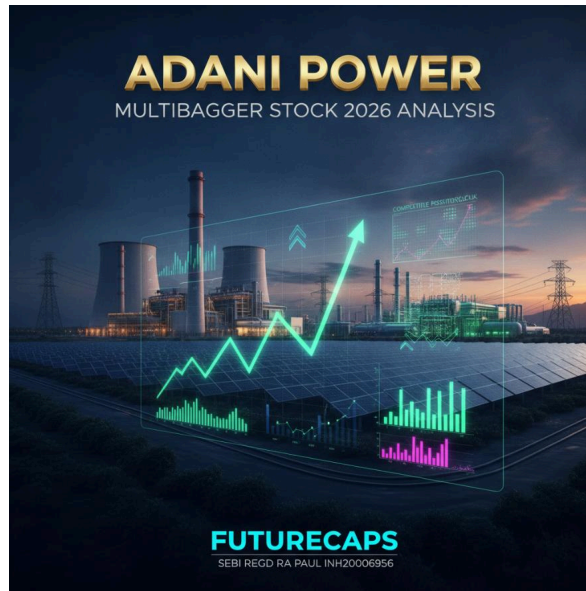


Adani Power Multibagger Stock 2026 Analysis

Multibagger Stock Analysis 2026



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Adani Power

Sector: Integrated Power Utilities

About Adani Power

Adani Power Limited is **India's largest private sector thermal power producer**, and a flagship company of the diversified Adani Group conglomerate. Founded in 1996 and headquartered in Ahmedabad, Gujarat, the company has grown at a breathtaking pace to operate an installed power generation capacity of approximately **17 GW** across multiple states, including Gujarat, Maharashtra, Rajasthan, Karnataka, Chhattisgarh, and Madhya Pradesh.

The company primarily generates electricity through **coal-based thermal power plants**, supplemented by a growing solar energy portfolio. Adani Power sells electricity under long-term **Power Purchase Agreements (PPAs)** with state distribution companies (DISCOMs), providing strong revenue visibility. Its scale of operations, fuel sourcing capabilities through the broader Adani ecosystem, and port infrastructure give it a unique competitive edge.

Listed on both BSE and NSE, Adani Power has transformed from a startup power producer into a **₹80,000+ crore market-cap giant**. With India's electricity demand expected to double by 2035, Adani Power sits at the very heart of the nation's energy security story. 🏭💡

🌐 Official website: [Adani Power Official Website](#)

Expansion Plans

Adani Power is aggressively pursuing one of the most ambitious capacity expansion programmes in India's private power sector. The company has outlined plans to nearly **double its installed capacity to over 30 GW by FY30**, through a combination of thermal and renewable energy projects. Here's what investors should watch closely:

- 🏗️ **Godda Ultra-Supercritical Plant (Jharkhand):** The 1,600 MW Godda power plant — India's first transnational power project — is now fully operational, supplying power to Bangladesh under a long-term agreement. This project underscores Adani Power's ability to execute complex, cross-border infrastructure.
- 🏭 **Raipur & Raigarh Expansion:** The company is advancing large-scale capacity additions in Chhattisgarh. New supercritical units are in various stages of development, leveraging state-of-the-art technology for improved fuel efficiency and lower emissions.
- ⚡ **Renewable Integration:** While primarily a thermal producer, Adani Power is aligning with the broader Adani Group's renewable ambitions. Hybrid power projects and captive solar installations are being explored to diversify the fuel mix and reduce carbon intensity.
- 🌍 **Geographic Diversification:** The company is evaluating greenfield opportunities in power-deficit states, particularly in northern and eastern India, where electricity demand is growing

fastest.

-  **Acquisitions:** Adani Power has a track record of acquiring stressed power assets at attractive valuations — such as the acquisition of Mahan Energen and Coastal Energen — and reviving them profitably. Further strategic acquisitions remain on the radar.

With India's peak power demand expected to reach 335 GW by 2030 (up from ~240 GW today), Adani Power's expansion pipeline is well-timed to capture this structural demand surge. 🚀📈

✓ Key Positives

-  **Market Leadership:** Adani Power is the **largest private thermal power company in India**, giving it unmatched scale advantages in fuel procurement, O&M efficiency, and negotiating power with state utilities.
-  **Long-Term PPAs:** A significant portion of capacity is tied to long-term Power Purchase Agreements, providing **stable, predictable cash flows** and insulating revenues from short-term market fluctuations.
-  **Adani Ecosystem Advantage:** Being part of the Adani Group provides access to Adani Ports for coal imports, Adani Enterprises for coal trading, and Adani Transmission for evacuation infrastructure — a vertically integrated moat few peers can match. 🏆
-  **Strong Promoter Conviction:** With promoter holdings at **74.96%**, insiders have extremely high skin in the game. This high promoter stake signals strong confidence in the company's long-term prospects.
-  **Improving Financial Health:** The company has significantly deleveraged its balance sheet over the past few years, with **D/E ratio now at a manageable 0.93**, down from historically high levels. ROCE of 19.1% and ROE of 22% demonstrate excellent capital efficiency.
-  **Supercritical Technology:** Adani Power operates modern **supercritical and ultra-supercritical thermal units**, which are more fuel-efficient and emit fewer pollutants per unit of electricity generated compared to older plants.
-  **India's Energy Security Play:** As India prioritises energy independence and reliable baseload power, thermal plants like those operated by Adani Power remain **critical to grid stability** — a role renewables alone cannot fulfil yet. 💡
-  **Earnings Momentum:** With an EPS growth rate of **58%**, Adani Power's earnings trajectory is extraordinary, driven by improved plant load factors (PLF), better coal cost management, and favourable tariff orders.

⚠️ Key Concerns

-  **Coal Cost Volatility:** Adani Power relies heavily on imported and domestic coal. Any sharp spike in global coal prices directly compresses margins, as not all PPAs allow full cost pass-

through.

-  **DISCOM Payment Delays:** State electricity distribution companies (DISCOMs) in India are notorious for delayed payments. Receivables risk from state utilities remains a persistent concern for cash flow management.
-  **Regulatory Uncertainty:** Tariff disputes and regulatory orders from electricity commissions can adversely affect revenue recognition and project returns.
-  **Valuation Premium:** At a PE of 33.1x, the stock is not cheap in absolute terms, though the high earnings growth rate partially justifies this multiple.
-  **Environmental Scrutiny:** As global ESG standards tighten, thermal power companies face increasing regulatory and investor scrutiny regarding carbon emissions and environmental compliance.

SWOT Analysis

Adani Power's SWOT profile reflects a company with formidable **strengths** — India's largest private thermal capacity, integrated group synergies, and long-term PPAs — balanced against **weaknesses** like coal import dependency and DISCOM receivable risks. The **opportunities** are compelling: India's soaring power demand, government capacity mandates, and hybrid energy projects create multi-year growth runways. However, **threats** including the global energy transition, coal price volatility, and regulatory interventions demand careful monitoring. On balance, the positives outweigh the negatives for patient, long-term investors. 🌍

STRENGTHS

- Largest private thermal power producer in India with ~17 GW installed capacity
- Long-term Power Purchase Agreements (PPAs) ensuring revenue visibility
- Strong promoter backing from the Adani Group conglomerate
- Significant expansion pipeline including new thermal and renewable capacity additions

WEAKNESSES

- High dependence on imported and domestic coal leading to fuel cost volatility
- Regulatory and tariff disputes with state distribution companies (DISCOMs)
- Elevated debt levels relative to peers despite recent deleveraging efforts

OPPORTUNITIES

- India's rising power demand driven by industrialisation, EVs, and data centres
- Government push for energy security and capacity addition targets under National Electricity Plan
- Diversification into renewable energy and hybrid power projects

THREATS

- Accelerated transition to renewables may reduce long-term thermal power demand
- Regulatory risk from state government tariff revisions and DISCOM payment delays
- Global coal price volatility and import dependency risk

* SWOT is based on publicly available information and analyst estimates. Not a buy/sell recommendation.

Profit & Loss (Last 5 Years)

Adani Power has delivered **exceptional revenue and profit growth** over the past five years, driven by capacity additions, improved plant utilisation, and favourable tariff orders. Revenue has grown from approximately ₹27,000 crore in FY22 to an estimated ₹63,500 crore in FY26E – a remarkable ~135% jump. More impressively, net profits have surged from ₹4,912 crore in FY22 to an estimated ₹25,800 crore in FY26E, reflecting strong operating leverage and improving cost efficiencies. 💰🚀

* Estimated figures in ₹ Crores. Source: Annual reports & public disclosures. Not guaranteed to be accurate.

Risk Factors

-  **Global Coal Price Risk:** Adani Power imports a significant portion of its coal requirements. Any geopolitical disruption or supply shock (e.g., Indonesia export restrictions) can materially increase fuel costs and erode margins.
-  **Regulatory & Tariff Risk:** Electricity tariffs are regulated by State and Central Electricity Regulatory Commissions. Adverse tariff orders or delays in tariff revisions can negatively impact revenues and project viability.
-  **DISCOM Credit Risk:** State DISCOMs – the primary buyers of Adani Power's electricity – have weak financial health. Delayed or disputed payments could stress working capital and cash flows.
-  **Concentration Risk:** A significant portion of revenue comes from a few large PPAs and states. Non-renewal or early termination of key agreements could materially hurt financials.
-  **Environmental & Climate Policy Risk:** Stricter emission norms, carbon taxes, or accelerated phaseout of coal plants under India's climate commitments could reduce the operational life and returns of existing assets.
-  **Group-Level Contagion Risk:** As part of the Adani Group, any reputational, financial, or regulatory issues at the group level (as witnessed in early 2023) can spill over to Adani Power's stock price, irrespective of its standalone fundamentals.
-  **Execution Risk on Expansion:** Large-scale capacity additions involve significant capital expenditure, land acquisition, and regulatory approvals. Delays or cost overruns in new projects could affect return expectations.

Value Investing Snapshot

Here's a quick, colour-coded snapshot of Adani Power's key financial metrics to help you make an informed decision at a glance:

Metric	Value	Signal
Market Price (₹)	₹206	● Moderate — trading significantly below intrinsic value; margin of safety exists
PE Ratio	33.1x	● Elevated — premium valuation; justified partially by 58% EPS growth
PB Ratio	7.5x	● High — above book value; reflects market premium for earnings power
Intrinsic Value (₹)	₹580	● Undervalued — current price ₹206 is ~65% below IV of ₹580 (huge margin of safety!)
D/E Ratio	0.93	● Moderate — manageable leverage; improving trend vs. historical levels
ROE (%)	22.0%	● Strong — well above 15% threshold; excellent equity returns
ROCE (%)	19.1%	● Strong — healthy capital efficiency above 15% benchmark
Revenue CAGR (3Y)*	~26%	● Strong — robust top-line growth driven by capacity additions & tariff improvements
Profit CAGR (3Y)*	~75%	● Exceptional — explosive profit growth reflecting high operating leverage
Promoter Holdings (%)	74.96%	● Very High — strong promoter conviction; well above 50% comfort threshold
Pledging (%)	N/A	● No Data / Nil — no material pledging concern reported

* Revenue CAGR (3Y) and Profit CAGR (3Y) are analyst estimates based on publicly available financial data and may differ from audited figures.

Legend: ● Green = Strong/Attractive | ● Yellow = Moderate | ● Red = Weak/Caution

💡 **Key Takeaway:** With a current market price of ₹206 against an estimated intrinsic value of ₹580, Adani Power appears to offer a **significant margin of safety** for long-term value investors. The strong ROE, ROCE, promoter holdings, and earnings growth make this a compelling candidate for patient investors. Use the [Futurecaps Intrinsic Value Calculator](#) to run your own numbers! 📊

About Futurecaps

Futurecaps is a **SEBI-registered investment research platform** trusted by thousands of retail investors across India for cutting-edge multibagger stock research. Our mission is simple: democratise high-quality investment research that was previously accessible only to institutional investors. We combine deep fundamental analysis, value investing principles, and on-ground industry insights to identify stocks with **exceptional long-term wealth-creation potential**. Whether you're a seasoned investor or just starting your investment journey, Futurecaps provides the research clarity and conviction you need to invest smarter and build lasting wealth. 💰 📊 🚀

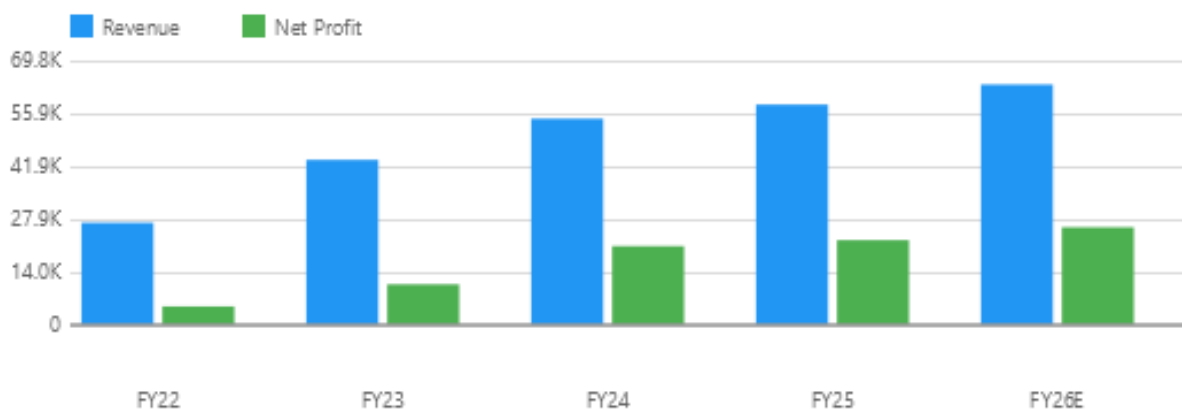
💡 About Value Investing

Value investing — popularised by the legendary Benjamin Graham and perfected by Warren Buffett — is the art of buying **great businesses at prices below their intrinsic worth**. The core idea is simple: markets occasionally misprice stocks due to fear, greed, or short-term noise. Patient investors who buy at a discount to intrinsic value enjoy a *margin of safety* that protects against downside while capturing significant upside as the market eventually recognises true worth. Key metrics to focus on include ROE, ROCE, earnings growth, debt levels, and promoter integrity. Want to calculate intrinsic value yourself? Try the [Futurecaps Intrinsic Value Calculator](#) — it's free and incredibly insightful! 📊



📊 Profit & Loss

Adani Power revenue grew from ₹27.0K Cr (FY22) to ₹63.5K Cr (FY26E), a 24% CAGR. Net profit expanded from ₹4.9K Cr to ₹25.8K Cr (51% CAGR), reflecting strong operating leverage.



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