

May 24, 2026

## Strong capacity pipeline and energy transition drive visibility...

**About the stock:** NTPC is India's largest power generation company with a total installed capacity of ~89,108 MW at the group level as of FY26

- NTPC has 17% of total installed capacity in India with ~24% generation share
- The company's vision is to become a 244 GW+ company by 2037 of which ~120 GW would be contributed by renewable energy.

**Q4FY26 performance:** NTPC Limited reported standalone Q4FY26 revenue from operations of ₹43,111 crore, down 1.8% YoY, while EBITDA increased 11.1% YoY to ₹12,504 crore. EBITDA margin expanded sharply to 29.0% versus 25.6% in Q4FY25, supported by improved operating leverage and lower fuel-related pressure. PAT surged 51.4% YoY to ₹8,747 crore. During Q4FY26, NTPC generated 91.05 BU of electricity versus 95.20 BU in Q4FY25, while coal PLF stood at 76.2%. For FY26, standalone revenue declined 2.7% YoY to ₹1,65,494 crore, while EBITDA remained largely stable at ₹44,799 crore. EBITDA margin improved to 27.1% from 26.7% YoY, while reported PAT increased 17.9% YoY to ₹23,162 crore.

### Investment Rationale

- Balanced thermal-renewable portfolio positions NTPC strongly for India's rising power demand:** NTPC remains one of the strongest beneficiaries of India's long-term electricity demand growth, supported by rising urbanization, electrification, cooling demand, renewable integration and energy security requirements. The company currently has over 34 GW capacity under construction, including 16.5 GW thermal, 15 GW renewable and 2.6 GW hydro capacity, providing strong medium-term growth visibility. NTPC also plans to add nearly 8 GW renewable capacity annually, supporting its ambitious target of 60 GW renewable capacity by 2032. Simultaneously, India's requirement for an additional 86 GW coal-based capacity till FY36 continues to support NTPC's thermal expansion pipeline, positioning the company uniquely with a diversified and balanced generation portfolio.
- Aggressive renewable, storage and emerging energy investments create long-term growth visibility:** NTPC is rapidly transforming into a diversified energy company through large-scale investments across renewables, battery energy storage systems (BESS), pumped storage projects, nuclear power and green hydrogen. The company has planned renewable capex of ₹35,800 crore in FY27, ₹56,000 crore in FY28 and ₹48,000 crore in FY29 through NGEL, alongside development of nearly 18 GW pumped storage pipeline and 5 GWh battery storage systems at thermal stations. NTPC is also progressing on strategic projects such as the Pudimadaka Green Hydrogen Hub, coal gasification initiatives and the 2.8 GW Mahi Banswara nuclear project, which collectively strengthen long-term diversification and future earnings visibility.

### Rating and Target Price

- FY27-F28 will see strong capacity addition of 8 GW each in renewable side whereas thermal side will witness capacity addition of 1070MW and 1460 MW respectively. We expect Revenue/PAT to grow by 10/7% CAGR over FY26-FY28E. **We maintain our BUY rating on NTPC target pegged at ₹481 per share (based on SOTP Valuations).**



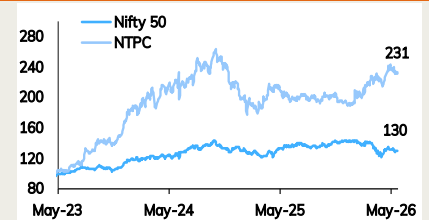
### Market data

Particular	Rs. (in crore)
Market Capitalisation	3,76,861
Total Debt (FY26)	1,90,109
Cash and Inv (FY26)	3,044
Enterprise Value	5,63,926
52 week H/L (Rs.)	414/316
Equity capital	9,696.7
Face value (Rs.)	10.0

### Shareholding pattern

%	Jun-25	Sep-25	Dec-25	Mar-26
Promoter	51.1	51.1	51.1	51.1
FII	16.1	16.4	16.2	16.5
DII	28.9	28.9	29.2	29.1
Public	3.9	3.6	3.5	3.1

### Price Chart



### Key risks

- Slowdown in power demand
- Delay in execution of renewable capacity.

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### Key Financial Summary

Key Financials	FY23	FY24	FY25	FY26	5 year CAGR (FY21-26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Net Sales	1,63,769.8	1,61,985.0	1,70,037.4	1,65,493.7	10.78%	1,84,654.7	1,99,427.1	9.77%
EBITDA	43,228.4	43,182.4	45,373.2	44,799.1	9.24%	54,780.6	59,040.1	14.80%
EBITDA Margins (%)	26.4	26.7	26.7	27.1		29.7	29.6	
Net Profit	17,196.7	18,079.4	19,649.5	23,162.2	10.96%	25,129.3	26,418.2	6.80%
EPS (₹)	17.4	18.2	20.3	23.9		25.9	27.2	
P/E	22.4	21.3	19.4	16.4		15.1	14.4	
RoNW (%)	12.9	11.4	11.4	10.9		14.5	12.9	
RoCE (%)	10.7	9.8	9.8	9.5		7.8	9.4	

## Key result and earnings call highlights

- NTPC Limited reported standalone Q4FY26 revenue from operations of ₹43,111 crore, down 1.8% YoY, while EBITDA increased 11.1% YoY to ₹12,504 crore. EBITDA margin expanded sharply to 29.0% versus 25.6% in Q4FY25, supported by improved operating leverage and lower fuel-related pressure. PAT surged 51.4% YoY to ₹8,747 crore. During Q4FY26, NTPC generated 91.05 BU of electricity versus 95.20 BU in Q4FY25, while coal PLF stood at 76.2%.
- NTPC Group generated 432.2 billion units (BU) of electricity during FY26, while NTPC's coal-based stations continued to outperform the industry with an average PLF of 72.04% versus the national average of 63.2%, reflecting strong operational efficiency, high plant availability and NTPC's critical role in meeting India's rising power demand
- NTPC Group added a record 9,618 MW capacity in FY26, including 4,738 MW renewable energy capacity, taking total group installed capacity beyond 90 GW. Renewable capacity addition by NGEL alone stood at 4,225 MW, significantly higher than 2,977 MW added in FY25.
- NGEL faced renewable curtailment of around 314 MU in FY26, largely due to temporary transmission constraints and grid-related issues. Management estimated EBITDA impact at approximately ₹90 crore, while expecting gradual normalization as firm connectivity improves over the next two years.
- Standalone regulated equity for conventional and mining business increased to ₹94,631 crore in FY26 from ₹90,092 crore last year, supporting stable long-term return visibility under the regulated business model.
- Outstanding receivable days improved sharply to 15 days in FY26 from 29 days in FY25, supporting cash-flow improvement. Additionally, weighted average borrowing cost declined to 5.98% from 6.61%, reflecting proactive refinancing and lower funding costs.
- NTPC Group incurred record capex of ₹49,680 crore in FY26, while standalone NTPC capex stood at ₹28,462 crore. For the renewable business, NGEL has planned capex of ₹35,800 crore in FY27, ₹56,000 crore in FY28 and ₹48,000 crore in FY29.
- Management highlighted that India requires an additional 86 GW coal-based capacity till FY36, of which 68 GW is already in pipeline. NTPC itself is currently executing 16.5 GW thermal capacity with another 4.6 GW under various stages of planning.
- Management guided for total capacity addition of ~9.6 GW in FY27 and ~10.4 GW in FY28, with renewable energy contributing nearly 8 GW annually. NTPC reiterated confidence in achieving its long-term target of 60 GW renewable capacity by 2032, with plans to accelerate capacity addition through both organic and inorganic opportunities.
- NTPC is significantly expanding battery storage capabilities with 5 GWh battery storage systems under execution at existing thermal stations under a regulated cost-plus model. Additionally, NGEL is executing 320 MWh standalone BESS projects, while another 1,000 MW battery capacity integrated with solar projects is under tendering.
- NTPC reiterated its long-term focus on nuclear energy through NTPC Parmanu Nigam Limited. Excavation consent has already been received for the 2.8 GW Mahi Banswara nuclear project, with first concrete planned by August 2027 and first unit synchronization targeted by November 2032. Additionally, NTPC is evaluating 30 potential nuclear locations across multiple states.

### Exhibit 1: SOTP Valuation

Particulars	Basis	Per share Value
Base business	15x FY28E EPS	408.5
NTPC Green	20% Holdco Discount on Mcap	72.5
<b>Fair Value</b>		<b>481.1</b>

Source: Company, ICICI Direct Research

## Key Financials

Exhibit 2: Profit and loss statement					₹ crore
(Year-end March)	FY25	FY26	FY27E	FY28E	
Total operating Income	1,70,037	1,65,494	1,84,655	1,99,427	
Growth (%)	74	-3	12	8	
Raw Material Expenses	1,00,828	92,406	98,990	1,06,909	
Employee Expenses	5,725	5,843	6,194	6,565	
Other expenses	18,112	22,446	24,690	26,912	
Total Operating Expenditure	1,24,664	1,20,695	1,29,874	1,40,387	
EBITDA	45,373	44,799	54,781	59,040	
Growth (%)	104	-3	46	19	
Depreciation	15,056	16,031	14,772	15,954	
Interest	11,057	10,442	12,003	13,362	
Other Income	4,376	4,231	4,500	4,500	
PBT	23,636	22,557	32,506	34,224	
Others	3,313	-2,898	1,000	1,000	
Total Tax	7,300	-3,504	8,376	8,806	
PAT	19,649	23,162	25,129	26,418	
Adjusted PAT	19,649	23,162	25,129	26,418	
Growth (%)	94	18	8	5	
EPS	20.3	23.9	25.9	27.2	

Source: Company, ICICI Direct Research

Exhibit 3: Cash flow statement					₹ crore
(Year-end March)	FY25	FY26	FY27E	FY28E	
Profit Before Tax	19,649	23,162	25,129	26,418	
Add: Depreciation	15,056	16,031	14,772	15,954	
(Inc)/dec in Current Assets	-5,147	3,004	-11,532	-9,406	
Inc/(dec) in CL and Provisions	3,224	-2,183	5,049	5,782	
Others	11,057	10,442	12,003	13,362	
CF from operating activities	47,685	48,815	58,388	59,358	
(Inc)/dec in Investments	-2,000	-10,000	-7,500	-7,500	
(Inc)/dec in Fixed Assets	-20,000	-30,000	-35,000	-35,000	
Others	0	0	0	0	
CF from investing activities	-22,000	-40,000	-42,500	-42,500	
Issue/(Buy back) of Equity	0	1	2	3	
Inc/(dec) in loan funds	18,814	41,392	37,253	28,560	
Dividend paid & dividend tax	-7,760	-8,730	-9,215	-9,700	
Inc/(dec) in Sec. premium	0	0	0	0	
Others	-11,057	-10,442	-12,003	-13,362	
CF from financing activities	-2	22,221	16,037	5,502	
Net Cash flow	10,683	1,035	1,923	-7,643	
Opening Cash	2,654	13,337	14,372	16,295	
Closing Cash	13,337	14,372	16,295	8,652	

Source: Company, ICICI Direct Research

Exhibit 4: Balance Sheet					₹ crore
(Year-end March)	FY25	FY26	FY27E	FY28E	
<b>Liabilities</b>					
Equity Capital	9,895	9,895	9,895	9,895	
Reserve and Surplus	1,48,844	1,63,277	1,79,191	1,95,910	
Total Shareholders funds	1,58,739	1,73,171	1,89,086	2,05,804	
Total Debt	2,06,959	2,48,351	2,85,604	3,14,164	
AAD	1,947	1,947	1,947	1,947	
Minority Interest / Others	1,152	1,152	1,152	1,152	
Total Liabilities	3,68,797	4,24,621	4,77,788	5,23,067	
<b>Assets</b>					
Gross Block	3,63,995	3,93,995	4,28,995	4,63,995	
Less: Acc Depreciation	96,959	97,566	98,118	98,645	
Net Block	2,67,036	2,96,429	3,30,877	3,65,350	
Capital WIP	1,03,067	1,33,067	1,63,067	1,93,067	
Total Fixed Assets	3,70,103	4,29,496	4,93,944	5,58,417	
Investments	34,239	44,239	51,739	59,239	
Inventory	18,700	18,104	19,481	21,058	
Debtors	17,004	16,549	18,465	19,943	
Loans and Advances	42,509	41,373	46,164	49,857	
Other Current Assets	30,607	29,789	33,238	35,897	
Cash	13,337	14,372	16,295	8,652	
Total Current Assets	1,22,156	1,20,188	1,33,643	1,35,407	
Creditors	20,570	19,915	21,429	23,164	
Other Liabilities	47,996	46,467	50,002	54,049	
Provisions	7,466	7,466	7,466	7,466	
Total Current Liabilities	76,032	73,848	78,897	84,679	
Net Current Assets	46,125	46,340	54,746	50,728	
Others Assets	0	0	0	0	
Application of Funds	3,68,797	4,24,621	4,77,788	5,23,067	

Source: Company, ICICI Direct Research

Exhibit 5: Key ratios				
(Year-end March)	FY25	FY26	FY27E	FY28E
<b>Per share data (Rs)</b>				
EPS	20.3	23.9	25.9	27.2
Cash EPS	35.1	39.6	40.3	42.8
BV	160.4	175.0	191.1	208.0
DPS	7.8	8.0	9.0	9.5
Cash Per Share	13.5	14.8	16.8	8.9
<b>Operating Ratios (%)</b>				
EBITDA Margin	26.7	27.1	29.7	29.6
PBT / Total Operating income	13.9	13.6	17.6	17.2
PAT Margin	11.6	14.0	13.6	13.2
Inventory days	67.7	71.5	71.8	71.9
Debtor days	36.5	36.5	36.5	36.5
Creditor days	10.1	10.1	10.1	10.1
<b>Return Ratios (%)</b>				
RoE	11.4	10.9	14.5	12.9
RoCE	9.8	9.5	7.8	9.4
RoIC	9.4	9.1	7.7	9.5
<b>Valuation Ratios (x)</b>				
P/E	19.4	16.4	15.1	14.4
EV / EBITDA	12.8	13.9	12.0	11.7
EV / Net Sales	3.4	3.8	3.6	3.5
Market Cap / Sales	2.3	2.3	2.1	1.9
Price to Book Value	2.4	2.2	2.1	1.9
<b>Solvency Ratios</b>				
Debt/EBITDA	4.6	5.5	5.2	5.3
Debt / Equity	1.3	1.4	1.5	1.5
Current Ratio	1.8	1.8	1.9	1.8
Quick Ratio	0.2	0.2	0.2	0.1

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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