

NTPC

CMP:Rs.166.00

DATE:29.8.2018

COMPANY DETAILS			
Industry Type	Electric utility		
Incorporated and headquarter	1975,New Delhi		
Market cap(In Cr.)	Rs.136,874.71		
BSE/NSE Code	532555/NTPC		
52wk High/Low	187.95/149.45		
KEY FINANCIALS(In Cr.)			
Year	Revenue	Expenses	Profit
2013-14	81,699.10	67,213.34	11,403.61
2014-15	82,700.95	72,244.74	9,986.34
2015-16	79,939.56	69,847.01	10,182.81
2016-17	83,047.64	70,246.02	10,713.94
2017-18	89,641.59	77,557.37	10,501.5
SHAREHOLDING PATTERN			

Category	Percentage
Promoters	61.71%
Financial Institutions	13.49%
Foreign Institutions	11.28%
Non Banks Mutual Funds	10.02%
Others	1.92%
Central Govt	1.51%
General Public	0.07%

HIGHLIGHTS:

NTPC Ltd., formerly known as National Thermal power Corporation Limited is an Indian Public Sector Undertaking, engaged in business of generation of electricity and allied activities. The headquarters of the company is situated at New Delhi and incorporated in 1975. BSE/NSE code of NTPC is 532555/NTPC. Market cap of this company is Rs. 136,874.71 crore. NTPC's core business is generation and sale of electricity to state-owned power distribution companies and State Electricity Boards in India. To strengthen its core business, the corporation has diversified into the fields of consultancy, power trading, training of power professionals, rural electrification, ash utilization

and coal mining as well. NTPC became a Maharatna company in May 2010, one of the only four companies to be awarded this status. Revenue of the company has increased to Rs.89,641.59 crore in FY2017-18 from Rs.83,047.64 crore in FY2016-17, recording an increase of 7.94%, Expenses has increased by 10.41%, Rs.77,557.37 crore in FY2017-18 as compared to Rs. 70,246.02 crore in FY2016-17. Profit of the company has declined to Rs. 10,501.50 crore in FY2017-18 from Rs. 10,713.94 crore in FY2016-17. Over the course of 5 years, Revenue of the company increased at a CAGR of 1.87%. Promoters held 61.71% of shares in total shareholding and followed by Financial Institutions, Foreign Institutions, Non

Banks Mutual Funds, Others ,General Public and central govt having shares of 13.49%, 11.28%, 10.02%, 1.92%, 1.51% and 0.07% subsequently.

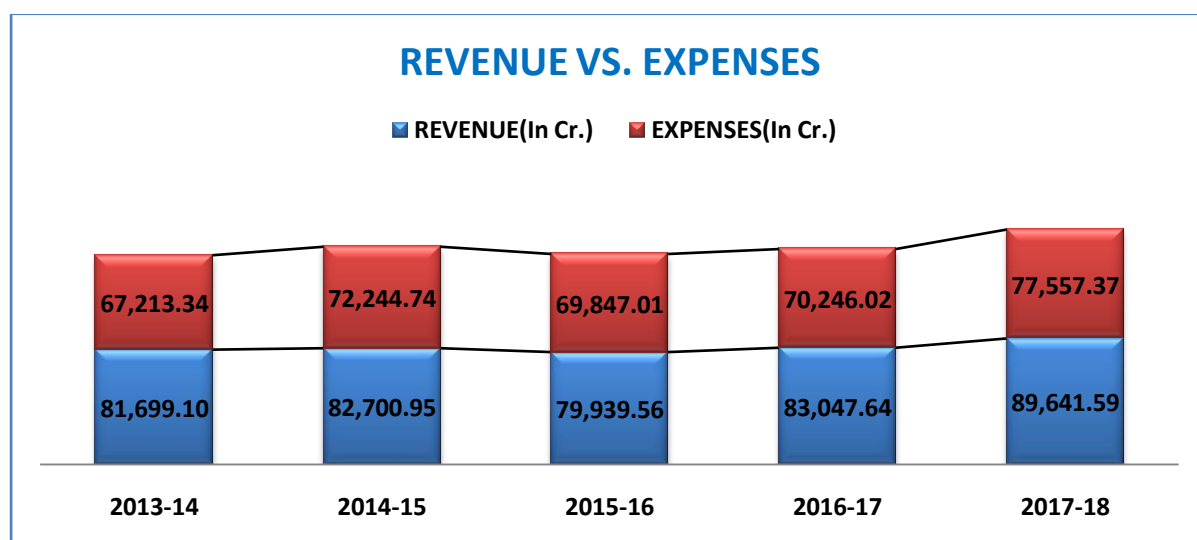
FINANCIAL PERFORMANCE:

FINANCIAL PERFORMANCE		
PARTICULARS	2016-17	2017-18
ASSETS (In Cr.)	248,497.36	274,368.06
SHAREHOLDER'S FUND (In Cr.)	97,838.02	103,563.47
LIABILITIES (In Cr.)	146,959.91	167,525.33
ROA (%)	4.31	3.83
ROE (%)	10.95	10.14
ROCE (%)	5.10	4.59
NET PROFIT MARGIN (%)	12.90	11.71
EPS(Rs.)	13	12.79
BPS(Rs.)	118.65	125.60

The company has provided an average performance in FY2017-18. Assets of the company has shown a growth of 10.41% in FY2017-18, Rs. 274,368.06 crore in FY2017-18 as against Rs. 248,497.36 crore in FY2016-17. Shareholders fund has also shown a growth of 5.85% in FY2017-18, Rs. 103,563.47 crore as against Rs. 97,838.02 crore in FY2016-17. Liabilities has increased to Rs. 167,525.33 crore in FY2017-18 from Rs. 146,959.91 crore in FY2016-17. Returns of the company has declined in FY2017-18. ROA stood at 3.83% in FY2017-18 as against 4.31% in FY2016-17. ROE has declined to 10.14% in FY2017-18 from 10.95% in FY2016-17. And ROCE stood at 4.59% in FY2017-18. EPS of the company has decreased and stood at Rs. 12.79. BPS was at Rs. 125.60 in FY2017-18.

FINANCIAL ANALYSIS:

REVENUE VS. EXPENSE:



By considering the above graph, it could be analyzed that both Revenue and Expenses of the company has increased in FY2017-18. Revenue has shown a growth of 7.94% while expenses has shown a growth of 10.41%.

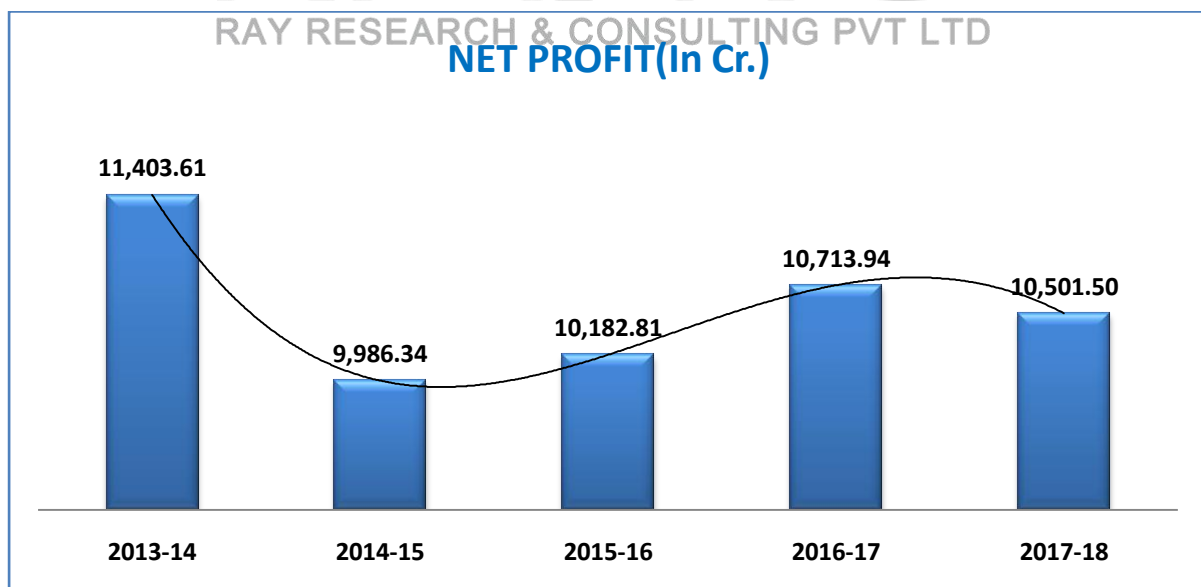
REVENUE:

Revenue of the company has shown an increase of 7.94% which stood at Rs.89,641.59 crore in FY2017-18 as compared to Rs.83,047.64 crore in FY2016-17. This Increase was due to increase in Energy sales of 5.72%, Sale of energy through trading of 23.58%, Consultancy, project management and supervision fee 5.43%, Commission - energy trading business of 0.50%, Interest income on assets under finance lease of 7.91%, Recognized from deferred revenue - government grant of 37.15%, Interest from loan to Loan to employees of 0.72%, Dividend from Non-current investment in equity instruments designated at fair value through OCI 20.00%, Late payment surcharge from beneficiaries 4.44%, Sale of scrap of 64.64%.

EXPENSES:

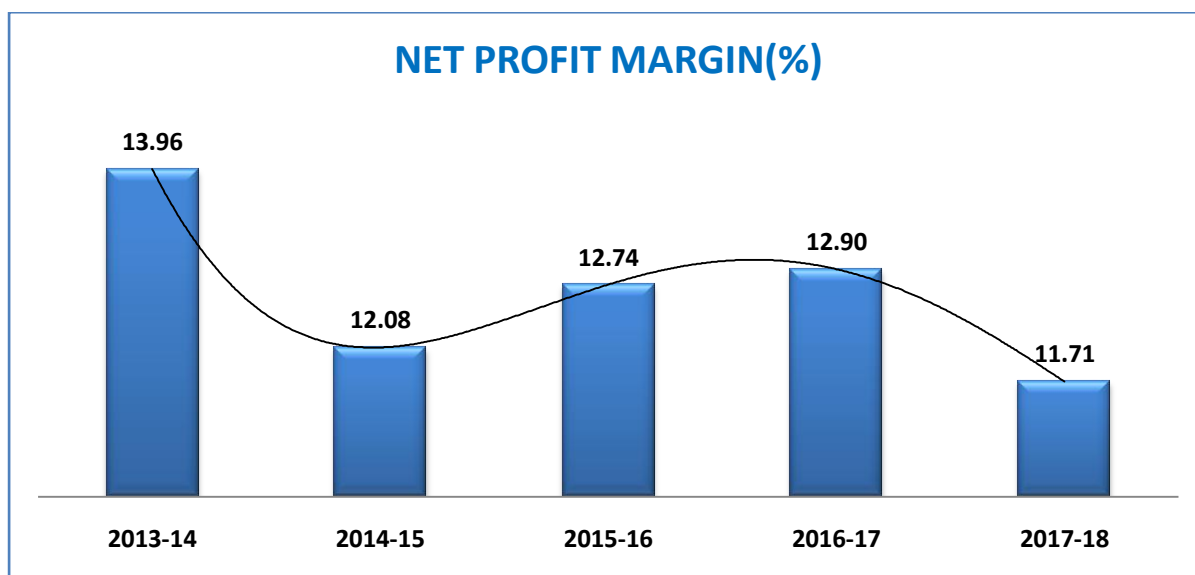
Expenses of the company have increased to Rs. 77,557.37 crore in FY2017-18 from Rs. 70,246.02 crore in FY2016-17, an increase of 10.41%. This Increase was due to increase in Fuel of 2.18%, Electricity purchased of 42.32%, Employee benefits expenses of 8.57%, Finance costs of 21.46%, Depreciation, amortisation and impairment expense of 24.13%, Other expenses of 45.69%.

NET PROFIT:



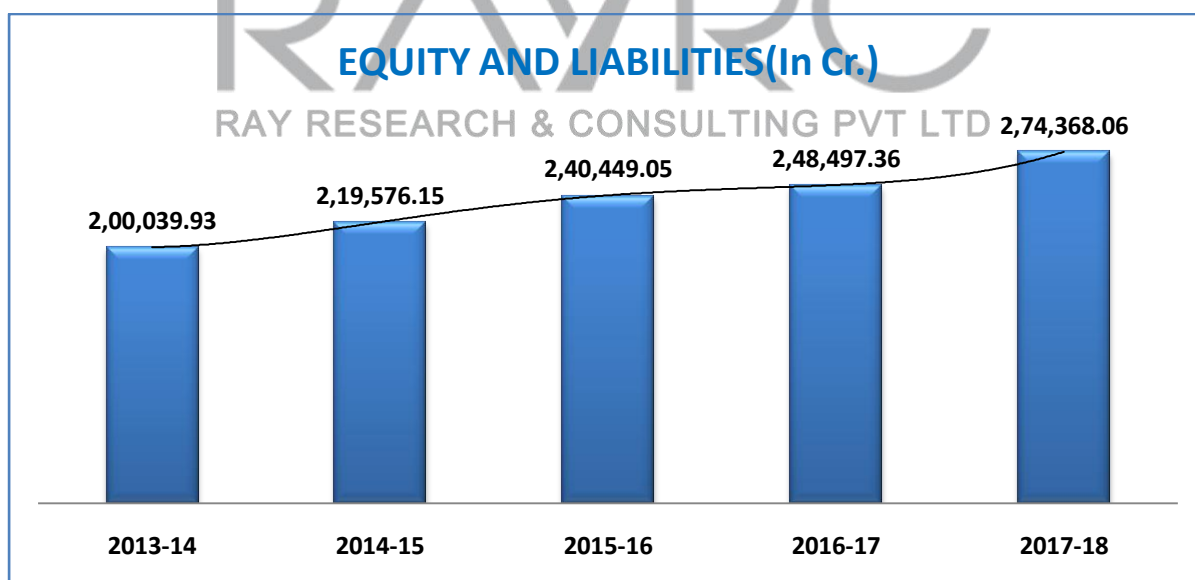
During FY2017-18, Profit of the company has declined by 1.98% to Rs.10,501.50 crore from Rs.10,713.94 crore. As expenses of the company has increased, Net profit of the company declined.

NET PROFIT MARGIN:



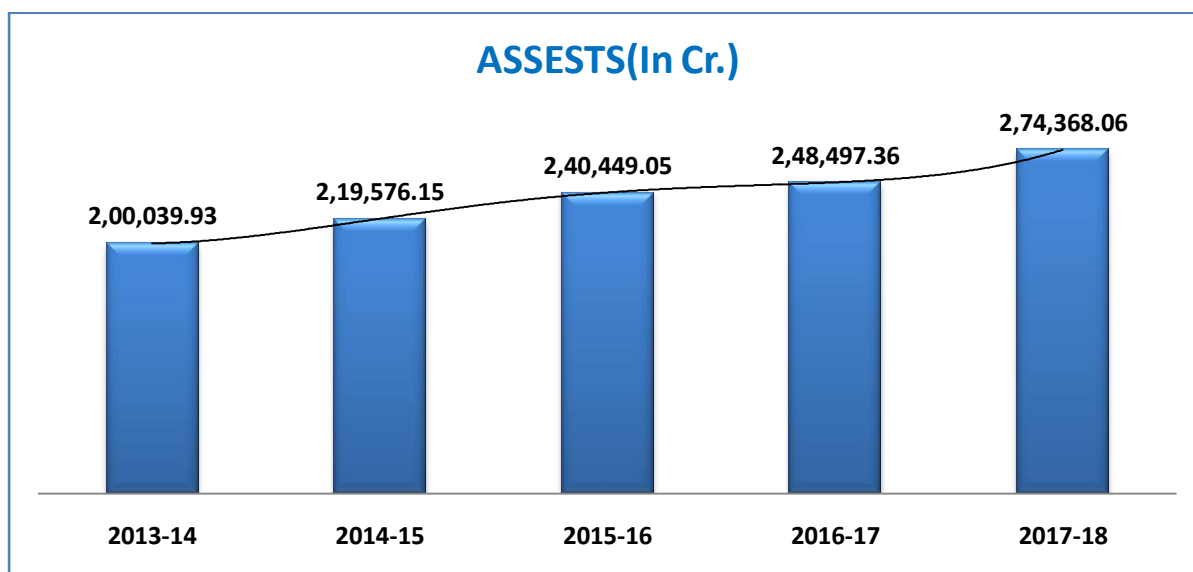
Net profit margin of the company has declined to 11.71% in FY2017-18 from 12.90% in FY2016-17. This decline was on account of decrease in profit of the company and increase of operating expenses of the company.

EQUITY & LIABILITIES:



Equity and liabilities of the company has increased to Rs.274, 368.06 crore in FY2017-18 from Rs.248, 497.36 crore in FY2016-17, recording an increase of 10.41%. The increase in Equity and liabilities was due to increase in Reserve and surplus of 6.39%, Long-term borrowings of 12.21%, Deferred tax liabilities of 62.18%, Noncurrent Trade payables of 76.99%, Long-term provisions of 3.83%, Short-term borrowings of 114.15%, Current Trade payables of 20.36%, Other financial liabilities of 12.05%, Short-term provisions of 1.61%.

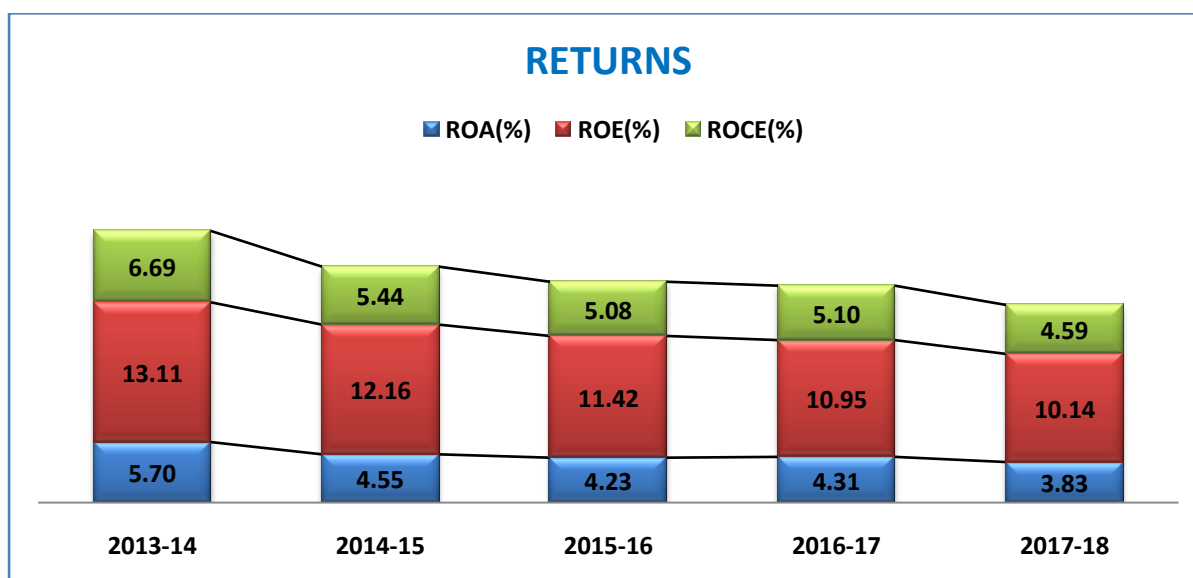
ASSETS:



Assets of the company has increased by 10.41% in FY2017-18 ,Rs.274,368.06 crore in FY2017-18 as compared to Rs.248,497.36 crore in FY2016-17. This increase in Assets was due to increase in Tangible assets of 13.18%, Intangible assets under development of 118.78%, Investments in joint ventures of 14.05%, Long-term loans and advances of 13.29%, Cash and bank balances of 166.92%, Short-term loans and advances of 12.51%, Other current assets of 133.45%.

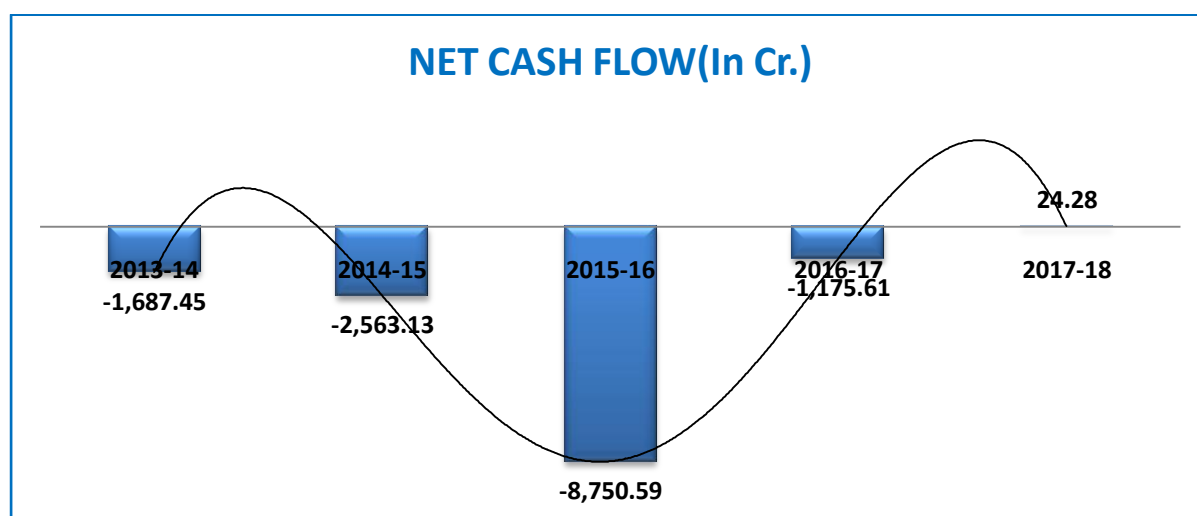
RETURNS:

RAY RESEARCH & CONSULTING PVT LTD



Returns of the company have shown a decline in FY2017-18 due to decline in net profit. ROA of the company has declined to 3.83% in FY2017-18 from 4.31% in FY2016-17. ROE of the company has declined to 10.14% in FY2017-18 from 10.95% in FY2016-17. ROCE was at 4.59% in FY2017-18 as against 5.10% in FY2016-17.

NET CASH FLOW:



There was a slight positive cash flow in FY2017-18 which stood at Rs.24.28 crore in FY2017-18 as compared to Rs.(1,175.61) crore in FY2016-17. This positive cash flow was because of dividend Income, Interest Income on term deposits, Provisions written back, Loans & advances and other assets, Proceeds from short term borrowings.

CONCLUSION:

NTPC had another year of strong performance. Total generation grew over 6% in FY18. The Company added 4,423 MW to its commercial capacity during FY'18. This is the second highest ever commercial capacity added in any year. With this, the commercial capacity of NTPC Group is now 51,391 MW. This includes 870 MW Solar, 50 MW Wind and 8 MW small hydro. With 20 GW capacities under construction, the target for this year is for adding 5GW of commercial capacity. Pursuing inorganic growth path – this Company acquired JV partner's equity in two power plants in Bihar. The combined capacity of these plants is 2,590 MW.

FINANCIAL STATEMENTS:

PROFIT & LOSS STATEMENT:

CONSOLIDATED PROFIT AND LOSS STATEMENT					
(Rs. In Crore.)					
	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue					
Revenue from operations (gross)	79,619.15	81,367.02	79,545.42	82,080.82	88,083.31
Less: Electricity duty / Excise duty	697.49	744.98	839.92	-	-
Revenue from operations (net)	78,921.66	80,622.04	78,705.50	82,080.82	88,083.31
Other income	2,777.44	2,078.91	1,234.06	966.82	1,558.28

Total revenue	81,699.10	82,700.95	79,939.56	83,047.64	89,641.59
Expenses					
Fuel	47,790.26	51,461.12	46,496.08	47,947.77	48,992.80
Electricity purchased	2,189.97	2,082.64	2,174.90	3,037.88	4,323.49
Employee benefits expense	4,055.95	3,889.69	3,836.43	4,413.87	4,791.97
Cost of material and services	317.47	631.02	1,005.87	-	
Changes in inventories of finished goods, work-in-progress		4.64	-41.47	-	
Finance costs	3,203.07	3,570.37	4,151.26	3,651.08	4,434.59
Depreciation, amortization and impairment expense	4,769.99	5,564.61	6,153.41	6,009.91	7,459.93
Generation, administration & other expenses	4,874.78	5,358.87	6,279.21	-	
Other expenses				5,185.51	7,554.59
Prior period items (net)	11.85	-318.22	-208.68	-	
Total expenses	67,213.34	72,244.74	69,847.01	70,246.02	77,557.37
Profit before tax and Rate Regulated Activities (RRA) and exceptional items	14,485.76	10,456.21	10,092.55	12,801.62	12,084.22
Add: Regulatory Income / (Expense)	-	-	10.99	334.22	-
Profit before share of net profits of investments accounted for using equity method and tax				13,135.84	12,084.22
Add: Share of net profits of joint ventures accounted for using equity method				624.71	445.05
exceptional items				-	-
Profit before tax	14,485.76	10,456.21	10,103.54	13,760.55	12,529.27
Tax expense					
Current tax					
Current year	3,372.68	2,395.29	2,263.57	2,750.85	2,616.16
Earlier years	-438.09	-1,952.99	-2,453.03	-107.54	-951.3
Tax expense/(saving) pertaining to RRA	-		2.57	71.51	
Deferred tax			242.57	1,284.47	3,988.08
Current year	158.59	940			
Earlier years	-	83.87			
Less :Deferred asset for deferred tax liability	-	994.66	94.47	952.68	3,064.80
MAT credit recoverable	10.82	7.67	20.1		
Total tax expense	3,082.36	463.84	-58.89	3,046.61	2,588.14
Profit after tax	11,403.40	9,992.37	10,162.43	10,713.94	9,941.13
Net movement in regulatory deferral account balances (net of tax)	-	-	-	-	560.37
Profit for the year	11,403.40	9,992.37	10,162.43	10,713.94	10,501.50
Less: Share of Profit /(loss)-Minority interest	-0.21	6.03	-20.38	-	-
Group profit after tax	11,403.61	9,986.34	10,182.81	10,713.94	10,501.50
Other comprehensive					

income					
Items that will not be reclassified to profit or loss (net of tax)					
Net actuarial gains/(losses) on defined benefit plans				-238.66	-7.28
Net gains/(losses) on fair value of equity instruments				35.28	-7.2
Share of other comprehensive income of joint ventures accounted for using the equity method				-1.41	-0.16
Items that will be reclassified to profit or loss (net of tax)					
Exchange differences on translation of foreign operations				-8.06	-6.05
Other comprehensive income for the year, net of income tax				-212.85	-20.69
Total comprehensive income for the year				10,501.09	10,480.81
Profit is attributable to:					
Owners of the parent				10,719.64	10,543.95
Non-controlling interests				-5.70	-42.45
				10,713.94	10,501.50
Other comprehensive income is attributable to:					
Owners of the parent				-212.85	-20.69
Non-controlling interests				-	-
				-212.85	-20.69
Total comprehensive income is attributable to:					
Owners of the parent				10,506.79	10,523.26
Non-controlling interests				-5.70	-42.45
				10,501.09	10,480.81
Earnings per equity share (Par value of ` 10/- each)					
Basic & Diluted (Rs.)	13.83	12.11	12.35	13	12.79

BALANCESHEET:

CONSOLIDATED BALANCE SHEET					
(Rs. In crore)					
	2013-14	2014-15	2015-16	2016-17	2017-18
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	8,245.46	8,245.46	8,245.46	8,245.46	8,245.46
Reserves and surplus	78,758.03	73,848.52	80,951.05	89,592.56	95,318.01
	87,003.49	82,093.98	89,196.51	97,838.02	103,563.47
Deferred revenue	1,609.88	1,394.15	1,946.62	2,406.84	-

Fly ash utilization fund	326.23	-	-	-	-
Minority interest	680.43	887.94	892.79	803.26	947.77
Non-current liabilities					-
Long-term borrowings	75,542.30	93,362.92	102,238.28	104,071.29	116,775.81
Deferred tax liabilities (net)	1,239.31	1,265.61	1,409.40	1,484.86	2,408.14
Trade payables				13.17	23.31
Other financial liabilities				2,355.69	2,187.31
Other long-term liabilities	3,081.58	3,481.85	3,908.30	17.49	
Long-term provisions	896.8	1,143.37	469.42	463.15	480.9
Regulatory liabilities			297.56		
	80,759.99	99,253.75	108,322.96	108,405.65	121,875.47
Current liabilities					
Short-term borrowings	433.64	640.15	2,141.39	3,119.54	6,680.38
Trade payables	7,427.70	7,107.63	6,826.55	5,572.70	6,707.55
Other financial liabilities				20,395.20	22,853.28
Other current liabilities	14,223.44	20,202.14	22,189.00	1,264.69	1,156.87
Short-term provisions	7,575.13	7,996.41	8,933.23	8,120.73	8,251.78
Current tax liabilities (net)				81.40	
Regulatory deferral account credit balances				489.33	
	29,659.91	35,946.33	40,090.17	38,554.26	45,649.86
Deferred revenue					2,331.49
Regulatory deferral account credit balances					-
TOTAL	200,039.93	219,576.15	240,449.05	248,497.36	274,368.06
ASSETS					
Non-current assets					
Goodwill on consolidation	0.62	0.62	-		
Fixed assets					
Tangible assets	83,957.77	91,579.48	104,211.88	104,238.54	129,206.70
Intangible assets	249.59	272.92	284.06	293.12	331.76
Capital work-in-progress	53,819.15	67,524.31	81,331.66	86,681.17	81,623.70
Intangible assets under development	5.81	30.38	218.03	214.54	469.36
Investments in joint ventures				7,688.83	8,769.33
Non-current investments	1,663.46	14.12	14.8	113.48	106.28
Long-term loans and advances	14,151.11	16,631.62	17,885.60	401.34	454.67
Trade receivables				35.59	-
Other financial assets				1,164.26	1,600.86
Other non-current assets	1,805.99	1,731.08	1,946.45	17,133.91	11,810.89
	155,653.50	177,784.53	205,892.48	217,964.78	234,373.55
Current assets					

Current investments	1,636.96	1,887.39	343.63		
Inventories	5,988.48	7,972.46	7,959.16	6,586.13	6,140.29
Trade receivables	6,725.66	9,249.92	10,173.98	8,963.89	
Cash and bank balances	17,050.67	14,251.61	5,393.32	3,301.46	8,812.19
Bank balances other than cash and cash equivalents					3,999.49
Short-term loans and advances	3,231.19	2,456.70	2,321.89	211.92	238.43
Other financial assets					8,424.03
Other current assets	9,753.47	5,973.54	8,364.59	4,817.43	11,246.06
	44,386.43	41,791.62	34,556.57	30,009.75	39,248.60
Regulatory deferral account debit balances				522.83	745.91
TOTAL	200,039.93	219,576.15	240,449.05	248,497.36	274,368.06

CASHFLOW STATEMENT:

CONSOLIDATED CASHFLOW					
(Rs. In crore)					
	2013-14	2014-15	2015-16	2016-17	2017-18
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax	14,485.76	10,456.21	10,103.54	13,760.55	13,241.68
Adjustment for:					
Depreciation, amortization & impairment expense	4,769.99	5,564.61	6,153.41	6,009.91	7,459.93
Prior period depreciation/amortization	3.73	15.62	-67.34	-	
Provisions	160.54	231.84	201.83	139.39	827.77
Share of net profits of joint ventures accounted for using equity method				-624.71	-445.05
Deferred revenue on account of advance against depreciation	-16.06	-283.35	-129.26	-32.92	-172.67
Deferred revenue on account of government grants				332	38.64
Deferred foreign currency fluctuation asset	-215.77	244.39	-88.3	336.11	-86.32
Deferred income from foreign currency fluctuation	516.36	-22.5	801.84	-102.3	214.72
Regulatory deferral account credit balances				188.61	-489.33
Regulatory deferral account debit balances				-522.83	-223.08
Regulatory Liability	-	-	-10.99	-	
Fly ash utilisation reserve fund	-	76.74	87.67	78.47	74.53
Exchange differences on translation of foreign currency cash and cash equivalents	-0.19	-0.02	-0.08	0.06	-
Interest charges	3,164.29	3,528.57	4,109.03		4,415.95

Unwinding of discount on vendor liabilities					18.64
Guarantee fee & other finance charges	38.78	41.8	42.23	3,569.08	
Interest/income on term deposits/bonds/investment	-2,130.45	-1,581.36	-605.3	-106.08	-238.52
Dividend income	-139.06	-160.22	-52.97	-3	-3.6
Provisions written back	-200.86	-187.14	-179.15	-176.84	-1,174.85
Profit on disposal of fixed assets	-	-	-1.67	-10.36	-2.37
Loss on disposal of fixed assets	-	-	146.69	82.94	110.67
Operating profit before working capital changes	20,437.06	17,925.19	20,511.18	23,000.08	23,566.74
Adjustment for:					
Trade receivables	-629.02	-2,976.09	-924.06	-639.51	185.85
Inventories	-1,154.24	-1,677.83	361.98	804.18	812.72
Trade payables, provisions and other liabilities	1,408.65	1,019.90	-307.07	657.05	2,079.22
Loans & advances and other assets	-906.42	2,464.63	-2,773.01	-1,028.99	-8,907.54
Bank balances other than cash & cash equivalents				433.70	
	-1,281.03	-1,169.39	-3,642.16	226.43	-5,829.75
Cash generated from operations	19,156.03	16,755.80	16,869.02	23,226.51	17,736.99
Direct taxes paid	-2,686.65	-2,009.95	-1,458.41	-2,626.25	1,925.73
Net cash from operating activities	16,469.38	14,745.85	15,410.61	20,600.26	19,662.72
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets	-18,948.45	-19,177.24	-23,246.98	-24,417.11	-18,764.88
Disposal of fixed assets				72.01	8.94
Purchase of investments	-11,426.58	2.12	-	-	
Sale of investments	13,049.04	1,636.96	1,653.58	343.63	
Investment in joint ventures				-1,200.24	-1,153.08
Interest/income on term deposits/bonds/investments received	2,453.40	1,847.03	1,037.06	168.72	242.69
Income tax paid on interest income	-775.89	-303.59	-137.28	-44.12	-78.52
Dividend received	139.06	160.22	52.97	146.09	139.17
Bank balances other than cash and cash equivalents					-1,066.03
Net cash used in investing activities	-15,509.42	-15,834.50	-20,640.65	-24,931.02	-20,671.71
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from long term borrowings	14,523.70	25,450.85	14,689.80	24,522.81	17,918.23
Repayment of long term borrowings	-5,189.74	-5,076.24	-8,138.26	-11,108.46	-6,966.57
Proceeds from short term borrowings	51.48		1,501.24	1,632.27	3,560.84
Payment of finance lease					-6.62

obligations					
Grant received	81.78	206.51	125.07	-	
Security premium received		20	0.12	-	
Interest paid	-6,088.36	-7,124.72	-8,285.41	-7,564.52	-8,605.76
Guarantee fee & other finance charges paid	-154.55	-112.36	-61.93	-	
Dividend paid (including bonus debentures)	-5,018.96	-12,388.20	-2,762.24	-3,595.03	-4,040.28
Tax on dividend (including tax on bonus debentures)	-852.95	-2,450.34	-589.02	-731.86	-826.57
Net cash used in financing activities - C	-2,647.60	-1,474.50	-3,520.63	3,155.21	1,033.27
Exchange differences on translation of foreign currency cash and cash equivalents	0.19	0.02	0.08	-0.06	-
Net increase/(decrease) in cash and cash equivalents	-1,687.45	-2,563.13	-8,750.59	-1,175.61	24.28
Cash and cash equivalents at the beginning of the year	18,738.12	17,050.67	14,487.54	1,539.44	363.83
Cash and cash equivalents at the end of the year	17,050.67	14,487.54	5,736.95	363.83	388.11

REFERENCE:

<https://www.bseindia.com/stock-share-price/ntpc-ltd/ntpc/532555/>

<https://www.ntpc.co.in/en/investors/annual-reports>