Investment Idea

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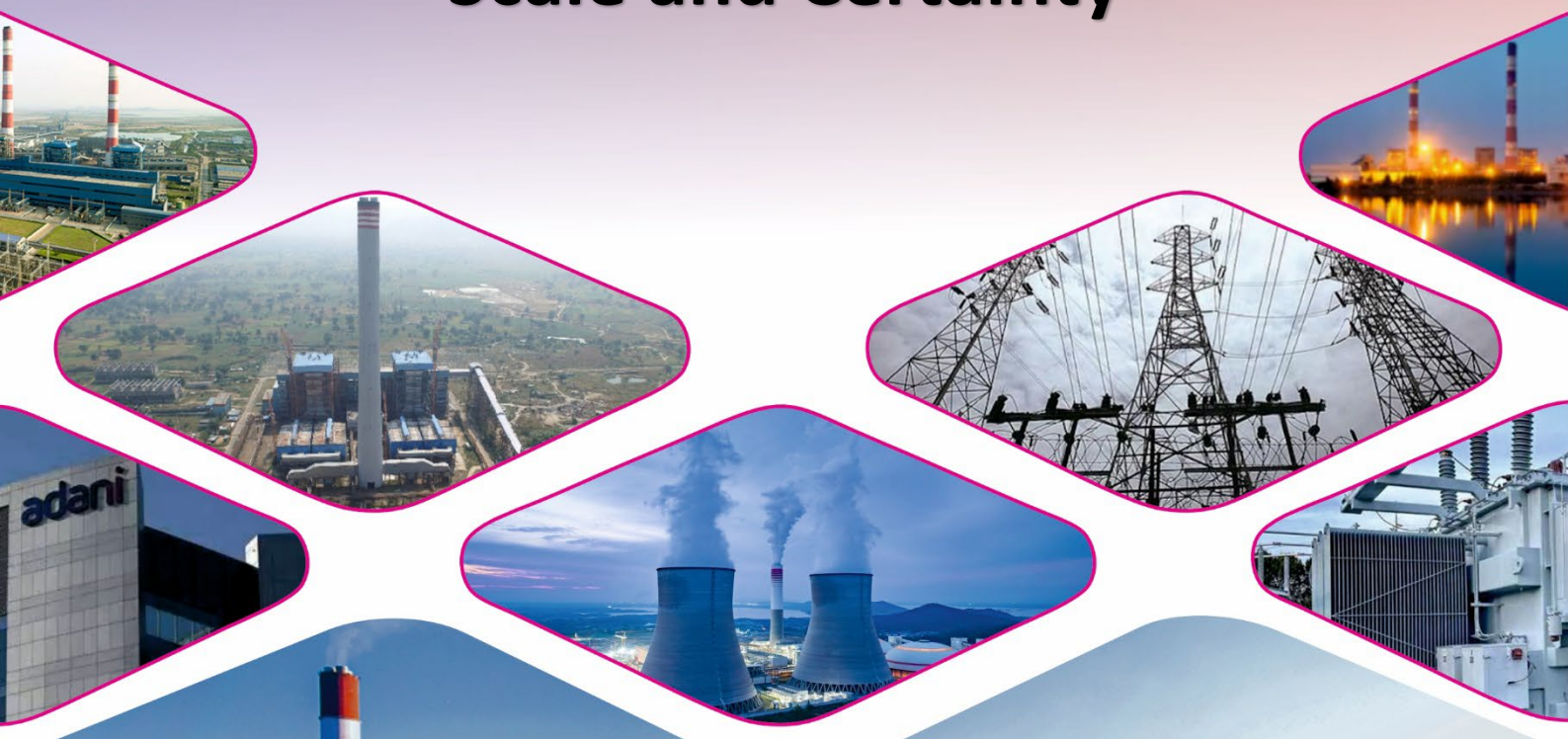
By Asit C. Mehta
A Pantomath Group Company

adani | Power

Energizing India: Meeting Demand with Scale and Certainty



Accumulate

Adani Power Ltd.

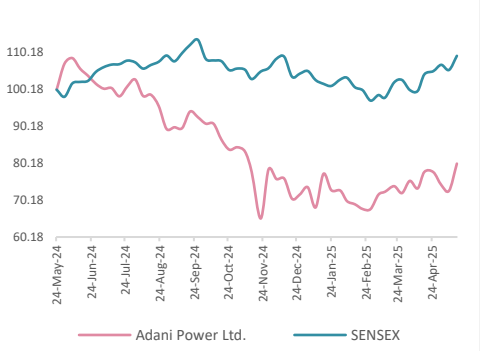
Key Data	
DATE	21-May-2025
Reco Price	555-575
Target	680
Sector	Power Utilities
BSE Code	533096
NSE Code	ADANIPOWER
Face Value (INR.)	10
Market Cap (Cr)	2,18,052 Cr
52-week High/Low (INR)	897 / 431

Source : NSE, BSE

Shareholding pattern (Mar-2025)	%
Promoters	74.96%
DIIs	12.36%
FIIs	1.64%
Public	11.03%
Total	**100.00%**

Source : NSE, BSE

Price Performance



Rebased to 100

Company Background

Adani Power Ltd (APL) is India's largest private thermal power producer, renowned for its critical role in meeting the country's baseload electricity demand. Founded in 1996 and operating under the flagship Adani Group, the company has emerged as a key player in India's energy sector, driving growth through strategic capacity expansion and efficient asset management. With a robust and diversified portfolio of power plants across India, Adani Power is recognized for its large-scale operations, advanced project execution capabilities, and consistent performance. Over the years, Adani Power has expanded its installed capacity to 17.55 GW with an additional 13.12 GW in the pipeline, targeting a total capacity of 30.67 GW by FY30. Its strategic focus on securing long-term Power Purchase Agreements (PPAs)—with over 87% of capacity tied up—and its ability to profitably participate in the merchant power market provide a stable revenue base. The company benefits from enhanced coal availability, strong logistics infrastructure, and operational synergies through vertical integration within the Adani Group.

Outlook and Valuation

We remain optimistic about Adani Power's long-term growth trajectory, supported by its leadership position in India's private thermal power sector, improved coal availability, and strong operational execution. With a growing asset base, rising plant load factors, and a healthy mix of long-term PPAs and merchant capacity, the company is strategically positioned to benefit from India's surging baseload power demand. Structural tailwinds such as rising peak power deficits, industrial electrification, and the inability of renewables to meet uninterrupted power demand provide a strong macroeconomic backdrop. Policy support for thermal capacity additions further strengthens Adani Power's positioning in the energy mix. We forecast a **revenue CAGR of 7.9% over FY25–FY27E**, underpinned by increased generation volumes and stable tariff realization. Based on an **EV/EBITDA multiple of 11.2x applied to FY27E estimates**, we derive a **target price of INR 680**, and maintain an **ACCUMULATE** rating. This valuation reflects Adani Power's enhanced business fundamentals, earnings stability, and its critical role in addressing India's baseload power requirements.

Financial Snapshot (Consolidated)

Particulars (INR. in Cr.)	FY24	FY25	FY26E	FY27E	CAGR FY25-27E
Revenue	50,351	56,203	62,164	65,420	7.9%
EBITDA	28,111	24,008	25,679	27,024	6.1%
EBITDA %	55.83%	42.72%	41.31%	41.31%	
PAT	20,829	12,750	12,953	13,433	2.6%
EPS (Rs.)	51.6	32.3	32.8	34.1	

Source: Company, ACMIIL Retail Research

Company at a glance

- Maintains a market-leading position as India's largest private thermal power producer, addressing critical baseload needs amid renewable intermittency and rising peak deficits.
- Secures stable earnings through 80% capacity tied under long-term PPAs and 84% of fuel requirements contracted via long-term domestic coal linkages.
- Strengthens growth pipeline via strategic acquisitions of CEPL, LAPL, and Dahanu TPP, along with key offtake agreements including 1,600 MW to MSEDCL and captive tie-up with RIL.
- Backed by Adani Group's project execution strength, vertically integrated logistics network, and captive coal asset development ensuring long-term cost and fuel security.
- Stands to benefit from structural tailwinds including the government's push for 85–90 GW of new thermal capacity by FY31, positioning APL as a key enabler of India's energy security.

Business Model and Segments

Adani Power Limited (APL) operates a vertically integrated business model centered around **thermal-based power generation**, with a sharp focus on **efficiency, fuel security, and capacity scalability**. The company functions as an **Independent Power Producer (IPP)** with a diversified offtake structure comprising **long-term Power Purchase Agreements (PPAs)** and **short-term merchant market sales**.

The core revenue stream of APL stems from its **regulated long-term PPAs**, which account for approximately **87% of the company's installed capacity**. These agreements are structured under a **two-part tariff mechanism**, consisting of:

- A **fixed capacity charge**, ensuring a steady cash flow provided plants meet availability thresholds.
- A **variable energy charge**, which passes through the cost of fuel, shielding margins from commodity volatility.

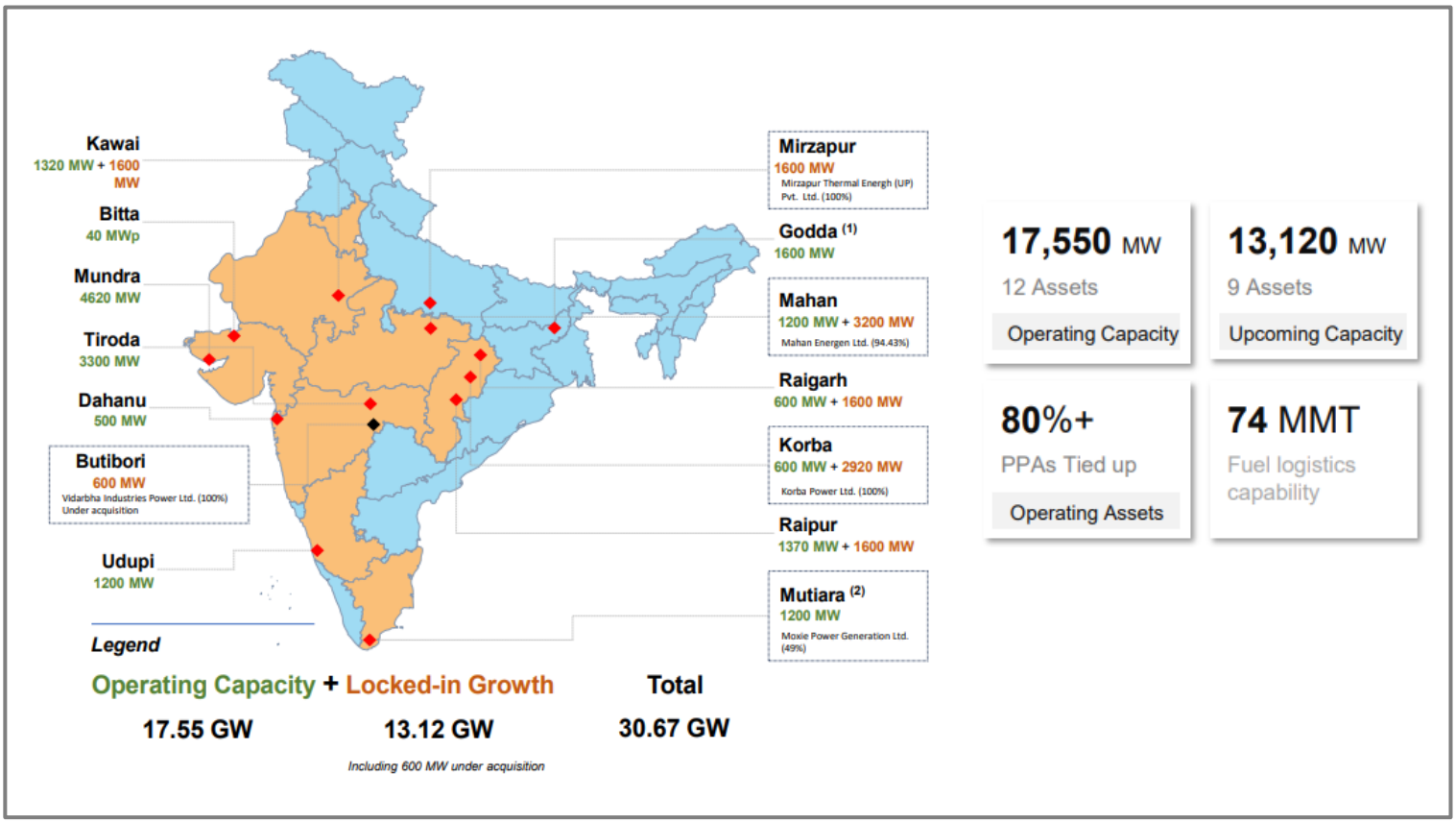
The remaining **15%–20% of capacity** is exposed to **merchant and short-term bilateral markets**, providing earnings upside during periods of power shortages or high spot tariffs. In FY25, merchant realizations averaged **₹5.93/kWh**, with short-term tie-ups and market-linked contracts playing a pivotal role in margin enhancement, particularly during the summer and peak demand seasons.

APL's **fuel sourcing and logistics segment** is another critical business pillar. The company has secured **84% of its domestic fuel needs** through long-term Fuel Supply Agreements (FSAs), reducing its dependency on imported coal. APL is the only private thermal power generator in India with **fully integrated mine-to-plant logistics**, managing over **74 MMTPA** of coal and **22 MMTPA** of fly ash annually. This is supported by a robust infrastructure network including captive ports, rail links, and in-house coal mine development. Furthermore, APL is developing **four captive coal blocks** with a cumulative capacity of **14 MMTPA**, ensuring long-term fuel security for both tied and untied capacities.

Operational excellence is driven by the **Energy Network Operation Center (ENOC)**, which oversees real-time monitoring, centralized scheduling, predictive maintenance, and remote diagnostics across APL's portfolio. APL also leverages a digital **Analytics Centre of Excellence (ACoE)** that supports data-led decision-making in O&M, PLF improvement, fuel optimization, and cost control.

Installed Capacity and Power Stations

As of FY25, **Adani Power has an installed operational capacity of 17,550 MW (17.55 GW)**, making it the **largest private thermal power producer in India**. This capacity is spread across **12 power generation stations**, strategically located across **seven states**, ensuring diversified regional offtake and transmission synergies. The company also has an under-development pipeline of **13,120 MW (13.12 GW)**, which includes brownfield and greenfield projects backed by new PPAs and project clearances.



Source: ACMIIL Retail Research

Breakdown of Technology Used by Operational Power Stations:

Power Station	Location	Technology	Fuel Source	Offtake Tie-up
Mundra	Gujarat	Supercritical	Imported Coal	Gujarat, Haryana, MUL
Tiroda	Maharashtra	Supercritical	Domestic (FSAs)	Maharashtra
Kawai	Rajasthan	Supercritical	Domestic (FSAs)	Rajasthan
Udupi	Karnataka	Subcritical	Imported Coal	Karnataka, MUL
Raipur	Chhattisgarh	Supercritical	Domestic	Chhattisgarh, MUL
Raigarh	Chhattisgarh	Subcritical	Domestic	Merchant
Mahan	Madhya Pradesh	Subcritical	Domestic	MP, Group Captive
Godda	Jharkhand	Ultra-supercritical	Imported/Blended	Bangladesh (Export PPA)
Dahanu	Maharashtra	Subcritical	Domestic	Adani Electricity Mumbai
Mutiara	Tamil Nadu	Subcritical	Imported Coal	Tamil Nadu
Korba	Chhattisgarh	Subcritical	Domestic	MP, Haryana
Bitta (Solar)	Gujarat	Solar (inorganic)	Solar	Gujarat

Source: ACMIIL Retail Research
***Note: Supercritical** plants operate at high temperature and pressure above water's critical point to improve efficiency, while **ultra-supercritical** plants run at even higher conditions for greater efficiency and lower emissions.*
FSA: Fuel Supply Agreement

APL's fleet is increasingly skewed toward **supercritical and ultra-supercritical technologies**, with over **72% of capacity** in this category. These assets not only operate at higher thermal efficiency but also comply with tightening environmental norms. The company has also mandated **Flue Gas Desulfurization (FGD)** for all upcoming plants.

In FY25, APL achieved **91% plant availability**, a **PLF (Plant Load Factor) of 71%**, and dispatched **95.9 BU** of power, reflecting significant operational efficiency across its asset base.

Growth through Inorganic Acquisitions

A central pillar of APL's strategy has been **opportunistic acquisition and turnaround of distressed thermal assets**. Over the last few years, APL has executed a series of high-impact acquisitions, leveraging its operational strength and balance sheet flexibility to extract value from underperforming or stalled plants.

Key Inorganic Acquisitions:

1. **Mahan Energen Ltd. (1,200 MW)** – Acquired in FY22 for ₹1,900 Cr. Within three years, EBITDA rose from ₹549 Cr (FY22) to ₹1,893 Cr (FY25). Entire acquisition debt was prepaid from internal accruals.
2. **Raipur Plant (1,370 MW)** – Bought in FY20 for ₹3,530 Cr. EBITDA surged from ₹210 Cr to ₹2,430 Cr over five years.
3. **Raigarh Plant (600 MW)** – Revived from a non-operational state post-acquisition (₹1,204 Cr cost); now generating ~₹1,270 Cr EBITDA (FY25).
4. **Korba Plant (600 MW)** – Acquired in Sep 2024 for ₹2,401 Cr as part of the Lanco Amarkantak resolution under IBC.
5. **Mutiara Plant (1,200 MW)** – Coastal Energen's asset, acquired under IBC in Aug 2024 for ₹3,336 Cr.
6. **Dahanu Plant (500 MW)** – Acquired via Business Transfer Agreement from another Adani Group company in Sep 2024.
7. **VIPL (600 MW)** – Under acquisition (Vidarbha Industries Power Ltd.), adding another strategic site in Maharashtra.

These acquisitions have helped APL quickly scale up capacity, improve geographic footprint, and consolidate its position in core industrial demand zones like Maharashtra, Tamil Nadu, and Chhattisgarh. More importantly, APL has successfully turned around each of these assets operationally and financially—within 18–36 months—delivering strong internal rates of return and material EBITDA uplift.

Fuel Management and Logistics

Fuel management and logistics form a **critical backbone of Adani Power's operating model**, directly influencing cost efficiency, plant availability, emissions performance, and margin stability. APL is the only Independent Power Producer (IPP) in India to have developed a fully **vertically integrated fuel supply chain**, offering a clear competitive edge in a sector prone to fuel volatility and supply disruptions.

Long-Term Coal Linkages and Domestic Fuel Security

Adani Power sources the majority of its coal requirements from **domestic coal supply contracts**, with **84% of its fuel needs secured through long-term Fuel Supply Agreements (FSAs)**. These agreements are typically signed with Coal India Ltd. (CIL) subsidiaries and ensure:

- **Stable and predictable coal availability**
- **Fuel cost pass-through under PPAs, protecting EBITDA margins**
- **Regulatory compliance under long term energy supply framework**

The domestic coal linkages cater primarily to plants like **Tiroda, Kawai, Mahan, Raipur, Raigarh, Korba**, and **Dahanu**, which are situated near key coal belts in central and eastern India. These FSAs significantly reduce dependence on imports and provide better control over inventory and cost.

Imported Coal for Coastal Plants and Export Projects

Certain coastal and export-oriented power stations—such as **Mundra (Gujarat)**, **Udupi (Karnataka)**, **Mutiara (Tamil Nadu)**, and **Godda (Jharkhand)**—are designed to use **blended or fully imported coal**, due to locational and logistical advantages.

- The **Mundra** plant primarily uses imported coal and serves multiple states including Gujarat, Haryana, and Maharashtra.
- The **Godda** plant, which exports 100% of its output to Bangladesh under a 25-year PPA, is a **dedicated imported coal-based ultra-supercritical unit**, with long-term fuel sourcing contracts already in place.

To manage import exposure, APL secures supply through **forward contracts, bulk procurement arrangements, and global vendor tie-ups**, minimizing volatility in coal prices and forex risks.

Captive Coal Mines – Long-Term Strategic Assurance

APL is actively developing **four captive coal blocks** allocated by the Government of India. These include:

- **Gare Palma Sector II**
- **Talabira II & III**
- **Parsa East & Kente Basan (PEKB)**
- **Kente Extension**

Together, these blocks are expected to provide a **combined coal output of ~14 million metric tonnes per annum (MMTPA)** over the medium term. This captive sourcing will further reduce reliance on market procurement and insulate APL from future fuel supply bottlenecks.

Integrated Mine-to-Plant Logistics Network

APL operates a **seamless fuel logistics system** that includes:

- **Mine-side infrastructure** (loading, crushing, and stockyard facilities)
- **Rail networks and sidings** connected directly to power plants
- **Coal handling plants (CHPs)** at plant sites
- **Port infrastructure** at Mundra, Karaikal, Krishnapatnam, and other coastal points for imported coal unloading

APL moves **over 74 MMTPA of coal** across its network and **handles over 22 MMTPA of fly ash** annually. Its logistics system includes:

- **30+ coal rakes/day** managed internally
- **65 coal rakes in circulation daily**
- 12 dedicated in-plant rakes for faster turnaround
- Use of **box-n wagons** for improved loading efficiency

The entire system is digitally monitored through the **Energy Network Operation Center (ENOC)** and **Material Management Systems**, ensuring just-in-time coal delivery, real-time stock visibility, and minimal demurrage or inventory overrun.

Long-Term PPAs and Merchant Sales

APL's revenue model is largely **PPA-based**, with **~87% of installed capacity tied under long-term/medium-term contracts** with state DISCOMs. These PPAs follow a **two-part tariff structure**, comprising:

- **Fixed capacity charges** (linked to availability)
- **Variable energy charges** (fuel cost pass-through)

The remaining **15–20% of capacity** is deployed in **merchant and short-term bilateral markets**, allowing APL to capture upside during peak demand seasons. **In FY25:**

- Merchant realization stood at ₹5.93/kWh.
- Bilateral and exchange volumes continued to rise, supported by locational advantage and fuel flexibility.

Key PPAs:

- Gujarat, Haryana, Rajasthan, Maharashtra, Karnataka, MP, and Bangladesh (Godda export)
- Group captive model used in Mahan for industrial clients
- New PPAs awarded in FY25 for 1,600 MW to Uttar Pradesh DISCOMs

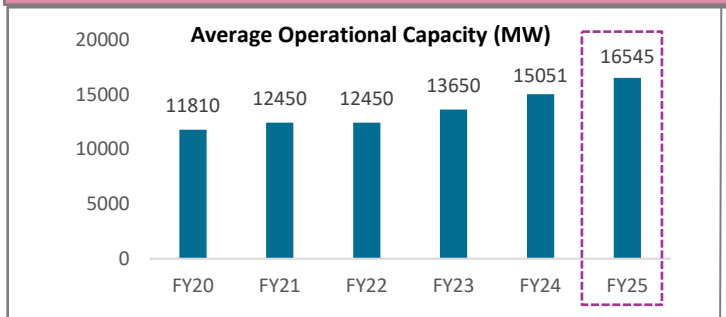
High Quality Present Portfolio Mix: : Poised to meet India's base load demand

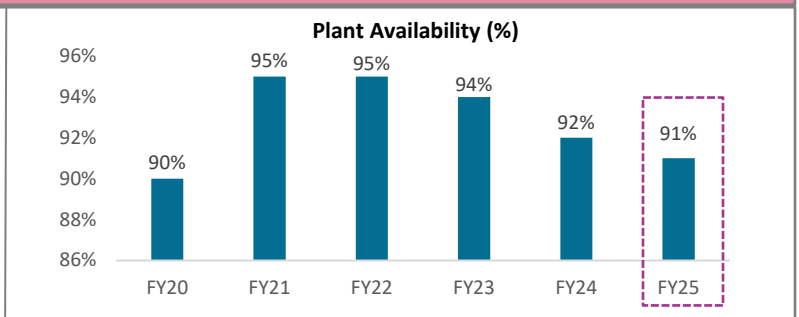
Operating Capacity		Locked-in Capacity		Target Capacity	
12 Assets	**17,550** MW	**9** Assets	**13,120** MW	**21** Assets	**30,670** MW

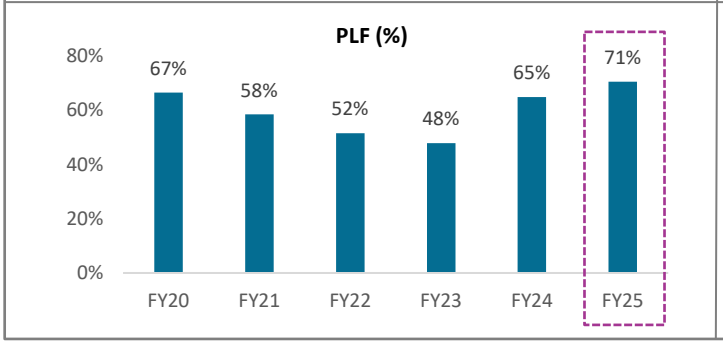
Asset Type	Asset Type	Asset Type
62% Organic, 38% Inorganic	95% Organic, 5% Inorganic	76% Organic, 24% Inorganic
Technology	**Technology**	**Technology**
9% Ultra-supercritical, 53% Supercritical, 38% Others	85% Ultra-supercritical, 10% Supercritical, 5% Others	42% Ultra-supercritical, 35% Supercritical, 24% Others
PPA Tie-ups	**PPA Tie-ups Till Date**	**Market Opportunity**
87% PPA, 13% Open	34% PPA, 66% Open	**40+ GW**

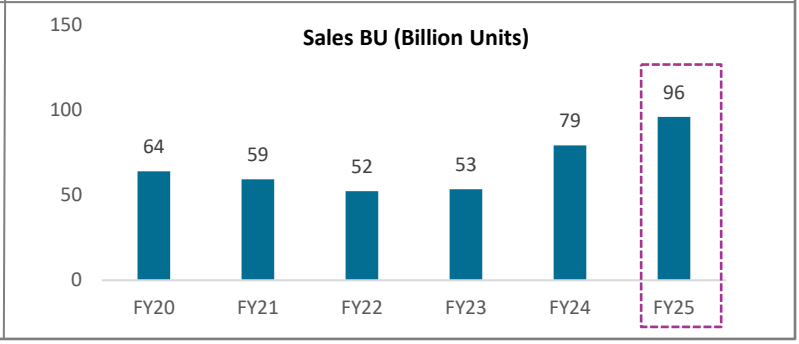
Source: ACMIIL Retail Research, Company Reports

Predictable and reliable operating performance







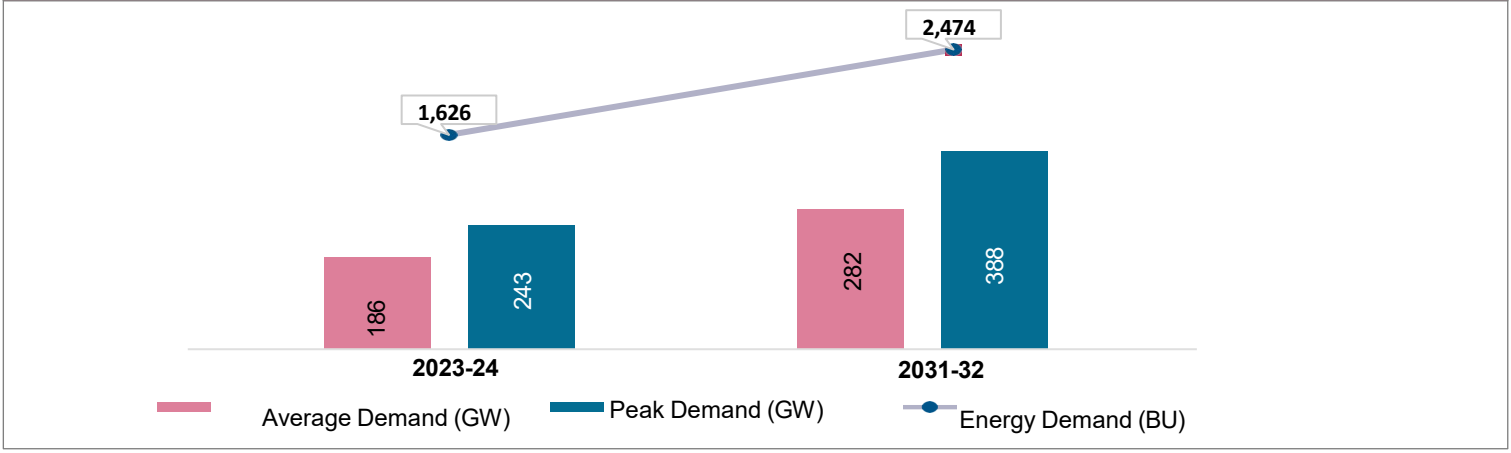


Source: ACMIIL Retail Research, Company Reports

Industry Overview

India's power demand is entering a structurally strong growth phase, driven by economic expansion, industrialization, and energy transition efforts. Total electricity consumption is expected to rise from **1,695 BU in FY25 to 2,474 BU by FY32**, reflecting a **46% increase**. Simultaneously, **peak electricity demand is projected to grow by 56%**, from **249 GW to 388 GW**, according to the Central Electricity Authority (CEA). This surge is underpinned by increased manufacturing under 'Make in India', electrification of transport, growth in residential cooling, and rising rural and semi-urban power access. Electrification of railways, EV charging infrastructure, and green hydrogen production will add further load on the grid.

Power Demand Growth Projections



Source: ACMIIL Retail Research, Company Reports

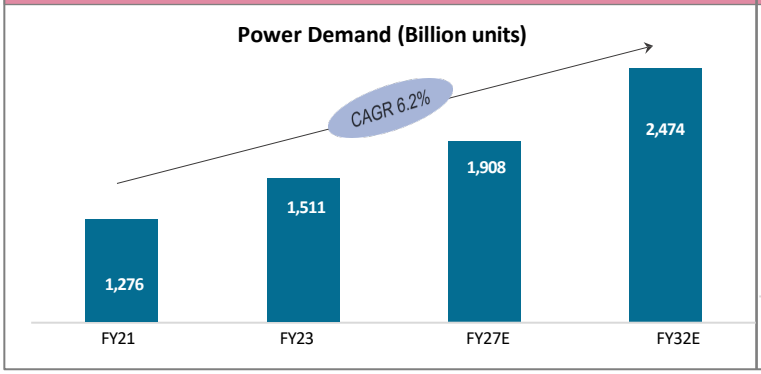
Thermal Power Will Remain Indispensable

Despite India's aggressive push toward renewables, **thermal power—especially coal-based generation—will remain the backbone of baseload and peak power supply**. While renewable capacity will dominate installations, its intermittent nature and limited output during peak hours make dispatchable thermal capacity essential. Coal's share in power generation is expected to remain significant—**54.5% by FY30**, down from 72% in FY24, but still dominant in actual generation volume. The CEA estimates that **India needs to add 80 GW of new coal-based capacity by FY32** to meet growing baseload and peak demand, even with renewable expansion.

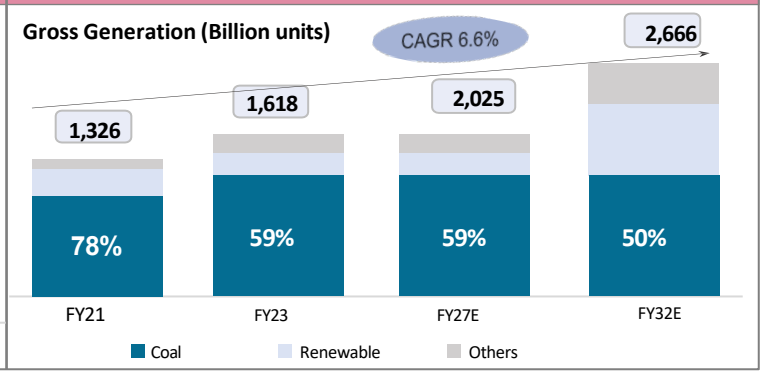
Renewable Energy Growth – Fast But Not Fully Reliable

India targets **500 GW of non-fossil capacity by 2030**, with solar and wind forming the bulk of upcoming capacity. While this will help reduce carbon intensity, the output from renewables is limited by lower utilization rates—typically **23% to 41%**—and does not align with peak demand periods (e.g., evenings and monsoon months). Even by FY30, **renewables will account for 62% of capacity but only ~44% of actual generation**. The lack of adequate storage infrastructure, such as pumped hydro or grid-scale batteries, further constrains their standalone reliability.

Economic growth driving power demand



Share of renewables to increase, thermal to provide base load supply

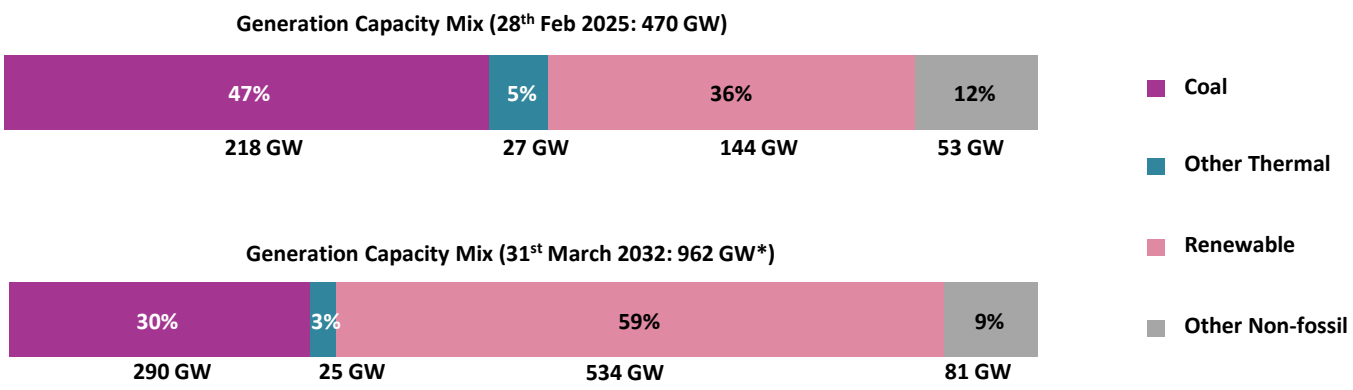


Source: ACMIIL Retail Research, Company Reports

Government Support for Thermal Capacity Revival

Recognizing grid balancing challenges and the need for firm supply, the government has launched a revival framework for coal-based power. Under the **SHAKTI Policy Clause B(iv)**, the Ministry of Power has invited bids for **24 GW of new thermal capacity**, of which **6.1 GW has been awarded**, including **4.5 GW allocated to Adani Power**. This reflects growing institutional interest in securing long-term dispatchable capacity amid rising volatility in short-term power markets.

India's Evolving Power Capacity Mix: 2025 vs. 2032



Source: ACMIIL Retail Research, Company Reports

India's generation capacity is set to more than double from **470 GW in FY25 to 962 GW by FY32**, driven by an aggressive push toward renewables. While **coal's share in installed capacity will fall from 47% to 30%**, it will remain a critical part of the grid. **Renewables will rise from 36% to 59%**, supported by solar and wind additions, whereas other non-fossil sources like hydro and nuclear will maintain a modest 9% share. Despite the green shift, coal will continue to dominate actual power generation due to its higher utilization and dispatchability.

Private Sector Opportunity in Baseload Power

The future landscape presents a major opportunity for private IPPs (industry power producer) with operational scale, brownfield expansion capabilities, and fuel security. Players like Adani Power, with vertically integrated logistics, captive coal sourcing, and a strong record of plant turnaround, are well-positioned to meet the dual objectives of growth and reliability. With over **40 GW of new thermal capacity expected to be bid out by FY32**, private sector participation will be crucial to India's power security.

Investment Rationale

Adani Power represents a compelling long-term investment, anchored by a confluence of rising domestic energy demand, regulatory clarity, base-load power requirement, and superior execution capabilities. As India's largest private-sector thermal power producer, APL is uniquely positioned to address the growing baseload deficit and complement renewable intermittency. The following factors form a comprehensive investment rationale:

Market Leadership and Installed Capacity

- Adani Power is India's largest private thermal power producer with a **total installed capacity of 17,550 MW (17.4 GW)** across 12 power plants in 7 states.
- Of this, ~15.25 GW is currently operational, and the rest is under construction, including 1,600 MW at Godda (Jharkhand) for Bangladesh exports and 1,200 MW brownfield expansion at Mahan.
- The company also controls recently acquired assets like CEPL, LAPL, and Dahanu TPP—demonstrating strong inorganic growth capabilities.

Stable Cash Flows from Long-Term PPAs and Fuel Security

- ~85% of its total capacity is tied under long/medium-term PPAs, ensuring stable, regulated returns and predictable earnings visibility.
- 84% of its coal requirement is met through domestic long-term linkages, significantly de-risking volatility in imported fuel costs.
- Merchant volumes (15–20%) provide earnings upside in times of high spot prices, aided by tight supply-demand dynamics.

Strategic Growth Pipeline and Execution Capability

- APL plans brownfield expansion of **4.8 GW** across existing sites like Tiroda, Udupi, and Mahan—ensuring lower capex/MW and faster commissioning.
- Backed by Adani Group's integrated logistics, EPC and fuel supply chain (including captive coal mines), APL has demonstrated speed and efficiency in scaling capacity and integrating acquisitions.
- APL has emerged as a preferred consolidator of distressed thermal assets, aided by its robust balance sheet and turnaround track record.

Sectoral Tailwinds: Thermal Power's Renewed Relevance

- Despite policy focus on renewables, India's power demand is projected to grow at **6–7% CAGR**, with CEA estimating peak demand at 366 GW by FY32.
- Renewables' intermittency and storage constraints make thermal indispensable for grid stability. Government aims to add **85–90 GW of new coal-based capacity by FY31**; APL is a top contender.

Best-in-Class Operating Metrics and Digitalization

- FY25 PLF improved to **71%** vs. **65**% YoY; achieved **96 BU** of power despatch, up 21%.
- Project Beacon and Analytics Centre of Excellence (ACoE) enabled predictive maintenance, fuel optimization, and improved turnaround times.
- Energy Network Operation Centre (ENOC) centralizes plant-level monitoring for real-time decisions.

Long-Term Demand Drivers: Urbanization, Industry, EVs

- Electrification of transport (EVs), Make in India-led industrial expansion, and smart cities will create sustained base load growth.
- Thermal plants like APL's provide round-the-clock power, unlike variable RE sources—ensuring relevance even in a green economy.

Risk Mitigants and Regulatory Tailwinds

- Improved coal logistics, captive sourcing, and regulated PPAs shield APL from fuel cost surges and policy shocks.
- Thermal sector is back in favor with central/state power utilities signaling large-scale procurement till FY31.

Peer Analysis

Name	Last Price	Mkt Cap (Cr)	Revenue (Cr.)				EPS			ROE	P/B			P/E			EV/EBITDA		
			FY25	FY26E	FY27E	5Yr Revenue CAGR	FY25	FY26E	FY27E		FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
ADANI POWER LTD	**551**	**212614**	**56203**	**62164**	**65420**	**16.3%**	**32.3**	**32.8**	**34.1**	**25.3%**	**3.4**	**4.0**	**3.7**	**15.4**	**16.8**	**16.2**	**9.6**	**9.9**	**9.6**
JSW ENERGY LTD	505	88227	11745	20764	23689	7.5%	11.4	18.2	22.0	8.2%	3.4	2.9	2.6	47.3	26.9	23.7	26.6	12.0	11.8
NHPC LTD	88	88015	10380	14358	18660	0.7%	3.0	4.5	6.0	7.7%	2.1	2.1	1.9	27.5	18.6	14.5	23.2	14.7	10.2
TORRENT POWER LTD	1399	70481	29165	31913	34957	16.7%	56.5	52.6	62.0	20.1%	4.3	3.7	3.4	25.1	25.9	22.1	15.7	12.8	12.7
CESC LTD	172	22789	17001	18861	20070	6.9%	10.3	11.2	12.2	11.7%	1.7	1.8	1.7	14.9	15.2	13.6	13.0	9.0	8.4
TATA POWER CO LTD	402	128405	65478	72728	79247	17.6%	12.6	15.4	17.3	11.6%	3.3	3.2	2.9	30.2	25.7	22.0	12.7	12.2	12.2

Source: Company Reports, ACMIIL Retail Research,
Note: Data is as on 21-May-2025

Condensed Financial Statements (Amount in INR Crore, Except Per Share)

Income Statement (INR Crore, Except Per Share)

Particulars	FY23	FY24	FY25	FY26E	FY27E
Revenue	**38773**	**50351**	**56203**	**62164**	**65420**
Fuel Cost	25481	28453	30273	34190	35981
Purchase of stock in trade	214	222	357	311	327
Transmission Charge	520	504	459	622	654
Employee benefits expenses	570	644	784	932	981
Other expenses	1944	2348	3024	3419	3598
Other Income	4267	9930	2703	2989	3146
Finance Costs (net)	3334	3388	3340	3587	3875
Depreciation & amortisation expenses	3304	3931	4309	4822	5239
Profit Before Tax	7675	20792	16360	17270	17910
Tax	-3052	-37	3610	4318	4478
PAT	**10727**	**20829**	**12750**	**12953**	**13433**
Basic & Diluted EPS	24.6	51.6	32.3	32.8	34.1

Source: Company Reports, ACMIIL Retail Research

Ratios (INR Crore, Except Per Share)

Particulars	FY23	FY24	FY25	FY26E	FY27E
Enterprise Value	114375	233287	229809	254256	258332
EV/EBITDA	8.0	8.3	9.6	9.9	9.6
Price to FCFF	11.1	11.8	26.4	68.4	25.2
PE	6.9	9.9	15.4	16.8	16.2
PB	2.5	4.8	3.4	3.6	3.4
ROE	44.2%	57.0%	25.3%	22.0%	21.6%
ROA	12.8%	23.4%	12.4%	11.3%	11.2%
ROCE	16.2%	31.6%	20.4%	21.6%	21.4%
Interest Coverage Ratio	3.3	7.1	5.9	5.8	5.6
Asset Coverage Ratio	1.8	2.4	2.7	2.6	2.6
FCFF	6650	17454	7433	3186	8661
Total Debt	42350	34616	39495	42417	45825
Cash & Cash Equivalents	1874	7212	6120	6213	5545
Net Debt	40476	27404	33375	36204	40280
Debt/Equity	1.4	0.8	0.7	0.7	0.7
Net Debt/ EBITDA	2.8	1.0	1.4	1.4	1.5
Debt/EBITDA	3.0	1.2	1.6	1.7	1.7

Source: Company Reports, ACMIIL Retail Research

Risks and concerns

- Exposure to regulatory risks and change in government policies
- Thermal power remains capital-intensive with long gestation periods
- Rising private and state participation in thermal bids may pressure margins and limit growth opportunities.

Balance Sheet (INR Crore)

Particulars	FY23	FY24	FY25	FY26E	FY27E
ASSETS					
Non current assets					
Net Block	64331	63941	81402	91086	98958
Financial Assets	822	636	751	623	656
Non-Current Tax Assets	0	366	217	0	0
Deferred Tax Assets (Net)	0	376	0	0	0
Other Non Current Assets	1115	1419	4219	1924	1943
Total Non-Current Assets	66268	66738	86588	93634	101557
Current Assets					
Inventories	3075	4142	3317	2890	2951
Financials Assets	14575	19702	21074	18137	17932
Current Tax Assets	0	0	196	98	98
Other Current Assets	1903	1742	1726	1482	1570
Total Current Assets	19553	25587	26313	22607	22551
Assets classified as held for sale	0	0	16	0	0
Total Assets	**85821**	**92325**	**112918**	**116240**	**124108**
EQUITY AND LIABILITIES					
Equity	**29876**	**43145**	**57674**	**60181**	**64452**
LIABILITIES					
Non-current Liabilities					
Financial Liabilities	33791	26739	28742	29514	30340
Provisions	227	237	340	222	222
Deferred Tax Liabilities (Net)	0	316	4023	1405	1595
Other Non-Current Liabilieis	4183	6099	5698	5059	5053
Total Non-Current Liabilities	**38201**	**33391**	**38803**	**36201**	**37211**
Current Liabilites					
Financial Liabilities	14100	13604	14962	18052	20449
Other Current Liabilities	3623	2159	1349	1635	1808
Provisions	22	26	70	41	41
Current Tax Liabilites (Net)	0	0	60	130	147
Total Current Liabilities	**17745**	**15789**	**16441**	**19859**	**22445**
Total Liabilities	**55946**	**49180**	**55244**	**56059**	**59656**
Total Liabilities and Equity	**85821**	**92325**	**112918**	**116240**	**124108**

Source: Company Reports, ACMIIL Retail Research

Cash Flow Statement (INR Crore)

Particulars	FY23	FY24	FY25	FY26E	FY27E
Net Income	10727	20829	12939	12953	13433
Depreciation & Amortization	3304	3931	4309	4822	5239
Non-Cash Items	-2978	-977	2490	380	206
Chg in Non-Cash Work Cap	-1159	-3728	-761	-1313	-1315
Cash from Operating Activities	**9893**	**20055**	**18977**	**16841**	**17563**
Cash from Investing Activities	**-3283**	**-5831**	**-18026**	**-15138**	**-10592**
Cash from Financing Activities	**-7044**	**-13433**	**-1768**	**-1610**	**-7639**
Net Changes in Cash	**-434**	**791**	**-816**	**93**	**-669**

Source: Company Reports, ACMIIL Retail Research

ACMIIL Retail Research Products

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