

NTPC

Analyst Recommendation: **BUY**

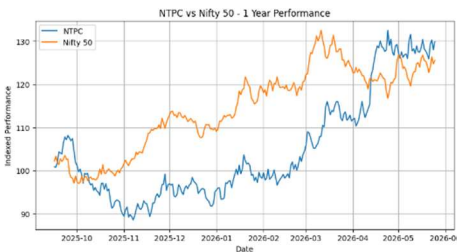
BSE Code: 532555

NSE: NTPC

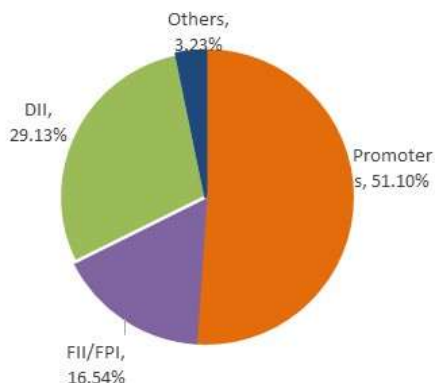
CMP: Rs 388
2 Year Target - Rs 430

Face Value	10.00
Market Cap (Rs cr)	3,77,200
Stock PE	15.2x
Price/Book Value	1.7x
Shares O/S (Cr)	970
Book Value per Share (Rs)	210
Sensex	76,489
Nifty	24,032

1 yr. Price Chart of Stock and Nifty



Shareholding pattern as on 31st March 2026



Investor's Rationale

■ Strong Capacity Addition Driving Long-Term Growth

NTPC Group added 9,178 MW capacity during FY26, taking total installed capacity to 89.1 GW as of March 2026. The additions included 3,690 MW thermal capacity and 5,488 MW renewable energy capacity, marking the highest-ever annual capacity addition by the group. The company currently has ~34.2 GW under construction across thermal, hydro and renewable projects.

■ Renewable Energy Expansion Remains Key Growth Driver

NTPC Green Energy Limited (NGEL) added 4,225 MW renewable capacity in FY26 versus 2,977 MW in FY25. Management targets ~8 GW renewable additions annually over FY27–FY29 and aims to achieve 60 GW renewable capacity by FY32. The government has also enhanced the investment approval limit for renewable subsidiaries to support aggressive expansion.

■ Robust Earnings Supported by Regulated Asset Base

Consolidated regulated equity increased to Rs 1,20,319 Cr in FY26 from Rs 1,08,791 Cr in FY25. The regulated nature of thermal operations continues to provide strong earnings visibility and stable cash flows. EBITDA for Q4FY26 stood at Rs 15,320 Cr, up 4% YoY, while PAT grew 34% YoY to Rs 10,615 Cr aided by deferred tax adjustments and higher associate income.

■ Capex Pipeline Supports Multi-Year Visibility

NTPC has outlined a group capex plan of Rs 6.22 lakh Cr through FY32, including Rs 3 lakh Cr towards renewable energy. Thermal commissioning momentum alongside renewable additions is expected to drive regulated equity growth and improve long-term profitability.

Valuation

At CMP of Rs 388, the stock trades at 15.2x/13.3x FY27E/FY28E earnings. We value NTPC on an SoTP basis with thermal business valued at 2.0x P/BV and renewable business based on NGEL valuation after applying holdco discount. We assign a target price of Rs 430 on the stock

Y/E March (Rs Cr)	FY25A	FY26A	FY27E	FY28E
Revenue from Operations	188138	187385	212270	230061
EBITDA	54128	55286	68388	78166
Attributable Net Profit	23422	27053	24738	28371
EV/EBITDA (x)	10.27	10.03	9.16	8.56
ROE (%)	0.127	0.133	0.114	0.121
ROCE (%)	0.092	0.083	0.1	0.1
EPS (Rs)	24.7	28.41	26.02	29.77

Concall Highlights

Operational Performance

- Standalone commercial generation stood at 352.5 BUs in FY26.
- Coal PLF stood at 72.04% versus 77.44% in FY25.
- NTPC's PLF remained significantly ahead of India average PLF of 63.2%.
- Average realised tariff improved to Rs 4.82/kWh in FY26.

Renewable Energy & Storage

- NGEL generation grew 114% YoY to 14.6 BUs.
- 5 GWh BESS capacity under execution across 14 stations.
- Additional standalone and co-located battery storage projects under tendering.

Coal & Mining

- Captive coal production increased 12% YoY to 47.88 MMT.
- Coal stock remained comfortable at around 18 days of generation.
- Mining operations transferred to NTPC Mining Ltd.

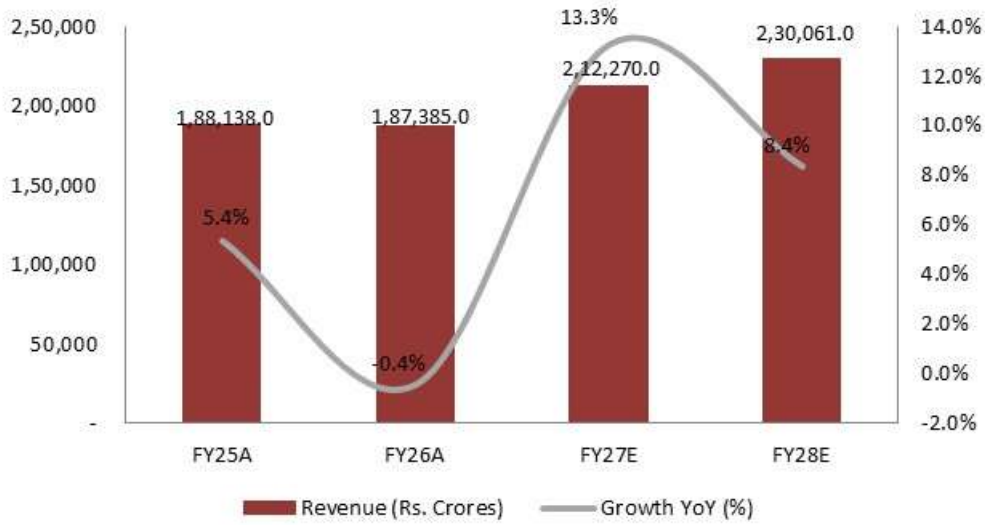
Financial & Funding Update

- Weighted average borrowing cost declined to 5.98% from 6.61% in FY25.
- FY26 group capex stood at Rs 49,068 Cr.
- Outstanding receivable days improved sharply to 15 days from 29 days.

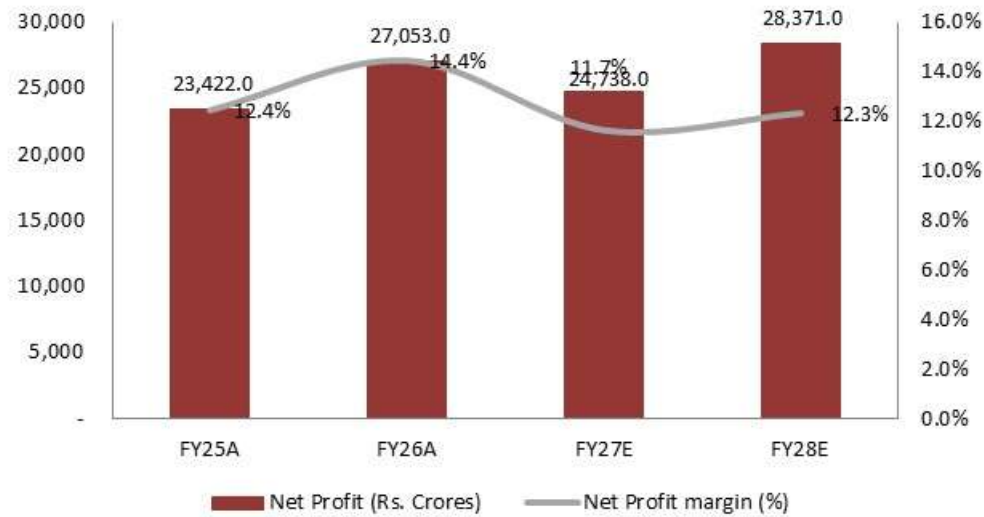
ESG & Nuclear Expansion

- MSCI ESG rating upgraded from CCC to BBB.
 - Mahi Banswara Nuclear Project excavation consent received for Units 1 & 2.
 - Unit 1 synchronisation targeted by November 2032.
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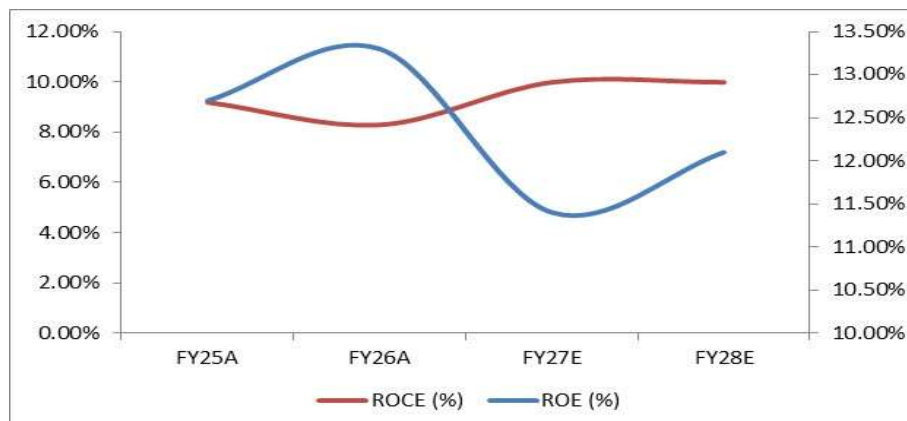
Revenue growth to be steady



Net profit



Return Ratios





Outlook and Valuation

NTPC continues to benefit from a strong regulated thermal asset base along with aggressive renewable energy expansion. The company's diversified generation portfolio, improving regulated equity base, strong execution pipeline and healthy balance sheet position it favourably for sustained earnings growth over the medium term.

We expect commissioning-led growth, stable thermal profitability and renewable scale-up to support long-term valuation re-rating. We maintain BUY rating with a target price of Rs 430

NTPC Ltd - Company Overview

NTPC Limited is India's largest integrated power utility company engaged in generation and sale of electricity. The company operates thermal, hydro, solar and wind power plants across India and is also expanding into battery energy storage systems, green hydrogen and nuclear energy.

The company currently has an installed capacity of over 89 GW and aims to increase total capacity to 149 GW by FY32. NTPC's renewable energy business through NGEL is expected to become a major long-term growth driver with annual renewable additions targeted at nearly 8 GW over the next three years.



Balance sheet (Consolidated)

Y/E March (Rs Cr)	FY25A	FY26A	FY27E	FY28E
ASSETS				
Net PPE	271597	318857	369548	399794
CWIP	100859	84957	87910	113141
Regulatory Deferral Account	18731	14829	14829	14829
Non-Current Investments	19654	24130	24130	24130
Other Non-Current Assets	20433	21526	21526	21526
Total Non-Current Assets	431273	464298	517943	573421
Inventories	18722	18663	18610	20170
Sundry Debtors	34720	36616	37801	40970
Cash & Bank Balance	11457	8004	30213	24387
Other Current Assets	27992	31062	31062	31062
Net Current Assets	-11,272	-23,149	-1,396	-3,616
Total Assets	420001	441149	516546	569805
LIABILITIES				
Share Capital	9697	9697	9697	9697
Reserves & Surplus	1,74,374	1,93,479	2,07,860	2,24,385
Total Shareholders' Funds	184071	203176	217557	234081
Minority Interest	7,052	7,977	7,977	7,977
Secured Loans	201054	207664	268680	305414
Unsecured Loans	2,521	3,746	3,746	3,746
Total Debt	203575	211410	272426	309160
Other Liabilities	6,305	8,018	8,018	8,018
Deferred Tax Liability	18999	10568	10568	10568
Total Liabilities	4,20,001	4,41,149	5,16,546	5,69,805

Profit & Loss Account (Consolidated)

Y/E March (Rs Cr)	FY25A	FY26A	FY27E	FY28E
Revenue from Operations	188138	187385	212270	230061
Operating Expenses	1,07,032	98,242	1,07,574	1,13,558
Employee Benefits Expense	6796	6986	7280	7535
Other Expenses	20,182	26,870	29,027	30,802
Total Expenditure	134010	132099	143881	151895
EBITDA	54,128	55,286	68,388	78,166
EBITDA Margin (%)	0	0	0	0
Depreciation	17,401	19,629	20,679	23,819
Other Income	2724	2414	2760	2991
Interest	13,168	13,801	17,435	19,786
Profit Before Tax	26283	24269	33033	37551
Tax	8,245	-2,876	8,258	9,388
Net Profit	18038	27146	24775	28163
Share of Profit from JVs	2,214	2,864	2,920	3,165
Reported Net Profit	23953	27546	25231	28864
Attributable Net Profit	23,422	27,053	24,738	28,371
EPS (Rs)	25	28	26	30
Adj EPS (Rs)	24	28	26	29

Key Ratios & Valuations (Consolidated)

Particulars	FY25	FY26	FY27E	FY28E
Revenue Growth (%)	5%	0%	13%	8%
EBITDA Growth (%)	6%	2%	24%	14%
Attributable PAT Growth (%)	13%	15%	-9%	15%
ROE (%)	13%	13%	11%	12%
ROCE (%)	9%	8%	10%	10%
Debt/Equity (x)	1.07	1.00	1.21	1.28
EV/EBITDA (x)	10.27	10.03	9.16	8.56



Equity Research

Large Cap.	Return	Mid/Small Cap.	Return
Buy	More than equal to 10%	Buy	More than equal to 15%
Hold	Between 10% & -5%	Accumulate*	Upside between 10% & 15%
Reduce	Less than -5%	Hold	Between 0% & 10%
		Reduce/sell	Less than 0%

** To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.*



Member: BSE, NSE, MCX, MCX-SX, CDSL

Reg. office: PG-4, Rotunda Bldg, Bombay Samachar Marg, Fort, Mumbai-400001, Maharashtra, India

Corp Office: 24/26 Cama Bldg, 3rd Floor, Dalal Street, Fort Mumbai-400001, Maharashtra India

Tel: 91-22-67378001 **Fax:** 91-22-22646410

Dealing: 91-22-67378011 **Institutional Dealing:** 91-22-6737833

Email: research@mjpgdirect.com **Website:** www.mjpgdirect.com

Registration Number: SEBI- INZ000218338

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