

Rating: BUY | CMP: Rs356 | TP: Rs423

February 1, 2026

## Company Update

### Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	17,00,374	18,05,055	18,79,378	20,14,321
EBITDA (Rs. m)	4,86,859	4,87,052	5,10,829	5,50,042
Margin (%)	28.6	27.0	27.2	27.3
PAT (Rs. m)	1,80,157	1,90,167	2,02,044	2,21,268
EPS (Rs.)	18.6	19.6	20.8	22.8
Gr. (%)	9.8	5.6	6.2	9.5
DPS (Rs.)	8.2	8.4	8.9	9.7
Yield (%)	2.3	2.4	2.5	2.7
RoE (%)	11.6	11.4	11.3	11.6
RoCE (%)	9.9	9.1	9.1	9.4
EV/Sales (x)	3.1	3.0	2.9	2.7
EV/EBITDA (x)	10.8	11.0	10.6	10.0
PE (x)	19.2	18.2	17.1	15.6
P/BV (x)	2.1	2.0	1.9	1.8

### Key Data

	NTPC.BO   NTPC IN
52-W High / Low	Rs.371 / Rs.293
Sensex / Nifty	82,270 / 25,321
Market Cap	Rs.3,452bn/ \$ 37,526m
Shares Outstanding	9,697m
3M Avg. Daily Value	Rs.3353.4m

### Shareholding Pattern (%)

Promoter's	51.10
Foreign	16.24
Domestic Institution	29.19
Public & Others	3.46
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	8.0	6.5	9.9
Relative	11.9	4.3	3.5

Vishal Periwal

vishalperiwal@plindia.com | 91-22-63782549

Disha Mudda

dishamudda@plindia.com | 91-22-66322222

## Stable performance with growth visibility intact

**NTPC delivered steady Q3FY26 performance, with standalone adjusted PAT up ~1% YoY and 9MFY26 PAT up ~4% YoY, supported by better JV dividends. Muted power demand across the country resulted in a ~4% YoY decline in NTPC's generation in Q3FY26. Going ahead, the evolving El Niño conditions warrant monitoring, as this could potentially support higher power demand in FY27E. For NTPC, medium-term growth visibility is supported by a strong capacity pipeline of ~33GW under construction, spanning thermal, hydro and renewables, logging 10% CAGR over FY26-28E (Exhibit 3). As part of its FY26E addition target of 11GW, NTPC has added 5.7GW so far. Nuclear capex remains at an evolving stage, with NTPC indicating plans to contribute ~30% toward the Ministry of Power's target of achieving 100 GW of nuclear capacity in India by 2047. Overall, NTPC's regulated cost-plus framework ensures stable RoE, predictable cash flows, and low earnings volatility, making it a low-risk compounding, rather than a high-growth stock. We have 'BUY' rating with FY28E TP of Rs423/share, based on SoTP valuation (Exhibit 4), and stock offers ~2.5% dividend yield.**

- **Moderate earnings growth:** NTPC reported steady Q3FY26 financial performance, with standalone adjusted PAT rising ~1% YoY, despite a marginal decline in revenue due to lower generation in a muted demand environment. For 9MFY26, adj PAT increased ~4% YoY, supported by improved subsidiary contributions and higher dividend income from JVs. Lower borrowing costs (average interest rate down to ~6.05%) and better receivable days (~26 days vs. ~34 days last year) further strengthened cash-flow visibility.
- **Strong operations amid near-term headwinds:** Operationally, NTPC continued to outperform the sector, with coal-based PLF at ~70.7% in 9MFY26, significantly higher than the ~60.8% average for the rest of India, reflecting superior plant availability and fuel security. Coal stock levels remained comfortable at ~18 days, supported by captive mine dispatch growth. While overall generation declined YoY in 9MFY26 due to subdued power demand, plant efficiency remained strong. In renewables, NTPC Green Energy (NGEL) faced temporary weakness in Q3 driven by stabilization of newly commissioned assets and curtailment issues, which the management expects to normalize as transmission constraints ease.
- **Capacity pipeline underpins medium-term growth visibility:** NTPC has a robust capacity pipeline of ~33GW under construction, comprising ~16.5GW coal, ~1.9GW hydro, and ~15GW renewables, offering strong medium-term growth visibility. Thermal additions of ~6.5GW are planned over the next 3 years, largely through brownfield projects, limiting execution risk.
- **Green capacity additions on track; near-term volatility transitory:** NGEL has commissioned ~2.1GW in FY26 to date, with the management reiterating its target of ~5GW additions in FY26 and accelerated ~8GW each in FY27 and FY28. The softer Q3 performance in the green segment is viewed as transitory, largely reflecting initial stabilization of newly commissioned assets, wherein depreciation is recognized for the full quarter, while revenues accrue from the commissioning date. The management expects profitability to normalize as projects stabilize and generation ramps up.

**Exhibit 1: Quarterly snapshot**

(Rs mn)	Q3FY26	Q3FY25	YoY gr. (%)	Q2FY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
<b>Net Sales</b>	<b>4,11,117</b>	<b>4,09,922</b>	<b>0.3</b>	<b>4,05,766</b>	<b>1.3</b>	<b>12,61,794</b>	<b>12,73,476</b>	<b>(0.9)</b>
<b>EBIDTA</b>	<b>1,24,596</b>	<b>1,16,005</b>	<b>7.4</b>	<b>1,14,295</b>	<b>9.0</b>	<b>3,60,914</b>	<b>3,53,321</b>	<b>2.1</b>
Other income	10,290	9,507	8.2	15,228	(32.4)	33,119	25,018	32.4
<b>PBIDT</b>	<b>1,34,885</b>	<b>1,25,512</b>	<b>7.5</b>	<b>1,29,523</b>	<b>4.1</b>	<b>3,94,033</b>	<b>3,78,338</b>	<b>4.1</b>
Depreciation	(41,170)	(37,220)	10.6	(39,934)	3.1	(1,19,795)	(1,10,234)	8.7
Interest	(22,752)	(22,029)	3.3	(26,618)	(14.5)	(77,752)	(79,597)	(2.3)
<b>PBT</b>	<b>70,963</b>	<b>66,263</b>	<b>7.1</b>	<b>62,971</b>	<b>12.7</b>	<b>1,96,486</b>	<b>1,88,508</b>	<b>4.2</b>
Tax	(21,094)	(19,149)	10.2	(16,437)	28.3	(52,337)	(49,795)	5.1
<b>Reported PAT</b>	<b>49,869</b>	<b>47,114</b>	<b>5.8</b>	<b>46,533</b>	<b>7.2</b>	<b>1,44,150</b>	<b>1,38,713</b>	<b>3.9</b>
<b>Adjusted PAT</b>	<b>46,530</b>	<b>46,180</b>	<b>0.8</b>	<b>45,180</b>	<b>3.0</b>	<b>1,35,850</b>	<b>1,30,150</b>	<b>4.4</b>
No. of shares (mn)	9,697	9,697		9,697		9,697	9,697	
EBIDTA margin (%)	30.3	28.3		28.2		28.6	27.7	
PBIDT margin (%)	32.8	30.6		31.9		31.2	29.7	
<b>EPS - annualized (Rs)</b>	<b>19.2</b>	<b>19.0</b>	<b>0.8</b>	<b>18.6</b>	<b>3.0</b>	<b>56.0</b>	<b>53.7</b>	<b>4.4</b>

Source: Company, PL

**Exhibit 2: Operational performance**

Key Operational highlights	Q3FY26	Q3FY25	YoY gr. (%)	Q2FY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
Total operational capacity (MW)	85,637	76,598	11.8	83,893	2.1	85,637	76,598	11.8
JV (MW)	24,841	17,430	42.5	23,188	7.1	24,841	17,430	42.5
Standalone (MW)	60,796	59,168	2.8	60,705	0.1	60,796	59,168	2.8
Gross Generation (BU)	87.26	91.26	(4.4)	83.16	4.9	262	278	(5.7)
Energy sent out (BU)	81.00	85.26	(5.0)	77.10	5.1	243	259	(6.2)
Coal PLF (%)	71.03	75.98	(6.5)	66.01	7.6	71	76	-548 bps
Coal PAF (%)	90.80	89.58	1.4	84.39	7.6	90	89	44 bps
Gas PLF (%)	4.46	3.42	30.4	6.81	(34.5)	7	11	-388 bps
Gas PAF (%)	94.40	96.14	(1.8)	93.40	1.1	92	93	-71 bps
Hydro PLF (%)	27.20	22.11	23.0	104.60	(74.0)	64	59	482 bps
Hydro PAF (%)	98.96	88.37	12.0	109.45	(9.6)	104	98	576 bps
Solar PLF (%)	21.20	20.26	4.6	22.84	(7.2)	24	21	280 bps
Domestic coal (MMT)	59.91	65.51	(8.5)	53.10	12.8	175	183	(4.45)
Total coal consumed (MMT)	59.91	65.75	NM	53.10	NM	175	187	(6.55)
Imported coal consumed (MMT)	-	0.24	NM	-	NM	-	4	(100.00)
Average tariff (Rs/kWh)	5.08	4.81	5.6	5.26	(3.6)	5.20	4.92	5.66
PAT (Rs/kWh)	0.57	0.54		0.59		0.56	0.50	

Source: Company, PL

## Earnings call highlights

- Large capacity under construction provides strong growth visibility: NTPC Group has ~33GW of capacity under construction, comprising 16.5GW coal, ~1.9GW hydro, and ~15GW renewable, forming a solid pipeline for near-to-medium-term earnings growth.
- Thermal capacity addition roadmap steady and largely brownfield-led: Over the next 3 years, ~6.5GW of thermal capacity is expected to be commissioned, including Patratu (Unit 2 & 3), Talcher Stage III, and Nara Stage II, with limited greenfield risk.
- NTPC continues to outperform India on coal PLF: Coal station PLF stood at 70.7% in 9MFY26, significantly higher than ~60.8% for the rest of India, highlighting NTPC's superior operational efficiency and fuel security.
- Generation softness YoY reflects demand and base effects, not execution issues: Group generation declined marginally in 9MFY26 due to muted power demand and higher base, despite strong PLFs and plant availability, indicating cyclical rather than structural weakness.
- NGEL capacity addition on track despite near-term volatility: NGEL added ~2.1GW in FY26 so far, with the management reiterating ~5GW addition in FY26, and ~8GW addition in each FY27 and FY28.
- Weak quarterly performance in green business transitory: Lower Q3 profitability in NGEL was driven by initial stabilization of newly commissioned projects (depreciation booked for full quarter, while revenues accrue from the commissioning date). The management indicated normalization going forward.
- Renewable curtailment issues materially easing: Curtailment losses of ~420MUs (NGEL) and ~212MUs (NREL) seen earlier, are expected to drop sharply over 49 months, as key transmission lines (e.g., K3 line) have been commissioned, improving realizable generation.
- Capex execution remains strong with improving balance-sheet efficiency: Group capex in 9MFY26 was ~Rs335bn, while standalone capex was ~Rs194bn. Weighted average borrowing cost declined to ~6.05%, supporting returns.
- Energy storage emerging as a long-term optionality driver: NTPC is scaling battery and pumped storage solutions, including BESS projects (up to 5,000MWh under evaluation) and pumped storage projects (~13GW identified), enhancing grid flexibility and future earnings stability.
- Coal mining investments support stable regulated returns: Cumulative coal mining capex reached ~Rs141bn, ensuring fuel security and cost-plus RoE visibility, reducing earnings volatility during demand upcycles.
- Regulatory and policy tailwinds strengthen long-term outlook: Improved DISCOM finances, ESG rating upgrade (MSCI: from CCC to B), and supportive policies for storage and nuclear power position NTPC well for sustained dividend and growth.

**Exhibit 3: Capacity addition timeline**

	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Installed Capacity GW	76	80	91	101	111
- Standalone	59	59	61	62	62
- NTPC Green	3	6	11	19	27
- Subs / JV	14	15	20	21	23
 <i>Growth YoY, %</i>	 5%	 14%	 11%	 10%	
- Standalone	1%	3%	1%	0%	
- NTPC Green	99%	86%	74%	42%	
- Subs / JV	5%	33%	5%	10%	
 Yearly Addition GW (Organic)	 11.4	 9.6	 10.1		
- Standalone	1.6	0.6	0.0		
- NTPC Green	5.0	8.0	8.0		
- Subs / JV	4.8	1.0	2.1		
 CAGR FY26-28E					
Capacity					10%
- Standalone					0.5%
- NTPC Green					57%
- Subs / JV					8%

*Source: Company, PL*

## Outlook & Valuations

NTPC's capacity operates under a regulated (cost-plus) framework, which ensures stable RoE, predictable cash flows, and low earnings volatility. Unlike private IPPs, NTPC is largely insulated from power price cycles. NTPC's coal PLF stood at 70–71% vs. India average of ~61%, led by better fuel sourcing, captive coal mines, and plant availability.

The company is well positioned to capitalize on industry power demand growth. Power demand growth factor to GDP growth is expected to increase led by penetration of manufacturing, EVs and data centers. NTPC has 33GW under construction capacity, with 10GW pa addition target over FY26-28E. NTPC is not a high-growth momentum stock, but a low-risk compounder offering stable RoE, visible growth, improving green exposure, and reliable dividends—ideal for long-term core portfolios.

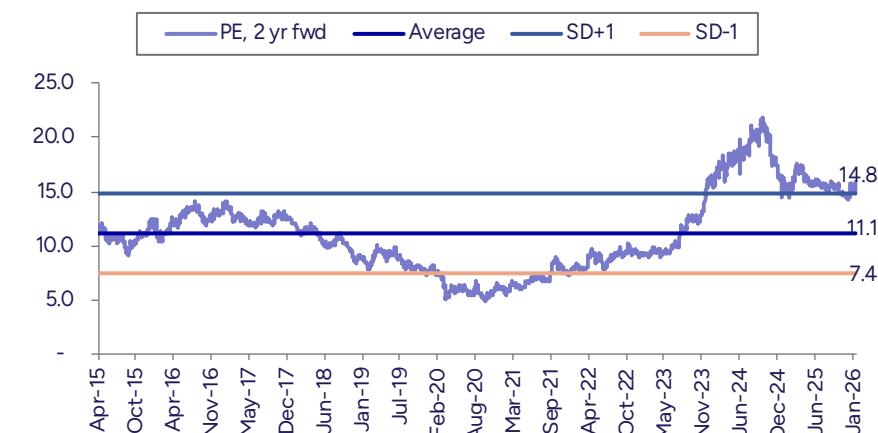
TP of Rs423/share for NTPC is derived using SoTP valuation. The standalone regulated business is valued at 1.8x FY28E P/BV. This multiple reflects NTPC's stable cost-plus earnings profile, superior PLF performance, strong balance sheet. Separately, NGEL is valued at its current market cap, assigned 15% holding company discount; NTPC has 90% stake in NGEL. Adding both components results in an SoTP-based TP of Rs423/share, which implies FY28E P/BV of ~2.1x and PE of ~19x on standalone earnings, reasonable given NTPC's regulated return profile and long-term growth visibility.

### Exhibit 4: NTPC SOTP base TP implies 2.1x FY28E Standalone BV

	FY28E
<b>Standalone</b>	
BV	203
Exit P/BV	1.8
Standalone Value Rs /sh	A
NTPC Green	365
Mkt Cap Rs bn	726
NTPC Green Rs/sh (Post 15% Hold Dis., 90% stake)	B
NTPC TP	A + B
<b>Implied (Standalone)</b>	
- PBV	2.1
- PER	18.9

Source: Company, PL

### Exhibit 5: NTPC PE band



Source: Company, PL

## Key Risks

- Regulatory and tariff risk: Any adverse change in the regulated return framework (allowed RoE, norms for availability, or cost recovery under Section 62) could impact earnings visibility and valuation multiples.
- Execution risk in large capex and green expansion: Delays in the commissioning of thermal, renewable, storage, or nuclear projects—due to land, transmission, or EPC constraints—could defer earnings and increase capitalized interest.
- Renewable curtailment and grid integration risk: Despite improving transmission, renewable assets remain exposed to curtailment, evacuation delays, and variability in generation, which can impact utilization and near-term profitability.
- Coal supply and policy risk: Although NTPC has captive mines, any disruption in coal availability, changes in mining policy, or stricter environmental norms could affect plant availability and operating costs.
- Valuation and capital allocation risk: Aggressive investments in non-regulated or new-age segments (green ammonia, storage, international projects) with lower-than-expected returns could dilute overall RoE and cap valuation re-rating.

## Annexure

### India's largest power company

- Incorporated in 1975, NTPC Ltd is India's largest integrated power generation company with a total installed and commercial capacity of 85.6GW and a Maharatna CPSE under the Ministry of Power, Government of India. The company is primarily engaged in the generation and sale of bulk power to state utilities and DISCOMs, with strong presence across the entire power value chain, including power trading, and coal mining.
- NTPC operates on regulated model with fixed RoE of 15.5% earned on achieving PAF of 85% and earns incentive, which increases its RoE by 100-150bps.
- NTPC contributes to approximately one-fourth of India's power requirements (although it has a share of ~17% in installed capacity) and has a diversified generation portfolio spanning thermal, hydro, solar, and wind power. The company has 33GW of capacity under construction, including 15GW of renewable capacity, and has articulated a target of achieving 60GW of renewable energy capacity by 2032, aligned with India's net zero objectives.
- Beyond power generation, NTPC has expanded into emerging energy solutions including e-mobility, battery energy storage, pumped hydro storage, waste-to-energy, nuclear power, and green hydrogen, as part of its transition toward a sustainable integrated energy company.
- In addition to generation, NTPC has backward integrated into coal mining, operating captive coal blocks to enhance fuel security and cost efficiency. The company also has subsidiaries and JVs spanning power distribution, renewables, green hydrogen, and power trading, strengthening its integrated utility model.

### Shareholding

- The Government of India holds 51.10% stake in NTPC.
- FIIs owns 16.24% with GIC owning 2% and DIIs owning 29.19%; LIC, ICICI MF and HDFC MF hold a stake of 1%+ each.

### Management team led by industry veterans

- **Mr. Gurdeep Singh, Chairman & MD:** He is a distinguished power sector leader with over 35 years of experience. An alumnus of NIT Kurukshetra and IIM Ahmedabad, with executive training from Harvard and Oxford, he is leading NTPC's transformation into a sustainable integrated energy company and is widely recognized for his role in advancing India's clean energy transition.
- **Mr. Jaikumar Srinivasan, Director – Finance:** He is a seasoned finance leader with over 3 decades of experience across the power and mining sectors in state and central PSUs. He is also recognized for his leadership excellence, having received the CII 'Leading CFO of the Year' award in 2024. He previously

served as Director - Finance in NLC India Ltd, Maharashtra State Electricity and Distribution Company Ltd, and Maharashtra State Power Generation Company Ltd.

- **Mr. Shivam Srivastava, Director – Fuel:** He brings over 35 years of experience across energy generation and coal mining. A mechanical engineer with advanced management training from Harvard and IIM Calcutta, he has played a key role in fuel management, mining projects, and strengthening NTPC's fuel security and self-reliance initiatives.
- **Mr. Ravindra Kumar, Director – Operations:** He has over 35 years of experience in power plant operations, maintenance, and project management. A mechanical engineer from BIT Sindri, he is responsible for safe, reliable and sustainable operation of NTPC's power stations and has led large thermal and international power projects.
- **Mr. K Shanmuga Sundaram, Director – Projects:** He is a veteran with over 36 years of experience in the execution and commissioning of large thermal and renewable projects. An electronics & communications engineer with management training from MDI Gurgaon, he oversees NTPC's project development, engineering, and infrastructure expansion.
- **Mr. Anil Kumar Jadli, Director – HR:** He has over 3 decades of experience in HR, with a strong foundation in HR strategy, talent management, and organizational development. A management graduate with global leadership training, he champions NTPC's people-first philosophy and workforce transformation agenda.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>17,00,374</b>	<b>18,05,055</b>	<b>18,79,378</b>	<b>20,14,321</b>
YoY gr. (%)	5.0	6.2	4.1	7.2
Cost of Goods Sold	-	-	-	-
Gross Profit	17,00,374	18,05,055	18,79,378	20,14,321
Margin (%)	100.0	100.0	100.0	100.0
Employee Cost	57,247	60,109	63,114	66,270
Other Expenses	1,47,989	1,71,422	1,71,828	1,85,972
<b>EBITDA</b>	<b>4,86,859</b>	<b>4,87,052</b>	<b>5,10,829</b>	<b>5,50,042</b>
YoY gr. (%)	9.9	0.0	4.9	7.7
Margin (%)	28.6	27.0	27.2	27.3
Depreciation and Amortization	1,50,558	1,63,938	1,71,498	1,79,112
<b>EBIT</b>	<b>3,36,300</b>	<b>3,23,114</b>	<b>3,39,331</b>	<b>3,70,929</b>
Margin (%)	19.8	17.9	18.1	18.4
Net Interest	1,10,570	1,12,557	1,16,686	1,21,868
Other Income	43,761	46,455	48,368	51,841
<b>Profit Before Tax</b>	<b>2,69,491</b>	<b>2,57,013</b>	<b>2,71,013</b>	<b>3,00,902</b>
Margin (%)	15.8	14.2	14.4	14.9
Total Tax	72,997	66,846	68,969	79,634
Effective tax rate (%)	27.1	26.0	25.4	26.5
<b>Profit after tax</b>	<b>1,96,494</b>	<b>1,90,167</b>	<b>2,02,044</b>	<b>2,21,268</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>1,80,157</b>	<b>1,90,167</b>	<b>2,02,044</b>	<b>2,21,268</b>
YoY gr. (%)	9.8	5.6	6.2	9.5
Margin (%)	10.6	10.5	10.8	11.0
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,96,494</b>	<b>1,90,167</b>	<b>2,02,044</b>	<b>2,21,268</b>
YoY gr. (%)	8.7	(3.2)	6.2	9.5
Margin (%)	11.6	10.5	10.8	11.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,96,494	1,90,167	2,02,044	2,21,268
<b>Equity Shares O/s (m)</b>	<b>9,697</b>	<b>9,697</b>	<b>9,697</b>	<b>9,697</b>
<b>EPS (Rs)</b>	<b>18.6</b>	<b>19.6</b>	<b>20.8</b>	<b>22.8</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>31,52,642</b>	<b>34,04,872</b>	<b>34,55,044</b>	<b>37,09,444</b>
Tangibles	31,45,354	33,97,584	34,47,756	37,02,156
Intangibles	7,288	7,288	7,288	7,288
<b>Acc: Dep / Amortization</b>	<b>10,30,567</b>	<b>11,94,505</b>	<b>13,66,002</b>	<b>15,45,115</b>
Tangibles	10,27,555	-	-	-
Intangibles	3,011	-	-	-
<b>Net fixed assets</b>	<b>21,22,075</b>	<b>22,10,367</b>	<b>20,89,041</b>	<b>21,64,329</b>
Tangibles	21,17,798	22,10,367	20,89,041	21,64,329
Intangibles	4,277	-	-	-
Capital Work In Progress	5,23,301	5,46,071	7,85,899	8,71,499
Goodwill	1,69,606	1,69,606	1,69,606	1,69,606
Non-Current Investments	3,50,555	3,72,136	3,87,459	4,15,279
Net Deferred tax assets	(1,65,271)	(1,65,271)	(1,65,271)	(1,65,271)
Other Non-Current Assets	1,50,572	1,98,556	2,25,525	2,41,719
<b>Current Assets</b>				
Investments	500	531	553	592
Inventories	1,78,479	1,89,466	1,97,268	2,11,432
Trade receivables	2,87,345	3,05,036	3,17,595	3,40,399
Cash & Bank Balance	47,786	17,046	32,150	33,679
Other Current Assets	2,48,958	2,64,285	2,75,167	2,94,924
<b>Total Assets</b>	<b>40,79,177</b>	<b>42,73,100</b>	<b>44,80,263</b>	<b>47,43,459</b>
<b>Equity</b>				
Equity Share Capital	96,967	96,967	96,967	96,967
Other Equity	15,19,439	16,28,372	17,44,435	18,71,339
<b>Total Networth</b>	<b>16,16,406</b>	<b>17,25,339</b>	<b>18,41,402</b>	<b>19,68,305</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	14,43,656	14,91,790	15,45,611	16,29,050
Provisions	-	-	-	-
Other non current liabilities	59,231	62,877	65,466	70,167
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	4,08,780	4,26,965	4,45,149	4,63,334
Trade payables	95,667	1,01,557	1,05,738	1,13,330
Other current liabilities	2,90,167	2,99,303	3,11,626	3,34,002
<b>Total Equity &amp; Liabilities</b>	<b>40,79,177</b>	<b>42,73,100</b>	<b>44,80,263</b>	<b>47,43,459</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	2,69,491	2,57,013	2,71,013	3,00,902
Add. Depreciation	1,50,558	1,63,938	1,71,498	1,79,112
Add. Interest	1,10,570	1,12,557	1,16,686	1,21,868
Less Financial Other Income	43,761	46,455	48,368	51,841
Add. Other	(90,902)	(46,455)	(48,368)	(51,841)
Op. profit before WC changes	4,39,718	4,87,052	5,10,829	5,50,042
Net Changes-WC	(45,969)	(28,980)	(14,738)	(26,758)
Direct tax	(72,997)	(66,846)	(68,969)	(79,634)
<b>Net cash from Op. activities</b>	<b>3,20,752</b>	<b>3,91,227</b>	<b>4,27,122</b>	<b>4,43,649</b>
Capital expenditures	(2,29,278)	(2,75,000)	(2,90,000)	(3,40,000)
Interest / Dividend Income	-	46,455	48,368	51,841
Others	23,821	(69,596)	(42,314)	(44,053)
<b>Net Cash from Invt. activities</b>	<b>(2,05,457)</b>	<b>(2,98,141)</b>	<b>(2,83,946)</b>	<b>(3,32,212)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	250	66,319	72,006	1,01,623
Dividend paid	(79,998)	(81,234)	(85,981)	(94,364)
Interest paid	(1,10,570)	(1,12,557)	(1,16,686)	(1,21,868)
Others	76,804	3,646	2,589	4,701
<b>Net cash from Fin. activities</b>	<b>(1,13,514)</b>	<b>(1,23,825)</b>	<b>(1,28,072)</b>	<b>(1,09,908)</b>
<b>Net change in cash</b>	<b>1,781</b>	<b>(30,739)</b>	<b>15,104</b>	<b>1,529</b>
Free Cash Flow	91,474	1,16,227	1,37,122	1,03,649

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E	
<b>Per Share(Rs)</b>					
EPS		18.6	19.6	20.8	22.8
CEPS		34.1	36.5	38.5	41.3
BVPS		166.7	177.9	189.9	203.0
FCF		9.4	12.0	14.1	10.7
DPS		8.2	8.4	8.9	9.7
<b>Return Ratio(%)</b>					
RoCE		9.9	9.1	9.1	9.4
ROIC		11.9	11.4	11.4	11.6
RoE		11.6	11.4	11.3	11.6
<b>Balance Sheet</b>					
Net Debt : Equity (x)		1.1	1.1	1.1	1.0
Net Working Capital (Days)		79	79	79	79
<b>Valuation(x)</b>					
PER		19.2	18.2	17.1	15.6
P/B		2.1	2.0	1.9	1.8
P/CEPS		10.4	9.7	9.2	8.6
EV/EBITDA		10.8	11.0	10.6	10.0
EV/Sales		3.1	3.0	2.9	2.7
Dividend Yield (%)		2.3	2.4	2.5	2.7

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Revenue</b>	<b>4,59,678</b>	<b>4,44,911</b>	<b>4,05,766</b>	<b>4,11,117</b>
YoY gr. (%)	8.0	1.5	(4.6)	0.3
Raw Material Expenses	2,51,768	2,49,021	2,28,819	2,27,001
Gross Profit	2,07,909	1,95,891	1,76,947	1,84,116
Margin (%)	45.2	44.0	43.6	44.8
<b>EBITDA</b>	<b>1,33,191</b>	<b>1,22,023</b>	<b>1,14,295</b>	<b>1,24,596</b>
YoY gr. (%)	17.3	3.0	(3.9)	7.4
Margin (%)	29.0	27.4	28.2	30.3
Depreciation / Depletion	40,325	38,691	39,934	41,170
<b>EBIT</b>	<b>92,867</b>	<b>83,333</b>	<b>74,361</b>	<b>83,426</b>
Margin (%)	20.2	18.7	18.3	20.3
Net Interest	30,973	28,382	26,618	22,752
Other Income	19,090	7,602	15,228	10,290
<b>Profit before Tax</b>	<b>80,984</b>	<b>62,552</b>	<b>62,971</b>	<b>70,963</b>
Margin (%)	17.6	14.1	15.5	17.3
Total Tax	23,202	14,806	16,437	21,094
Effective tax rate (%)	28.7	23.7	26.1	29.7
<b>Profit after Tax</b>	<b>57,781</b>	<b>47,747</b>	<b>46,533</b>	<b>49,869</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>50,010</b>	<b>44,140</b>	<b>45,180</b>	<b>46,530</b>
YoY gr. (%)	0.4	5.2	7.5	0.8
Margin (%)	10.9	9.9	11.1	11.3
Extra Ord. Income / (Exp)	(7,771)	(3,607)	(1,353)	(3,339)
<b>Reported PAT</b>	<b>57,781</b>	<b>47,747</b>	<b>46,533</b>	<b>49,869</b>
YoY gr. (%)	4.0	5.8	0.1	5.8
Margin (%)	12.6	10.7	11.5	12.1
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>57,781</b>	<b>47,747</b>	<b>46,533</b>	<b>49,869</b>
Avg. Shares O/s (m)	-	-	-	-
<b>EPS (Rs)</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
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PL's Recommendation Nomenclature (Absolute Performance)

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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