

Research Report

NHPC Limited



Prepared By-

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About

NHPC, a Mini Ratna category I public sector utility, is Government of India's flagship hydroelectric generation company. The company is primarily involved in the generation and sale of bulk power to various Power Utilities. Its other business includes providing project management / construction contracts/ consultancy assignment services and trading of power.

Operational Metrics

- Operational Capacity (MW): 5,551 in FY24 vs 5,551 in FY22
- Power Generation (MU): 21,773 in FY24 vs 24,494 in FY22
- Plant Availability Factor (PAF): 77.6% in FY24 vs 88.19% in FY22

Synopsis of Financials

- Power generation: 8,034 million units, down 11% from 9,010 million units year-on-year.**
- Revenue from operations: ₹2,551 Crore, up 3% from ₹2,485 Crore in the previous year.**
- PAT: ₹905 Crore, a decrease of 37% from ₹1,447 Crore in the previous year.**
- Power generation decreased to 15,013 million units, down 11% from 16,797 million units in the previous year.**
- Main contributor to lower generation: heavy flash floods in the Teesta basin leading to the shutdown of Teesta-V Power Station.**
- Revenue from operations: ₹4,969 Crore, down 2% from ₹5,056 Crore in the previous year.**

Stock data (as 28th February 2025)

Nifty Price	: 22,277.50
52 week High (in Rs.)	: 118
52 week Low (in Rs.)	: 71
Market Cap. (in Crore)	: 73,168
NSE Code	: NHPC

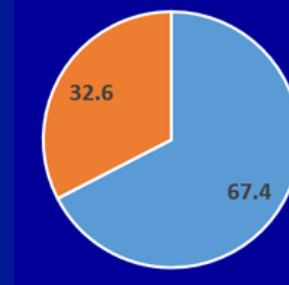
Stock data



-NIFTY50

-NHPC Limited

Shareholding Pattern (December 2024)



-PUBLIC GROUP

-PROMOTER GROUP

Financial Summary

Particulars	March 2022	March 2023	March 2024
Sales	9,144	10,607	9,632
Sales Growth %	-5.22%	16.00%	-9.19%
Expenses	5,131	4,423	4,825
Operating Profit	4,013	6,184	4,807
OPM %	44%	58%	50%
Net Profit	3,774	4,261	4,028
EPS in Rs	3.51	3.89	3.61

Quarterly Results



Particular	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Sales	2,757	2,931	2,056	1,888	2,694	3,052	2,287
Expenses	1,253	1,163	1,303	1,003	1,085	1,253	1,265
Operating Profit	1,505	1,768	752	885	1,609	1,799	1,021
OPM %	55%	60%	37%	47%	60%	59%	45%
Other Income	292	261	587	622	431	454	365
Interest	109	116	133	91	237	302	656
Depreciation	294	295	296	299	296	285	297
Profit before tax	1,394	1,618	909	1,117	1,507	1,666	434
Tax %	21%	-5%	31%	45%	26%	36%	24%
Net Profit	1,095	1,693	623	611	1,108	1,060	330

Source: Screener

Key Ratios

S. No	Particulars	Numerator	Denominator	31 st March 2024	31 st March 2023	% Variance
(a)	Current Ratio	Current Assets	Current Liabilities	0.90	1.09	-17.77
(b)	Debt-Equity Ratio	Total Debts	Shareholder's Equity	0.84	0.85	-1.18
(c)	Debt Service Coverage Ratio	Earning Available for debt service	Debt Service	3.16	4.05	-21.98
(d)	Return on Equity Ratio (in %)	Profit After Tax	Average Shareholder's Equity	10.30	11.13	-7.46
(e)	Inventory turnover Ratio	Revenue From Operations	Average Inventory	50.09	64.78	-22.68
(f)	Trade Receivable turnover Ratio	Revenue From Operations	Average Debtors	1.69	1.76	-3.96
(g)	Trade Payables turnover Ratio	Purchases	Average Trade Payables	5.02	5.28	-4.85
(h)	Net Capital turnover Ratio	Revenue From Operations	Average Working Capital	(99.68)	10.02	-1,095.10

Source: Annual Report

Yearly Results

Particulars	March 2022	March 2023	March2024
Equity Capital	10,045	10,045	10,045
Reserves	24,876	26,916	28,657
Borrowings	26,096	29,540	32,561
Other Liabilities	16,271	19,710	22,034
Total Liabilities	77,288	86,211	93,297
Fixed Assets	21,825	22,137	21,474
CWIP	22,522	31,357	39,831
Investments	2,386	499	479
Other Assets	30,554	32,218	31,513
Total Assets	77,288	86,211	93,297

Synopsis Quater Results

Concall Notes - Jan-2025: Key Highlights

Operational Highlights:

Plant Availability Factor (PAF):

- Half Year FY'25: 82.68%, down from 91.93% in the previous period.
- Q2 FY'25: 84.87%, down from 89.78% in the previous year.

Key Projects Update

Dibang Multipurpose Project:

- Five out of seven packages awarded; estimated cost: ₹31,876 Crore. - Scheduled completion by February 2032.

Teesta-V Project:

- Currently down due to flash floods; restoration works ongoing.
- Anticipated to resume operations by December 2025.
- Strategic Developments:

Renewable Energy Initiatives:

- NHPC is exploring development of Pumped Storage Projects across multiple states.
- Signed MoU with the Government of Rajasthan for an investment plan of ₹50,000 Crore focused on renewable energy projects.

Solar Power Projects:

- Progressing well on 300 MW solar project in Bikaner and other solar projects in Gujarat and Andhra Pradesh.
- NHDC has fully commissioned an 88 MW Floating Solar Power Project.

Financial Position and Future Outlook:

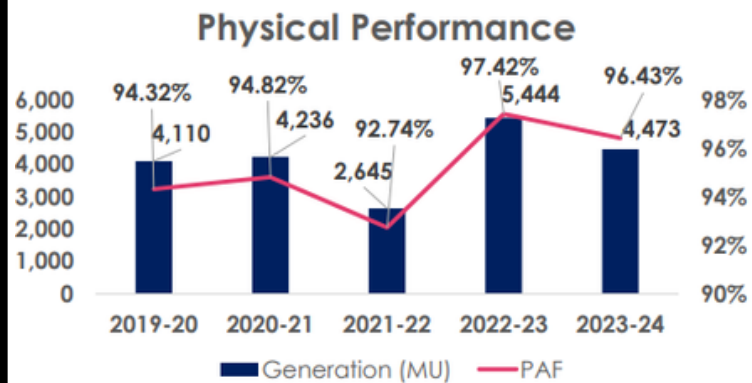
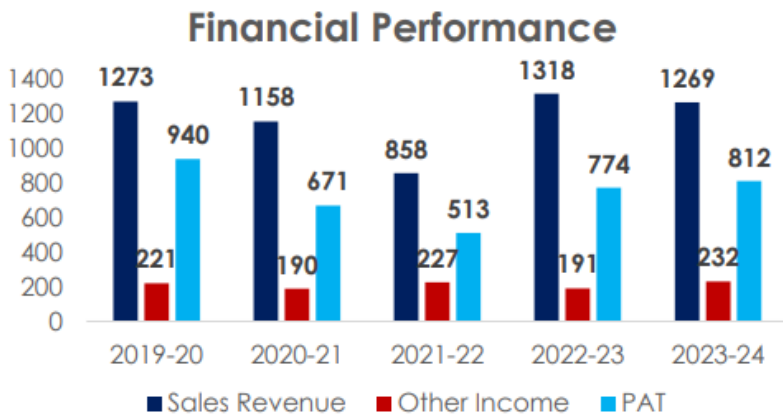
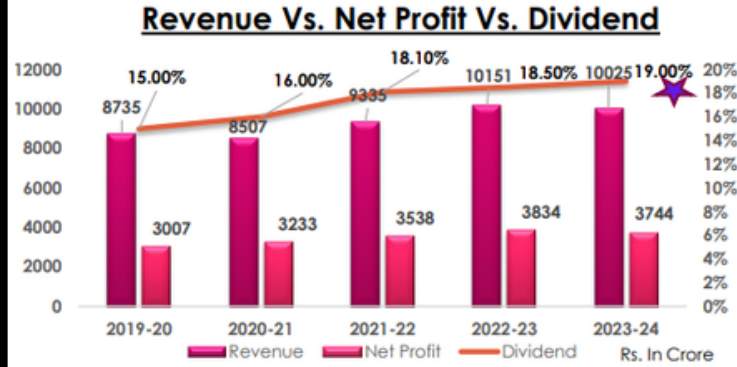
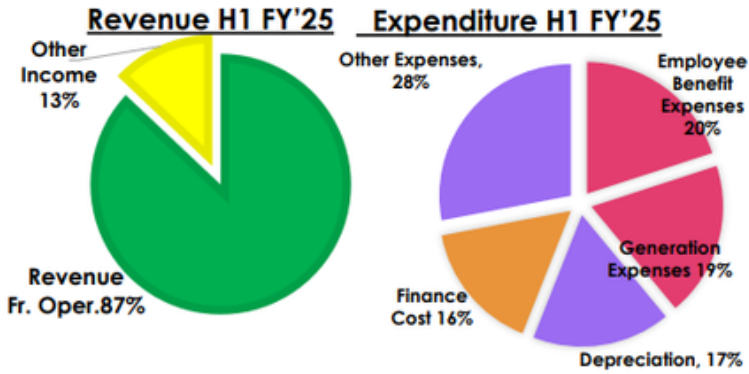
Debt and Cash Flow:

- Current Debt Equity Ratio at 0.84; management indicates no issues with cash flow for upcoming CAPEX.
- Significant CAPEX planned over the next several years; internal accruals expected to support equity contributions.

Insurance and Financial Recovery:

- Business Interruption Loss fully insured for Teesta-V; recovery of ₹410 Crore expected, with ₹250 Crore already recognized.

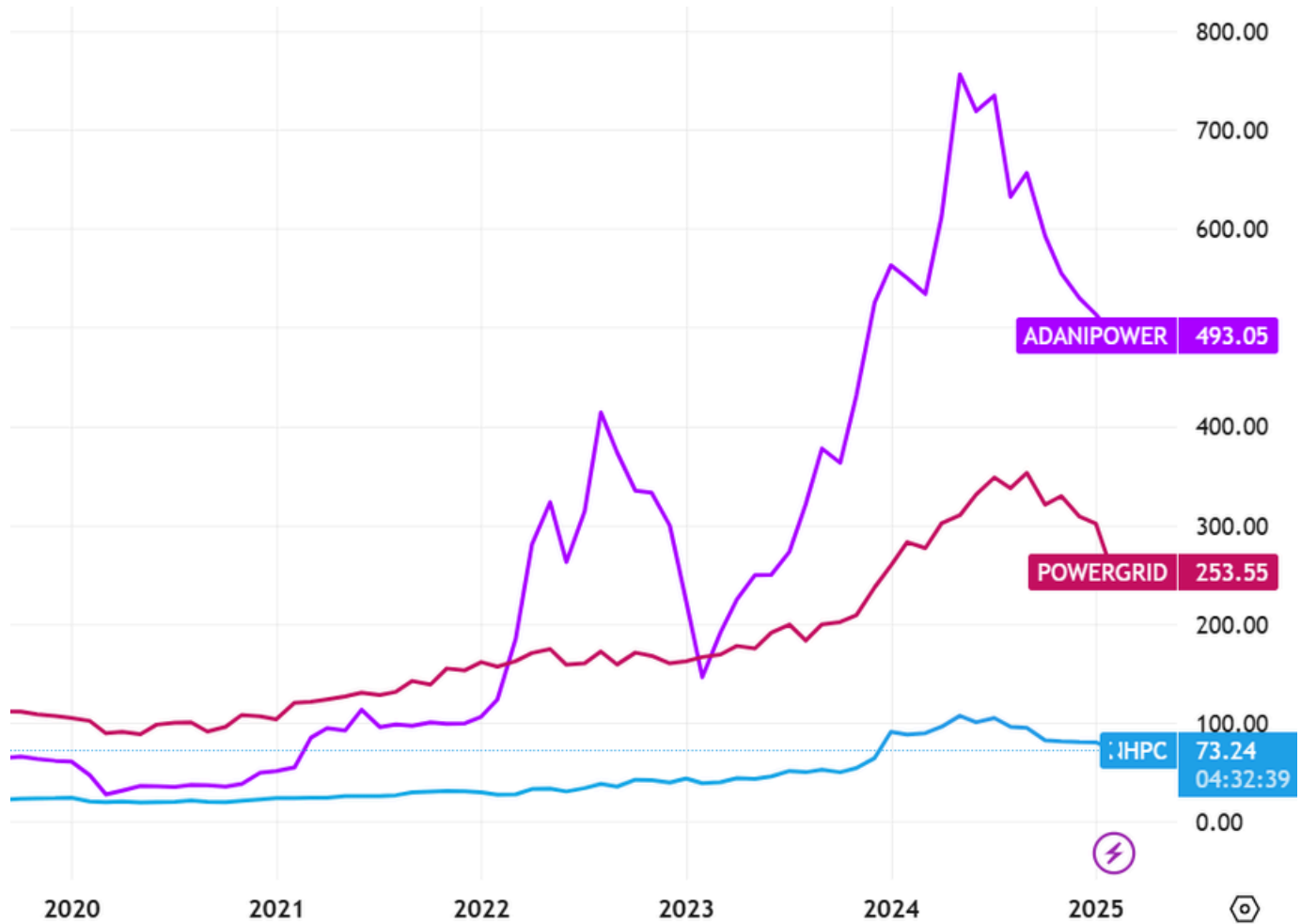
Highlights



Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	NTPC	312.20	13.77	302729.93	2.47	5169.69	-1.80	45052.82	5.21	10.47
2.	Power Grid Corpn	253.40	15.15	235677.29	4.45	3861.63	-4.14	11233.03	-2.74	13.21
3.	Adani Power	489.55	14.65	188816.44	0.00	2940.07	7.38	13671.18	5.23	32.25
4.	Adani Green	800.75	87.13	126841.41	0.00	474.00	51.53	2365.00	2.34	9.65
5.	Tata Power Co.	339.50	27.98	108481.78	0.59	1187.54	8.15	15391.06	5.05	11.13

Source: Screener

Final Outlook

NHPC: HOLD | LTP: 72.8

NHPC's Q3FY25 results were muted; standalone revenue decreased 15% year over year to INR 15 billion, EBITDA decreased 14% year over year to INR 4.3 billion, and reported PAT fell 50% year over year to INR 2.7 billion due to two one-offs. Adj. PAT, however, was INR 5.8 billion (+12% YoY). The Teesta-V power station is still not in use, but it should start up again by the end of FY26. Earnings for the upcoming four to five quarters will be impacted by the under-recovery thereafter, which is projected to be INR 4-5 billion yearly. Over the next 12 months, NHPC is anticipated to commission the Parbati II and Subansiri projects, adding around INR 110 billion in regulated equity.

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