

June 11, 2025

NTPC GE Power Services Private Limited (erstwhile NTPC Alstom Power Services Pvt Ltd): Ratings reaffirmed

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|--|--------------------------------------|-------------------------------------|-------------------------------|
| Long-term fund-based –Working capital facilities | 45.50 | 55.50 | [ICRA]A+ (Stable); reaffirmed |
| Short term –Non-fund based limits | 404.50 | 544.50 | [ICRA]A1; reaffirmed |
| Short Term-Unallocated | 151.00 | 1.00 | [ICRA]A1; reaffirmed |
| Total | 601.00 | 601.00 | |

*Instrument details are provided in Annexure-1

Rationale

The ratings assigned to the bank lines of NTPC GE Power Services Private Limited (NGSL/ the company) factor in its established execution track record in the industry, and its strong parents – NTPC Limited (NTPC¹) and GE Power India Limited (GEPIL²). ICRA has considered the support from NTPC Limited, as has been indicated by the parent, in terms of technical/managerial as well as financial assistance even if the other joint venture partner fails to do so. NGSL's order book has diversified with the addition of new orders. Its order book now comprises operations & maintenance (O&M) and renovation & modernisation (R&M) of power plants as well as engineering procurement & construction (EPC) of solar power plants. The credit profile of the company remains healthy because of the growth in the scale of operation and profitability.

The ratings, however, are constrained by the concentration of revenue towards the ongoing O&M contracts (for Balco Limited and Vedanta's Jharsuguda power plant), which contribute 40%-50% to the annual revenues and are due for renewal in the early part of FY2027. The renewal of the O&M contracts will enable the company to sustain its scale of operations at healthy levels. If these contracts are not renewed, the company will have to secure contracts worth Rs. 300 crore per annum to sustain its scale of operations. There is a high likelihood of the current O&M contracts being renewed, given the improvement in the performance of the power plants under the existing contracts and a fresh O&M order received from Vedanta for its upcoming 2x600 MW coal-based power plant in Chhattisgarh. However, the renewal of the contracts will remain a key monitorable.

The company's order book is derived entirely from the power sector, partly owing to the parent companies being involved in the power sector for a long time. This exposes the company's performance to the vagaries of the power sector. The ratings are also constrained by the modest profitability as showcased by Rs. 18 crores of OPBDITA in FY2024, which is expected to reach around Rs. 28 crores in FY2025 and grow further in FY2026. The net worth of the company also remains modest at around Rs. 36 crores at the end of FY2024 owing to subdued profitability over the last several years. Given the expectations for growth in the scale of operations and profitability, ICRA expects the net worth to improve from current levels.

The Stable outlook on the long-term rating reflects ICRA's opinion that NGSL will continue to benefit from its strong parentage and revenue visibility from the current order book.

¹ NTPC Limited

² GE Power India Limited

Key rating drivers and their description

Credit strengths

Strong parentage and established track record in providing services in power sector - NGSL has an established operational track record with extensive experience of the management in providing rehabilitation, renovation and modernisation (R&M) services and related operations and maintenance services, largely to thermal power plants. The company is backed by NTPC and GEPL with both the companies having long and established track record in the power sector in the country.

Major O&M orders provide revenue visibility in medium term; recent order inflow further enhances revenue visibility with improvement in scale of operations - The healthy order book position which majorly includes Operation & Maintenance (O&M) contracts for Bharat Aluminium Company Limited (BALCO) and Vedanta Limited along with additional O&M order from Vedanta for a 2x600 MW coal power plant for five years, Engineering Procurement Construction (EPC) contract and Balance of Plant (BoP) supply contract for solar projects for Green Valley Renewable Energy Limited (GVREL) and NTPC Renewable Energy Limited (NTPCREL) respectively provides healthy revenue visibility over the course of next three years.

Credit challenges

Revenue concentration remains high with major dependence on O&M contracts – The company's orderbook is supported by ongoing O&M contracts from BALCO and Vedanta, which contribute to around 40-50% of the annual revenues and are due for renewal. The renewal of O&M contracts will remain a key monitorable going forward as it will enable the company to sustain its scale of operations at healthy levels. While the company has been expanding its scope of work in other segments like Solar EPC, Solar O&M, FGD O&M and installation, steam turbine-generator renovation and modernization (R&M) orders, thermal power O&M dominates the orderbook due to the execution timeline and large value of these orders and concentration with a single client, Vedanta Limited.

Sectoral dependence remains high with entire orderbook concentrated in power sector – The company's order book is derived entirely from the power sector, partly owing to the parent companies being involved in the power sector for a long time. The company is engaged in providing rehabilitation, renovation and modernisation (R&M) services and related operations and maintenance services, largely to thermal power plants and solar power plants.

Modest profitability and net worth base – While the company has been working on diversifying its customer base and segments it caters to along with improving on KPI deductions, the overall margin profile of the company remains modest due to high competition and nature of business. The net worth of the company also remains modest at around Rs. 36 crores at the end of FY2024 owing to subdued profitability over the last several years. While the company's current orderbook remains robust, a sustained increase in the scale of operations is expected to enhance profitability, which in turn would contribute to strengthening of the company's net worth.

Liquidity Position – Adequate

The company's liquidity is adequate, supported by healthy free cash balance as on March 31, 2025, nil debt repayments and no major capex plans, going forward. The company has been able to manage its working capital requirements by entering into back-to-back contracts with its suppliers, resulting in the company being able to match the receivable cycle largely with the credit period from suppliers and advances from the customers. With the release of retention money from some of the past projects, the company has been able to manage the working capital cycle. The ability to raise non-fund-based limits at low margin and availability of the unutilised Rs. 55.5 crore of cash credit limit support the company's liquidity position.

Rating sensitivities

Positive factors – The ratings may be upgraded in a scenario of material growth in the profitability while maintaining its scale of operations on a sustained basis resulting in improvement in the net worth base while maintaining healthy credit profile and liquidity position.

Negative factors – The outlook on the rating could be revised to stable and/or the ratings could be downgraded if there is a significant decline in the company's revenues on a sustained basis due to lower order book execution and decline in fresh order inflow, or reduction in profit margins and cash flow generation. Moreover, an increase in the working capital intensity with a change in the order mix, leading to significant reliance on external debt and material deterioration of the debt protection metrics could also lead to a downgrade. Deterioration in the credit profile of NTPC and/or weakening of the linkages with NTPC could also lead to a rating downgrade.

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable Rating Methodologies | Corporate Credit Rating Methodology |
| Parent/Group Support | Ultimate Parent Company: NTPC Limited & GE Power India Limited The ratings are based on implicit support from NTPC Limited, primarily in the form of technological and financial support, given the close involvement of NTPC Limited in the management and the intent indicated to support the entity. The support is expected to manifest even in case of the support not coming in from the JV partner. |
| Consolidation/Standalone | For arriving at the ratings, ICRA has considered the standalone financials of NGSL |

About the company

NTPC GE Power Services Private Limited (NGSL) (erstwhile NTPC Alstom Power Services Private Limited) is a joint venture company which was formed in 1999 through the partnership of two leading companies in the power sector, namely NTPC Ltd., India and ALSTOM Power Systems GmbH. In 2015, the power business of ALSTOM Group was taken over by General Electric Company (GE) and consequently the shareholding of ALSTOM Group in the JV was transferred to GE. Subsequently the name of the company was also changed to its present name in February 2017. Both the JV partners held 50% stake each in the company. In 2022, GE Power India Limited acquired 50% of the issued and paid-up share capital of NTPC GE Power Services Private Limited from GE Power Systems GmbH at a consideration of Rs. 7.20 crore on April 15, 2021. The GE Group is having 50% voting rights in NGSL and right to net assets in NGSL, thereby having joint control over NGSL along with NTPC.

NGSL is engaged in providing rehabilitation, renovation and modernization (R&M) services and complete operation & maintenance services to power plants in India. The company also provides others related services such as residual life assessment (RLA), plant life extension studies, performance improvement and upgrading studies, steam path audit (SPA) etc. NGSL has also expanded its scope of work in areas of FGD O&M and installation, waste to energy projects as well as solar EPC project execution and Solar power plant O&M contracts.

Key financial indicators (audited)

| NGSL Standalone | FY2023 | FY2024 | FY2025* |
|--|--------|--------|---------|
| Operating income | 415.43 | 494.86 | 729.44 |
| PAT | 6.2 | 18.1 | 22.3 |
| OPBDIT/OI | 3.00% | 3.60% | 3.90% |
| PAT/OI | 1.50% | 3.66% | 3.06% |
| Total outside liabilities/Tangible net worth (times) | 11.2 | 5.4 | - |
| Total debt/OPBDIT (times) | 0.1 | 0 | - |

| NGSL Standalone | FY2023 | FY2024 | FY2025* |
|---------------------------|--------|--------|---------|
| Interest coverage (times) | 7.4 | 15.0 | - |

PAT: Profit after Tax; OPBDITA: Operating profit before depreciation, interest, taxes and Amortisation; Amount in Rs. Crore; *Provisional

Source: Company; ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Current (FY2026) | | | | Chronology of rating history for the past 3 years | | | | | |
|---------------------------------------|------------|-------------------------|-------------------|---|-------------------|--------|--------|-------------|-------------------|
| June 11, 2025 | | | | FY2025 | | FY2024 | | FY2023 | |
| Instrument | Type | Amount Rated (Rs Crore) | Rating | Date | Rating | Date | Rating | Date | Rating |
| Fund-based working capital facilities | Long Term | 55.50 | [ICRA]A+ (Stable) | 5-Apr-2024 | [ICRA]A+ (Stable) | - | - | 30-Mar-2023 | [ICRA]A+ (Stable) |
| | | | | | | | | 28-Jun-2022 | |
| Non-fund based | Short Term | 544.50 | [ICRA]A1 | 5-Apr-2024 | [ICRA]A1 | - | - | 30-Mar-2023 | [ICRA]A1 |
| | | | | | | | | 28-Jun-2022 | |
| Unallocated | Short Term | 1.00 | [ICRA]A1 | 5-Apr-2024 | [ICRA]A1 | - | - | 30-Mar-2023 | [ICRA]A1 |
| | | | | | | | | 28-Jun-2022 | |

Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|---|----------------------|
| Long-term fund-based – Working capital facilities | Simple |
| Short term – Non-fund based limits | Very Simple |
| Short Term - Unallocated | Not Applicable |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure-1: Instrument details

| ISIN | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|------|---------------------------------------|--------------------------------|----------------|------------------|--------------------------------|-------------------------------|
| NA | Fund based working capital facilities | NA | NA | NA | 55.50 | [ICRA]A+ (Stable) |
| NA | Non-fund based | NA | NA | NA | 544.50 | [ICRA]A1 |
| NA | Unallocated | NA | NA | NA | 1.00 | [ICRA]A1 |

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis: Not Applicable

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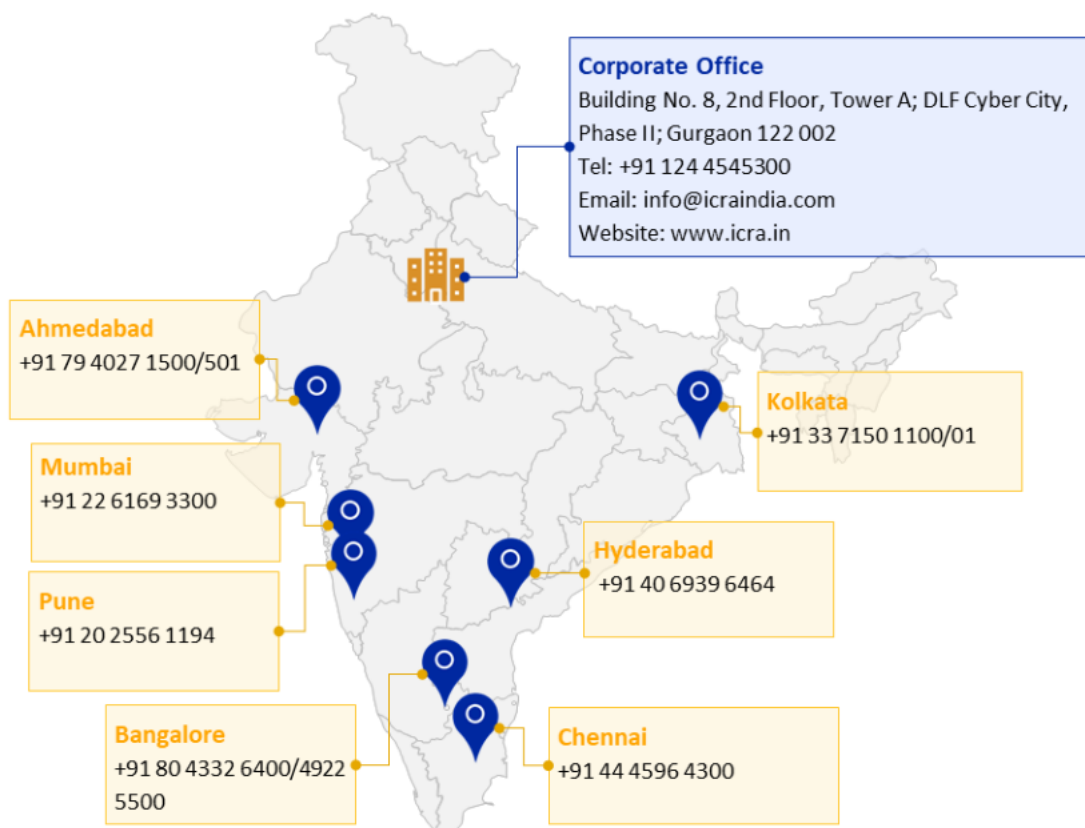


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