



Pick of the week

CESC (CESC)

Recommendation: **BUY**

Date: **12th September 2022**

Current Price: ₹**83.2**

Time Period: **12 Months**

Potential Upside: **20.2%**

Target Price: ₹**100**

Why Invest

- Strong headline growth (28% yoy) primarily on the back of higher unit sales.
- Lower effective tax rate of 17% aided in boosting PAT growth (+5.5% yoy) in Q1FY23.
- Dhariwal appears to have settled with improved PLF.
- Strong standalone sales on the back of increase in unit sales & marginally lower tariffs.
- WBERC awarded tariff order for FY21-23 & annual performance review orders of FY15-18.
- Stability of regulated business, moderating losses from new distribution circles.
- Reasonable valuations at 6X P/E & 0.8X P/B on FY23E; Maintain BUY.