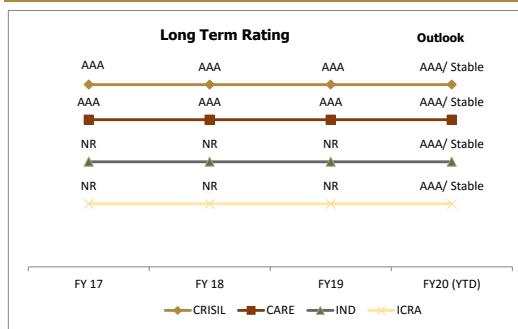


Shareholding pattern as on Mar 31, 2019

Government of India	100%
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Credit Rating History



*No Short Term Rating

Financial Performance

Particulars	Rs. Bn		
	FY19	FY18	% chg.
Operating Income	115	122	-6
EBITDA	53	61	-13
PAT	28	36	-22
Net Worth (Bn)	369	340	9
Net Cash Accruals (Bn)	39	46	-16
EBITDA Margins (%)	46.0	49.9	
Gearing (x)	1.0	0.9	-
Interest Cover	4.8	6.3	-

Source: Company Reports

*As per Ind-AS wherever applicable, Standalone

Operating Nuclear Plants

Particulars	Capacity (MWe)
Tarapur Atomic Power Station	1400
Rajasthan Atomic Power Station	1180
Madras Atomic Power Station	440
Kaiga Generating Station	880
Kudankulam Nuclear Power Station	2000
Narora Atomic Power Station	440
Kakrapar Atomic Power Station	440

Credit Drivers:

- **Strategic Importance to GoI:** Nuclear Power Corporation of India Limited (NPCIL) is strategically important to the Government of India and it operates all 22 nuclear plants throughout India with an aggregate capacity of 6.8 GW as on March 31, 2019. NPCIL is wholly owned by GoI and receives funding support for it.
- **Sound Operational Performance:** NPCIL's single-part tariff structure ensures the recovery of all fixed costs at a PLF of 68.5%. The tariff structure helps NPCIL recover a constant proportion of fixed charges per unit of power sold. The tariff is determined by the department of Atomic Energy (DAE) based on operation cost, maintenance cost, fuel charges, capital cost & ROE for each plant.
- **Strong Financial Risk Profile:** Total income grew 7% CAGR over FY15-19 to Rs. 115.3 billion on account of consistent increase in generation and sale of units. NPCIL generated 37.8 billion units in FY19.
- **Healthy Liquidity Position:** NPCIL's liquidity position is healthy owing to the presence of cash & cash equivalents of Rs. 12.1 billion as of March 31, 2019 and NPCIL's ability to raise funds by tapping capital markets. Unused bank lines future support the liquidity position of NPCIL.
- **Exposure to Project Execution & Implementation Risks:** To increase capacity, NPCIL is taking up various projects. Historically, the construction of nuclear power projects has seen significant delays. However, the risks are mitigated by NPCIL's experience in developing nuclear power plants.

About the Company:

Incorporated in 1987, Nuclear Power Corporation of India Ltd (NPCIL) is wholly-owned by the Government of India (GoI) and is operating under administrative control of Department of Atomic Energy (DAE) with the overall policy framework laid down by Atomic Energy Commission (AEC). Atomic Energy Regulatory Board (AERB), an independent body reporting to AEC, is the regulatory agency overseeing the commissioning and de-commissioning of nuclear power plants as well as overall safety of operations at NPCIL. It operates India's 22 nuclear power plants with installed capacity of 6,780 megawatt electric (MWe). NPCIL has eight reactors under various stages of implementation and will increase capacity by 6,200 MWe.

Industry Outlook:

India is the third largest producer and consumer of electricity in the world. Production and consumption over the years has grown manifold due to increasing demand and accelerating economic activity. With electricity production of 1,249 BU from conventional sources in India in FY19, the country witnessed growth of around 3.6% over the previous fiscal year. Electricity production reached 950 BU till December 2019. Installed capacity over the last 10 years has increased steadily at a healthy CAGR of 9.08%. Till December 2019, total installed capacity stood at 367.28 GW including non-conventional sources. Various strategies adopted along with policy support and initiatives are likely to drive the next round of growth for the power sector in the economy. The Government of India has released its roadmap to achieve a capacity of 175 GW in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022. Coal-based power generation capacity in India, which currently stands at 191.09 GW, is expected to reach 330-441 GW by 2040. Demand for electricity is expected to increase at a CAGR of 5-7% over FY18-22. India has a huge potential in nuclear energy. By 2022, it is expected to witness total installed capacity addition of 3.30 GWe. India become the world's first country to use LEDs for all lighting needs by 2019, thereby saving Rs 400 billion (US\$ 6.23 billion) on an annual basis. Demand revival is expected to be driven by various reforms undertaken by the Government of India, viz. the UDAY scheme, '24*7 Power for All' initiative and the 'Saubhagya' scheme. The Government is also focusing on growing the renewable energy segment due to sustainability and climate change obligations. The cost of renewable energy has fallen and is now at parity with conventional sources.

Key Credit Drivers:

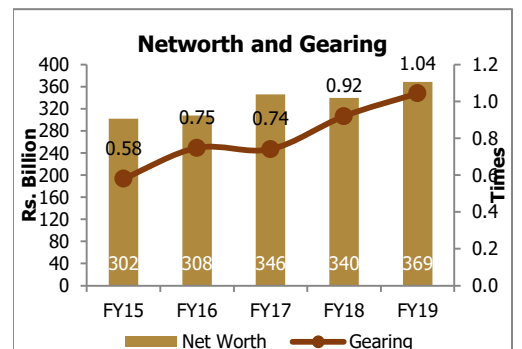
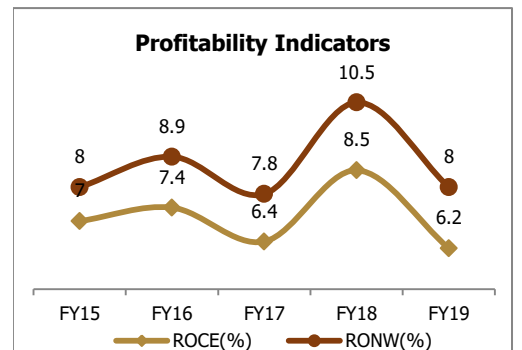
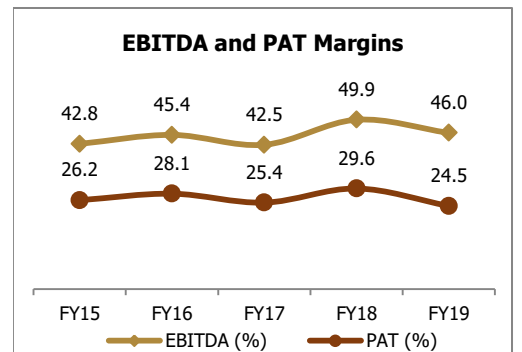
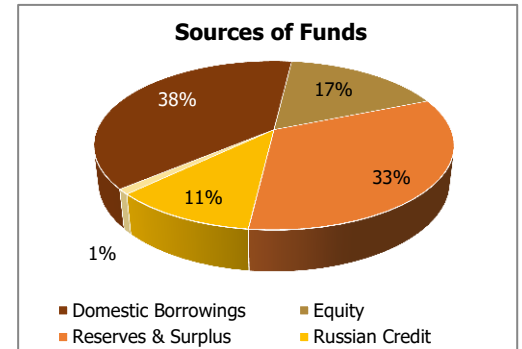
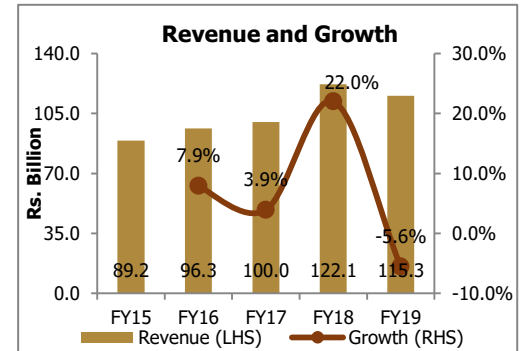
Strategic Importance to GoI: Nuclear Power Corporation of India Limited (NPCIL) is strategically important to the Government of India and it operates all 22 nuclear plants throughout India with an aggregate capacity of 6,780 MWe as on March 31, 2019. NPCIL is wholly owned by GoI and receives funding support for it. The DAE continues to source and supply all of NPCIL's fuel and coolant requirements. NPCIL is undertaking capex to set-up six more power reactor units with an aggregate capacity of 6200 MW over the next five years. NPCIL is working towards achieving the government's goal of increasing contribution of nuclear energy from the current 2-3% to 9% by 2024. NPCIL is the only authorized entity in India to engage in power generation through the nuclear route for commercial purposes.

Sound Operational Performance: NPCIL's single-part tariff structure ensures the recovery of all fixed costs at a PLF of 68.5%. The tariff structure helps NPCIL recover a constant proportion of fixed charges per unit of power sold. The tariff is determined by the department of Atomic Energy (DAE) based on operation cost, maintenance cost, fuel charges, capital cost & ROE for each plant. Given the difference in costs for imported and domestic fuel and lower capital costs for older plants, the tariff varies from Rs 2.06 per unit to Rs 4.10 per unit. NPCIL's Plant Load Factor (PLF) has improved to ~70% during FY 2018 which is in line with average PLF. Plant Availability Factor (PAF) stood at 73% as of March 31, 2019 (72% as of March 31, 2018). To ensure that there is no fuel shortage, the government has embarked on a mission to identify uranium reserves throughout the country namely in Andhra Pradesh, Rajasthan & Meghalaya. Post signing the Indo-US nuclear deal, the availability of uranium has improved significantly since FY 2011.

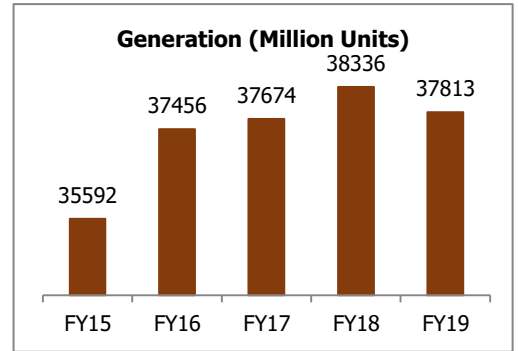
Strong Financial Risk Profile: Total income grew 7% CAGR over FY15-19 to Rs. 115.3 billion on account of consistent increase in generation and sale of units. NPCIL generated 37.8 billion units in FY19. Total income during FY 2019 stood at Rs. 115.3 billion registering a 5.6% y-o-y decline over FY 2018 (FY 2018: Rs. 122 billion) on account of reduction in commercial generation during current FY19 and more particularly from the units having higher tariff as compared to FY18. NPCIL has historically maintained a low gearing of ~1 due to improving operating efficiency which led to higher cash accrual and limited dependence on debt for funding ongoing projects. Gearing as of March 31, 2019 stood at 1.04 (0.92 as of March 31, 2018). Cash accruals are more than adequate to service debt obligations and are expected to increase further due to tariff revision by DAE for 5 years effective April 1, 2017. Risks to the financial profile arise from NPCIL's supply to state DISCOMs, which have independently signed agreements to source a specified share of power from the power grid. The financial profile of such DISCOMs is weak, thereby impacting NPCIL's working capital cycle. Debtor days in FY 2019 marginally increased to 115 days (90 days in FY 2018).

Strategy Guided by DAE and Demonstrated Moderate Risk Appetite: NPCIL's strategy is primarily driven by the Government of India under the administrative control of DAE. NPCIL's leveraging policy is devised by the regulator which is DAE. Most of the projects are funded at a debt-to-equity ratio of 70:30 while unit 1 and 2 of Kudankulam project has been funded in a debt-to-equity ratio of 50:50. The company does not take positions in derivatives or hedge its foreign currency exposure. All foreign currency losses are added to the project cost and passed through in the tariff.

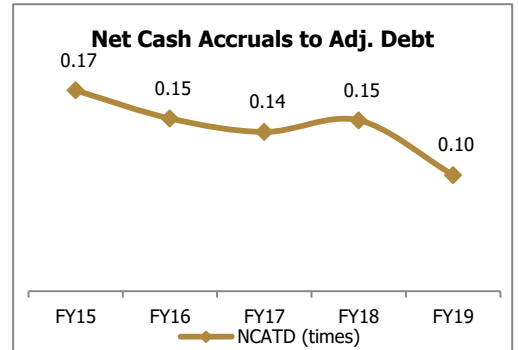
Weak credit risk profile of customers: The counterparty credit risk for NPCIL remains high because of the weak financial health of majority of the state distribution utilities with whom PPAs have been signed. This is reflected from the increase in debtor days to more than four months over the past two years. However, this risk is mitigated to some extent by the diversity in the off-taker profile and the recent directive from the Government of India to implement payment security mechanism in the form of letter of credit.



Exposure to Project Execution & Implementation Risks: To increase capacity, NPCIL is taking up various projects. At present, NPCIL plans to develop a power plant with capacity of 1,400 MWe in Haryana and a plant of 2,000 MWe in Kudankulam leading to an aggregate capacity expansion of 6,200 MWe. NPCIL is also looking to add significant capacities in Maharashtra, Andhra Pradesh, Gujarat, Madhya Pradesh, Karnataka & Rajasthan. Historically, the construction of nuclear power projects has seen significant delays. Significant risk of cash flows may arise if there is delay in commission of projects or ramping up of Power Purchase Agreements (PPA). However, the risks are mitigated by NPCIL's experience in developing nuclear power plants.

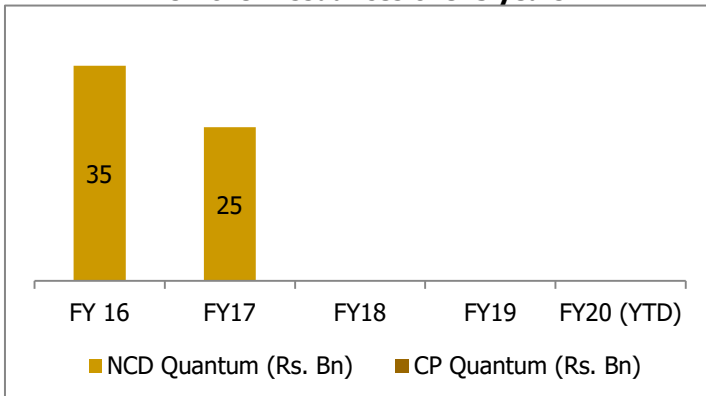


Healthy Liquidity Position: NPCIL's liquidity position is healthy owing to the presence of cash & cash equivalents of Rs. 12.1 billion as of March 31, 2019 and NPCIL's ability to raise funds by tapping capital markets. Unutilized working capital bank lines worth Rs. 10 billion further support the liquidity position of NPCIL. The company has debt worth Rs. 20 billion to be serviced in FY 2020. Cash accrual is expected to be sufficient to service the debt obligations. Also, NPCIL's financial risk profile benefits from its strong refinancing ability.



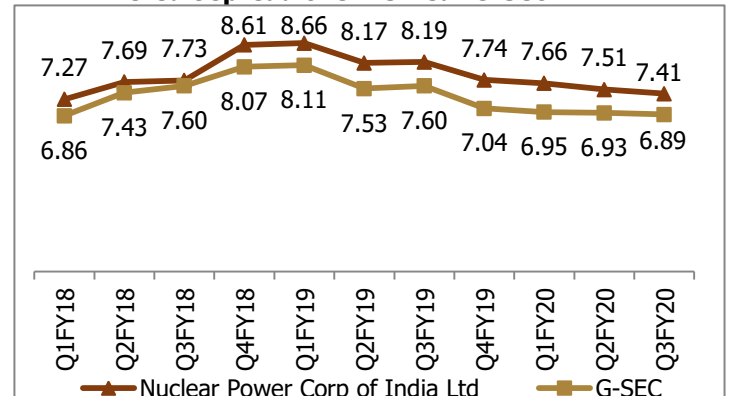
Company Board			
Name	Designation	Name	Designation
Mr. Satish Kumar Sharma	Chairman and Managing Director	Mr. Jayant N Khobragade	Director
Mr. S. Singha Roy	Director, Technical LWR	Mr. Ajay R. Sule	Director
Smt. Ruby Srivastava	Director Finance and CFO	Mr. R. P. Gupta	Director
Mr. A. K. Balasubrahmanian	Director Technical	Mr. Prakash S. Mhaske	Director
Mr. D. S. Choudhary	Director Operations	Dr. K. K. Rajan	Independent Director
Mr. Bhuwan C. Pathak	Director Projects	Mr. M. Selvaraj	Independent Director
Dr. Ajit Kumar Mohanty	Director	Mr. Rajesh Marwaha	Independent Director

NCD & CP Issuances over 5 years



Source: NSDL, Prime Database

Credit spread over 15 Year G-Sec



Source: Thomson Reuters

Latest Issuance:

Name	Type	Date	Tenor	Coupon	Quantum (Rs. Bn)
NPCIL Ltd. (Primary)	Unsecured	Dec 15, 2016	14 Years	7.25%	5
NPCIL Ltd. (Primary)	Unsecured	Dec 15, 2016	15 Years	7.25%	5

Other Information:

Auditors	M/s M.M. Nissim & Co., Chartered Accountants
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Financials: (Consolidated)
Profit & Loss Statement

Particulars (in Bn.)	FY17	FY18	FY19
INCOME :			
Gross Sales	100.03	122.06	115.28
Net Sales	100.03	122.06	115.28
EXPENDITURE :			
Increase/Decrease in Stock	0.00	0.00	0.00
Raw Material Consumed	0.00	0.00	0.00
Power & Fuel Cost	30.86	29.68	30.77
Employee Cost	14.18	18.39	17.65
Other Manufacturing Expenses	4.48	5.83	7.34
General and Administration Expenses	4.56	5.01	3.36
Selling and Distribution Expenses	0.11	0.12	0.03
Miscellaneous Expenses	3.35	2.18	3.12
Less: Expenses Capitalised	0.00	0.00	0.00
Total Expenditure	57.54	61.20	62.27
Operating Profit (Excl OI)	42.49	60.86	53.01
Other Income	5.07	3.59	2.51
Operating Profit	47.56	64.45	55.52
Interest	5.29	8.07	8.86
PBDT	42.27	56.38	46.67
Depreciation	9.95	10.16	10.58
Profit Before Taxation & Exceptional Items	32.33	46.22	36.08
Profit Before Tax	32.33	46.22	36.08
Provision for Tax	6.88	10.09	7.89
Profit After Tax	25.44	36.13	28.19

Key Ratios

Particulars	FY17	FY18	FY19
Operational & Financial Ratios			
Earnings Per Share (Rs)	235.46	314.44	245.31
DPS(Rs)	70.00	203.00	72.20
Book Value (Rs)	3202.59	2956.19	3146.42
Margin Ratios			
PBIDTM (%)	47.55	52.80	48.16
PATM (%)	25.44	29.60	24.45
Performance Ratios			
ROA (%)	3.84	4.88	3.42
ROE (%)	7.83	10.54	8.04
ROCE (%)	6.44	8.46	6.25
Efficiency Ratios			
Receivable days	77.79	89.80	114.60
Inventory Days	24.92	25.98	28.89
Payable days	62.93	63.92	68.82
Growth Ratio			
Net Sales Growth(%)	3.92	22.02	-5.55
Core EBITDA Growth(%)	0.53	35.50	-13.85
PAT Growth(%)	-5.84	42.01	-21.98
Financial Stability Ratios			
Total Debt/Equity(x)	0.79	0.96	1.12
Current Ratio(x)	1.94	1.42	1.01
Quick Ratio(x)	1.76	1.28	0.89
Interest Cover(x)	7.11	6.73	5.07

Peer Comparison as on March 31, 2019

Particulars (in Bn.)	NPCIL	NTPC	Tata Power
Gross Sales	117.79	967.58	304.05
EBITDA	55.52	217.04	65.97
PAT	28.19	119.61	11.53
Net Worth	361.56	1085.35	163.77
Total Debt	405.51	1617.18	485.06
Gearing (x)	1.12	1.49	2.96
EBITDA (%)	47.14	22.43	21.70
PAT (%)	23.93	12.36	3.79
ROE (%)	8.04	11.35	7.45
Current Ratio (x)	1.01	0.79	0.75

Balance Sheet

Particulars (in Bn.)	FY17	FY18	FY19
EQUITY AND LIABILITIES			
Share Capital	108.06	114.91	114.91
Shareholder's Funds	346.08	339.70	368.59
Long-Term Borrowings	256.18	312.32	377.68
Other Non-current liabilities	55.42	63.44	47.84
Total Non-Current Liabilities	311.60	375.76	425.52
Current Liabilities	0.00	0.00	0.00
Trade Payables	10.54	12.82	13.22
Other Current Liabilities	35.31	46.86	58.44
Short Term Borrowings	0.00	0.00	7.00
Short Term Provisions	1.15	1.29	1.47
Total Current Liabilities	47.00	60.97	80.12
Total Liabilities	704.69	776.44	874.23
ASSETS	0.00	0.00	0.00
Non-Current Assets	0.00	0.00	0.00
Net Block	318.66	311.66	307.54
Capital Work in Progress	209.37	283.22	391.76
Other Fixed Assets	0.01	0.00	0.00
Non Current Investments	2.31	3.76	4.26
Long Term Loans & Advances	81.76	89.81	88.15
Other Non Current Assets	1.39	1.33	1.60
Total Non-Current Assets	613.49	689.78	793.30
Current Assets - Loans & Advances	0.00	0.00	0.00
Currents Investments	6.39	4.77	4.15
Inventories	8.51	8.86	9.39
Sundry Debtors	20.85	39.21	33.18
Cash and Bank	30.63	8.04	8.06
Other Current Assets	11.24	18.68	17.45
Short Term Loans and Advances	13.56	7.09	8.70
Total Current Assets	91.19	86.66	80.93
Miscellaneous Expenses not written off	0.00	0.00	0.00
Total Assets	704.69	776.44	874.23

Cash flow Statement

Particulars (in Bn.)	FY17	FY18	FY19
Profit Before Tax	32.33	46.22	36.08
Adjustment	14.02	17.44	17.62
Changes In working Capital	9.77	-5.24	10.38
Cash Flow after changes in Working Capital	56.11	58.42	64.08
Interest Paid	0.00	0.00	0.00
Tax Paid	-7.71	-9.51	-9.11
Other Direct Expenses paid	0.00	0.00	0.00
Extra & Other Item	0.00	0.00	0.00
Cash From Operating Activities	48.40	48.91	54.97
Cash Flow from Investing Activities	-49.18	-66.80	-105.14
Cash from Financing Activities	2.29	12.32	50.41
Net Cash Inflow / Outflow	1.52	-5.56	0.24
Opening Cash & Cash Equivalents	11.86	13.38	7.82
Cash & Cash Equivalent on Amalgamation / Take over / Merger	0.00	0.00	0.00
Cash & Cash Equivalent of Subsidiaries under liquidations	0.00	0.00	0.00
Translation adj. on reserves / op cash balances frgn subsidiaries	0.00	0.00	0.00
Effect of Foreign Exchange Fluctuations	0.00	0.00	0.00
Closing Cash & Cash Equivalent	13.38	7.82	8.06

Source: Company Reports, ACE Equity, Figures are on standalone basis, *Equity is adjusted for any miscellaneous expenditure written off and revaluation reserves and hence, there would be difference in reported networth and equity capital

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