

September 8, 2021

Company Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY22E	FY23E	FY22E	FY23E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	164		164	
Sales (Rs. m)	10,35,037	11,47,010	10,24,010	11,19,126
% Chng.	1.1	2.5		
EBITDA (Rs. m)	2,26,935	2,66,049	2,39,780	2,86,063
% Chng.	(5.4)	(0.0)		
EPS (Rs.)	20.5	26.3	21.4	25.3
% Chng.	(4.2)	3.9		

Key Financials - Consolidated

Y/e Mar	FY21	FY22E	FY23E	FY24E
Sales (Rs. bn)	900	1,035	1,147	1,225
EBITDA (Rs.bn)	200	227	286	333
Margin (%)	22.2	21.9	24.9	27.2
PAT (Rs. bn)	127	126	162	186
EPS (Rs.)	20.6	20.5	26.3	30.2
Gr. (%)	(24.7)	(0.5)	28.5	14.8
DPS (Rs.)	16.0	14.4	18.5	21.3
Yield (%)	10.9	9.8	12.6	14.5
RoE (%)	36.9	33.8	40.1	40.8
RoCE (%)	36.7	30.1	37.6	40.0
EV/Sales (x)	0.8	0.6	0.5	0.5
EV/EBITDA (x)	3.8	2.8	2.2	1.8
PE (x)	7.2	7.2	5.6	4.9
P/BV (x)	2.5	2.4	2.1	1.9

Key Data

COAL.BO | COAL IN

52-W High / Low	Rs.165 / Rs.110
Sensex / Nifty	58,279 / 17,362
Market Cap	Rs.907bn/ \$ 12,355m
Shares Outstanding	6,163m
3M Avg. Daily Value	Rs.3581.72m

Shareholding Pattern (%)

Promoter's	66.13
Foreign	6.56
Domestic Institution	21.54
Public & Others	5.77
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	0.8	(2.6)	11.6
Relative	(6.2)	(15.7)	(26.5)

Kamlesh Bagmar

kamleshbagmar@plindia.com | 91-22-66322237

Amit Khimesra

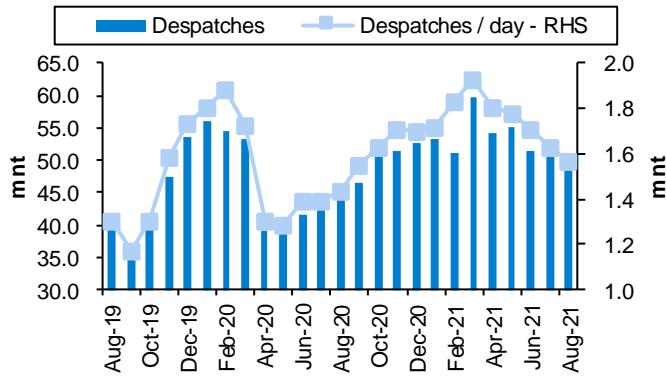
amitkhimesra@plindia.com | 91-22-66322244

Marked improvement across key variables

COAL India (COAL) delivered marked improvement on three counts in August. Resilient volumes despite lean month, continuous reduction in dues from State power generators and strong E-auction revenues were the highlight of month. There are concerns that COAL would be under pressure to divert high margin E-auction volumes to power utilities under linkage/Fuel supply agreement (FSA) due to increased power demand and low inventory at power plants. We see no risk to its E-auction volumes as 1) power demand would start receding in October, 2) seasonal increase in COAL's volume movement and 3) major chunk of auction volumes are already dedicated for power utilities. In light of better operational performance and strong outlook on E-auction realisations, we maintain Accumulate with TP of Rs164 based on EV/EBITDA of 3x FY23e.

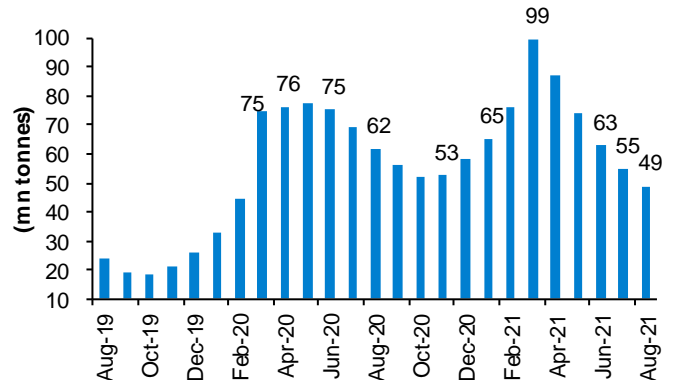
- E-auction revenues at highest levels since May-2018:** Based on Ministry of Coal (MoC)'s data, COAL's E-auction premium's over notified price expanded to 46% in August, highest since Jan'20. Company booked ~18mnt of volumes under E-auction, highest in last five years. Based on auctions scheduled on MSTC and Coal junction, we estimate that E-auction realisations would be in the range of Rs1,650-1,700/t for August with an increase of 7-11% YoY.
- Dues from power utilities at 16-month low:** Due to weak financial condition of states post covid-19, dues from power utilities increased 43% YoY to Rs206bn at Mar-21 end before peaking at Rs250bn in Feb-21. Given the dried-up inventory at power plants, strong power demand and prioritisation of coal supplies by COAL based on overdues, dues have come down further by 13% to Rs180bn at August end. We expect that dues would come down to Rs150bn by FY22e end on back of better economic activity, higher non-power volumes and improving financial condition of states.
- Performing better on operational front:** COAL's offtake grew 9.5% YoY to 48.6mnt in August-21 on a high base of +9.4% with 1.57mnt/day, the fifth consecutive month of best ever seasonally adjusted daily run-rate. As inventory has started building up coupled with steeper rise in production, we believe that COAL would positively surprise the street on offtake supported by strong demand across sectors and lean inventory in the system.
- Capex expedited on high IRR evacuation projects:** COAL's operations would undergo a sea change on multiple fronts including ESG, profitability and visibility as company's sizeable investments of Rs140bn on First Mile Connectivity (FMC)/mechanized evacuation get commissioned progressively in next couple of years. These investments would replace road, the costly and environment unfriendly mode of transportation with mechanised route (conveyor and rail). Nearly 75% of the offtake would move through FMC projects against a quarter now. Given the benefits associated with lower transportation cost, improved coal quality and higher throughput, company targets an IRR upwards of 12% on the investments. Given the fast pace of project awarding and steep increase in capex (2x of FY19), we are confident on the commissioning and targeted benefits of investments.

Exhibit 1: Consistent growth in despatches



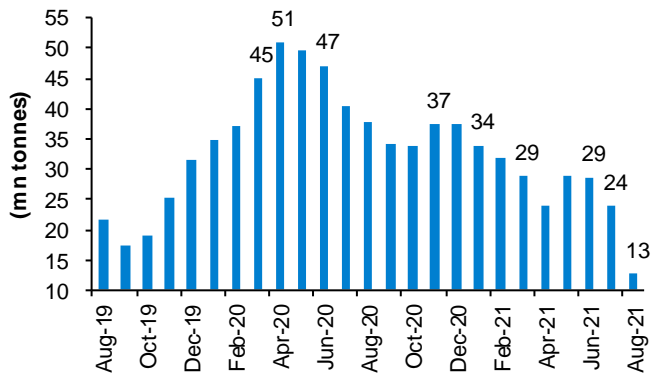
Source: Company, PL

Exhibit 2: Stocks at COAL's mines fell 21% YoY in Aug'21



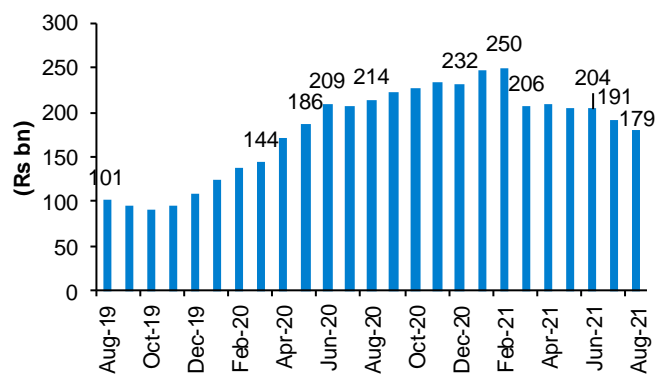
Source: Company, PL

Exhibit 3: Coal stocks at power plants at 2-year low



Source: NPP, PL

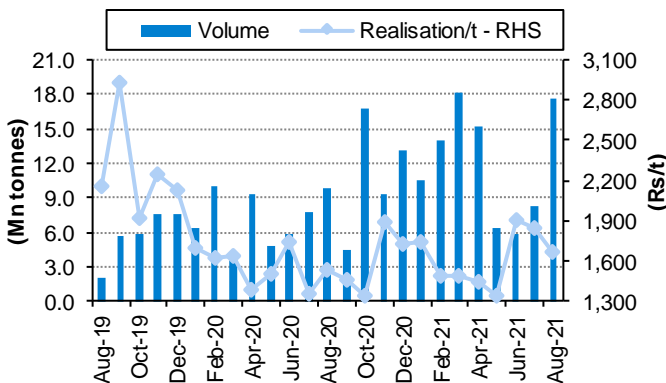
Exhibit 4: Dues from Power plants fell 16%/6% YoY/MoM



Source: Ministry of Coal, PL

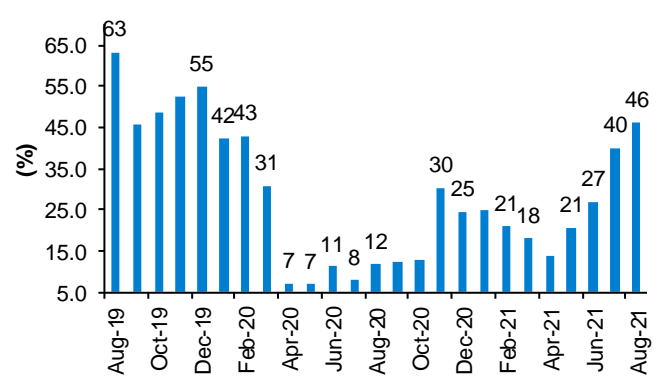
Blended E-auction realisations are estimated in the range of Rs1,650-1,700/t for August. Volumes sold under auction were at near 5-year high at ~18mnt. Premiums soared to 46%, highest since Jan'20 across the segments of auction. This suggests strong traction in wake of significant quantum of volumes sold under auction. Usually, premiums dip when COAL offers large quantity.

Exhibit 5: E-auction revenue at highest levels since May-18



Source: Ministry of Coal, Company, PL

Exhibit 6: E-auction premium at highest levels since Jan-20



Source: Ministry of Coal, PL

Quantum of increase in FSA realisations holds the key

Every Rs50 change in E-auction realisations has a sensitivity of ~2% to EBITDA. While, Linkage/FSA has ~9% sensitivity to EBITDA due to its quantum share at 80% in volumes. Frequency of revision in FSA realisations have been very limited as it is more linked with employee wage revision rather than change in global coal prices. We factor an aggregate increase of 7% in FSA realisations to contain estimated 17% increase in non-executive employees' wages (effective 1st July'2021) and other variable cost.

Exhibit 7: Sensitivity Analysis of E-auction and Linkage realisations

Adj. EBITDA (FY23E)	Linkage realisations Rs/t					
	1,380	1,430	1,480	1,530	1,580	1,630
1600.0	2,19,710	2,47,130	2,74,549	3,01,969	3,29,388	3,56,808
1650.0	2,25,460	2,52,880	2,80,299	3,07,719	3,35,138	3,62,558
E-auction realisations Rs/t						
1700.0	2,31,210	2,58,630	2,86,049	3,13,469	3,40,888	3,68,308
1750.0	2,36,960	2,64,380	2,91,799	3,19,219	3,46,638	3,74,058
1800.0	2,42,710	2,70,130	2,97,549	3,24,969	3,52,388	3,79,808
1850.0	2,48,460	2,75,880	3,03,299	3,30,719	3,58,138	3,85,558

Source: Company, PL PL Estimates

Exhibit 8: COAL's Key Metrics

	FY19	FY20	FY21	FY22E	FY23E	FY24E
Volume break-up (mn tonnes)						
FSA	525.5	501.0	466.4	507.7	548.4	590.6
E-auction	68.5	65.4	94.4	110.0	115.0	120.0
Washed coal	11.2	11.0	10.0	10.5	10.7	10.9
Total	608.2	515.7	479.2	521.1	562.1	604.6
Realisation/t (Rs)						
FSA	1,348	1,416	1,379	1,421	1,480	1,480
E-auction	2,632	2,177	1,569	1,700	1,700	1,650
Washed coal	2,713	2,831	2,745	2,800	2,912	2,912
Blended realisations (excl. other operating income)	1,528	1,537	1,441	1,498	1,545	1,535
Total cost (excl OBR adj)	1,143	1,186	1,220	1,279	1,270	1,229
EBITDA/t (excl other operating income)	385	351	221	219	275	305
Figures in Rs mn						
Revenue	9,28,961	8,93,733	8,27,103	9,46,401	10,47,271	11,13,045
Other operating income	66,895	67,070	73,157	88,637	99,739	1,11,990
Revenue including other operating income	9,95,856	9,60,803	9,00,260	10,35,037	11,47,010	12,25,036
Total cost (excl OBR adj)	6,95,086	6,89,572	7,00,022	8,08,103	8,60,961	8,91,565
EBITDA (Adj for OBR)	3,00,770	2,71,231	2,00,238	2,26,935	2,86,049	3,33,471
PAT (adjusted for OBR adj)	2,08,010	2,07,479	1,37,805	1,70,101	2,09,893	2,38,673
Adjusted EPS	33.8	33.7	22.4	27.6	34.1	38.7
Dividend per share	13.1	12.0	16.0	14.3	18.4	21.1
<i>Payout (%)</i>	46.2	44.3	77.6	70.0	70.0	70.0

Source: Company, PL

Exhibit 9: Investment on FMC would bring structural change in COAL's evacuation capabilities

Infrastructure Building – First mile connectivity and other coal evacuation infra improvement projects



First Mile Connectivity Projects

- CIL has taken steps to upgrade the mechanized coal transportation and loading system under 'First Mile Connectivity' projects .
- Phase-I: 35 projects tendered out; 4 projects of 30 MTPA have been commissioned. Total capacity 414.5 MTPA. An investment of INR 10,500 crore is envisaged.
- Phase-II: 14 projects with total capacity 100 MTPA which will require an investment of INR 3,500 crore
- Target completion of all the projects is by FY24 for Phase-I and FY-25 for phase II.
- Projects to help increase mechanized evacuation from 150 MTPA currently to 665 MTPA.
- Company expects >12% IRR, improvement in coal quality, savings in under-loading charges and a positive impact on the environment.

Coal evacuation infra projects

- 7 railway lines – estimated investment of INR 20,000 crore
- 21 railway sidings – estimated investment of INR 3,750 crore.
- 24 FMC Rail Connectivity Projects at an estimated INR 3,400 crore
- 33 coal trunk roads planned to be built by FY24

Mechanized evacuation to increase from 150 million tons to 665 million tons by FY24

Total investment of INR 14,000 crore

Substantial reduction in cost on evacuation & transportation charges

Currently, CIL incurs around INR 3,900 crore on transportation charges annually. This can decline substantially with improvement of first mile connectivity by mechanization.

Source: Company, PL

Exhibit 10: COAL trading at lowest valuations among its global peers despite strong B/S, better earnings and high RoEs

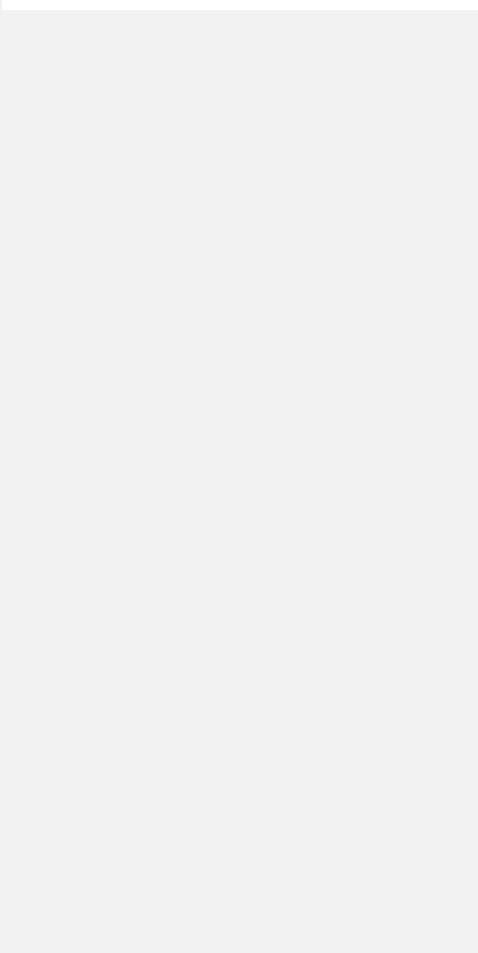
Company	M.Cap (US\$ bn)	P/E			P/B			EV/EBITDA		
		CY21E / FY22E	CY22E / FY23E	CY23E / FY24E	CY21E / FY22E	CY22E / FY23E	CY23E / FY24E	CY21E / FY22E	CY22E / FY23E	CY23E / FY24E
India										
Coal India Ltd	12.4	7.2	5.6	4.9	2.4	2.1	1.9	2.8	2.2	1.8
US										
Peabody Energy Corp	2.0	52.8	46.4	NA	NA	NA	NA	4.8	4.4	5.9
Cnx Resources Corp	2.6	9.3	9.3	10.3	0.6	0.6	NA	4.6	4.8	5.3
Albertsons Cos Inc - Class A	15.6	14.6	14.6	14.6	6.9	6.9	5.7	6.2	6.2	6.2
Alpha Metallurgical Resource	0.8	15.5	6.1	15.1	NA	NA	NA	4.7	3.7	4.8
China										
China Shenhua Energy Co-H	62.2	6.4	7.3	6.9	0.8	0.8	0.7	4.0	4.2	4.1
Yanzhou Coal Mining Co-H	16.3	5.5	5.6	5.7	1.0	0.9	0.8	8.8	8.8	9.3
China Coal Energy Co-H	15.6	4.9	5.6	5.4	0.6	0.5	0.5	4.6	4.8	4.8
Shanxi Coking Coal Energy-A	8.8	NA	NA	NA	2.6	2.3	2.0	8.1	7.8	7.3
Shanxi Lu'An Environmental-A	7.5	7.2	7.1	7.0	1.6	1.3	1.2	5.1	5.5	5.6
Indonesia										
Bumi Resources Tbk Pt	0.3	NA	NA	NA	NA	NA	NA	NA	NA	NA
Adaro Energy Tbk Pt	3.0	7.9	8.6	8.6	0.7	0.7	0.7	3.4	3.5	3.6
Bayan Resources Tbk Pt	3.4	NA	NA	NA	NA	NA	NA	NA	NA	NA
Bukit Asam Tbk Pt	1.8	7.3	7.5	7.5	1.3	1.2	1.1	4.6	4.7	4.6
Australia										
Whitehaven Coal Ltd	2.3	7.5	7.5	15.7	1.0	1.0	0.9	5.0	5.0	7.0
New Hope Corp Ltd	1.4	6.3	6.3	13.3	1.0	1.0	1.0	4.3	4.3	7.0
Others										
Banpu Public Co Ltd	2.4	8.1	10.6	12.4	1.1	1.1	1.1	7.5	8.2	8.1

Source: Bloomberg, PL

Exhibit 11: COAL underperformed its global peers by a wide margin

Company	M.Cap (US\$ bn)	Returns				
		1 Month	6 Month	1 Year	3 Year Annualised	5 Year Annualised
India						
Coal India Ltd	12.4	0.8	-2.6	11.6	-12.5	-8.1
US						
Peabody Energy Corp	2.0	42.0	336.3	549.6	-23.2	NA
Cnx Resources Corp	2.6	0.3	-14.4	13.3	-7.2	-5.1
Albertsons Cos Inc - Class A	15.6	35.8	87.9	146.9	NA	NA
Alpha Metallurgical Resource	0.8	48.2	185.1	1,014.4	-16.2	24.5
China						
China Shenhua Energy Co-H	62.2	20.2	22.3	38.4	11.9	16.4
Yanzhou Coal Mining Co-H	16.3	43.9	94.2	183.7	41.1	41.6
China Coal Energy Co-H	15.6	30.3	79.9	214.1	27.3	12.7
Shanxi Coking Coal Energy-A	8.8	59.0	167.4	231.3	44.7	14.6
Shanxi Lu'An Environmental-A	7.5	24.0	173.3	157.2	31.9	17.9
Indonesia						
Bumi Resources Tbk Pt	0.3	-1.8	-6.7	7.7	-35.6	NA
Adaro Energy Tbk Pt	3.0	4.3	14.0	7.6	-1.5	7.7
Bayan Resources Tbk Pt	3.4	-1.3	13.5	22.9	-3.6	19.9
Bukit Asam Tbk Pt	1.8	2.7	-15.9	8.1	-7.8	9.8
Australia						
Whitehaven Coal Ltd	2.3	37.3	80.1	248.5	-10.3	13.3
New Hope Corp Ltd	1.4	15.7	79.6	106.3	-9.4	14.2
Others						
Banpu Public Co Ltd	2.4	7.6	33.5	160.1	-4.2	2.9

Source: Bloomberg, PL



Financials

Income Statement (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Net Revenues	9,00,260	10,35,037	11,47,010	12,25,036
YoY gr. (%)	(6.3)	15.0	10.8	6.8
Cost of Goods Sold	55,164	91,688	1,03,288	1,12,736
Gross Profit	8,45,096	9,43,349	10,43,722	11,12,300
Margin (%)	93.9	91.1	91.0	90.8
Employee Cost	3,86,977	4,26,612	4,33,651	4,24,328
Other Expenses	2,32,499	2,61,836	2,93,117	3,20,440
EBITDA	2,00,238	2,26,935	2,86,049	3,33,471
YoY gr. (%)	(26.2)	13.3	26.0	16.6
Margin (%)	22.2	21.9	24.9	27.2
Depreciation and Amortization	51,593	96,868	1,11,917	1,27,693
EBIT	1,48,645	1,30,066	1,74,132	2,05,778
Margin (%)	16.5	12.6	15.2	16.8
Net Interest	6,447	5,678	6,284	6,678
Other Income	37,924	45,984	51,147	52,343
Profit Before Tax	1,80,122	1,70,372	2,18,996	2,51,443
Margin (%)	20.0	16.5	19.1	20.5
Total Tax	52,771	44,297	56,939	65,375
Effective tax rate (%)	29.3	26.0	26.0	26.0
Profit after tax	1,27,351	1,26,076	1,62,057	1,86,068
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,26,759	1,26,076	1,62,057	1,86,068
YoY gr. (%)	(24.7)	(0.5)	28.5	14.8
Margin (%)	14.1	12.2	14.1	15.2
Extra Ord. Income / (Exp)	592	-	-	-
Reported PAT	1,27,351	1,26,076	1,62,057	1,86,068
YoY gr. (%)	(24.4)	(1.0)	28.5	14.8
Margin (%)	14.1	12.2	14.1	15.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,27,351	1,26,076	1,62,057	1,86,068
Equity Shares O/s (m)	6,163	6,163	6,163	6,163
EPS (Rs)	20.6	20.5	26.3	30.2

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Non-Current Assets				
Gross Block	6,00,934	7,27,598	8,54,966	9,83,061
Tangibles	6,00,934	7,27,598	8,54,966	9,83,061
Intangibles	-	-	-	-
Acc: Dep / Amortization	1,76,881	2,20,059	2,71,492	3,31,228
Tangibles	1,76,881	2,20,059	2,71,492	3,31,228
Intangibles	-	-	-	-
Net fixed assets	4,24,052	5,07,539	5,83,475	6,51,834
Tangibles	4,24,052	5,07,539	5,83,475	6,51,834
Intangibles	-	-	-	-
Capital Work In Progress	1,04,898	1,18,972	1,33,124	1,47,357
Goodwill	-	-	-	-
Non-Current Investments	1,18,418	1,31,418	1,44,418	1,57,418
Net Deferred tax assets	40,594	40,594	40,594	40,594
Other Non-Current Assets	46,260	47,260	48,260	49,260
Current Assets				
Investments	36,326	36,326	36,326	36,326
Inventories	89,475	96,426	1,07,019	1,14,262
Trade receivables	1,96,231	1,55,573	1,72,154	1,82,966
Cash & Bank Balance	1,73,103	3,01,485	3,12,660	3,38,973
Other Current Assets	3,23,653	2,43,407	2,50,379	2,54,926
Total Assets	15,81,471	17,07,461	18,56,869	20,02,376
Equity				
Equity Share Capital	61,627	61,627	61,627	61,627
Other Equity	3,03,546	3,19,003	3,66,798	4,21,674
Total Networkth	3,65,174	3,80,631	4,28,425	4,83,301
Non-Current Liabilities				
Long Term borrowings	26,957	58,829	58,829	58,829
Provisions	6,31,786	6,69,768	7,22,169	7,79,552
Other non current liabilities	56,473	61,473	66,473	71,473
Current Liabilities				
ST Debt / Current of LT Debt	31,872	-	-	-
Trade payables	76,376	1,08,901	1,20,508	1,28,076
Other current liabilities	4,08,105	4,41,984	4,73,621	4,93,667
Total Equity & Liabilities	16,10,576	17,36,566	18,85,975	20,31,481

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
PBT	1,80,092	1,70,372	2,18,996	2,51,443
Add. Depreciation	37,089	43,177	51,433	59,736
Add. Interest	-	-	-	-
Less Financial Other Income	37,924	45,984	51,147	52,343
Add. Other	1,599	26,630	29,728	37,312
Op. profit before WC changes	2,18,780	2,40,180	3,00,158	3,48,491
Net Changes-WC	(56,552)	1,66,528	2,394	(4,851)
Direct tax	(56,630)	(44,297)	(56,939)	(65,375)
Net cash from Op. activities	1,05,599	3,62,412	2,45,613	2,78,265
Capital expenditures	(1,09,875)	(1,40,738)	(1,41,521)	(1,42,328)
Interest / Dividend Income	24,439	23,006	27,628	28,246
Others	96,392	-	-	-
Net Cash from Invt. activities	10,955	(1,17,732)	(1,13,892)	(1,14,082)
Issue of share cap. / premium	-	-	-	-
Debt changes	(5,508)	-	-	-
Dividend paid	(77,064)	(1,10,619)	(1,14,263)	(1,31,192)
Interest paid	(1,982)	(5,678)	(6,284)	(6,678)
Others	-	5,000	5,000	5,000
Net cash from Fin. activities	(84,554)	(1,11,297)	(1,15,546)	(1,32,870)
Net change in cash	32,000	1,33,382	16,174	31,313
Free Cash Flow	2,15,474	5,03,150	3,87,133	4,20,593

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Net Revenue	2,11,531	2,36,860	2,67,001	2,52,822
YoY gr. (%)	3.8	2.1	(3.1)	36.8
Raw Material Expenses	-	-	-	-
Gross Profit	2,11,531	2,36,860	2,67,001	2,52,822
Margin (%)	100.0	100.0	100.0	100.0
EBITDA	39,749	51,648	63,821	48,439
YoY gr. (%)	10.1	4.0	(5.2)	58.7
Margin (%)	18.8	21.8	23.9	19.2
Depreciation / Depletion	8,523	9,159	10,881	10,406
EBIT	31,226	42,489	52,940	38,033
Margin (%)	14.8	17.9	19.8	15.0
Net Interest	1,473	1,554	1,590	1,476
Other Income	10,848	6,486	12,740	6,810
Profit before Tax	40,600	47,421	64,090	43,366
Margin (%)	19.2	20.0	24.0	17.2
Total Tax	11,092	16,581	18,172	11,614
Effective tax rate (%)	27.3	35.0	28.4	26.8
Profit after Tax	29,508	30,840	45,918	31,752
Minority interest	(35)	13	(22)	(43)
Share Profit from Associates	-	-	-	-
Adjusted PAT	29,508	30,840	45,918	31,752
YoY gr. (%)	(16.3)	(21.3)	(0.7)	52.8
Margin (%)	13.9	13.0	17.2	12.6
Extra Ord. Income / (Exp)	35	(13)	22	43
Reported PAT	29,543	30,827	45,940	31,795
YoY gr. (%)	(16.2)	(21.3)	(0.4)	53.1
Margin (%)	14.0	13.0	17.2	12.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	29,543	30,827	45,940	31,795
Avg. Shares O/s (m)	-	-	-	-
EPS (Rs)	-	-	-	-

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY21	FY22E	FY23E	FY24E
Per Share(Rs)				
EPS	20.6	20.5	26.3	30.2
CEPS	28.9	36.2	44.5	50.9
BVPS	59.3	61.8	69.5	78.4
FCF	35.0	81.6	62.8	68.2
DPS	16.0	14.4	18.5	21.3
Return Ratio(%)				
RoCE	36.7	30.1	37.6	40.0
ROIC	12.7	13.3	15.4	16.7
RoE	36.9	33.8	40.1	40.8
Balance Sheet				
Net Debt : Equity (x)	(0.4)	(0.7)	(0.7)	(0.7)
Net Working Capital (Days)	85	50	50	50
Valuation(x)				
PER	7.2	7.2	5.6	4.9
P/B	2.5	2.4	2.1	1.9
P/CEPS	5.1	4.1	3.3	2.9
EV/EBITDA	3.8	2.8	2.2	1.8
EV/Sales	0.8	0.6	0.5	0.5
Dividend Yield (%)	10.9	9.8	12.6	14.5

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY21	FY22E	FY23E	FY24E
Raw coal prod (mn tn)	596	632	678	725
Coal despatches (mn tn)	574	632	678	725
Vol sold under FSA/MoU (mn tn)	466	508	548	591
Vol sold under E-auction (mn tn)	94	110	115	120
Beneficiated coal vol (mn tn)	10	11	11	11
Vol sold to power utilities (mn tn)	445			
Real. / tonne (Rs)	1,441	1,498	1,545	1,535
Total cost per tonne (Rs)	1,282	1,245	1,364	1,360
Cash cost per tonne (Rs)	1,186	1,220	1,279	1,270
Employee cost / tonne (Rs)	654	649	675	640
EBITDA / tonne (Rs)	324	274	333	366
OBR adj / tonne (Rs)	92	24	85	89

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	13-Aug-21	Accumulate	164	144
2	8-Jul-21	Hold	160	146
3	18-Jun-21	Hold	160	152
4	14-Feb-21	Hold	143	134
5	13-Jan-21	Hold	143	147
6	13-Nov-20	Hold	132	123
7	9-Oct-20	Hold	132	113

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,460	2,469
2	Ambuja Cement	BUY	460	437
3	Coal India	Accumulate	164	144
4	Dalmia Bharat	Accumulate	2,300	2,229
5	Heidelberg Cement India	Reduce	225	264
6	Hindalco Industries	BUY	500	442
7	Hindustan Zinc	Reduce	271	331
8	Jindal Steel & Power	BUY	500	400
9	JK Lakshmi Cement	Hold	690	708
10	JSW Steel	Accumulate	810	718
11	NMDC	Accumulate	175	167
12	Shree Cement	Hold	28,400	30,441
13	Steel Authority of India	Accumulate	170	141
14	Tata Steel	BUY	1,950	1,462
15	The Ramco Cements	Reduce	980	1,047
16	Ultratech Cement	BUY	8,600	7,930

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Kamlesh Bagmar- CA, Mr. Amit Khimesra- MBA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is in the process of applying for certificate of registration as Research Analyst under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Kamlesh Bagmar- CA, Mr. Amit Khimesra- MBA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com