

INITIATING COVERAGE

NLC INDIA LTD



Capacity Addition Across Mining and Power Segments to Drive Growth

We initiate coverage of NLC India Limited (NLCIL) with a BUY recommendation and a target price of Rs 340/share, implying an upside potential of 20% from the CMP. NLCIL is a Navratna CPSE and operates across lignite & Coal mining, Power generation, Power Trading, and Consultancy for Mining & Power. NLCIL is the designated nodal agency for lignite mining in India and owns more than 50% of the Lignite Reserves. The company has an elaborate capacity expansion plan for Thermal Power, RE, and Mining capacity. It plans to increase total Power capacity from the current level of 6 GW to 18.5 GW and mining capacity from 50 MTPA to 102 MTPA by 2030.

Investment Thesis

- Capacity Expansion** – NLCIL has ambitious capacity expansion plans. It plans to increase its current mining capacity from 50 MTPA to 102 MTPA by 2030, Thermal power capacity from 4,640 MW to 10,465 MW, and RE capacity from 1,431 to 8,059 MW. These capacity additions would require a massive Capex of Rs 1 Lc Cr which would drive growth in the regulated equity.
- Regulated Returns** – NLCIL earns a fixed return on equity of 14% on its captive Mining segment and 15.5% on its power generation segment (post-achievement of normative benchmarks set up by the CERC). The Power plants have long-term Power Purchase Agreements (PPAs) with a regulated two-part tariff structure which ensures recovery of all fixed expenses including debt obligation. As of Mar'24, NLCIL has total regulated equity of ~Rs 9,000 Cr out of which Rs 5,500 Cr pertains to Power business and Rs 3,700 Cr for mining. The management envisages regulated equity to grow to Rs 12,000 Cr by FY26 and to Rs 28,000 Cr by 2030
- Renewable Energy; Commercial Mining Focus** – While NLCIL earns assured returns on its regulated captive mining and thermal business, it is also increasing its focus on renewable Energy and Commercial Mining. This will enable the company to diversify its cash flows during the execution risk in thermal power plant expansion. It further plans to increase its RE capacity from 1,431 MW to 8,059 MW, supporting the government's target of 50% renewables in the energy mix by 2030. Under the commercial coal e-auction, the company has bagged North Dhadu (3 mtpa capacity) at Jharkhand and Machhakata mine (30 mtpa capacity) which will diversify its revenue stream in future.
- Captive fuel availability for Power plants** – Captive fuel supply helps the company achieve the mandatory normative parameters for its old plants. NLCIL has a mining capacity of 50 MTPA (30 MTPA for Lignite and 20 MTPA for Coal). These mines are linked to the power stations of NLCIL. The majority of the Lignite mined is supplied to the power stations. The expansion programme is also planned in a way where new mines shall be linked to new power stations. The Ghatampur 1,980 MW JV is linked to 9 MTPA Pachwara coal block while the Talabira mines will supply coal to the Talabira Power station (3,200 MW) in future.
- Government Ownership** – NLCIL is a Navratna CPSE under the administrative control of the Ministry of Coal with the majority of its shares held by the government of India (GoI share 72.2% as of Mar'24). Due to this status, it has more operational and administrative autonomy. With the government's focus on the Energy sector, NLCIL is set to benefit from the growth of the energy sector and government support. Furthermore, the company can borrow funds at much lower interest costs due to its government ownership and stable cash flows.

Valuation & Recommendation

We value the conventional thermal business at 1.8x on our consolidated regulated equity projections of FY33 discounted to FY26. We value the Regulated Mining business at 1.9x FY26 regulated equity and RE business at EV/EBITDA of 9x on FY26 EBITDA. We value the merchant coal business at 7.0x EV/EBITDA on FY26 EBITDA to arrive at our SOTP target price of Rs 340/share. Our target price implies an upside of 20% from the CMP.

Key Financials (Consolidated)

(Rs Cr)	FY 24A	FY 25E	FY 26E	FY 27E
Net Sales	12,999	16,662	20,230	22,166
EBITDA	3,536	5,165	7,283	7,980
Attrib Net Profit	1,854	2,886	4,124	4,246
EPS (Rs.)	13.47	20.96	29.96	30.85
PER (x)	16.93	13.36	9.35	9.08
P/BV (x)	1.91	2.05	1.72	1.47
EV/EBITDA (x)	15.86	13.04	10.05	9.55
ROE (%)	11.2%	15.2%	18.2%	16.1%

Source: Company, Axis Securities

(CMP as of 29 July, 2024)

CMP (Rs)	285
Upside /Downside (%)	20%
High/Low (Rs)	312/106
Market cap (Rs Cr)	39,665
Avg. daily vol. (6m) Shrs.	88,63,352
No. of shares (Cr.)	139

Shareholding (%)

	Dec-23	Mar-24	Jun-24
Promoter	79.20	72.20	72.20
FII's	1.21	2.39	2.18
MFs / UTI	5.33	9.39	9.23
Banks / FIs	0.00	0.02	0.00
Others	14.26	16.00	16.39

Financial & Valuations

Y/E Mar (Rs Cr)	FY 25E	FY 26E	FY 26E
Net Sales	16,662	20,230	22,166
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Key Drivers (%) (Growth in %)

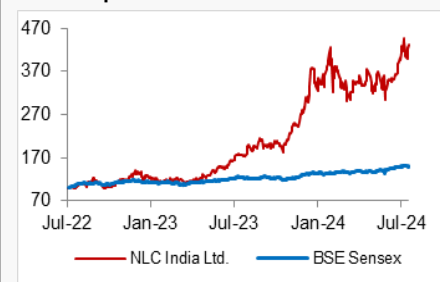
Y/E Mar	FY25E	FY26E	FY27E
Net Sales	28%	21%	10%
EBITDA	46%	41%	10%
Regulated Equity	0%	30%	8%

ESG disclosure Score**

Environmental Disclosure Score	NA
Social Disclosure Score	NA
Governance Disclosure Score	NA
Total ESG Disclosure Score	NA

Source: Bloomberg, Scale: 0.1-100
**Note: This score measures the amount of ESG data a company reports publicly and does not measure the company's performance on any data point. All scores are based on 2022 disclosures

Relative performance



Source: Ace Equity, Axis Securities

Aditya Welekar

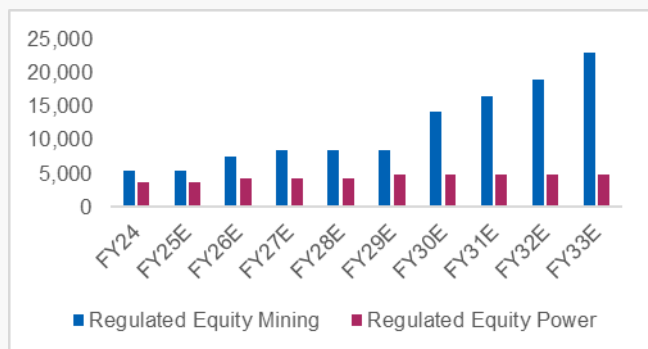
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Story in Charts

Exhibit 1: Management envisages regulated equity to grow to Rs 28,000 Cr by 2030 led by Capex across Power and Mining



Source: Company, Axis Securities

Exhibit 2: RoE to remain stable during the expansion phase

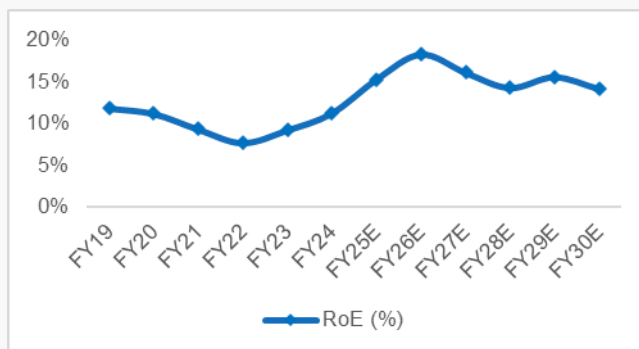
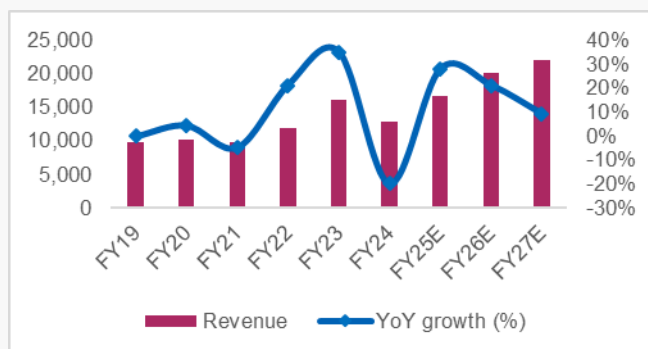


Exhibit 3: Revenue to grow led by CoD of Ghatampur plant in FY25 and Talabira Mine achieving its peak rated capacity of 20 MTPA over the next two years



Source: Company, Axis Securities

Exhibit 4: EBITDA to improve led by increase in sales and improvement in PLF and plant efficiencies

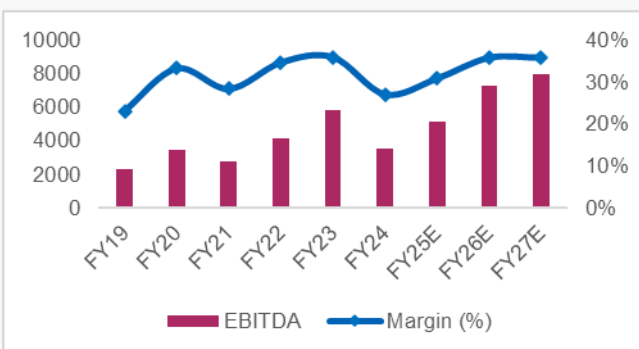
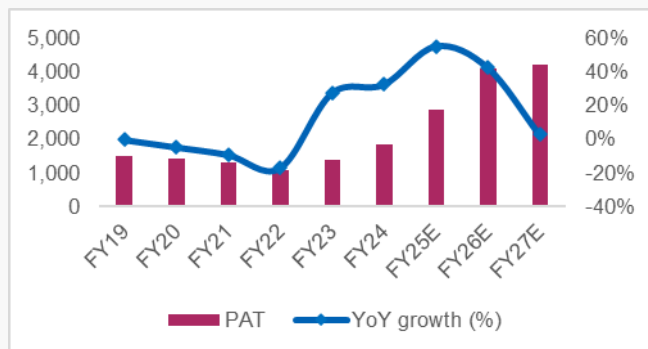
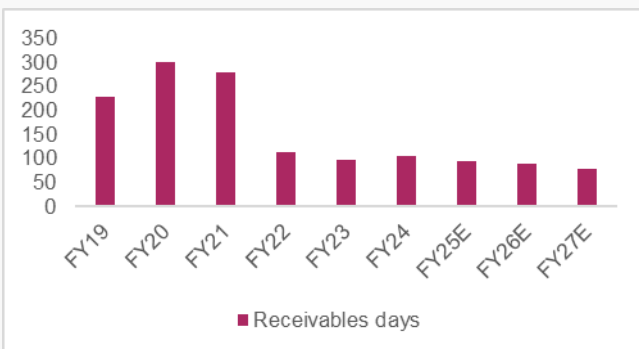


Exhibit 5: PAT to improve driven by the increase in EBITDA margins.



Source: Company, Axis Securities

Exhibit 6: Improvement in the receivables days due to payment security mechanisms



Company Background

NCL India Limited (NLCIL) is a Navratna CPSE under the administrative control of the Ministry of Coal with the majority of its shares held by the government of India (Govt share 72.2% as of Mar'24). NLCIL was conferred a Navratna status on Apr'11 giving it more operational and administrative autonomy. Incorporated in 1956, NLCIL operates across Lignite and Coal Mining, Power Generation, Power Trading, and Consultancy for Mining & Power.

NLCIL is the designated nodal agency for lignite mining in India, with a total lignite mining capacity of 30.1 MTPA with mines located mainly in Tamil Nadu (4 mines with 28 MTPA capacity) and 1 mine at Barsingsar Rajasthan (2.1 MTPA). It operates 3,640 MW of lignite-based power plants using the captive lignite which differentiates it from its peers. It also operates a 1,000 MW thermal coal-based Power plant through an 89% JV, the coal requirement for it is met by its Talabira Coal mine at Odisha of 20 MTPA which was commissioned in Apr'21. It also operates a 1,380 MW solar power plant mainly located in Tamil Nadu (except 20 MW at Andaman & Nicobar Islands) and 51 MW of wind power in Tamil Nadu.

While the majority of its Lignite mines and pit head power plants are housed in the parent NLCIL, it also has subsidiary companies and Joint Ventures engaged in thermal coal-based power and a recently carved-out renewable business. Below are its subsidiaries/JVs

- **NLC Tamil Nadu Private Limited (NTPL) (89% stake):** NTPL is a Joint Venture between NLCIL and Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). It operates a 1,000 MW coal-based power generation station at Tuticorin, Tamil Nadu.
- **Neyveli Uttar Pradesh Power Limited (NUPPL) (51% stake):** NUPPL is a Joint Venture between NLCIL and Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd (UPRVUNL). It is incorporated to operate 3 units of a Thermal Power station at Ghatampur, Uttar Pradesh of 660 MW each. Unit I is oil synchronised and COD is expected by Jul'24 while Unit II and III's COD is expected by Nov'24 and Mar'25 respectively.
- **Coal Lignite Urja Vikas Private Limited (CLUVPL) (50% stake):** CLUVPL is a Joint Venture between NLCIL and Coal India Limited. It has been incorporated to develop and operate non-conventional and renewable projects. It will also engage in providing Project Management Consultancy (PMC) services for developing power projects.
- **NLC India Renewables Limited (NIRL) (100% subsidiary):** NIRL is a wholly-owned subsidiary of NLCIL set up to take over the existing renewable projects of NLCIL.
- **NLC India Green Energy Limited (NIGEL) (100% subsidiary):** NIGEL is a wholly-owned subsidiary of NLCIL. It is set up to carry out the future renewable projects of NLCIL.

NCL India Limited (NLCIL) is a Navratna CPSE under the administrative control of Ministry of coal with total Power capacity of 6 GW and Mining capacity of 50 MTPA.

Current Capacity

Mining: NLC operates 3 open cast Lignite mines in Tamil Nadu and 1 open cast mine in Rajasthan which forms a total 30.1 MTPA Lignite mining capacity. It also operates 20 MTPA open-cast Talabira thermal coal mines II and III at Odisha, leading to a total mining capacity of 50.1 MTPA.

Exhibit 7: NLCIL Mining Capacity

Mining	Location	Unit	Existing capacity
Mine I (Lignite)	Neyveli, Tamil Nadu	Mtpa	8.00
Mine IA (Lignite)	Neyveli, Tamil Nadu	Mtpa	7.00
Mine II (Lignite)	Neyveli, Tamil Nadu	Mtpa	13.00
Barsingsar Mine (Lignite)	Barsingsar, Rajasthan	Mtpa	2.10
Total Lignite		Mtpa	30.10
Talabira (Thermal Coal)	Odisha	Mtpa	20.00
Total Mining Capacity		Mtpa	50.10

Source: Company

Power Generation: NLCIL and its subsidiaries together have a power generation capacity of 6,071 MW of which 3,640 MW pertain to Lignite-based power generation, 1,000 MW thermal power, and 1,431 MW of Renewable Power.

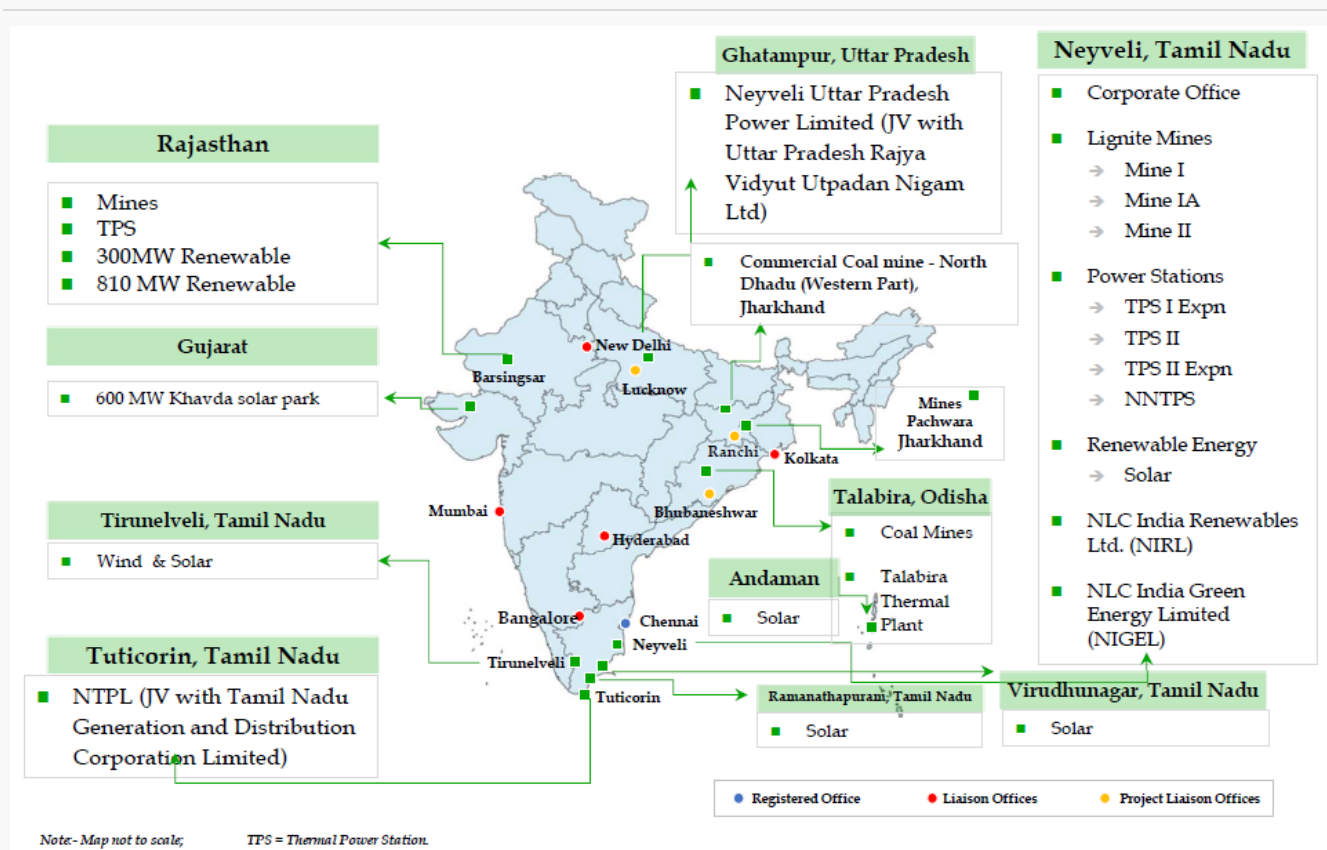
Exhibit 8: NLCIL Power Generation Capacity

Plants	Location	Unit	Stake	Remark	Existing capacity (MW)
TPS - I Expansion	Neyveli, Tamil Nadu	MW	NLCIL	Pithead	420
TPS II	Neyveli, Tamil Nadu	MW	NLCIL	Pithead	1,470
TPS II Expansion	Neyveli, Tamil Nadu	MW	NLCIL	Pithead	500
BTPS	Barsingar, Rajasthan	MW	NLCIL	Pithead	250
NNTPS	Neyveli, Tamil Nadu	MW	NLCIL	Pithead	1,000
Total Lignite based Power capacity		MW			3,640
Thermal coal-based Power (NTPL)	Tuticorin Tamil Nadu	MW	JV - 89% Stake	Non-Pithead	1,000
Total Thermal Power		MW			4,640
Renewable Energy Capacity					
Wind	Tamil Nadu	MW			51
Solar	Tamil Nadu	MW			1,380
Total RE Capacity		MW			1,431
Total Power capacity		MW			6,071

Source: Company

With the expansion project at UP and Odisha, NLCIL now has a Pan India presence.

Exhibit 9: PAN India presence



Source: Company

Segmental Performance

The company operates in two segments

- I. **Mining** - mining of Lignite and Coal and
- II. **Power generation** - Generation of power and sale to power utilities across the country.

The majority of the revenue comes from the power sales (85%). It also sells lignite and coal after meeting internal consumption which formed 10% of revenue in FY23.

Lignite is sold through an E-Auction route to industries for captive power generation, refractories, and other allied uses. The thermal coal is sold from the Talabira mine for NTPL (81% JV) 1,000 MW Thermal power plant. Part of the NTPL coal requirement is met through a coal swapping arrangement entered with NTPC Ltd – wherein Mahanadi Coalfields Ltd. supplies 2.4 MTPA coal to NTPL instead of the coal from NLC's Talabira mines for NTPC's power plants. Post the NTPL coal requirement, the balance of coal is sold through an e-auction route.

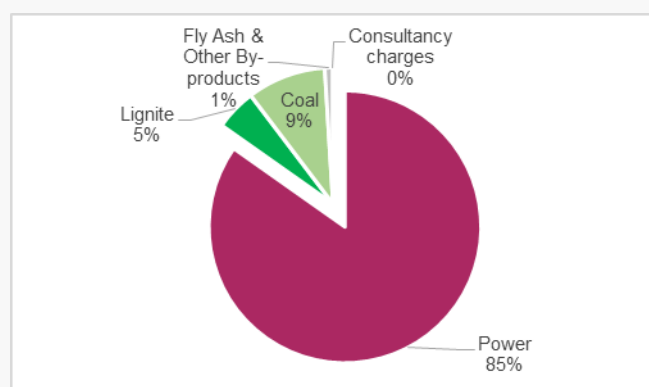
Exhibit 10: Thermal Coal Sales Split

		FY22	FY23
NTPL plant	MTPA	2.14	2.00
Sold to NTPC MOU route	MTPA	5.35	5.00
NTPC Swapping route	MTPA	1.69	1.80
e-auction sales	MTPA	0.72	3.30
Thermal Coal Sales (Talabira)	MTPA	9.90	11.76

Source: Company

As of 31st Mar'23, the Group's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) meets 10% of the power requirement of Tamil Nadu.

Exhibit 11: FY23 Revenue Break up



Source: Company

Exhibit 12: Revenue Split

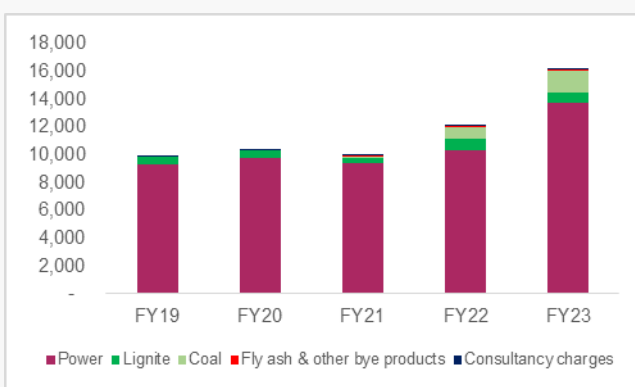
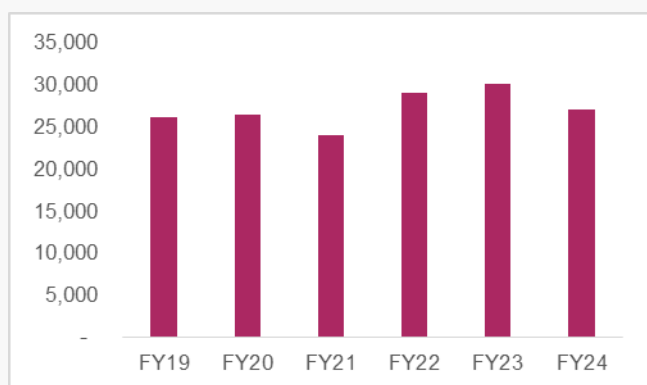
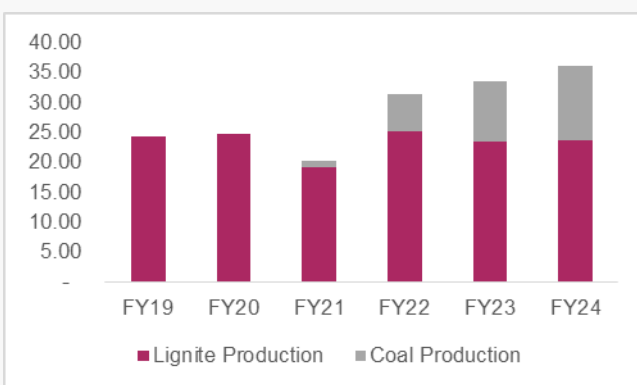
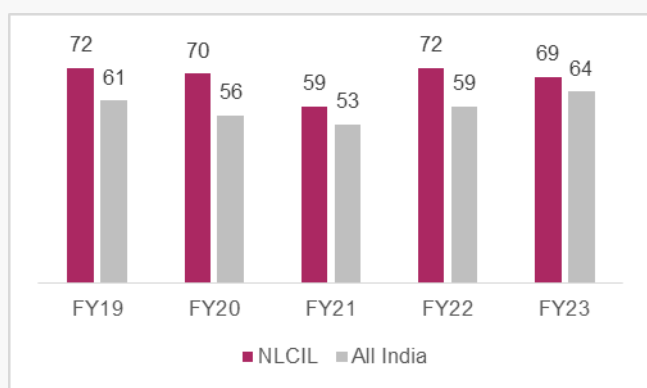
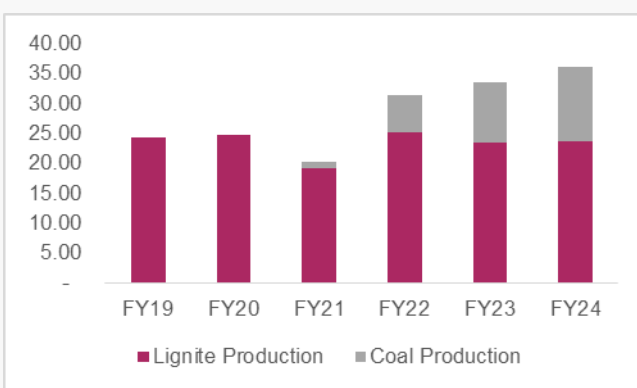
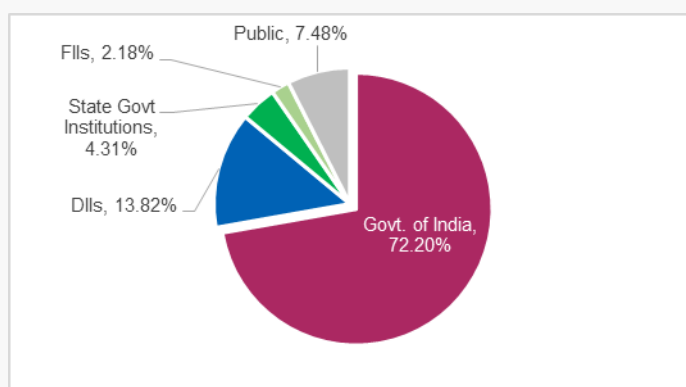


Exhibit 13: Power Generation (MU) including RE Power


Source: Company

Exhibit 14: Total Lignite and Coal Production MTPA

Exhibit 15: PLF (%) Comparison - Thermal


Source: Company

Exhibit 16: Total Lignite and Coal Production MTPA

Exhibit 17: Shareholding Pattern of the Company


Source: BSE

Exhibit 18: List of top institutional shareholders

Sr.No	Institutional Investors	Percentage Holding
1	Nippon Life India Trustee Ltd	5.89
2	LIC	2.18
3	Sbi Life Insurance Co. Ltd	1.45
4	Kotak Mahindra Trustee Co Ltd	1.17
5	Alternate Investment Funds	0.52

Competitive Strengths

Captive Coal Sources Provides Fuel Security

NLCIL has 50 MTPA of captive coal mines which provide critical raw material security and fuel assurance for the power plants. All the lignite-based power plants of 3.64 GW in Tamil Nadu are pithead plants. Captive lignite provides greater flexibility in terms of adjusting its production for variations in power demands and power generation at thermal power plants. The company's NTPL (1,000 MW, 89% JV) thermal coal-based power plant has fuel security from the 20 MTPA Talabira Coal mine. The upcoming Ghatampur power plant (1,980 MW) in Uttar Pradesh is connected to the 9 MTPA Pachwara coal block and will also receive bridge linkage from BCCL and NCL (subsidiaries of Coal India Ltd) during the ramp-up period of the Pachwara coal mine and the start-up of the Ghatampur plant. The Talabira power plant at Odisha (3,200 MW) in future will be linked to the Talabira Coal mine.

NLCIL has 50 MTPA of coal mines, majority of which are used as captive fuel which provides critical raw material security and fuel assurance for the power plants.

Lower Demand Risk as Long-Term PPAs in Place with State Power Utilities

The company's entire 6,071 MW of power portfolio has long-term power purchase agreements (PPAs) with the five southern states and Rajasthan ensuring power offtake. Moreover, the under-construction project in Uttar Pradesh has tied up long-term PPAs with Uttar Pradesh (75%) and Assam (25%) for the entire capacity. The 2,400 MW NLC Talabira Odisha project has also secured PPAs with TANGEDCO (for 1,500MW), Puducherry Discom (for 100MW), and KSEB Kerala (for 400MW) and GRIDCO Odisha (for 400MW).

Regulated Return for Both Mining And Power Generation

NLC uses captive lignite and coal as a fuel for its power plant. Captive lignite and coal mining earn a regulated return of 14% based on a lignite transfer pricing mechanism determined by CERC's regulations (earlier by the Ministry of Coal), based on the cost-plus principles. The power plants also earn a 15.5% return on their regulated equity covering all the fixed and variable costs on achievement of normative PAFs.

Increasing RE Share in Total Capacity

The company plans to expand its RE capacity from the current 1,431 MW to 8,059 MW by 2030, thereby increasing the RE share from 24% currently to 44% by 2030. RE capacity addition will help in providing stable returns and lower execution risk during the expansion plan.

NLCIL is a Navratna PSU with Greater Financial Flexibility

The GOI holds a significant share of 72.2% of the company. The sovereign ownership and control by GOI offers greater autonomy and financial flexibility in raising funds for the group. Moreover, NLCIL is strategically important for the government as it holds strategic lignite reserves and is a nodal agency for lignite mining.

Healthy Financial Risk Profile

NLCIL's Debt/Equity ratio is at 1.35x which is expected to increase towards 1.50x as it goes for expansion; but it is still well within the stipulated norm of 2.33x (70:30 Debt: Equity) of CERC.

Exhibit 19: Net Debt to EBITDA

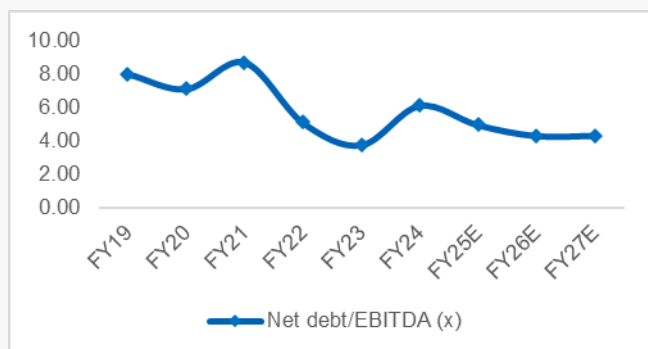
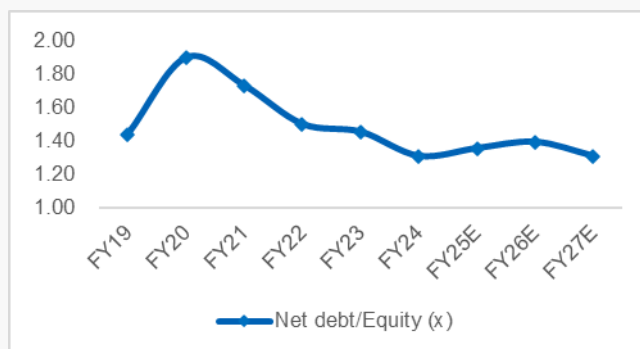


Exhibit 20: Net Debt to Equity



Source: Company, Axis Securities

Key Growth Drivers

Capacity expansion focus

NLCIL has ambitious capacity expansion plans. By 2030, it plans to increase mining capacity to 102 MTPA from the current, 50.1 MTPA. Thermal power capacity from 4,640 MW to 10,465 MW, and RE power from 1,431 MW to 8,059 MW. For these capacity expansions, it has a massive 1 Lc Cr Capex plan which it will fund through debt and equity as per regulations.

The management is confident of funding the equity from the additional revenue as the expansion projects start contributing to the topline. Ghatampur ~2 GW is expected to start contributing to the top line in the next 1 to 1.5 years, Pachwara South Coal Block production is slated to start from Sep'24 and Talabira Mine peak rated capacity of 20 MTPA is expected over the next two years.

The Ghatampur Power plant will require ~5-6 MTPA, which will be sourced from the 9 MTPA Pachwara coal block and the remaining ~3 MTPA coal will be sold in the open market.

NLCIL will also be setting up a 3.2 GW Talabira Power plant in two phases – Phase I of 2,400 MW (3*800) and another 800 MW in Phase II which is under the planning stage. The coal for the power plant will be supplied from the Talabira Coal mine (20 MTPA) as the power plant starts from FY29/FY30. Until then, the Talabira coal mine will continue to supply the coal to NTPL and NTPC.

The company will also set up TPS-II 2nd expansion – a 1,320 MW (2*660) lignite-based supercritical power project.

Under the commercial coal e-auction, the company has bagged North Dhadu (434.65 Mn tonnes of reserves and 3 mtpa peak capacity) at Jharkhand on Aug'23 and Machhakata mine (1.38 Bn tonnes of reserves with peak capacity of 30 mtpa) recently on 15th Jul'24. The timeline for starting the North Dhadu mine is set at 55 months by the Government of India, but the company will be targeting to start the mine within 30 months.

NLCIL has ambitious capacity expansion plans. By 2030, it plans to increase mining capacity to 102 MTPA from the current 50 MTPA. Thermal power capacity from 4,640 MW to 10,465 MW and RE power from 1,431 MW to 8,059 MW.

Exhibit 21: NLC India Expansion Plan – 2030

		Current capacity	Capacity by 2030	Planned Capex
Lignite	MTPA	30	40	
Coal	MTPA	20	62	
Mining	MTPA	50	102	15,000
NLCIL	MW	3,640	7,485	
JV	MW	1,000	2,980	
Thermal Capacity	MW	4,640	10,465	55,000
Solar	MW	1,380	7,858	
Wind	MW	51	201	
RE Capacity	MW	1,431	8,059	25,000

Source: Company

Exhibit 22: Power Plants expansion plan details

Plants	Location	Unit	Stake	Remark	Capacity (MW)	Project Cost (Rs Cr)	Anticipated COD
Thermal Power Projects under Implementation							
Ghatampur Project (3*660 MW)	Uttar Pradesh	MW	51% JV	Non-Pithead	1,980	19,406	Jun'24, Nov'24, Mar'25 for Unit-I to III
NLC Talabira (3*800 MW)	Odisha	MW	100%	Non-Pithead	2,400	27,213	52, 58 & 64 Months
Thermal Projects Under Evaluation							
TPS II 2nd Exp	Tamil Nadu	MW	100%		1,320	11,189	EPC Tender floated
NLC Talabira (1*800 MW)	Odisha	MW	100%	Non-Pithead	800	6,474	Project is under Planning Stage

Source: Company

Exhibit 23: RE expansion plan details

Plants	Location	Remark	Capacity (MW)	Project Cost (Rs Cr)	Anticipated COD
RE Projects under Implementation					
Solar Projects (300 MW)		IREDA	300	1,813	Sep'24
Solar Projects (200 MW)		IREDA	200	1,214	Jul'25
Hybrid (100 MW Solar + 50 MW Wind)		SECI	150	913	100 MW Solar: LoA issued to M/s Enerture Technologies Pvt. Ltd. on 26.02.2024. 50 MW Wind: LoA issued to M/s InoX on 01.02.2024.
Solar Project (810 MW)		RRVUNL	810	4,788	LOA issued to M/s TCE for owner engineering consultancy on 13.03.2024.
Solar park (300 MW + 300 MW)	Khavda, Gujarat	GSECL	600	3,336	Tender floated for BoS package & Module purchase
Solar in Mined out & Reclaimed Land	Mine - II		50	295	For BoS & modus, LoA issued during Feb-2024
RE Projects Under Evaluation					
Assam (1,000 MW)	Assam		1,000		MoU & JV Agreement executed between APDCL & NIRL. JV Formation in process.
JV with RVUNL		RVUNL	1,125		MoU was signed between NLCIL and RUVNL for 125 MW lignite based Thermal Power Plant at Gurha and 1000 MW solar park project for RVUNL

Source: Company

Exhibit 24: Mining expansion plan details

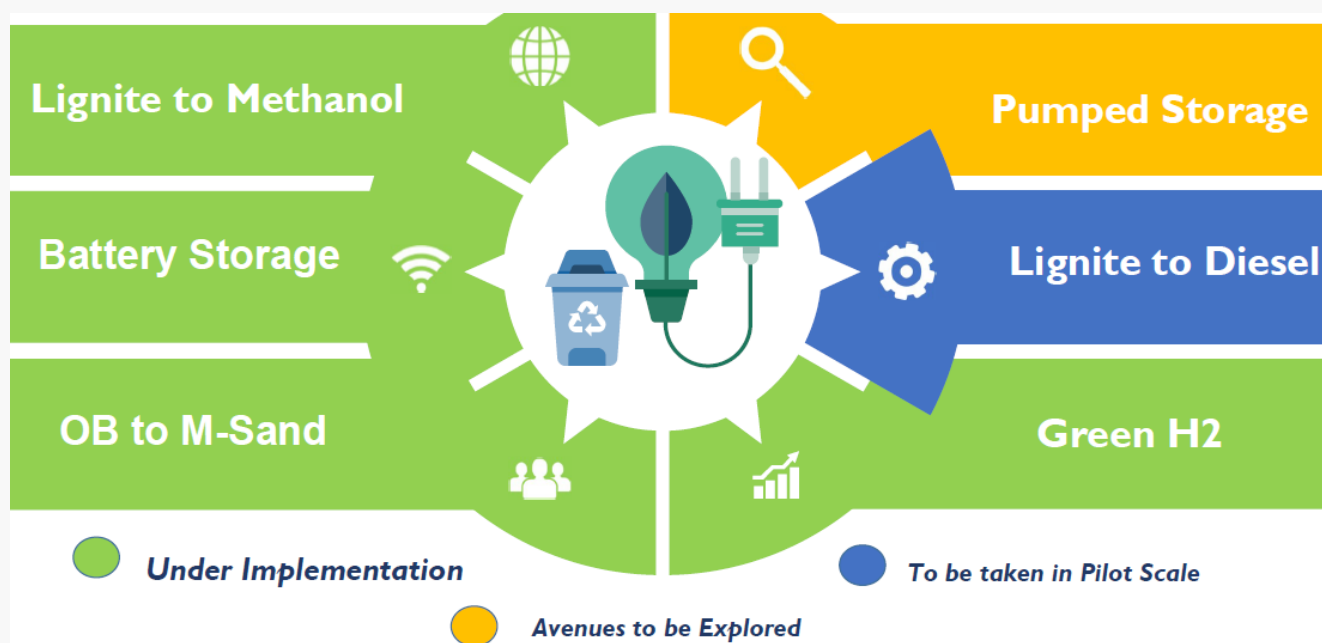
Plants	Location	Unit	Capacity (Mtpa)	Project Cost (Rs Cr)	Anticipated COD
Allotted Mining Projects					
South Pachwara Coal Block	Dumka, Jharkhand	Mtpa	9.00	2,243	Sep'24
North Dhadu	Jharkhand	Mtpa	3.00	1,396	Sep'29
Machhakata	Odisha	Mtpa	30.00	4,500	
Mining Projects Under Evaluation					
Mine III Neyveli	Tamil Nadu	Mtpa	11.50	3,756	

Source: Company

Diversification Projects

NLCIL has also taken up diversification projects apart from its core power generation and mining business. These include projects such as lignite to methanol, battery storage, Overburden (OB) to sand and green hydrogen which are in the implementation stage. It also includes a lignite-to-diesel project which is under pilot scale. Avenues are also to be explored for a pumped storage project. The lignite to methanol project is expected to have a capacity of 0.4 MTPA. This project is expected to be viable considering the production costs and selling price of methanol. The project is expected to have a total cost of Rs 5,400 Cr and a potential VGF of Rs 1,000 Cr, making the project more viable.

Exhibit 25: Diversification Projects



Source: Company

Actions to Improve PAF and PLF at Power Plants

During FY22-24, NLCIL's PAF stood below the normative level of 80-85%, leading to fixed cost under-recoveries mainly due to land availability issues at TPS II and a boiler issue at TPS II Expansion. The company has resolved the land availability issue at TPS II, while resolution of the boiler issue at TPS II Expansion is expected by Q1FY25. As a result, fixed cost under-recovery is expected to decrease to zero for all power plants in FY25, except for TPS II Expansion.

Fixed cost under recovery is expected to come down in future as the company has resolved land availability issues at TPS I and resolution is underway for the boiler issue at TPS II expansion (by Q1FY25).

- **TPS II:** From FY19-24, the PLF of this plant has been in the range of 45-85%, with 44.6% in FY24 and 56.2% in Q4FY24. The lower PLF in FY24 was due to the shutdown of 2 units during the year because of a shortage of lignite, which resulted from land acquisition issues impacting production. This issue was resolved by Q3FY24, as reflected in the improved PLF of Q4FY24. Management does not foresee any further issues with lignite and expects power generation at maximum levels. There were under-recoveries in FY24 amounting to Rs 382 Cr (compared to Rs 169 Cr in FY23) in both units of this plant due to the shortage of lignite. However, the management does not expect any under-recovery going forward.
- **TPS II Expansion:** During FY19-FY24, the PLF of this plant has been in the range of 40-50%, with a PLF of 49% in FY24 and 43% in Q4FY24. The lower PLF is attributed to technical issues related to the CFBC boiler of the plant. To address these issues, management has been in discussions with OEMs and plans modifications for the two units by Q2FY25. After modifications, the management expects substantial improvement in the reliability of these plants. There were under-recoveries of Rs 266 Cr in FY24 (compared to Rs 305 Cr in FY23). These under-recoveries will be addressed following the modifications of the units. Furthermore, in the CERC notification dated 4th January 2024, the Normative Plant Availability Factor (NOPAF) for this plant has been reduced to 50%, which will enable the company to achieve 100% recovery.
- **TPS I Expansion:** Historically (FY19-FY24), the PLF of this plant has been above 75% with a PLF of 78% in FY24 and 98% in Q4FY24.
- **Barsingsar TPS:** The PLF of this plant has been gradually increasing. It increased from 62% in FY19 to 77% in FY24 with a PLF of 88.2% in Q4FY24.
- **Neyveli New Thermal Power Station (NNTPS):** The PLF of this plant has increased from 56% in FY19 to 81% in FY24 with a PLF of 87.7% in Q4FY24. This plant was recently commissioned (COD year of 2021) and its PLF improved as it stabilised over the last three years.
- **NLC Tamil Nadu Private Limited Tuticorin (NTPL):** The PLF of this plant has been in the range of 50-65% from FY19 to FY24 with a PLF of 62.2% in FY24 and 61.3% in Q4FY24. There were under recoveries in this plant in FY24 close to Rs 200 Cr (compared to Rs 33 Cr in FY23). This was due to heavy flooding in Tuticorin which led to the shutdown of the plant for 15-20 days.

Key Financial Metrics

Revenue: The revenue of the company increased from Rs 9,871 Cr to Rs. 12,999 Cr over FY19-FY24 at 6% CAGR driven by an increase in blended power tariffs and a new revenue stream from external sale of coal from Talabira mines. In FY24, the revenue decreased to Rs 12,999 Cr (down 20% YoY). This drop was majorly due to the drop in generation of units led by lower PLFs in TPS - II and TPS - I expansion, while TPS II expansion PLF continued to remain low. In FY24, NLCIL produced 12.6 MTPA of thermal coal through its Talabira Coal Mine of which 11.8 MTPA coal was sold. Out of the total sales, 3.3 MTPA of coal was sold externally through E-auction sales. The production of Thermal coal is estimated to increase to 20 MTPA in the next 2 years. With the increased production, the management expects to increase the external sales of thermal coal. Revenue is expected to grow in future, led by the commissioning of the Ghatampur plant and Talabira Mine achieving its peak rated capacity of 20 MTPA over the next two years.

Revenue to grow led by commissioning of the Ghatampur plant by FY25 and Talabira Mine achieving its peak rated capacity of 20 MTPA over the next two years.

EBITDA: NLCIL has historically maintained EBITDA margins of more than 25%. In FY24, EBITDA stood at Rs 3,536 Cr (down 39% YoY) and EBITDA margin of 27% (vs. 36% in FY23) led by lower revenue. We estimate the EBITDA margins to improve from FY25 onwards, led by an increase in sales and improvement in PLF and plant efficiencies.

Exhibit 26: Revenue to grow led by CoD of Ghatampur plant in FY25 and Talabira Mine achieving its peak rated capacity of 20 MTPA over the next two years.

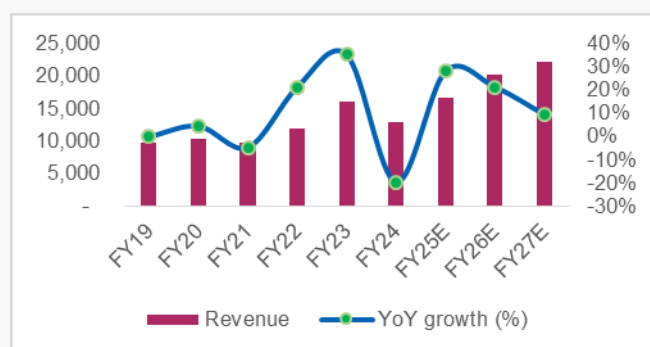
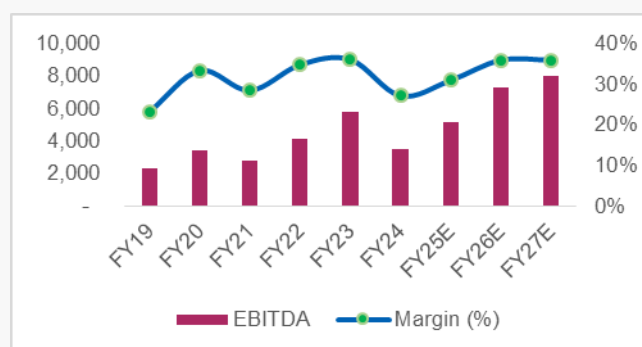


Exhibit 27: EBITDA to improve led by increase in sales and improvement in PLF and plant efficiencies



Source: Company, Axis Securities

Receivable days: The company faces high counter-party credit risk from state DISCOMS due to its weak to moderate financial profiles. During FY19-FY21, the company had receivable days as high as 300 days. With payment security mechanisms such as letters of credit, direct debit mechanisms, bill discounting, and surcharge on delayed payments (Late Payment Surcharge and Related Matters Rules, 2022), the company has managed to bring down the same to 100 to 110 days during FY22-FY24. The management expects further reduction in receivable days in future.

Exhibit 28: PAT margins to improve driven by the increase in EBITDA margins.

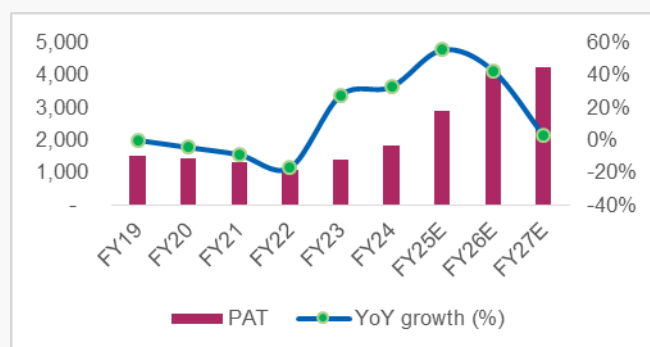
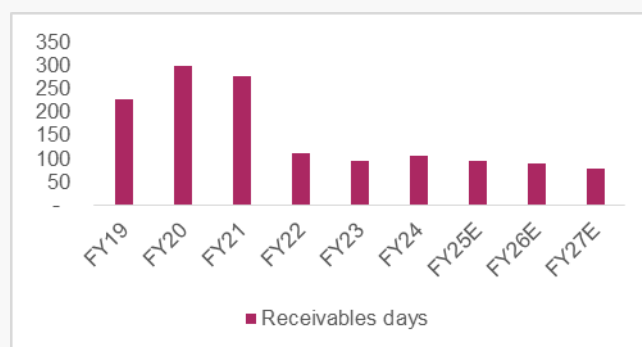


Exhibit 29: Improvement in the receivables days due to payment security mechanisms



Source: Company, Axis Securities

Return Ratios (ROE): The company's ROE stood in the range of 8-12% over FY19-24. We expect ROEs to remain stable in future even as NLCIL goes for capacity expansion mainly due to an increase in merchant coal sales and incremental RE revenues.

Regulated Equity: NLCIL has a total regulated equity of ~Rs 9,000 Cr out of which Rs 5,500 Cr pertains to Power business and Rs 3,700 Cr for mining. With the increasing capacity expansion in both the power and mining segments, the management envisages the regulated equity to grow to Rs 28,000 Cr by 2030. We built in some buffer mainly due to the probability of delays during the project executions and model slightly lower Regulated Equity at Rs 27,934 Cr by FY33.

Exhibit 30: Management envisages regulated equity to grow to Rs 28,000 Cr by 2030

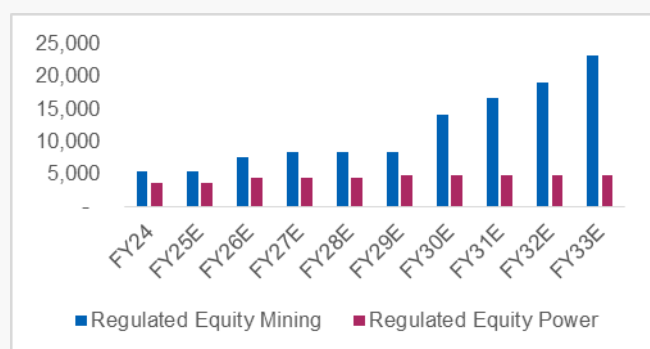
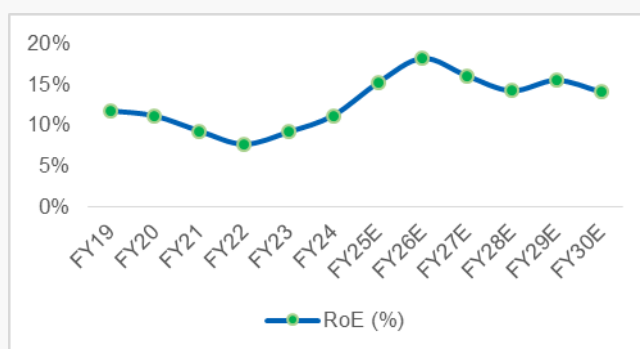


Exhibit 31: RoE to remain stable during the expansion phase



Source: Company, Axis Securities

Valuation & Outlook

We initiate coverage of NLC India (NLCIL) with a BUY recommendation and a target price of Rs 340/share, which implies an upside of 20% from the CMP.

NLC India's 2030 corporate plan aims to expand its mining and power portfolio with government support to increase power generation capacity in India to meet the growing peak demand. Peak power demand reached 250 GW in May 2024 and is projected to exceed 400 GW by FY32.

We value the conventional thermal business at 1.8x on our consolidated regulated equity projections of FY33 discounted to FY26. We value the Regulated Mining business at 1.9x FY26 regulated equity and the RE business at EV/EBITDA of 9.0x on FY26 EBITDA. We value the merchant coal business at 7.0x EV/EBITDA on FY26 EBITDA to arrive at our SOTP target price of Rs 340/share. Our target price implies an upside of 20% from the CMP.

The stock has rallied recently post the coal mine development and production agreement (CMDPA) of Machhakata mine on 15th Jul'24 and anticipation of Ghatampur unit CoD in Jun'24. The stock is currently trading at 2.0x on FY26 P/B.

The stock is currently trading at 2.0x on FY26 P/B largely in line with NTPC's multiple but discount to private Power generating companies.

Exhibit 32: Valuation

Particulars	Base Value (Rs Cr)	Target Multiple (x)	Equity Value (Rs Cr)	Value per Share	Valuation Metric
Thermal Power	9,444	1.8	16,999	123	Consolidated Regulated equity of FY33 discounted to FY26
Lignite Mining	4,373	1.9	8,309	60	FY26 Consolidated Regulated Equity
RE	2,367	9.0	16,115	116	Mar'26E EV/EBITDA
Merchant Coal	845	7.0	5,916	43	Mar'26E EV/EBITDA
Total				341	
CMP				285	
% Upside				20%	
Wt Avg Shares outstanding (Cr)	139				

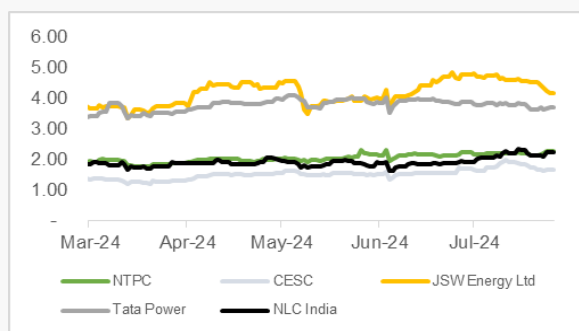
Source: Company, Axis Securities

Exhibit 33: Peer Comparison

Company	Price Rs/sh	Mkt Cap Rs Cr	EV Rs Cr	ROE (%)				P/B (x)				EPS				Consensus TP
				FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	
NLC India Ltd	282	39,048	62,062	NA	5.40	13.30	11.90	NA	2.57	2.35	2.04	NA	15	21	23	318
NTPC Ltd	392	3,80,300	6,01,689	12.36	12.47	13.00	12.86	2.65	2.41	2.40	2.04	18	20	22	24	403
Adani Power Ltd	695	2,68,166	2,99,648	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CESC Ltd	168	22,230	34,272	11.81	12.42	13.97	13.61	2.03	1.96	1.73	1.56	10	11	13	13	167
JSW Energy Ltd	668	1,16,568	1,43,584	8.10	9.14	11.37	11.96	5.81	5.40	4.35	3.87	9	11	16	20	612
NHPC Ltd	102	1,02,431	1,34,841	9.94	8.83	11.49	12.97	2.75	2.68	2.48	2.28	4	3	4	5	96
Power Grid Corporation of India Ltd	339	3,15,747	4,26,079	18.20	17.85	17.33	17.21	3.88	3.56	3.38	3.17	15	17	17	18	303
SJVN Ltd	141	55,432	71,283	9.35	9.76	8.05	13.13	4.19	3.86	3.75	3.52	3	3	3	5	98
Tata Power Company Ltd	423	1,35,291	1,84,347	14.40	12.02	12.76	13.87	5.22	4.34	3.86	3.41	11	11	13	16	363
Torrent Power Ltd	1,535	73,781	84,648	18.91	16.86	18.12	17.89	6.39	6.02	5.34	4.72	41	42	49	54	1166

Source: LSEG Workspace, Priced as of 26th Jul'24

Exhibit 34: 12MF P/B Utility peers



Source: LSEG Workspace

Robust Corporate Governance and Experienced Management Team

Management Team	Details
Shri M.Prasanna Kumar <i>Chairman and Managing Director (CMD)</i>	Mr. Prasanna Kumar is a Mechanical Engineer from Andhra University and holds an MBA with specializations in Operations, Marketing, Financial, and Human Resources Management. With over 34 years of experience in the power and coal sector, his prior roles include Executive Director at NTPC and Managing Director at GESCL. Mr. Kumar joined NLCIL in Jan'23.
Dr. Prasanna Kumar Acharya <i>Director (Finance)</i>	Dr. Acharya is a B-Com (Honors), LLB, M-Com, and MBA. He is also a Fellow member of the Institute of Cost and Management Accountants and the Institute of Company Secretaries of India. He has an experience of over 28 years in Central, State, and Private-owned Organizations.
Dr. Suresh Suman <i>Director (Mines, Planning & Projects)</i>	Dr. Suman is a Mining Engineer with an MBA in HR and holds a Doctorate in Coal Mining Safety from IIT (Indian School of Mines), Dhanbad. He has an experience of 23+ years in Coal India before joining NLCIL in 2016. He assumed the position of Director on 11th May 2022.
Shri M. Venkatachalam <i>Director (Power)</i>	Mr. Venkatachalam is a Mechanical Engineer from the University of Madras and a Scientist Department of Atomic Energy. Before joining NLCIL, he was an Executive Director at Nuclear Power Corporation of India Limited (NPCIL). He has 35 years of rich experience in Nuclear station operations, project construction & commissioning, versatile site activities, and corporate functions.
Shri Samir Swarup <i>Director (Human Resources)</i>	Mr Swarup is a postgraduate in Political Science and also has an MBA in Human Resource Management. He has an experience of more than 3 decades in the areas of Human Resources. His past experiences include SAIL. He assumed the post of Director in Feb'23.
Smt. Vismita Tej <i>Non-Executive Director Government Nominee Director</i>	Ms. Tej is a member of the Indian Revenue Service (Income Tax) 1990 Batch. Having worked in various capacities in the Income Tax Department, she has wide experience in administration and policy. Presently she is posted on deputation as Additional Secretary, Ministry of Coal, Govt of India.
Dr. Beela Venkatesan <i>Non-Executive Director Government Nominee Director</i>	Dr. Venkatesan is an MBBS from Madras Medical College and a member of the Indian Administrative Service 1997 Batch (TN Cadre). Dr Venkatesan is presently serving as the Principal Secretary to the Government of Tamil Nadu, Energy Department.
Shri Subrata Chaudhuri <i>Independent Director</i>	Mr. Chaudhuri is an MBA (PGDRM) from the Institute of Rural Management, (IRMA). He has over 24 years of experience in the fields of exports, imports, International marketing of commodities, purchase & procurement, Agribusiness, business development & strategy, start-ups, FMCG, Commercial Contracts and international logistics.
Shri Prakash Mishra <i>Independent Director</i>	Mr. Mishra is a postgraduate in Applied Economics from Utkal University and is also a Bachelor in Law. He joined the Indian Police Service in the year 1977 and was born in Odisha Cadre. He held important assignments as SP and DIG in CBI for about 7 years.
Prof.Nivedita Srivastava <i>Independent Director</i>	Prof. Srivastava, a postgraduate in Chemistry and holds a Doctorate from Central Drug Research Institute, Lucknow is presently the Head & Professor of the Department of Applied Chemistry, M.J.P. Rohilkhand University, Bareilly. Prof.Nivedita Srivastava has more than two decades of experience in academics as faculty at various levels.

Source: Company

Key Risks & Mitigation

Key Risks	Mitigation
Project execution Risk: In the next 5 years, the company expects to increase its mining capacity from 50 MTPA to 102 MTPA and its power generation capacity from 6,071 MW to 18,524 MW. The company faces execution risk in relation to these projects. Delays in clearances, environmental and forest approvals, supply of equipment, technical issues and failure on the part of subcontractors can be key challenges leading to additional costs.	The company has strong monitoring mechanisms in place. It ensures all compliances are in place through legal safeguards. All environment and forest clearances are discussed with respective ministries in advance to avoid delays in approvals. The tenders for the projects are awarded to professionals to avoid any execution delay.
Shortage of Lignite and Coal: The primary inputs for the thermal power stations of NLCIL are coal and lignite. Shortage in these inputs can lead to lower PLF for the plants.	The company had faced lignite shortages recently due to land acquisition issues, which were resolved through collaboration with the State Government, Central Government, and district administration. It has pithead power plants and the majority of the lignite is consumed for internal power generation and 25% of thermal coal from Talabira mines is transferred to NTPL. The expansion programme is also planned in a way where new mines shall be linked to new power stations e.g. going forward Talabira mines will supply coal to Talabira Power station.
Delay in recovery of Dues: The company faces a delay in recovery of dues from the state distribution companies (DISCOMS) which is reflected in its higher receivable cycle of ~100 days.	The company has in place payment security mechanisms such as letters of credit, Direct Debit Mechanisms, and Bill discounting. In cases of late payments, a surcharge is considered to compensate for any credit delay
Lower PLF: In its power generation sector, the generation of units is dependent on the reliability of the plants. Lower PLF may lead to under recoveries in these plants which will affect cash flow and profitability.	NLCIL faces lower PLF in two plants. In TPS-II, the reason for the lower PLF was a shortage of lignite which has been resolved now and the company can expect improvement in PLF. In TPS-II expansion, lower PLF is due to technical issues related to the CFBC boiler of the plant. To address the same, the management has been having discussions with OEMs and has planned modifications for the two units by Q2FY25.
Under Recovery: Being in the regulated sector, lower PAF leads to under-recovery.	NLCIL faced under-recoveries in TPS-II and its expansion. The lignite shortage issue has been resolved, and with anticipated modifications in TPS-II expansion, the company does not expect any under-recovery post-FY25. Additionally, the CERC notification dated January 4, 2024, reduced the Normative Plant Availability Factor for TPS-II expansion to 50%, enabling the company to achieve 100% recovery.

Source: company, Axis Securities

Industry Outlook

Lignite Industry Overview – NLCIL produces 50%+ of India's total Lignite Production

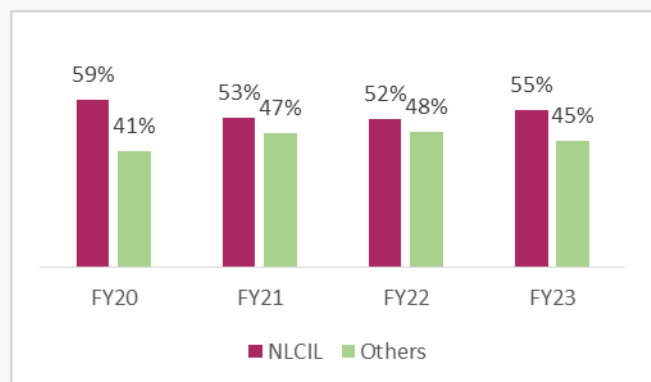
NLC is the nodal agency for lignite mining in India and is supported by its substantial resources. India has a total measured proved lignite resources of 7,512 MT (as of Mar'23), of which NLC holds approximately 69%.

Lignite is a soft, combustible, sedimentary rock that is naturally abundant and relatively inexpensive to mine, making it a significant component of India's energy profile. Although it is a lower-grade fuel due to its reduced energy content, lignite is extensively used for power generation in thermal power plants across the country because of its abundance and cost-effectiveness. It remains a crucial energy source for states with considerable lignite reserves. Despite the government's focus on transitioning to cleaner energy, lignite will continue to play a vital role in India's energy development.

According to the Indian Coal and Lignite Resources by GSI, the total lignite resources (Measured + Indicated + Inferred) in India as of 31st Mar'23 were 47,369 MT. Tamil Nadu and Rajasthan account for the majority, with 79% and 14% respectively, where NLC mines are located.

Historically, NLCIL has maintained a market share of over 50% in the country's lignite production. In FY24, NLCIL produced 24 MTPA of lignite out of a national total of 43 MTPA (~55%). Based on its expansion program, NLCIL plans to increase its current 30 MTPA lignite capacity to 40 MTPA by 2030, which would solidify its position as the national leader in lignite mining.

Exhibit 35: Market Share of Lignite Production



Source: Company

Exhibit 36: Lignite Reserves (MT) and % - Tamil Nadu forms ~80%

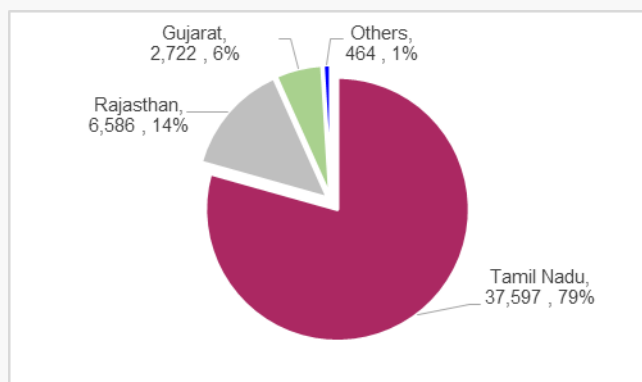
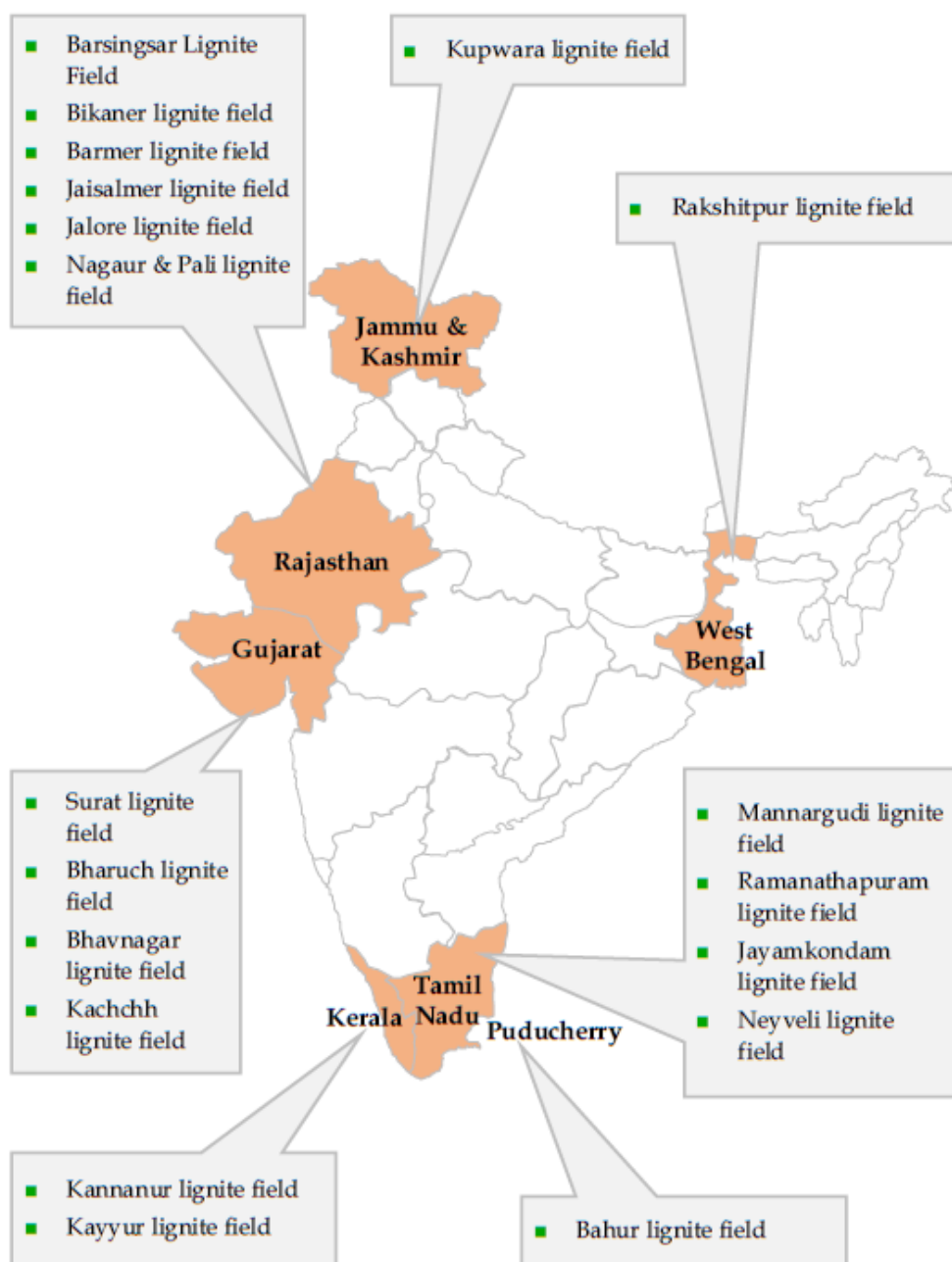


Exhibit 37: State-wise share in lignite reserves

State	Measured	Indicated	Inferred	Grand Total
Puducherry	-	406	11	417
Tamil Nadu	5,023	21,885	10,688	37,597
Rajasthan	1,204	3,109	2,274	6,586
Gujarat	1,279	284	1,160	2,722
Jammu & Kashmir	-	20	7	28
Kerala	-	-	10	10
West Bengal	-	1	3	4
Odisha	6	-	-	6
Total	7,512	25,704	14,153	47,369

Source: Company

Exhibit 38: Lignite Reserves in India

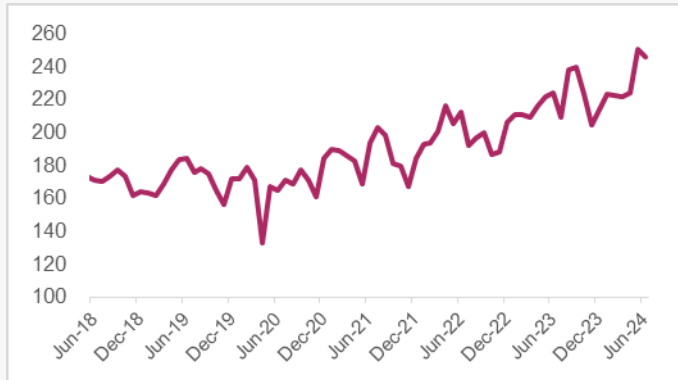


Source: Company

Rising Peak Power Demand in India

India's power demand has been rising, with peak demand reaching 250 GW in May'24, marking a 12% increase YoY/MoM. The Central Electricity Authority (CEA) forecasts a peak demand requirement of 366 GW by FY32, necessitating capacity enhancements across both thermal and renewable energy sources (RES). In alignment with its commitment to achieve net zero emissions by 2070, India aims to increase its renewable energy (RE) capacity to 500 GW by 2030.

Exhibit 39: India's peak demand reached 250 GW in May'24



Source: CEA, Axis Securities

Exhibit 40: India's Peak deficit

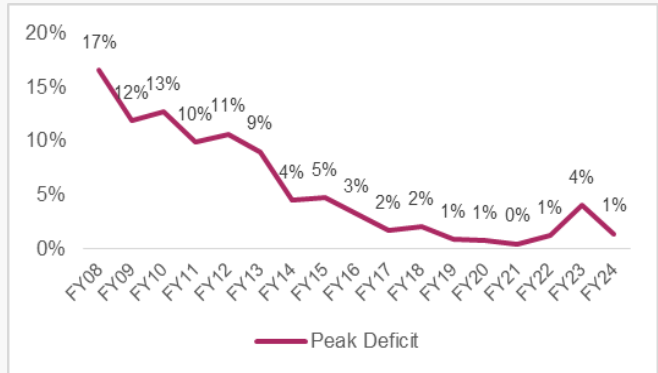


Exhibit 41: Installed Capacity Additions Projections

Installed Capacity (GW)	FY22	FY23	May'24	FY27E	FY32E	CAGR FY23-27	CAGR FY23-32	Capacity Required
Coal + Lignite	211	212	218	235	260	2.6%	2.3%	41
Gas	25	25	25	25	25	0.0%	0.0%	0
Nuclear	7	7	8	13	20	17.9%	12.6%	12
Hydro	42	42	42	52	62	5.6%	4.4%	20
PSP	5	5	5	7	27	11.7%	21.2%	22
Small Hydro	5	5	5	5	5	1.3%	1.1%	0
Solar PV	54	67	84	186	365	29.1%	20.8%	280
Wind	40	43	46	73	122	14.4%	12.4%	75
Biomass	11	11	11	13	16	4.7%	4.1%	5
Total	399	416	445	610	900	10.0%	9.0%	456
BESS (GW)				9	47			
BESS (GWh)				35	236			
RES as % of total Capacity	39%	41%	44%	55%	66%			

Source: CEA.

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E March	FY 24A	FY 25E	FY 26E	FY 27E
Revenue from Operations	12,999	16,662	20,230	22,166
Cost of fuel consumed	-1,744	-1,999	-2,428	-2,660
Changes in inventories	239	-	-	-
Gross Profit	11,494	14,663	17,802	19,506
Employees Cost	-2,708	-3,666	-4,451	-4,877
Other Expenses	-5,251	-5,832	-6,069	-6,650
EBITDA	3,536	5,165	7,283	7,980
Depreciation & amortisation	-1,825	-2,040	-2,731	-3,152
EBIT	1,711	3,125	4,552	4,828
Finance Cost	-849	-1,213	-1,547	-1,803
Other Income	947	1,166	1,517	1,662
Movement in regulatory deferral account balances	1,073	1,073	1,073	1,073
PBT before exceptional items	2,882	4,152	5,594	5,761
Exceptional Items	-	-	-	-
Expenditure capitalised	-	-	-	-
Profit before tax	2,882	4,152	5,594	5,761
Provision for tax	-1,014	-1,246	-1,441	-1,483
Profit/loss from associates / JV	0	-	-	-
Reported PAT	1,868	2,907	4,154	4,277
NCI	-13	-21	-30	-31
Attributable PAT	1,854	2,886	4,124	4,246
EPS (Rs/sh)	13.47	20.96	29.96	30.85
DPS (Rs/sh)	3.00	3.50	3.50	3.50

Source: company, Axis Securities

Balance Sheet

(Rs Cr)

Y/E March	FY 24A	FY 25E	FY 26E	FY 27E
Capital Employed				
Share Capital	1,387	1,387	1,387	1,387
Reserves Total	15,144	17,566	21,234	25,026
Total Shareholders' Funds	16,531	18,952	22,621	26,413
Minority Interest	2,835	2,835	2,835	2,835
Secured Loans	19,226	24,251	30,950	36,058
Unsecured Loans	3,154	3,154	3,154	3,154
Total Debt	22,379	27,405	34,103	39,212
Other Liabilities	1,594	1,594	1,594	1,594
Deferred Tax Liability	3,790	3,790	3,790	3,790
Total Liabilities+Equity	47,130	54,576	64,944	73,844
Capital Applied				
Non-Current Assets				
Net PPE	23,063	25,488	36,581	41,840
CWIP	17,726	22,091	20,043	21,854
Regulatory Deferral Account balance	-1,116	-1,116	-1,116	-1,116
Non-Current Investments	8	8	8	8
Other Non-Current Assets	3,017	3,017	3,017	3,017
Total Non-Current Assets	42,699	49,489	58,533	65,603
Net Current Assets				
Inventories	1,484	1,370	1,663	1,822
Sundry Debtors	3,772	4,337	4,988	4,858
Cash and Bank	746	1,716	2,583	4,649
Other Current Assets	3,325	3,325	3,325	3,325
Total Current Assets	9,326	10,747	12,559	14,654
Less: Current Liabilities and Prov				
Current Liabilities				
Creditors	1,518	2,283	2,771	3,036
Other Current Liabilities	2,862	2,862	2,862	2,862
Provisions	515	515	515	515
Total Current Liabilities	4,895	5,660	6,148	6,414
Net Current Assets	4,431	5,088	6,411	8,241
Total Assets	47,130	54,576	64,944	73,844

Source: company, Axis Securities

Cash Flow
(Rs Cr)

Y/E March	FY 24A	FY 25E	FY 26E	FY 27E
Profit before tax	2,882	4,152	5,594	5,761
Depreciation	1,825	2,040	2,731	3,152
Interest Expenses	849	1,213	1,547	1,803
Non-operating / EO item	421	-	-	-
Change in W/C	259	314	-456	236
income Tax (Paid)/Refund	-612	-1,246	-1,441	-1,483
Operating Cash Flow	5,624	6,473	7,976	9,468
Capital Expenditure	-3,259	-8,830	-11,775	-10,222
Free cash Flow	2,364	-2,357	-3,799	-754
Other Investments	108	-	-	-
Investing Cash Flow	-3,151	-8,830	-11,775	-10,222
Proceeds / (Repayment) of Borrowings	74	5,025	6,699	5,109
Finance cost paid	-1,918	-1,213	-1,547	-1,803
Dividend paid	-498	-485	-485	-485
Other Financing activities	358	-	-	-
Financing Cash Flow	-1,985	3,327	4,666	2,820
Change in Cash	487	970	867	2,066
Opening Cash	77	565	1,535	2,402
Closing Cash	565	1,535	2,402	4,468

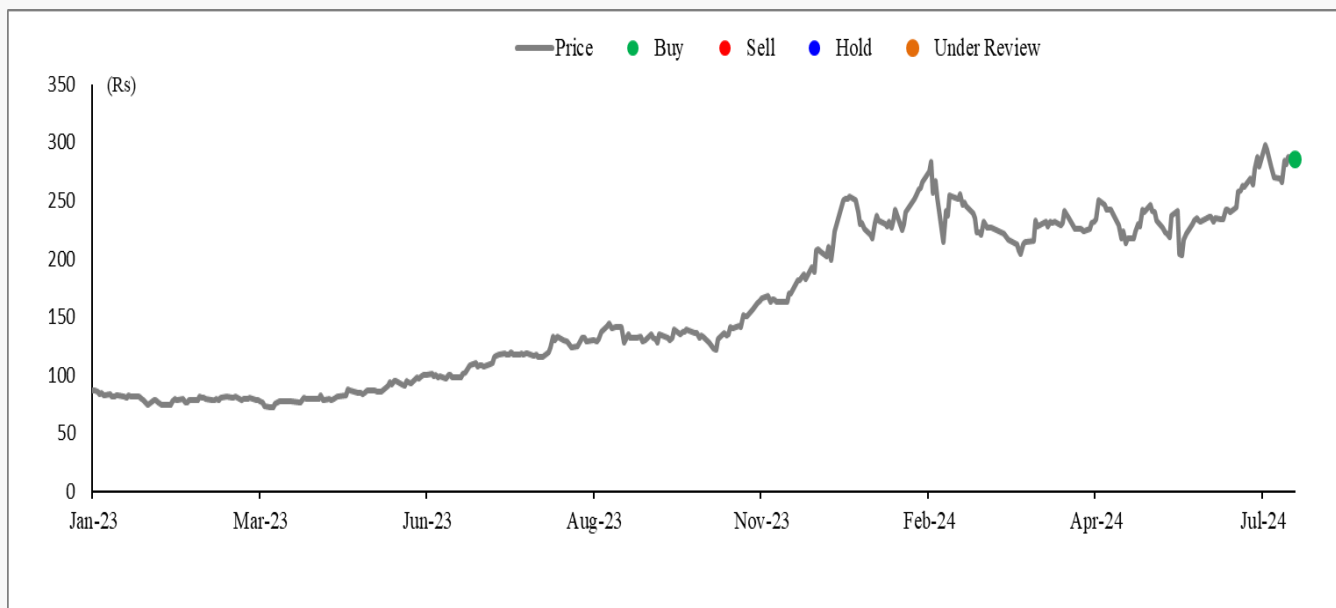
Source: company, Axis Securities

Ratio Analysis
(%)

Y/E March	FY 24A	FY 25E	FY 26E	FY 27E
Operational Ratios				
Revenue growth (% YoY)	-20%	28%	21%	10%
EBITDA growth (% YoY)	-39%	46%	41%	10%
Attrib Net Profit growth (% YoY)	33%	56%	43%	3%
EBITDA Margin %	27%	31%	36%	36%
Attrib Net profit Margin %	14%	17%	20%	19%
Tax Rate %	35%	30%	26%	26%
Efficiency Ratios				
Total Asset Turnover (x)	4.23	3.79	3.66	3.75
Sales/Gross block (x)	0.36	0.41	0.37	0.35
Sales/Net block(x)	0.56	0.65	0.55	0.53
Valuation Ratios				
PER (x)	16.93	13.36	9.35	9.08
P/BV (x)	1.91	2.05	1.72	1.47
EV/Ebitda (x)	15.86	13.04	10.05	9.55
EV/Sales (x)	4.31	4.04	3.62	3.44
Dividend Yield (%)	1%	1%	1%	1%
Return Ratios				
ROE	11%	15%	18%	16%
ROCE	4%	7%	8%	7%
ROIC	3%	5%	6%	6%
Leverage Ratios				
Debt/equity (x)	1.35	1.45	1.51	1.48
Net debt/ Equity (x)	1.31	1.36	1.39	1.31
Net debt/Ebitda (x)	6.12	4.97	4.33	4.33

Source: company, Axis Securities

NLC India Limited Price Chart and Recommendation History



Date	Reco	TP	Research
30-Jul-24	BUY	340	Initiating Coverage

Source: Axis Securities

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Ratings	Expected absolute returns over 12 – 18 months
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stock, but we refrain from assigning valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward-looking estimates, valuation or recommendation for the stock

Note: Returns stated in the rating scale are our internal benchmark.

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