

October 31, 2025

Embarking on 3x decadal growth by FY37E...

About the stock: NTPC is India's largest power generation company with a total installed capacity of ~84849 MW at the group level in October 2025.

- 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.

Q2FY26 performance: NTPC reported muted earnings as extended monsoon and grid restrictions impacted coal PLF by 627 bps in Q2FY26 to come in at 66%. The company reported gross standalone generation of 83.2 billion units (BU) down 6% YoY while energy sold declined 6.24% YoY to 77.1 BU. Hence the standalone revenue for the quarter stood at ₹39167 crore down 3% YoY. The PLF for Q2FY26 at 66% whereas the same for the gas-based stations PLF was at 6.8%. The company has added 1732 MW and 4431 MW of capacity on standalone and consolidated basis in H1FY26 and 1247 MW in Q2FY26 on consolidated basis. NTPC's substantive part (~4.6 GW) of annual capacity addition (~9.1 GW) is scheduled to operationalise in H2FY26. The adjusted PAT for Q2FY26 stood at ₹4518 crore, up 7.5% YoY. The regulated equity stood at ₹94454 crore and ₹116022 crore at standalone and consolidated level. The average realisation increased to ₹4.90 per unit in H1FY26 vs ₹4.7 in H1FY25. NTPC announced 1st interim dividend of ₹2.75 per share.

Investment Rationale

- Upward revision of capacity addition target by 3x in FY37E:** On an overall basis, NTPC was earlier targeting capacity of 149 GW by FY32E which has now been significantly revised upward to 244 GW by FY37E on the back of increasing scale-up that will happen across thermal, renewable, pump hydro storage, BESS and nuclear energy. The core renewable target stands at 60+ GW by FY32E. The company has aggressive capex plans of ₹7 trillion by FY32E.
- FY27-28E expected to see strong addition and awards:** In Q2FY26, the company faced delay in capacity addition due to extended monsoon and lack of transmission infrastructure in place. NTPC has reduced its overall capacity addition to 9.1 GW from 11.8 GW earlier for FY26. However, As of Q2FY26, Solar and wind forms 9% and 1% of the 82646 MW under operation. The company plans to award 7.2GW of thermal capacity and 2.8GW of nuclear capacity in FY26. The company plans to reach 20 GW of renewable capacity by FY27E

Rating and Target Price

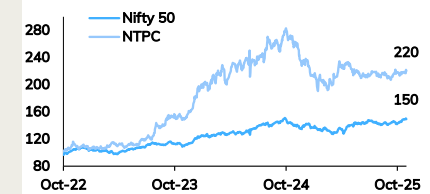
- We believe strong capacity addition trajectory will drive good financial performance for the company in the medium to long run. We maintain our BUY rating on NTPC target pegged at ₹420 per share (based on SOTP Valuations).

**Market data**

Particular	Rs. (in crore)
Market Capitalisation	3,28,426
Total Debt (H1FY26)	1,86,066
Cash and Inv (H1FY26)	4,150
Enterprise Value	5,10,342
52 week H/L (Rs.)	417/292
Equity capital	9,696.7
Face value (Rs.)	10.0

Shareholding pattern

%	Dec-24	Mar-25	Jun-25	Sep-25
Promoter	51.1	51.1	51.1	51.1
FII	18.2	17.8	16.1	16.4
DII	26.8	27.2	28.9	28.9
Public	3.9	3.9	3.9	3.6

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	5 year CAGR (FY20-25E)	FY26E	FY27E	2 year CAGR (FY25E-27E)
Net Sales	1,63,769.8	1,61,985.0	1,89,160.3	14.1%	2,00,509.9	2,14,545.6	6.5%
EBITDA	43,228.4	43,182.4	50,477.0	13.3%	54,810.1	62,513.0	11.3%
EBITDA Margins (%)	26.4	26.7	26.7		27.3	29.1	
Net Profit	17,196.7	18,079.4	19,476.0	14.0%	21,698.7	24,514.3	12.2%
EPS (₹)	17.4	18.2	19.7		21.9	24.7	
P/E	18.4	18.7	17.4		15.6	13.8	
RoNW (%)	12.9	11.4	12.3		12.7	13.1	
RoCE (%)	10.7	9.8	11.1		11.1	11.0	

Key result and earnings call highlights

- The consolidated regulated equity in H1FY26 stands at ₹116,022 crore vs ₹105,049 crore in H1FY25 and ₹108,791 in Q1FY26, growth of 10.4% YoY and 6.6% QoQ.
- The company has added 1732 MW and 4431 MW of capacity on standalone and consolidated basis respectively in H1FY26. Out of this, 1247 MW of capacity was added in Q2FY26. 440 MW of capacity was retired in Q2FY26. During October 2025, NTPC group added 1112 MW taking total capacity addition in 7MFY26 to 5359 MW.
- The company has incurred a group capex of ₹23,115 crore in H1FY26 vs. ₹17,444 crore in H1FY25. On a longer-term basis, the company plans to incur a capex of ₹7 trillion by FY32 in order to achieve its stated capacity addition objectives.
- The company generated 83/174 billion units (Bu) in Q2FY26/H1FY26 on standalone basis down 6%/6.4% YoY and 214 Bu on NTPC group level in H1FY26 down by 6 Bu or 3% YoY.
- Receivable days improved to 28 days (from 33 days YoY), while average cost of borrowing declined to 6.11% (vs. 6.63% YoY) through refinancing.
- Fixed cost under recovery was reduced to ₹625 crore, with a target to lower it to ₹250 crore by FY26 end.
- The company has significantly upped its capacity addition target of 149 GW by FY32E to 244 GW by FY37E now.
 - Capacity addition by FY32E is as follows:
 - 27 GW on thermal side
 - 60 GW renewable capacity,
 - 3-5 GW of pump storage capacity
 - Capacity addition in next 5 years in FY37E is as follows:
 - 60 GW renewable capacity
 - 13 GW of thermal capacity
 - 2.1 GW of nuclear capacity
 - 300 MW of hydro capacity
- The company has 17 GW of thermal capacity under construction and further plans to award 6 GW of thermal capacity of which 1.6 GW is expected in H2FY26.
- NTPC expects to award 2.8GW (4x700 MW) of nuclear capacity in H2FY26E. NTPC plans to incur capex of ₹20 crore per MW resulting in total capex of ~₹50-56,000 crore. Some packages will be awarded by NPCIL and some (like balance of plant) will be tendered by NTPC. NTPC expects the 2.8 GW nuclear project to set up in 6 years starting from December 2026.
- On the PSP side, the company had commissioned 500 MW (2x250 MW) in Q1FY26 and will add another 2 units totalling to 500 MW in H2FY26 taking the total capacity to 1000 MW by FY26 end.
- On the renewable side, NTPC expects to add 5.4 GW in FY26, 8GW in FY27E and another 8 GW in FY28E with longer term target of total capacity of 60 GW by FY32E.
- Capacity under construction stands at 33.5 GW which provides strong visibility over next 3-5 years.

Exhibit 1: SOTP Valuation

Particulars	Basis	Value (Rs. in crore)	Per share Value
Base business	14x FY27E EPS	3,43,199.9	353.9
NTPC Green	20% Holdco Discount on Mcap	64,792.0	65.5
Fair Value		4,07,991.9	420.4

Source: Company, ICICI Direct Research

Key Financials

Exhibit 2: Profit and loss statement ₹ crore				
(Year-end March)	FY24	FY25	FY26E	FY27E
Total operating Income	1,61,985	1,89,160	2,00,510	2,14,546
Growth (%)	66	17	6	7
Raw Material Expenses	97,919	1,15,598	1,20,306	1,23,960
Employee Expenses	5,670	6,351	6,986	7,824
Other expenses	15,213	16,735	18,408	20,249
Total Operating Expenditure	1,18,803	1,38,683	1,45,700	1,52,033
EBITDA	43,182	50,477	54,810	62,513
Growth (%)	92	34	20	34
Depreciation	13,943	16,268	17,043	19,309
Interest	10,251	13,241	13,835	15,018
Other Income	3,722	5,000	5,000	4,500
PBT	22,711	25,968	28,932	32,686
Others	1,969	0	0	0
Total Tax	6,600	6,492	7,233	8,171
PAT	18,079	19,476	21,699	24,514
Adjusted PAT	18,079	19,476	21,699	24,514
Growth (%)	79	8	11	13
EPS	18.2	19.7	21.9	24.7

Source: Company, ICICI Direct Research

Exhibit 3: Cash flow statement ₹ crore				
(Year-end March)	FY24	FY25	FY26E	FY27E
Profit Before Tax	18,079	19,476	21,699	24,514
Add: Depreciation	13,943	16,268	17,043	19,309
(Inc)/dec in Current Assets	1,207	-17,385	-7,068	-8,389
Inc/(dec) in CL and Provisions	-956	10,934	3,859	3,483
Others	10,251	13,241	13,835	15,018
CF from operating activities	42,023	55,436	55,786	63,747
(Inc)/dec in Investments	2,246	0	-10,000	-5,000
(Inc)/dec in Fixed Assets	-20,000	-20,000	-30,000	-35,000
Others	0	1	2	3
CF from investing activities	-17,754	-19,999	-39,998	-39,997
Issue/(Buy back) of Equity	0	1	2	3
Inc/(dec) in loan funds	29,164	-1,592	13,735	12,596
Dividend paid & dividend tax	-7,678	-7,925	-8,916	-8,916
Inc/(dec) in Sec. premium	3	4	5	6
Others	-10,251	-13,241	-13,835	-15,018
CF from financing activities	11,239	-22,753	-9,010	-11,329
Net Cash flow	-5,169	4,914	-7,586	6,788
Opening Cash	3,823	2,654	7,567	2,098
Closing Cash	2,654	7,567	2,098	9,876

Source: Company, ICICI Direct Research

Exhibit 4: Balance Sheet ₹ crore				
(Year-end March)	FY24	FY25	FY26E	FY27E
Liabilities				
Equity Capital	9,895	9,895	9,895	9,895
Reserve and Surplus	1,36,954	1,48,505	1,61,288	1,76,886
Total Shareholders funds	1,46,849	1,58,400	1,71,183	1,86,781
Total Debt	1,88,145	1,93,789	2,13,866	2,46,297
AAD	1,947	1,947	1,947	1,947
Minority Interest / Others	1,152	1,152	1,152	1,152
Total Liabilities	3,38,092	3,55,288	3,88,147	4,36,177
Assets				
Gross Block	3,43,995	3,63,995	3,93,995	4,28,995
Less: Acc Depreciation	96,432	96,959	97,566	98,118
Net Block	2,47,563	2,67,036	2,96,429	3,30,877
Capital WIP	88,067	1,03,067	1,33,067	1,63,067
Total Fixed Assets	3,35,629	3,70,103	4,29,496	4,93,944
Investments	32,239	32,239	32,239	32,239
Inventory	17,820	20,802	21,855	22,805
Debtors	16,199	18,916	20,051	21,455
Loans and Advances	40,496	47,290	50,127	53,636
Other Current Assets	29,157	34,049	36,092	38,618
Cash	2,654	7,567	2,098	9,876
Total Current Assets	1,06,326	1,28,625	1,32,569	1,48,865
Creditors	19,602	22,883	24,040	25,085
Other Liabilities	45,739	53,393	56,094	58,533
Provisions	7,466	7,466	7,466	7,466
Total Current Liabilities	72,808	83,742	87,601	91,084
Net Current Assets	33,519	44,883	43,719	56,571
Others Assets	0	1	2	3
Application of Funds	3,38,092	3,55,288	3,88,147	4,36,177

Source: Company, ICICI Direct Research

Exhibit 5: Key ratios				
(Year-end March)	FY24	FY25	FY26E	FY27E
Per share data (Rs)				
EPS	18.2	19.7	21.9	24.7
Cash EPS	32.4	36.1	39.2	44.3
BV	148.4	160.1	173.0	188.8
DPS	7.8	8.0	9.0	9.0
Cash Per Share	2.7	7.6	2.1	10.0
Operating Ratios (%)				
EBITDA Margin	26.7	26.7	27.3	29.1
PBT / Total Operating income	14.0	13.7	14.4	15.2
PAT Margin	11.2	10.3	10.8	11.4
Inventory days	66.4	65.7	66.3	67.1
Debtor days	36.5	36.5	36.5	36.5
Creditor days	10.1	10.1	10.1	10.1
Return Ratios (%)				
RoE	11.4	12.3	12.7	13.1
RoCE	9.8	11.1	11.1	11.0
RoIC	9.4	10.2	10.5	10.9
Valuation Ratios (x)				
P/E	18.7	17.4	15.6	13.8
EV / EBITDA	11.6	10.0	9.4	8.6
EV / Net Sales	3.1	2.7	2.6	2.5
Market Cap / Sales	2.1	1.8	1.7	1.6
Price to Book Value	2.3	2.1	2.0	1.8
Solvency Ratios				
Debt/EBITDA	4.4	3.8	3.9	3.9
Debt / Equity	1.3	1.2	1.2	1.3
Current Ratio	1.6	1.7	1.6	1.8
Quick Ratio	0.0	0.1	0.0	0.1

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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