


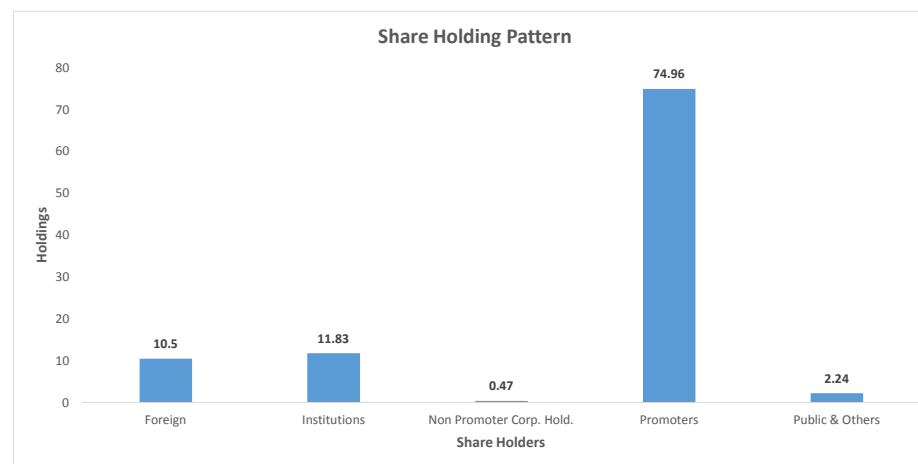
<h2>Research Report</h2>	 <p>Spearhead FinServe PRIVATE LIMITED A subsidiary of Spearhead Services Pvt Ltd</p>																		
<h3>NTPC</h3>	<table> <tr> <td>Recommendation</td><td>Accumulate</td></tr> <tr> <td>Current Market Price</td><td>143</td></tr> <tr> <td>Target</td><td>180</td></tr> <tr> <td>Accumulation Price Band</td><td>140 - 145</td></tr> <tr> <td>Time Frame</td><td>6 Months</td></tr> <tr> <td>Derivative Segment</td><td>Yes</td></tr> </table>	Recommendation	Accumulate	Current Market Price	143	Target	180	Accumulation Price Band	140 - 145	Time Frame	6 Months	Derivative Segment	Yes						
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<h3>Industry : Energy</h3>	<table> <tr> <td colspan="2">Quick Glance</td></tr> <tr> <td>Share Capital (Rs Cr)</td><td>8,245.46</td></tr> <tr> <td>Market Cap (Rs Cr)</td><td>117,745.23</td></tr> <tr> <td>Enterprise Value (Rs Cr)</td><td>155,285.64</td></tr> <tr> <td>Face Value (in Rs)</td><td>10.00</td></tr> <tr> <td>52 Week High/ Low (in Rs)</td><td>168.80/110.65</td></tr> </table>	Quick Glance		Share Capital (Rs Cr)	8,245.46	Market Cap (Rs Cr)	117,745.23	Enterprise Value (Rs Cr)	155,285.64	Face Value (in Rs)	10.00	52 Week High/ Low (in Rs)	168.80/110.65						
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<h3>Company Overview</h3> <ul style="list-style-type: none"> Incorporated in the year 1975, NTPC Ltd is the largest power generating company in India both in terms of installed capacity of 43,100 MW constituting to 18% of India's total capacity and generated output, which focuses in the business of generation and sale of bulk power. Carrying out its business through its subsidiaries such as NTPC Electric Supply Company Ltd, NTPC Hydro Ltd, NTPC Vidyut Vyapar Nigam Ltd and operating their stations at a level of efficiency that exceeds the average in India, based upon availability factor and average plant load factor (PLF), the company has achieved a 317th in the '2009, Forbes Global 2000' ranking of the World's biggest companies. The company developed a long term technology roadmap for the induction of high efficiency equipment, including supercritical machines at their new plants 	<table> <tr> <td colspan="2">Financials</td></tr> <tr> <td>EPS (Rs)</td><td>12.87</td></tr> <tr> <td>Book Value (Rs)</td><td>110.80</td></tr> <tr> <td>P/E</td><td>11.09</td></tr> <tr> <td>P/BV</td><td>1.24</td></tr> <tr> <td>ROE</td><td>12.79</td></tr> <tr> <td>ROCE (%)</td><td>10.90</td></tr> <tr> <td>Dividend Yield (%)</td><td>4.22</td></tr> <tr> <td>Debt - Equity</td><td>0.75</td></tr> </table>	Financials		EPS (Rs)	12.87	Book Value (Rs)	110.80	P/E	11.09	P/BV	1.24	ROE	12.79	ROCE (%)	10.90	Dividend Yield (%)	4.22	Debt - Equity	0.75
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<h3>Industry Overview</h3> <ul style="list-style-type: none"> Power generation registers early double digit growth for third month in a row, with Country's total generation capacity (excluding renewable & captive) as end of Aug 2014 stood at 221.7 GW with the country adding about 22.5 GW in the last 12 months ended Aug 2014. Power demand (normal) in Apr-Aug period of 2014-15 increased by 8.10% to 463933 million units compared to 429156 million units in the corresponding previous unit Indian power sector continues to see challenging times with moderation in demand growth and suboptimum utilization of plants due to fuel shortage or off take issues or transmission constraints. Moreover continued approval delays and high cost or lack of funding continues to escalate execution risk affecting the private investor sentiment thereby affecting the long-term growth of the sector However Now with stable Union government on saddle, the bottlenecks for the sector are expected to get addressed and moreover as per initial signals the intent/commitment is visible for the same 	<table> <tr> <td colspan="2">Highlights</td></tr> <tr> <td>Debt (Rs Cr)</td><td>67,170.22</td></tr> <tr> <td>Reserves (Rs Crs)</td><td>77,569.86</td></tr> <tr> <td>FII Holdings (%)</td><td>10.43</td></tr> <tr> <td>MF Holdings (%)</td><td>0.56</td></tr> <tr> <td>Free Float Market Capitalization (Rs Cr)</td><td>29,465.35</td></tr> <tr> <td>Beta</td><td>1.08</td></tr> <tr> <td>Avg Volume Per day (no. of shares)</td><td>3,558,561</td></tr> <tr> <td>Avg Volume Per Month (no. of shares)</td><td>74,729,781</td></tr> </table>	Highlights		Debt (Rs Cr)	67,170.22	Reserves (Rs Crs)	77,569.86	FII Holdings (%)	10.43	MF Holdings (%)	0.56	Free Float Market Capitalization (Rs Cr)	29,465.35	Beta	1.08	Avg Volume Per day (no. of shares)	3,558,561	Avg Volume Per Month (no. of shares)	74,729,781
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<h3>Key Highlights</h3> <ul style="list-style-type: none"> NTPC operates on a regulatory business model with fixed ROE of 15.5% plus incentives and has no merchant exposure which provides stable revenues. NTPC has assured fuel supply and offtake pact for existing and upcoming projects with Coal India and SEB's respectively where fuel is a pass through. NTPC is considering building its first power plant to run completely on imported coal to prepare for local shortages and to take advantage of a fall in global prices. 																			
<h3>Key Risks</h3> <ul style="list-style-type: none"> Moderation in demand growth and suboptimum utilization of plants due to fuel shortage or off take issues or transmission constraints Continued approval delays and high cost or lack of funding led to projects stalled at various stages of implementation affecting the investor confidence 																			

Financial Highlights

Income Statement (Annual)					
Particulars (Rs Cr)	2014	2013	2012	2011	2010
Net Sales	72,018.93	65,673.93	62,052.23	55,062.65	46,377.69
EBITDA	20,516.40	21,908.40	16,832.45	15,962.86	15,344.45
EBITDA Margin	28.24	33.09	26.94	28.84	32.91
Depreciation	4,142.19	3,396.76	2,791.70	2,485.69	2,650.06
Interest	2,469.56	1,933.01	1,714.59	1,427.57	1,808.93
Other Income	2,794.84	4,860.73	2,961.58	2,400.96	2,991.29
PBT	13,904.65	16,578.63	12,326.16	12,049.60	10,885.46
APAT	10,974.74	12,619.39	9,223.73	9,102.59	8,728.20
PAT Margin (%)	15.11	19.06	14.76	16.45	18.72
Earnings Per Share	12.33	14.36	10.55	10.42	9.95

Balance Sheet					
Particulars (Rs Cr)	2014	2013	2012	2011	2010
Equity Share Capital	8,245.46	8,245.46	8,245.46	8,245.46	8,245.46
Reserves and Surplus	77,569.86	72,142.05	65,045.71	59,646.79	54,191.96
Tangible Net Worth	72,171.92	62,100.11	54,248.92	46,852.67	39,482.74
Deferred Tax Liability :	6,715.69	6,323.06	6,002.02	2,131.47	1,264.50
Long Term Debt	37,540.41	28,555.65	22,546.67	38,366.39	36,413.53
ShortTerm Debt	29,629.81	29,590.43	27,732.27	4,821.29	1,383.49
Total Debt	67,170.22	58,146.08	50,278.94	43,187.68	37,797.02
Current Liabilities	13,212.73	10,709.00	9,627.22	8,398.51	7,687.58
Total Provisions	7,375.24	7,068.49	3,233.69	2,190.53	3,120.99
Total Liabilities	157,987.24	142,483.55	127,332.93	114,546.89	101,906.33
Gross Block	116,992.06	103,245.70	81,828.26	72,755.15	66,850.07
Net Fixed Assets	72,110.83	62,936.10	45,256.36	39,235.96	34,761.29
Investments	9,757.86	10,760.10	11,206.38	12,344.84	14,807.09
Current Assets	38,306.47	39,250.19	35,773.91	34,301.64	30,866.21
Deferred Tax Asset :	5,664.08	5,407.76	5,365.12	1,528.52	1,055.25
Receivables	5,220.08	5,365.49	5,832.51	1,434.96	6,651.46
Inventories	5,445.99	4,121.14	3,702.85	3,639.12	3,398.12
Cash	15,311.37	16,867.70	16,141.83	16,185.26	14,459.48
Total Assets	157,987.24	142,483.55	127,332.93	114,546.89	101,906.33

Income Statement (Quarterly)								
Particulars (Rs Cr)	2013				2012			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	20,938.08	18,779.39	16,272.27	15,612.89	16,461.84	15,774.91	16,119.67	15,959.96
EBITDA	5,141.59	5,404.76	4,895.91	5,011.17	7,361.91	4,749.86	5,272.48	4,515.50
EBITDA Margin	24.56	28.78	30.09	32.10	44.72	30.11	32.71	28.29
Depreciation	1,207.64	1,024.28	967.94	942.33	1,021.26	828.76	786.52	760.22
Interest	567.69	601.03	620.46	617.41	591.17	530.38	303.46	499.35
Other Income	599.04	748.95	643.97	696.93	2,567.81	733.48	816.55	681.99
PBT	3,366.26	3,779.45	3,307.51	3,451.43	5,749.48	3,390.72	4,182.50	3,255.93
APAT	3,093.54	2,861.28	2,492.90	2,527.02	3,098.17	2,596.76	3,142.35	2,498.67
PAT Margin (%)	14.77	15.24	15.32	16.19	26.62	16.46	19.49	15.66
Earnings Per Share	3.75	3.47	3.03	3.06	5.31	3.15	3.81	3.03

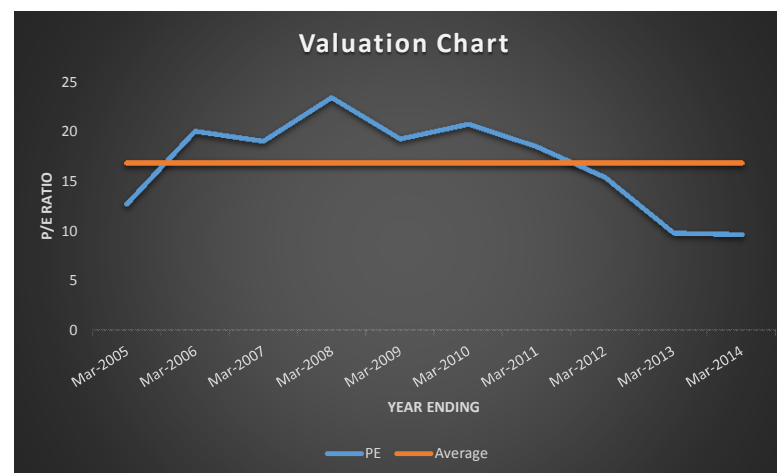
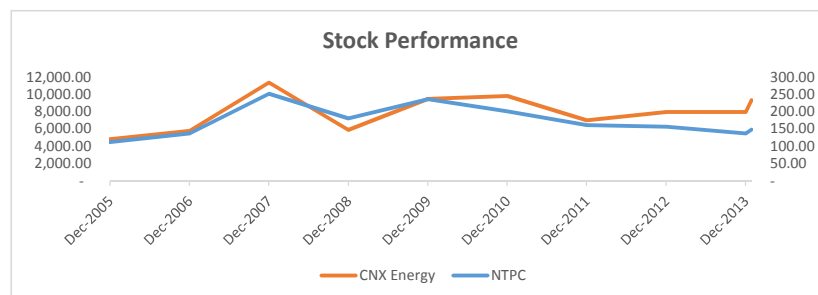


Key Financial Indicators						
Particulars	Units	2014	2013	2012	2011	2010
Revenue	Crs	72,018.93	65,673.93	62,052.23	55,062.65	46,377.69
EBITDA Margins	%	28.24	33.09	26.94	28.84	32.91
PAT	Crs	10,974.74	12,619.39	9,223.73	9,102.59	8,728.20
PAT Margins	%	15.11	19.06	14.76	16.45	18.72
Revenue Growth	%	9.56	5.94	12.69	18.73	10.49
EBITDA Growth	%	(6.35)	30.16	5.45	4.03	11.84
PAT Growth	%	(13.03)	36.81	1.33	4.29	6.42
Gearing	times	0.75	0.71	0.66	0.62	0.60
ROCE	%	10.90	13.72	11.61	12.45	13.10
ROE	%	12.79	12.63	13.47	14.00	14.33

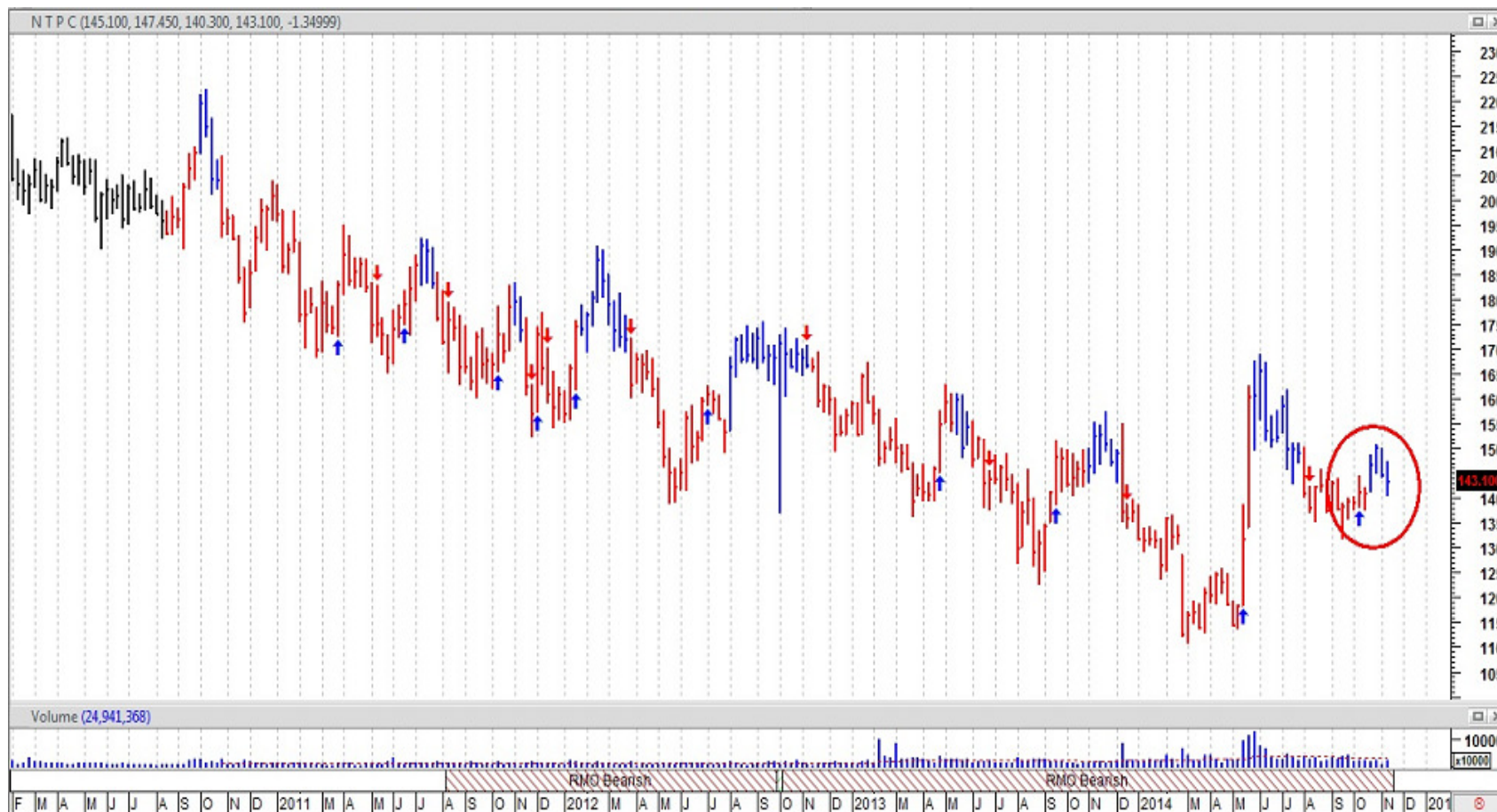
Peer Comparison				
Particulars	Units	NTPC	Power Grid	NHPC
Revenue	Rs Cr	72,018.93	15,230.28	5,537.04
EBITDA Margins	%	28.24	88.16	78.41
PAT	Rs Cr	10,974.74	4,515.69	1,304.54
PAT Margins	%	15.11	29.53	23.56
Gearing	%	0.75	2.49	0.71
EPS	Rs / Share	12.87	8.69	1.23
PE	times	11.09	16.62	16.63
P/BV	times	1.24	2.19	0.76
ROCE	%	10.90	8.44	6.44
ROE	%	12.79	13.10	5.00
EV/EBITDA	times	7.35	9.96	9.30

Stock Performance vis-a-vis Index

Particulars	Return	
	YTD	QTD
NTPC LTD	4%	3%
CNX Energy	18%	2%



Technical Outlook



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