

Eye On The Future

GURDEEP SINGH HAS PROVED HIS METTLE AS CMD OF NTPC BY STEERING THE COMPANY FROM COAL-BASED GENERATION TO GREEN ENERGY

BY DIPAK MONDAL
PHOTOGRAPH BY KRISHNENDU HALDER

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urdeep Singh, Chairman and Managing Director (CMD) of NTPC Ltd, recently got a five-year extension till July 2025, making him one of the longest serving CMDs of the country's largest power generator. This is an acknowledgment of his role in maintaining NTPC's leadership in the power sector at a time when most other players (especially in non-renewable power) are struggling with mounting debt, falling tariffs and competition from new renewable energy players. It is also a result of his successful efforts to pivot NTPC from coal to green energy.

Singh was appointed CMD of NTPC in February 2016. Before that, he was Managing Director of Gujarat State Electricity Corporation Ltd. "He knows the power sector

inside out, having worked in different areas — business development, project execution and operations — over his 33-year career," an NTPC official says on condition of anonymity.

Singh, an alumnus of NIT Kurukshetra and IIM Ahmedabad, has held leadership positions in several national and multinational companies. He has also undergone management and leadership training at global institutions such as Saïd Business School-Oxford (UK), Harvard-Kennedy School (USA), Darden School of Management - Virginia (USA), Singapore Civil Services College (Singapore) and ISB Hyderabad (India). He also holds additional charge of Chairman, Damodar Valley Corporation.

While Singh is credited with leading NTPC's transformational journey towards green energy, this has not affected efforts to maintain leadership in thermal power generation. Under him, NTPC has crossed the ₹1 lakh crore income mark (on a standalone basis), growing at an annualised rate of 7.2 per cent and posting double-digit EBITDA growth of 11 per cent during the past three years. It added 11,500 MW capacity through organic and inorganic routes during the period. This makes it the country's largest power generation company with capacity of 62,910 MW. Adani Power is distant second with 15,000 Mw (including



BEST CEO POWER SECTOR

Total Income/ 3-yr CAGR

₹1,04,421.37 cr/9.66%

PBIT/ 3-yr CAGR

₹26,093.8 cr/15.18%

PAT/ 3-yr CAGR

₹10,112.81 cr/2.52%

3-yr Average TSR

-19.94%

Average Market Cap Y-o-Y Growth *

-19.37%

ROE/ ROCE

9.32%/9.91%

CASH/ DEBT

**₹2,209.11 cr/
₹1,66,742.98 cr**

Net Profit Margin

10.35%

*For Oct 2019-Sep 2020; Standalone data; Total Income, PBIT & PAT net of extraordinary items; TSR: Total shareholder returns; Source: ACE Equity



The company has changed its focus and is pursuing renewable capacity addition aggressively. The focus will be on reducing the carbon footprint

Adani Green Energy Ltd), followed by Tata Power at 12,742 Mw. In last financial year, the company acquired the government's stake in NEEPCO and THDC in a ₹11,500-crore deal, adding 3,294 MW capacity. Of this, 2,625 MW is hydro and 142 MW renewable. "These acquisitions helped the company balance its portfolio," Singh said in his statement at the company's 44th annual general meeting.

While the public sector Maharatna company continues to strengthen its thermal and hydro power capacity, its big ambitions lie somewhere else — renewable energy.

Brush with Renewables

NTPC plans to establish itself as a sustainable and integrated energy conglomerate through initiatives in areas such as renewable energy, electric mobility and waste to energy. It wants to become India's largest renewable energy company by adding 30 GW renewable capacity by 2032 both through organic and inorganic routes. The target is to have 30 per cent non-fossil-fuel-based capacity. "He (Singh) has gripped the situation well and made sure that the company aspires to be number one in renewables as well," says the NTPC spokesperson.

The company is on track to add around 5 GW renewable capacity in the next two years. "We have also incorporated a subsidiary for the renewable energy business. This will allow us to add renewables with a more focused approach," says the spokesperson.

In his statement at the company's 44th AGM, the CMD laid out NTPC's green energy path. "The company has changed its focus and is pursuing renewable capacity addition aggressively. We have taken a decision not to acquire any further land for greenfield thermal projects in near future. The focus will be on reducing the carbon footprint," he said. He also informed investors that 2.5 GW of renewable projects are under construction as part of NTPC's own capacity. It is building another 1.6 GW as a developer. The company is also implementing 237 MW of floating solar projects.

The diversification efforts have been noticed by equity analysts who, despite the challenges being faced by the power sector, remain positive on the company. "NTPC has, till date, commissioned 1,070 MW of renewable capacity while another 2,404 MW capacity is under implementa-



Mantras For Success

Successfully led the company in pursuit of green energy; the company is on track to add around 5 GW renewable capacity in next two years

Major diversification by pursuing green hydrogen portfolio, EV charging, EV transportation, hydrogen FCEV (fuel cell electric vehicle) transportation, waste-to-energy

Kept debt under control. Used refinancing to bring down cost of borrowings

tion. Furthermore, 2,088 MW capacities are in the tendering stage," says a recent research report by ICICI Direct.

Dealing with Covid Crisis

Covid came as one of the biggest challenges for all corporate leaders. For NTPC, a public sector firm operating in the utility sector, the challenge was even bigger. The CMD informed the 44th AGM that despite decrease in demand due to Covid, the company's generation rose. Even during the Covid-19 period, the company added 1,784 MW of commercial capacity. It also recorded the highest ever single day generation of 977.07 MU on July 28.

Even as the country went into the lockdown, the second unit of NTPC's 660 MW supercritical power station in Khargone became commercial during this period. In recent months, four of its thermal power stations — NTPC Vindhyachal (4,760 MW capacity), NTPC Talcher Kaniha (3,000 MW), NTPC Sipat (2,980 MW) and NTPC Korba (2,600 MW) achieved 100 per cent plant load factor.

Singh ensured that safety and security of employees are not compromised even as the company continued to operate at full capacity, say officials. Meetings were held to ensure faster decision making in the face of the pandemic so that supply of electricity is maintained. The meetings continued for three-four hours to ensure issues pertaining to various stakeholders are addressed with clear direction.

Challenges Ahead

The years ahead would be challenging, not just for NTPC, but the entire power sector. In May 2020, ratings agency Moody's changed its outlook for India's power sector to negative from stable saying coronavirus disruptions will lead to a significant slowdown in economic growth over the next 12 months, driven mainly by weak power demand, further payment delays by state-owned distribution companies and policy actions aimed at reducing stress for end users.

Given these challenges, it is to be seen if Gurdeep Singh's diversification bets and capacity addition efforts hold him and his company in good stead. **BT**

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