



TECHNO-FUNDA : NATIONAL THERMAL POWER CORPORATION

Date -14-10-2024

Buy Range : @ 422-415

Target : 1st@445, 2nd@480

Stock Info	Amount
Mkt Cap (cr)	4,11,865.00
52-Weeks High/Low	448 /227
Avg Volume	1,92,96,066
No. of eq shares (cr)	969.66
Face Value	10.00
Bse Code	532555
Nse Code	NTPC
Free Float (cr)	2,00,717.00

Source- NSE/BSE

Particulars	2023	2024
Gross Profit Margin	36.02%	37.26%
EBITDA Margin	28.73%	31.45%
EBIT Margin	19.09%	18.74%
Net Income Margin	9.72%	11.78%
EPS	17.87	20.43

Source : Company, Fin2Research

Particulars	2023	2024
P/E	10.1	15.7
P/B	1.2	2.0
EV/EBITDA	7.9	10.1
EPS	17.9	20.4

Source : Company, Fin2Research

Ratios	2023	2024
Current Ratio	0.79	0.82
Cash Ratio	0.03	0.04
Return on Capital Employed	10.11%	10.67%
Return on Investment	5.81%	5.62%
Return on Equity %	11.98%	13.53%
Return on Assets	3.91%	4.48%
Debt to Equity	1.52	1.48
Interest Coverage	3.05	2.71
EV/EBIT	11	14
Cash Conversion Cycle	63.75	81.29

Source : Company, Fin2Research

Particulars	Shareholding in (%)
Promoter Group	51.10
Mutual Funds	27.55
Other	0.11
FII's	17.68
Public	3.55
Total	100.00

About :

NTPC, founded in 1975, is India's leading power generation company with 72,254 MW of installed capacity as of March 2023. The company aims to add approximately 20 GW of power capacity over the next five years. Besides power generation, NTPC offers consulting services in the power sector and engages in power trading through its subsidiary. Company is actively involved in India's sustainable energy transition, diversifying its energy sources to include both thermal power and renewable energy. Their strategic vision includes having 45-50% of their capacity from non-fossil fuels by 2030, with a medium-term target of 60 GW of renewable capacity by 2032, aligning with commitments to the United Nations.

Key Highlights:

- In FY24, the company's market capitalization reached an all-time high of ₹3.49 lakh crore (\$42 billion). The consolidated Profit After Tax (PAT) stood at ₹21,332 crore (\$2.54 billion), marking a 25% increase over the previous year. Additionally, it realized 100% of its current billing, amounting to ₹1,57,138 crore (\$18.93 billion), with debtors averaging 31 days of billing.
- In Q1 FY25, PAT grew by 11% year-on-year, reaching ₹4,511 crore. The company commands a 17% share of India's total installed power capacity and contributes 24% of the nation's total power generation. Electricity generation increased by 6% to 422 BU, and an additional 3,924 MW of capacity was added, bringing the total installed capacity to 76 GW.
- The company has ambitious plans to add 26 GW of thermal capacity, with 9.5 GW already under construction and 8 GW in the tendering stage. By next year, 24 GW will be under construction, with 2-2.5 GW expected to be commissioned. The long-term target is to exceed 130 GW of capacity by 2032, with over 60 GW coming from renewable energy.
- On the clean energy front, the Initial Public Offering (IPO) of its subsidiary, NTPC Green Energy Limited (NGEL), is on the horizon. In the nuclear energy space, groundbreaking activities for its first nuclear power project in Mahi Banswara, Rajasthan, are set to begin soon in partnership with NPCIL. The creation of NTPC Nuclear Power Company as a wholly-owned subsidiary is also planned, reinforcing its diversification into nuclear power.
- In addition to its core operations, the company is making significant strides in green hydrogen projects and successful blending initiatives, showcasing its commitment to sustainable and innovative energy solutions. Collaborative efforts with the Indian Army have also led to green hydrogen mobility projects and the establishment of microgrid setups in remote areas.
- On April 8, 2024, the company set a goal to increase its installed capacity by 5 GW, reinforcing its dedication to delivering clean, reliable, and affordable energy. As part of its growth strategy, the company is aiming to add 3 GW in renewable energy (RE) capacity, reflecting its focus on environmental conservation. Simultaneously, plans are in place to expand thermal energy capacity by 2 GW, further strengthening the nation's energy infrastructure.
- In FY24, the company successfully grew its portfolio by 3,924 MW, bringing its total installed capacity to nearly 76 GW. Currently, its RE capacity stands at 3.5 GW, with a robust pipeline exceeding 20 GW. Looking ahead, the company aims to elevate its non-fossil fuel-based capacity to 45-50% of the total by 2032, with a target of 60 GW of RE capacity, resulting in a combined portfolio of 130 GW.
- As a key player in India's energy sector, the company meets a quarter of the nation's power demand through a diversified portfolio that includes thermal, hydro, solar, and wind power projects. By focusing on innovation, clean energy adoption, and best practices, the company is committed to ensuring reliable, affordable, and sustainable electricity for the country, paving the way for a greener future.

Key Risks:

- 1. Slowdown in Power Demand**
Reduced power demand may negatively impact revenue and growth, requiring strategic adjustments.
- 2. Volatility in Coal Prices**
Fluctuating coal prices can disrupt operational costs and profit margins in thermal power generation.
- 3. Delay in Renewable Capacity Execution**

CMP : @ 422

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GUIDELINES FOR THE REPORT

- It is recommended to enter in a staggered manner within the prescribed range provided in the report.
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on a closing basis • The suggestion is valid for 3-5 months; if we want to carry subsequent positions, we will contact you via mail or other modes of communications.
- Once target1 is achieved, use a trailing stop loss of the recommended average price.

Portfolio Allocation:

- It is not recommended to allocate the entire corpus to a single stock or product without first understanding the risk and return associated with that stock or product.
- It is recommended to diversify the corpus in a proportionate manner among various tech-funda research reports and other reports as stated.

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