High Court seeking relief against their disqualification by NTPC as the latter was disqualified during techno commercial evaluation for its (11x660 MW boiler package tender)
Feb-12	Supreme Court disqualifies Ansaldo's plea and rules in favour of NTPC, which later opened a price bid for its (8x800 MW) BTG order where BGR emerged as a L1
Aug-12	NTPC announces plans to sell \$1 billion of bonds overseas for capacity expansion
Feb-13	Gol divests 9.5% of its stake in the company by offering 78.33 crore shares at a minimum price of ₹ 145/share through offer for sale (OFS) route
Mar-13	NTPC adds highest ever capacity of 4,170 MW (vs. target of 4,160 MW for FY13). With this, NTPC became a 41,000 MW plus company
Dec-13	CERC proposes a stringent 2014-19 draft tariff order. If it gets implemented that would have a negative impact on NTPC's earnings, going ahead
Feb-14	CERC issues final tariff order for 2014-19, which was slightly more stringent than the draft proposal
Sep-14	Supreme Court orders cancellation of all coal blocks allotted between 1993 and 2010. Consequently, NTPC loses five coal blocks and is left with only five blocks
Mar-15	NTPC issues ₹ 10,306 crore debenture bonus
Mar-15	Government re-allocates cancelled coal blocks to NTPC
Jun-16	After many quarters of tepid growth, NTPC achieves 10% generation growth on the back of improvement in PLF's. Going ahead the company expects to add over 10000 MW of capacity over FY17-FY18. NTPC plans to spend ₹30000 crore of capex in FY17E
Mar-17	As of FY17, the commercial capacity of NTPC stood at 39552 MW. For FY18, the company has guided for capacity addition target of 5000 MW. The regulated equity. As of FY17 stood at ₹ 44048 crore.
Jun-17	NTPC commercialises 970 MW of capacity which included 370 MW of renewable energy capacity addition

Source: Company, ICICIdirect.com Research

Top 10 Shareholders

Rank	Investor Name	Latest Filing Date	% O/S	Position	Position Change
1	Government of India	31-Mar-17	69.7	5,750.8	0.0
2	Life Insurance Corporation of India	31-Mar-17	12.1	998.3	(52.2)
3	ICICI Prudential Asset Management Co. Ltd.	31-Mar-17	1.2	99.5	(0.3)
4	T. Rowe Price International (UK) Ltd.	31-Mar-17	1.1	94.7	(18.5)
5	The Vanguard Group, Inc.	31-Mar-17	0.7	60.7	(0.0)
6	BlackRock Asset Management North Asia L	30-Apr-17	0.6	48.8	(0.1)
7	BlackRock Institutional Trust Company, N.A	30-Apr-17	0.6	47.5	1.2
8	Franklin Templeton Asset Management (Ind	30-Apr-17	0.5	40.9	3.3
9	HDFC Asset Management Co., Ltd.	30-Apr-17	0.4	35.8	0.0
10	Birla Sun Life Asset Management Company	30-Apr-17	0.2	20.2	0.0

Source: Reuters, ICICIdirect.com Research

Shareholding Pattern

(in %)	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Promoter	70.0	69.7	69.7	69.7	69.7
FII	10.8	10.8	10.8	10.4	10.2
DII	17.0	17.0	17.0	17.0	17.0
Others	2.3	2.5	2.5	2.9	3.1

Recent Activity

Buys			Sells		
Investor Name	Value (US\$)	Shares	Investor Name	Value (US\$)	Shares
ICICI Prudential Asset Management Co. Ltd.	76.2	31.0	Life Insurance Corporation of India	-83.7	-34.0
Franklin Templeton Asset Management (India) Pvt. Ltd.	11.7	4.7	T. Rowe Price International (UK) Ltd.	-32.4	-13.2
Birla Sun Life Asset Management Company Ltd.	11.4	4.6	Caisse de Depot et Placement du Quebec	-15.7	-6.5
City of London Investment Management Co. Ltd.	10.1	4.2	Lyxor Asset Management	-14.5	-5.8
Pictet Asset Management Ltd.	8.0	3.1	L&T Investment Management Limited	-6.2	-2.5

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement				
₹ Crore				
(Year-end March)	FY16	FY17	FY18E	FY19E
Total operating Income	70,507	76,532	81,876	88,001
Growth (%)	8	5	(4)	9
Raw Material Expenses	43,793	45,399	48,577	52,221
Employee Expenses	3,609	3,898	4,210	4,547
Other expenses	5,591	6,150	6,765	7,442
Total Operating Expenditure	52,994	55,448	59,553	64,209
EBITDA	17,513	21,085	22,323	23,792
Growth (%)	2	20	8	8
Depreciation	5,425	6,107	6,534	7,024
Interest	3,230	4,198	4,492	4,829
Other Income	1,189	2,000	2,500	2,500
PBT	10,047	12,780	13,797	14,439
Others	(104)	0	0	0
Total Tax	(184)	2,236	2,345	2,455
PAT	10,231	10,543	11,451	11,984
Adjusted PAT	10,231	10,543	11,451	11,984
Growth (%)	(7)	3	9	5
EPS (₹)	12.3	12.8	13.9	14.5

Source: Company, ICICIdirect.com Research

Cash flow statement				
₹ Crore				
(Year-end March)	FY16	FY17	FY18E	FY19E
Profit Before Tax	10,127	10,543	11,451	11,984
Add: Depreciation	5,425	6,107	6,534	7,024
(Inc)/dec in Current Assets	(3,975)	(7,970)	(4,478)	(4,251)
Inc/(dec) in CL and Provisions	1,350	(4,218)	821	931
Others	3,230	4,198	4,492	4,829
CF from operating activities	16,158	8,660	18,820	20,517
(Inc)/dec in Investments	13,895	13,220	3,816	0
(Inc)/dec in Fixed Assets	(14,945)	(24,950)	(25,000)	(25,000)
Others	0	1	2	3
CF from investing activities	(1,051)	(11,729)	(21,182)	(24,997)
Issue/(Buy back) of Equity	0	1	2	3
Inc/(dec) in loan funds	23,977	16,489	20,041	24,173
Dividend paid & dividend tax	(3,207)	(3,338)	(3,626)	(3,795)
Inc/(dec) in Sec. premium	0	1	2	3
Others	(3,230)	(4,198)	(4,492)	(4,829)
CF from financing activities	17,540	8,954	11,927	15,556
Net Cash flow	12,031	(11,373)	(2,895)	(335)
Opening Cash	12,878	24,909	13,536	10,641
Closing Cash	20,066	8,693	5,798	5,463

Source: Company, ICICIdirect.com Research

Balance sheet				
₹ Crore				
(Year-end March)	FY16	FY17	FY18E	FY19E
Liabilities				
Equity Capital	8,245	8,245	8,245	8,245
Reserve and Surplus	80,332	87,538	95,363	103,553
Total Shareholders funds	88,578	95,783	103,609	111,798
Total Debt	86,383	95,021	106,424	119,194
AAD	1,947	1,947	1,947	1,947
Minority Interest / Others	1,152	1,152	1,152	1,152
Total Liabilities	178,059	193,903	213,131	234,091
Assets				
Gross Block	153,045	177,995	202,995	227,995
Less: Acc Depreciation	51,589	57,695	64,229	71,253
Net Block	101,456	120,300	138,766	156,741
Capital WIP	28,822	25,006	25,006	25,006
Total Fixed Assets	130,278	145,305	163,771	181,747
Investments	8,293	10,293	12,293	14,293
Inventory	7,193	8,317	8,933	9,631
Debtors	7,844	9,160	10,618	11,414
Loans and Advances	19,229	21,373	22,869	24,584
Other Current Assets	9,590	12,977	13,885	14,926
Cash	24,909	13,536	10,641	10,306
Total Current Assets	68,765	65,363	66,946	70,862
Creditors	5,503	3,327	3,573	3,853
Other Liabilities	10,715	7,763	8,337	8,989
Provisions	9,096	9,096	9,096	9,096
Total Current Liabilities	25,314	20,186	21,007	21,938
Net Current Assets	43,451	45,177	45,939	48,924
Others Assets	0	0	0	0
Application of Funds	178,059	193,903	213,131	234,091

Source: Company, ICICIdirect.com Research

Key ratios				
(Year-end March)	FY16	FY17	FY18E	FY19E
Per share data (₹)				
EPS	12.3	12.8	13.9	14.5
Cash EPS	19.0	20.2	21.8	23.1
BV	107.4	116.2	125.7	135.6
DPS	4.8	4.5	3.4	3.5
Cash Per Share	30.2	16.4	12.9	12.5
Operating Ratios (%)				
EBITDA Margin	24.8	27.5	27.3	27.0
PBT / Total Operating income	14.2	16.7	16.9	16.4
PAT Margin	14.5	13.8	14.0	13.6
Inventory days	59.9	66.9	67.1	67.3
Debtor days	40.6	43.7	47.3	47.3
Creditor days	7.1	8.1	9.1	10.1
Return Ratios (%)				
RoE	11.6	11.0	11.1	10.7
RoCE	9.4	7.3	6.3	7.4
RoIC	11.0	7.9	6.7	7.7
Valuation Ratios (x)				
P/E	14.1	13.5	12.5	11.9
EV / EBITDA	11.7	10.6	10.7	10.6
EV / Net Sales	2.9	2.9	2.9	2.9
Market Cap / Sales	2.0	1.9	1.7	1.6
Price to Book Value	1.6	1.5	1.4	1.3
Solvency Ratios				
Debt/EBITDA	4.9	4.5	4.8	5.0
Debt / Equity	1.0	1.0	1.0	1.1
Current Ratio	4.2	5.9	5.6	5.5
Quick Ratio	1.5	1.2	0.9	0.8

Source: Company, ICICIdirect.com Research

ICICIdirect.com coverage universe (Utilities)

Sector / Company	CMP	Target	Rating	M Cap	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating	(₹ Cr)	FY16	FY17	FY18E	FY16	FY17	FY18E	FY16	FY17	FY18E	FY16	FY17	FY18E	FY16	FY17	FY18E
CESC (CESC)	940	900	Hold	11,334	27.5	45.2	58.2	29.6	18.0	14.0	7.0	7.4	6.3	12.8	12.0	12.7	5.7	8.5	8.9
NTPC (NTPC)	168	176	Hold	131,268	12.5	13.0	14.4	13.5	12.9	11.7	11.7	10.2	10.0	8.0	7.7	8.1	12.9	11.0	11.1
Power Grid (POWGRI)	220	230	Buy	115,095	11.5	14.0	17.3	17.7	14.6	12.8	10.9	10.2	9.3	7.1	7.4	7.7	14.1	15.3	15.9

Source: Company, ICICIdirect.com Research

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Buy: > 10%/15% for large caps/midcaps, respectively;

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Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICIdirect.com Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

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