NTPC (NTPC)

CMP: ₹325 | Target ₹ 390 (20%) | Target Period: 12 months | BUY

November 2, 2026

Robust execution pipeline supports sustained growth outlook...

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 250 GW+ company by 2037 of which ~120 GW would be contributed by renewable energy.

Q2FY27 performance: NTPC Limited reported a healthy standalone Q2FY27 performance, with revenue from operations increasing 16.8% YoY to ₹45,752 crore. EBITDA increased 8.72% YoY to ₹10,890 crore, while EBITDA margin declined to 23.8% from 25.6% in Q2FY26. PAT increased 14.3% YoY to ₹5,320 crore. During the quarter, the NTPC Group added 602 MW of capacity, taking total installed capacity to 91.5 GW as of September 2026.

Investment Rationale:

- **Diversified energy transition portfolio strengthens long-term growth visibility:** NTPC is steadily expanding beyond conventional power generation, with a planned 47 GWh BESS programme, a 16 GW pumped storage portfolio and a 2,800 MW nuclear project at Mahi Banswara, alongside its renewable energy expansion. The company is targeting renewable capacity additions of 7.7 GW in FY28 and 7.8 GW in FY29, while exploring emerging opportunities in C&I power and heat supply, data centres and coal gasification. These initiatives, supported by its scale, execution capabilities and presence across the power value chain, position NTPC to capitalise on India's evolving energy mix and rising requirement for reliable, round-the-clock power.
- **Large execution pipeline and thermal expansion provide visibility on sustained capacity growth**: NTPC's installed capacity stood at 91.5 GW as of September 2026, with 36.9 GW under construction, comprising 17.3 GW thermal, 16.0 GW renewable and 3.6 GW hydro capacity. While FY27 capacity addition guidance has been revised to approximately 8 GW due to renewable transmission connectivity delays, management is targeting additions of 9.6 GW in FY28 and 10.9 GW in FY29. Further, the proposed tendering of 4.8 GW of new thermal capacity, with another 3–4 GW under evaluation, reflects the company's focus on strengthening baseload generation capacity. The sizeable execution pipeline, coupled with India's rising electricity demand, provides long-term visibility on capacity expansion, generation growth and earnings.
- **Rating and Target Price:** FY28-F29 will see strong capacity addition of ~9.6 GW in FY28 and ~10.9 GW in FY29. Renewable energy is expected to contribute the bulk of these additions, at 7.7 GW and 7.8 GW, respectively, supplemented by thermal capacity additions of 1.5 GW in FY28 and 3.1 GW in FY29, along with 444 MW of hydro capacity in FY28. We expect Revenue & PAT to grow at 10.2% & 4.6% CAGR FY26-FY28E. **We maintain our BUY rating on NTPC target pegged at ₹390 per share (based on SOTP Valuations).**

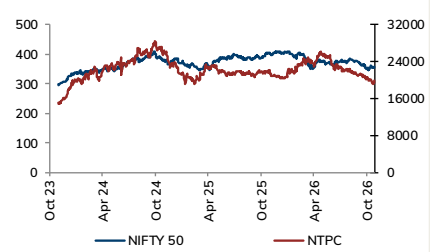
Particulars

	Rs. (in crore)
Market Capitalisation	307,287
Total Debt (FY26)	190,109
Cash and Inv. (FY26)	3,044
Enterprise Value	494,352
52-week H/L (Rs.)	414/292
Equity capital	9,696.7
Face value (Rs.)	10.0

Shareholding pattern

%	Sep-25	Dec-25	Jun-26	Sep-26
Promoter	51.1	51.1	51.1	51.1
FII	16.4	16.2	16.3	15.8
DII	28.9	29.2	29.4	29.9
Public	3.6	3.5	3.1	3.2

Price Chart



Key risks

(i) Slowdown in power demand

(ii) Delay in renewable capacity execution

Research Analyst

Chirag J Shah
shah.chirag@icicisecurities.com

Dilip Pandey
dilip.pandey@icicisecurities.com

Gourav Aggarwal
gourav.aggarwal@icicisecurities.com

Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials	FY24	FY25	FY26	5-year CAGR (FY20-25E)	FY27E	FY28E	2-year CAGR (FY25E-28E)
Net Sales	163,770	170,037	165,494	11.1%	184,443	201,043	10.2%
EBITDA	43,228	45,373	44,799	10.6%	54,209	59,517	15.3%
EBITDA Margins (%)	26.4	26.7	27.1		29.4	29.6	
Net Profit	17,197	19,649	23,162	18.0%	22,649	25,354	4.6%
EPS (₹)	17.4	20.3	23.9		23.3	26.1	
P/E	18.7	15.6	13.2		13.5	12.1	
RoNW (%)	12.9	11.4	10.9		14.5	11.8	
RoCE (%)	10.7	9.8	9.5		7.8	8.7	

Source: Company, ICICI Direct Research

Q2FY27 Earnings call highlights

- **Financial Performance**:
  - NTPC Limited reported a healthy standalone Q2FY27 performance, with revenue from operations increasing 16.8% YoY to ₹45,752 crore. EBITDA increased 8.72% YoY to ₹10,890 crore, while EBITDA margin declined to 23.8% from 25.6% in Q2FY26. PAT increased 14.3% YoY to ₹5,320 crore.
- **Operational Performance:**
  - Commercial generation increased 11.1% YoY to 92.4 BU, while energy sent out (ESO) rose 11.3% YoY to 85.8 BU.
  - NTPC standalone coal PLF stood at 73.5% in Q2FY27 compared with 66.0% in Q2FY26. H1FY27 coal PLF improved to 75.1%, significantly higher than the rest of India's average of 68.4%.
  - NTPC standalone coal PAF stood at 90.3% in H1FY27 compared with 88.9% in H1FY26. However, hydro PLF declined to 63.3% from 82.2% due to lower hydro generation.
- **Capacity Addition & Growth Pipeline:**
  - NTPC Group's installed capacity stood at 91.5 GW as of September 2026, following capacity addition of 2,398 MW during H1FY27. This included 196 MW by NTPC standalone, 1,136 MW by NGEL Group and 1,066 MW by other group companies. An additional 162 MW was commissioned in October 2026.
  - NTPC Group has over 37 GW of capacity under construction, comprising 17.32 GW thermal, approximately 16 GW renewable and 3.6 GW hydro capacity, providing strong medium-term growth visibility.
  - NTPC has awarded Lara Stage III (1,600 MW) during Q2FY27 and issued a limited notice to proceed, pending environmental clearance.
  - The company plans to tender approximately 4.8 GW of additional thermal capacity, largely during Q1 and Q2FY28. The projects include Jhabua Stage II (800 MW), Talcher Stage IV (800 MW), Talcher-Kaniha Stage III (1,600 MW), Bilai (800 MW) and BRBCL Stage II (800 MW).
  - Of the proposed 4.8 GW thermal capacity, 2.4 GW will be through NTPC standalone and the balance through JVs/subsidiaries. The capacity is equally divided between pithead and non-pithead projects, with estimated capex of approximately ₹67,000 crore. NTPC is also evaluating another 3–4 GW of thermal capacity.
- **Capex:**
  - NTPC Group incurred capex of ₹23,932 crore during H1FY27 compared with ₹23,115 crore in H1FY26. Standalone capex stood at ₹14,398 crore compared with ₹14,149 crore.
- **Management Commentary & Outlook:**
  - NTPC Group has revised its FY27 capacity addition expectation to approximately 8 GW from the earlier target of 9.5 GW, primarily due to transmission connectivity constraints affecting renewable projects.
  - NGEL had connectivity available for only 44% of its targeted FY27 capacity, resulting in back-ended execution. A significant portion of capacity additions is expected in Q3 and Q4FY27.
  - The transmission connectivity delay is particularly pronounced in the Khavda region, where connectivity originally expected in

October 2026 has been pushed to November 2027. Management expects the connectivity constraints to be substantially resolved by June–July 2027.

- Management expects renewable capacity additions to reach approximately 7.74 GW in FY28 and 7.81 GW in FY29. Overall NTPC Group capacity addition targets stand at 9.64 GW in FY28 and 10.88 GW in FY29.
- **Coal Availability:** NTPC had coal stock of 5.2 MMT at its stations, equivalent to approximately seven days of requirement. Despite supply constraints from Coal India and Singareni Collieries, captive mine dispatches increased 21% YoY. The company has issued tenders to procure 13 MMT of coal for H2FY27 from alternative sources and is in the process of awarding an additional 4 MMT of domestic coal procurement.
- **Green Energy & New Businesses:** NTPC is exploring opportunities in synthetic natural gas, methanol, dimethyl ether and urea through coal gasification. The company has submitted a proposal for producing 5 lakh tonnes per annum of synthetic natural gas at Talai Palli and plans to participate in the next round of the government's coal gasification incentive scheme.
- **Commercial & Industrial (C&I):** NTPC is exploring C&I opportunities across both conventional and renewable power businesses, including power generation and heat supply. The company has issued an expression of interest (EoI) to identify partners, with the process expected to close by November-end. It has also issued an EoI for offering 26% equity to C&I consumers under the group captive route.
- **Battery Energy Storage System:** (NTPC Group is pursuing an overall battery storage programme of approximately 47 GWh, comprising 5 GWh at NTPC's thermal power stations and around 41–42 GWh through NGEL.

Exhibit 1: SOTP Valuation ₹ crore

Particulars	Basis	Per share Value
Base business	13x FY28E EPS	343
NTPC Green	20% Holdco Discount on Mcap	47
Fair Value		390

Source: Company, ICICI Direct Research

Financial summary

Exhibit 2: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Total operating Income	170,037	165,494	184,443	201,043
Growth (%)	74	(3)	11	9
Raw Material Expenses	100,828	92,406	99,907	108,898
Employee Expenses	5,725	5,843	6,311	6,689
Other expenses	18,112	22,446	24,017	25,938
Total Operating Expenditure	124,664	120,695	130,234	141,526
EBITDA	45,373	44,799	54,209	59,517
Growth (%)	104	(3)	43	23
Depreciation	15,056	16,031	17,522	18,496
Interest	11,057	10,442	11,989	12,666
Other Income	4,376	4,231	4,500	4,950
PBT	23,636	22,557	29,198	33,306
Others	3,313	(2,898)	1,000	500
Total Tax	7,300	(3,504)	7,550	8,451
PAT	19,649	23,162	22,649	25,354
Adjusted PAT	19,649	23,162	22,649	25,354
Growth (%)	94	18	(2)	12
EPS	20.3	23.9	23.3	26.1

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	22,649	25,354
Add: Depreciation	15,056	16,031	17,522	18,496
(Inc)/dec in Current Assets	(5,147)	3,004	(11,474)	(10,492)
Inc/(dec) in CL and Provisions	3,224	(2,183)	5,247	6,210
Others	11,057	10,442	11,989	12,666
CF from operating activities	47,685	48,815	58,387	60,797
(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)	(11,989)	(12,666)
CF from financing activities	(2)	22,221	16,051	6,198
Net Cash flow	10,683	1,035	1,936	(5,508)
Opening Cash	2,654	13,337	14,372	16,308
Closing Cash	13,337	14,372	16,308	10,800

Source: Company, ICICI Direct Research

Exhibit 4: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Liabilities				
Equity Capital	9,895	9,895	9,895	9,895
Reserve and Surplus	148,844	163,277	176,711	192,365
Total Shareholders' funds	158,739	173,171	186,605	202,260
Total Debt	206,959	248,351	285,604	314,164
AAD	1,947	1,947	1,947	1,947
Minority Interest / Others	1,152	1,152	1,152	1,152
Total Liabilities	368,797	424,621	475,308	519,523
Assets				
Gross Block	363,995	393,995	428,995	463,995
Less: Acc Depreciation	96,959	97,566	98,118	98,645
Net Block	267,036	296,429	330,877	365,350
Capital WIP	103,067	133,067	163,067	193,067
Total Fixed Assets	370,103	429,496	493,944	558,417
Investments	34,239	44,239	51,739	59,239
Inventory	18,700	18,104	19,535	21,229
Debtors	17,004	16,549	18,444	20,104
Loans and Advances	42,509	41,373	46,111	50,261
Other Current Assets	30,607	29,789	33,200	36,188
Cash	13,337	14,372	16,308	10,800
Total Current Assets	122,156	120,188	133,598	138,582
Creditors	20,570	19,915	21,489	23,352
Other Liabilities	47,996	46,467	50,140	54,487
Provisions	7,466	7,466	7,466	7,466
Total Current Liabilities	76,032	73,848	79,095	85,305
Net Current Assets	46,125	46,340	54,503	53,277
Others Assets	0	0	0	0
Application of Funds	368,797	424,621	475,308	519,523

Source: Company, ICICI Direct Research

Exhibit 5: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (Rs)				
EPS	20.3	23.9	23	26
Cash EPS	35.1	39.6	41	44
BV	160.4	175.0	189	204
DPS	7.8	8.0	9	10
Cash Per Share	13.5	14.8	17	11
Operating Ratios (%)				
EBITDA Margin	26.7	27.1	29.4	29.6
PBT / Total Operating income	13.9	13.6	15.8	16.6
PAT Margin	11.6	14.0	12.3	12.6
Inventory days	67.7	71.5	71.4	71.2
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	10.9	14.5	11.8
RoCE	9.8	9.5	7.8	8.7
RoIC	9.4	9.1	7.7	8.7
Valuation Ratios (x)				
P/E	15.6	13.2	13.5	12.1
EV / EBITDA	11.2	12.2	10.7	10.4
EV / Net Sales	3.0	3.3	3.2	3.1
Market Cap / Sales	1.8	1.9	1.7	1.6
Price to Book Value	2.0	1.8	1.7	1.5
Solvency Ratios				
Debt/EBITDA	4.6	5.5	5.3	5.3
Debt / Equity	1.3	1.4	1.5	1.6
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

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey | Head – Research | pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Chirag Shah, PGDBM, Dilip Pandey, MBA, Gourav Aggarwal, MBA, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions".