

**BROKERAGE STOCK CALLS**

**CESC**

**Rating:** Outperformer

**Rated by:** IDFC-SSKI

**Date of rating:** April 29

**Then price:** Rs 459

**Current price:** Rs 475.20

**Target price:** Rs 665

**Reason:** We like CESC's core power business considering the new growth opportunities in power and its effort to be com-

petitive in open access regime. Moreover, CESC has been awarded coal mine of 110 million tonne (CESC's share) to develop a 1,000 MW merchant power plant in Jharkhand, which we have valued at Rs 1,900 crore. In addition, the development of the real estate business and the merger of the retail business (valued at Rs 1,600 crore on EVsales of 1x) would drive growth in the medium term, implying a sum of parts valuation for CESC of Rs 665share.

*Target price is for a year unless otherwise specified*