

**Chairman:** T. Sankaralingam

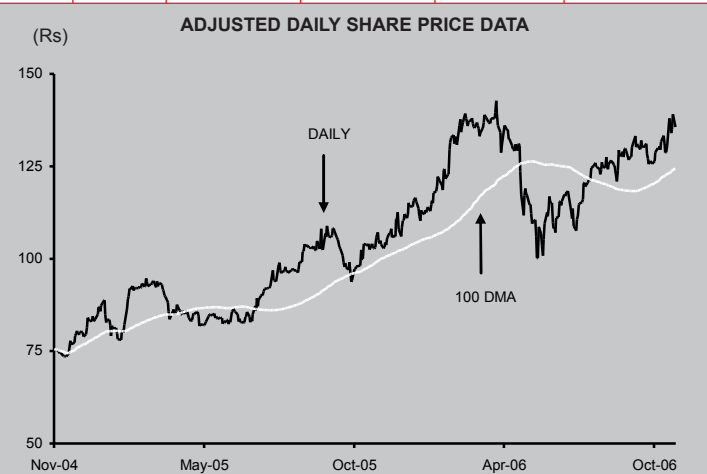
**SEC:** A.K. Rastogi

**AUD:** Kalani & Co

Yr of Inc	B. Code	BL. Code	F.V.	Price	% ch 1-m	% ch 12-m	P/E	P/CF	Yield	Mkt cap	Vol.	ISIN
1975	532555	NATP.IN	10	140.2	11.5	35.5	19.8	14.6	2.0	1,156,013.5	714.7	INE733E01010

**SHAREHOLDING**

		FX Transaction (FY06)	
Indian Promoters	: 89.5%	Exports (fob)	Rs m 0
Foreign collaborators	: 0.0%	Imports (cif)	Rs m 6,898
Indian inst/Mut Fund	: 1.0%	Fx inflow	Rs m 7
FII's/GDR	: 7.1%	Fx outflow	Rs m 11,375
Free float	: 2.4%	Net fx	Rs m -11,368
Shareholders	: 637,804		



No. of months	12	12	12
Year ending	31/03/04	31/03/05	31/03/06

**EQUITY SHARE DATA**

High	Rs	na	95	142
Low	Rs	na	68	80
Sales per share	Rs	24.2	28.5	32.7
Earnings per share	Rs	6.7	7.1	7.1
Cash flow per share	Rs	9.3	9.5	9.6
Dividends per share	Rs	1.39	2.40	2.80
Dividend yield (eoy)	%	na	2.9	2.5
Book value per share	Rs	45.5	50.7	54.6
Shares outstanding (eoy)	m	7,812.55	8,245.46	8,245.46
Bonus/Rights/Conversions		-	PI	-
Price / Sales ratio	x	na	2.9	3.4
Avg P/E ratio	x	na	11.5	15.7
P/CF ratio (eoy)	x	na	8.6	11.6
Price / Book Value ratio	x	na	1.6	2.0
Dividend payout	%	20.6	34.0	39.5
Avg Mkt Cap	Rs m	na	672,005	915,246
No. of employees	'000	23	23	24
Total wages/salary	Rs m	8,835	9,082	9,964
Avg. sales/employee	Rs Th	8,175.2	10,010.7	11,223.5
Avg. wages/employee	Rs Th	382.8	386.6	414.4
Avg. net profit/employee	Rs Th	2,279.4	2,481.2	2,429.2

**INCOME DATA**

Net Sales	Rs m	188,684	235,161	269,857
Other income	Rs m	70,958	29,964	26,267
Total revenues	Rs m	259,642	265,125	296,124
Gross profit	Rs m	18,461	60,690	67,503
Depreciation	Rs m	20,232	19,824	20,710
Interest	Rs m	10,107	9,857	9,774
Profit before tax	Rs m	59,080	60,973	63,286
Minority Interest	Rs m	0	0	0
Prior Period Items	Rs m	-183	102	-2,488
Extraordinary Inc (Exp)	Rs m	0	0	0
Tax	Rs m	6,289	2,789	2,390
Profit after tax	Rs m	52,608	58,286	58,408
Gross profit margin	%	9.8	25.8	25.0
Effective tax rate	%	10.6	4.6	3.8
Net profit margin	%	27.9	24.8	21.6

**BALANCE SHEET DATA**

Current assets	Rs m	135,468	131,488	160,305
Current liabilities	Rs m	80,941	68,622	63,574
Net working cap to sales	%	28.9	26.7	35.8
Current ratio	x	1.7	1.9	2.5
Inventory Turnover	Days	34	28	32
Debtors Turnover	Days	9	23	13
Net fixed assets	Rs m	287,498	325,072	395,842
Share capital	Rs m	78,125	82,455	82,455
"Free" reserves	Rs m	272,042	327,935	356,928
Net worth	Rs m	355,501	418,076	450,006
Long term debt	Rs m	142,218	153,126	208,499
Total assets	Rs m	596,346	663,125	742,069
Interest coverage	x	6.8	7.2	7.5
Debt to equity ratio	x	0.4	0.4	0.5
Sales to assets ratio	x	0.3	0.4	0.4
Return on assets	%	8.8	8.8	7.9
Return on equity	%	14.8	13.9	13.0
Return on capital	%	12.6	11.9	10.4
Exports to sales	%	0.0	0.0	0.0
Imports to sales	%	0.7	0.6	2.6

No. of months	12	12	12
Year ending	31/03/04	31/03/05	31/03/06

**CASH FLOW**

From Operations	Rs m	57,443	51,545	63,037
From Investments	Rs m	-23,371	-64,570	-48,129
From Financial Activity	Rs m	8,322	7,722	9,184
Net Cashflow	Rs m	42,394	-5,303	24,092

**INTERIM RESULTS #**

		3QFY06	4QFY06	1QFY07	2QFY07
Net sales	Rs m	68,689	72,914	71,536	68,138
Gross profit	Rs m	18,199	17,583	19,960	18,408
Gross profit margin	%	26.5	24.1	27.9	27.0
Net profit	Rs m	17,817	15,663	15,528	14,739
Net profit margin	%	25.9	21.5	21.7	21.6

**KEY DATA**

Parameters	Unit	FY04	FY05	FY06
Capacity	MW	21,435	23,435	24,640
Generation	m units	148,048	158,271	176,260
Realisation	Rs/unit	1.4	1.6	1.6
Fuel cost	Rs/unit	0.8	0.9	1.0
Capex	Rs m	34,092	30,781	29,334

**NOTES**

NTPC is the largest power generating company in India with a nationwide presence and an installed capacity of 26,404 MW, which is around 20% of India's total installed capacity. The company generates around 27% of the total power generated in the country. Around 82% of its capacity is coal-based with the remaining being based on gas fuels.

The company recorded a 16% YoY growth in revenues during FY06 and this was brought about by 8.3% YoY increase in volume sales. Operating margins, however, took a hit due to rise in fuel costs. The company consumed 105 m tonnes (MT) of coal during FY06, including 3 MT of imports. Coal stock at the end of FY06 stood at 6.2 MT and, as indicated by the management, the company is progressing well towards developing the eight coal blocks allocated to it by the government. The first commercial production from these blocks is expected to begin by the start of 2008. The management has also indicated its concerns on the gas front where it is facing supply constraints. The company has tied up with Petronet LNG for supply of 1 MMTPA of LNG in order to overcome the shortages at the existing gas power plants.

NTPC has outlined an aggressive generation capacity addition plan spread over a period of next seven years, i.e. 2005 to 2012. The company plans to increase its capacity to 30,000 MW by the end of FY07 and to 51,000 MW by the end of FY12. In order to meet these stated growth targets, NTPC plans to enter coal mining in a more aggressive way, participate in the LNG value chain and make progress in the hydro-capacity addition plans. As India's largest power company and the main vehicle for increase in the country's power generation capacity over the next few years, we expect NTPC to maintain its leadership position in the power sector in times to come.