Utilities & Power Equipment

Nuclear Power: Private companies clear first step

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Adani Power, Hindalco Industries, Jindal Steel & Power Ltd, JSW Energy, Reliance Industries and Tata Power have submitted the required documents for signing NDAs with NPCIL for setting up 220 MW Bharat Small Reactors (BSRs) for captive power generation.

- In December 2024, the Nuclear Power Corporation of India Limited (NPCIL) issued a Request for Proposals (RFP) inviting Indian industries to participate in setting up 220 MW Bharat Small Reactors (BSRs) for captive power generation. These compact Pressurized Heavy Water Reactors (PHWRs) are designed to provide a sustainable, low-carbon energy solution for hard-to-abate industries, helping them decarbonize their operations.
- Each reactor, with a capacity of 220 MW, is specifically tailored to meet the power needs of industrial units, reducing dependence on conventional power sources and enhancing overall energy efficiency. The reactors are planned to be set up with private sector investment, operating within the existing legal framework and approved business models.
- Adani Power, Hindalco Industries, Jindal Steel & Power Ltd, JSW Energy, Reliance Industries and Tata Power have submitted the required documents for signing Non-Disclosure Agreements (NDAs). These companies have also identified potential sites for BSRs and submitted preliminary site reports for 16 locations across multiple states: 5 in Gujarat, 4 in Madhya Pradesh, 3 in Odisha, 2 in Andhra Pradesh, and 1 each in Jharkhand and Chhattisgarh.
- NPCIL has also issued letters to the governments of Gujarat, Madhya Pradesh, and Odisha, seeking support for site investigations and allocation of land and water resources for setting up BSRs.
- Currently, we maintain our BUY rating on JSW Energy (TP: 726) and Tata Power (TP: 436).

APPENDIX I

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
REDUCE	Expected return >= -10% and < 5% over the next twelve months.
SELL	Expected return < -10% over the next twelve months.

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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