

## NTPC

<b>Recommendation</b>	<b>Buy</b>
<b>CMP</b>	<b>Rs. 327</b>
<b>Target Price</b>	<b>Rs. 375</b>
<b>Time Frame</b>	<b>9-12 Months</b>
<b>Risk</b>	<b>Medium</b>
<b>Sector</b>	<b>Power Generation</b>

## Price & Ratio Analysis

% Change from previous Day	<b>1.76%</b>
% Change from previous Month	<b>-2.35%</b>
52 Week High/ Low	<b>448.3/296.55</b>
Market Cap (Rs. CR)	<b>3,15,723,45</b>
Book Value / Share	<b>160.88</b>
% of Deliverable Qty to Traded Qty	<b>58.10%</b>
EPS	<b>16.69</b>
ROCE	<b>10.65%</b>
P/E	<b>19.5</b>

## Company Description

Incorporated in the year 1975, NTPC is India's largest power generation company in India and contributes 25% of total power generation of India as of March 31, 2024.

NTPC is likely to be in limelight amid soaring temperatures and remains our top pick in the power sector given its strong earnings growth visibility. As on June 30, 2024, India successfully met an all-time maximum power demand of 250 GW during FY 2024-25. India's renewable energy capacity more than doubled in 2024, increasing by an impressive 113% YoY to 30 GW

NTPC also provides consultancy services to entities in the power domain and is engaged in power trading through its subsidiary.

# As on 31 March 2024, the commercial capacity of NTPC stands at 59078 MW on a standalone basis and 75958 MW for the Group.

# NTPC Group generated 315 Billion Units in 9M FY24 as compared to 295 Billion Units in 9M FY23, an increase of 7%. NTPC's standalone gross generation in 9M FY24 is 268 Billion Units as compared to 255 Billion Units in the corresponding previous period, an increase of 5%.

## Support, Resistance & Trend Analysis

Support	<b>296</b>
Resistance	<b>451</b>
Moving Average 50 days/200 days	<b>353/379</b>
Pivot Level	<b>275</b>
ADX (14d)	<b>46.29</b>
Bollinger Band (Weekly)	<b>304.5/456.8</b>
MACD Weekly	<b>15.71</b>
RSI (14, E9) Monthly	<b>55.64</b>
Stochastic oscillator monthly (1,3,3)	<b>47.51</b>

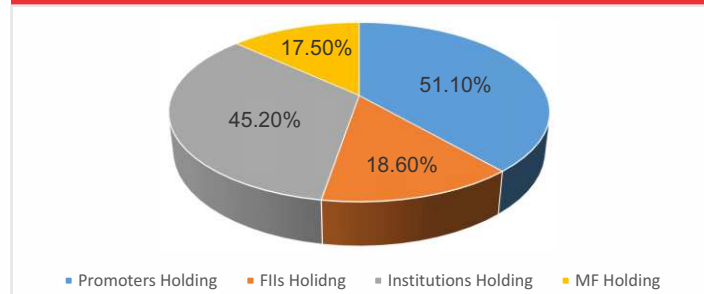
## Technical Analysis

Technically, brace yourselves for a major rebound play from a probable 'oversold zone' on the weekly charts. An impulse uptrend is seen forming on the daily time scale, with positive SAR series, with major support placed at Rs. 275-290 zone.

Add to that a bullish divergence and a rising stochastic signal (on weekly charts) with recent increase in volumes signaling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 379 zone. The level of Rs 375-381 zone will act as a strong resistance.

Simply buy at CMP, and on dips between 290-300 zone, targeting 345/353 mark and then at 375 mark. Stop below 267. Holding Period: 9-12 Months.

## Shareholding Pattern



## Quarterly Result

Rs. Crs	Q2FY 24-25	Q1FY 24-25	Q2FY 23-24	Q-o-Q% change	Y-o-Y% Change
Net Sales	41245	45053	41518	-8	-1
EBIT	6947	9426	7716	-26	-10
EBIT Margin (%)	16.8%	0	0	-	-
EBITDA	10594.0	13080	11180	-19	-5
EBITDA Margin (%)	25.7%	0	0	-	-
Net Profit	4649	4511	3885	3	20
Net Profit Margin	11.3%	0	0	-	-
EPS (Rs.)	4.79	5	4	-9	19

## Peer Comparison

Company	NTPC	POWERGRID	ADANI POWER LTD	ADANI GREEN ENERGY LTD	TATA POWER
CMP	327	298.40	562.00	1072.0	369.0
Market Cap (Rs. CR)	315723.45	277576.52	217049.24	169443.95	117892.05
Book Value/Share	160.88	98.26	106.17	47.80	53.09
EPS	16.69	16.23	22.96	-0.45	9.76
Dividend Yield (%)	2.38%	3.77%	0.00%	0.00%	0.54%
P/E	19.50	18.39	24.51	0.00	37.80
P/B	2.02	3.04	5.30	22.38	6.95
52W H	448.3	366.2	896.8	2173.65	494.85
52W L	296.6	226.1	430.9	870.9	335.3

## Chart



## Valuation & Outlook

- # NTPC is India's largest integrated power utility, contributing 25% of the country's power requirement.
  - # The Indian government is targeting to double power generation capacities to 900 GW by 2030, which will require significant investments in power generation and transmission infrastructure.
  - # The focus will be more on renewable/clean energy. NTPC is likely to benefit from the upcoming investments in the power sector given its robust thermal portfolio. NTPC's Robust Thermal Assets also provide Cash Flow visibility.
  - # NTPC has also advantage as it can mobilise funds at a lower cost of debt to private peers puts it in a competitive position. Furthermore, Considering a thrust on renewables and simultaneous enhancement of thermal capacity.
  - # We believe NTPC is a good portfolio bet given its stable dividend yield, and a further rerating potential could be on cards as its annual revenue growth of 31.84% outperformed its 3-year CAGR of 16.39%.
- NTPC Ltd reported a consolidated net profit of Rs 5,380 crore for the second quarter of 2024-25, up 14 percent from Rs 4,726 crore in the year-ago period.



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Disclosure of interest statement – • Analyst interest of the stock /Instrument(s): - No. • Firm interest of the stock / Instrument (s): - No.