

# NTPC Limited

CMP : Rs 167.70

May 28, 2018

## PAT up 46% on lower tax and deflated base

NTPC, the public sector power major has registered 13% growth in sales to Rs 23100.26 crore for the quarter ended March 2018. But with operating margin contract by 120 bps to 25.6%, the growth at operating profit stood restricted at 8% to Rs 5909.98 crore. Eventually on a deflated base, the PAT (after regulatory income) was up by 41% to Rs 2925.59 crore. The bottom line of corresponding previous period was hit by EP expenses of Rs 782.95 crore compared to nil for the quarter under review.

- Sale was up by 13% to Rs 23100.26 crore. The aggregate of prior period sales, IT payable to beneficiaries and deferred tax to be recovered from beneficiary was lower by 35% to Rs 348.31 crore compared to Rs 532.85 crore in corresponding previous period. Prior period sales was down by 97% to Rs 17.85 crore compared to Rs 523.75 crore in the corresponding previous period. The IT payable to beneficiaries was Rs 315.94 crore compared to nil for the corresponding previous period. The deferred tax to be recovered from beneficiary was up by 60% to Rs 14.52 crore.
- Operating profit margin contracted by 120 bps to 25.6%. The fuel cost was down by 410 bps to 54.4%. Similarly the staff cost too was lower by 210 bps to 5.9%. However the cost of electricity purchased was up by 230 bps to 2.3% and the other expense was up by 510 bps to 11.8%.
- Other income was up by 10% to Rs 517.57 crore. The interest cost was up by 23% to Rs 1104.17 crore and the depreciation was up by 20% to Rs 1934.81 crore. Thus the PBT before EO was down by 1% to Rs 3388.57 crore.
- EO was nil for the quarter compared to an expense of Rs 782.95 crore in the corresponding previous period. Thus on deflated base the PBT after EO was up by 28% to Rs 3388.57 crore.
- The taxation was down by 10% to Rs 762.67 crore. The tax too was lower at 22.5% compared to 32.2% in corresponding previous period. Gained thus the PAT was higher at 46% to Rs 2625.90 crore.
- Regulatory income net of tax was up by 5% to Rs 299.69 crore. Thus PAT after RI was up by 41% to Rs 2925.59 crore.
- Other comprehensive income was Rs 35.62 crore for the quarter compared to an expense of Rs 84.08 crore in the corresponding previous period. Thus the total comprehensive expense was up by 48% to Rs 2961.21 crore.

## Yearly performance

Sales were up by 7% to Rs 83452.70 crore. The aggregate of prior period sales, IT payable to beneficiaries and deferred tax to be recovered from beneficiary was down by 73% to Rs 283.75 crore. Moreover the company has reversed Rs 248.75 crore during the fiscal in relation to the CERC order dated Sep 20, 2017 which directed to consider the COD of Barh stage II (unit IV) as March 8, 2016 in place of Nov 14, 2014. The company files an appeal with APTEL and pending disposal of the appeal the company reversed the sales amount recognize till March 7, 2016 and balance amounting Rs 276.69 crore has been provided as provision for tariff adjustment for the period upto March 31, 2017.

With OPM contract by 120 bps, the operating profit was up by just 2% to Rs 21667.32 crore. After accounting for higher other income, higher interest and depreciation cost the PBT before EO was down by 4% to Rs 12339.46 crore. EO was nil for the quarter compared to Rs 782.95 crore in the corresponding previous period. Thus on deflated base, the PBT after EO was up by 2% to Rs 12339.46 crore. The taxation was down by 13% to Rs 2549.29 crore and thus the PAT was up by 7% to Rs 9790.17 crore. The Regulatory income net of tax was Rs 553.00 crore, a jump of 110%. Thus the PAT after RI was up by 10% to Rs 10343.17 crore.

## Consolidated yearly performance

## INDEX DETAILS

SENSEX	35165.48
NIFTY (S&P CNX)	10688.65

## SCRIP DETAILS

Industry	Electric Utilities
Mkt Cap (Rs in Crore)	137987.84
Book Value (Rs)	120.27
Free Float (%)	37.73
Avg Vol Weekly (NSE)	4952302
52 Week H/L (NSE)	187.95 / 153.30
Dividend Yield (%)	3.06
BSE Code	532555
NSE Code	NTPC

## SHAREHOLDING PATTERN(%)

PARTICULARS	LATEST QUARTER	PREVIOUS QUARTER
Promoters	62.27	62.27
FIIIs	11.52	11.78
DIIIs	22.81	22.45
Others	3.40	3.50
Totals	100	100

## Price Comparison with Sensex



Consolidated sales was up by 7% to Rs 88083.31 crore and with OPM contract by 70 bps to 25.5%, the operating profit was up by 4% to Rs 22420.46 crore. The PBT before EO was down by 6% to Rs 12084.22 crore. After accounting for lower share of profit from associate (down 29% to Rs 445.05 crore), the PBT before EO was down by 7% to Rs 12529.27 crore. EO for the fiscal and previous year was nil. The taxation was down by 13% to Rs 2588.14 crore. Thus the PAT was down by 5% to Rs 9941.13 crore. After accounting for RI the net profit was down by 2% to Rs 10501.50 crore. The total comprehensive income attributable to owners was eventually flat at Rs 10523.26 crore.

## NTPC: Standalone Results

Particulars	Q4FY18	Q4FY17	Var. (%)	FY18	FY17	Var.(%)
Sales	23100.26	20416.67	13	83452.7	78273.44	7
OPM (%)	25.6	26.8		26	27.2	
OP	5909.98	5462.75	8	21667.32	21284.27	2
Other income	517.57	470.18	10	1755.25	1068.86	64
PBIDT	6427.55	5932.93	8	23422.57	22353.13	5
Interest	1104.17	897.92	23	3984.25	3597.2	11
PBDT	5323.38	5035.01	6	19438.32	18755.93	4
Depreciation	1934.81	1606.17	20	7098.86	5920.82	20
PBT	3388.57	3428.84	-1	12339.46	12835.11	-4
EO Exp	0	782.95	-100	0	782.95	-100
PBT After EO	3388.57	2645.89	28	12339.46	12052.16	2
Tax	762.67	851.11	-10	2549.29	2930.82	-13
PAT	2625.9	1794.78	46	9790.17	9121.34	7
Regulatory Income	299.69	284.62	5	553	263.92	110
PAT after RI	2925.59	2079.4	41	10343.17	9385.26	10
Other Comprehensive Income	35.62	-84.08	LP	-14.48	-203.38	-93
Total Comprehensive Income	2961.21	1995.32	48	10328.69	9181.88	12
EPS (Rs)*	#	#		11.9	11.8	

## NTPC: Consolidated Results

Particulars	FY18	FY17	Var.(%)
Sales	88083.31	82042.49	7
OPM (%)	25.5	26.2	
OP	22420.46	21495.79	4
Other income	1558.28	966.82	61
PBIDT	23978.74	22462.61	7
Interest	4434.59	3651.08	21
PBDT	19544.15	18811.53	4
Depreciation	7459.93	6009.91	24
PBT	12084.22	12801.62	-6
Share of profit from JV/associate	445.05	624.71	-29
PBT before EO	12529.27	13426.33	-7
EO Exp	0	0	
PBT after PPA	12529.27	13426.33	-7
Tax	2588.14	2975.1	-13
PAT	9941.13	10451.23	-5
EO Income (Net of Tax)	0	0	
PAT after EO	9941.13	10451.23	-5
Regulatory Income (RI) [Net of tax]	560.37	262.71	113
PAT after RI	10501.5	10713.94	-2
Profit attributable to non controlling interest	-42.45	-5.7	645
Net Profit attributable to Owners	10543.95	10719.64	-2
Other comprehensive income (Net of tax) attributable to owners	-20.69	-212.85	-90
Total comprehensive income attributable to Owners	10523.26	10506.79	0
EPS (Rs)*	12.1	12.7	

## NOTES :-

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