

Adani Green Energy Limited

Segment: Large Cap

Overview: Adani Green Energy Limited is focused on creating a cleaner and greener India by harnessing the sun's power and the wind's strength. At present, it is in 12 Indian states in 93 locations. It is the world's largest solar power developer and the renewable energy arm of the diversified Adani Group and has received approval for being a member of the GRI South Asia Charter on Sustainability Imperatives. The company has a great vision of having a 45 GW renewable energy portfolio by 2030. Adani Green switches on India's first hybrid power plant to realize its vision. AHEJOL, a subsidiary of Adani Green Energy Limited (AGEL), has commissioned a 390 MW wind-solar hybrid power plant in Rajasthan. This plant in Jaisalmer is India's first-ever wind and solar hybrid power generation plant. The hybrid power plant integrated through solar and wind power generation harnesses the full potential of renewable energy by resolving the intermittency of the generation and provides a more reliable solution to meet the rising power demand. With the successful commissioning of this plant, AGEL now has an operational capacity of 5.8 GW. This places AGEL's total renewable portfolio of 20.4 GW well on track to meet its vision of 45 GW capacity by 2030. Recently it has bagged two power plant projects which aimed at generating a combined capacity of 500MW at the cost of \$500 million. I am interested in studying this company because of its immense future possibilities. With the growing power demand in recent times and the stress upon switching to renewable sources of energy due to ever-increasing global warming leading to climate change, the company's future prospects are very assuring.

Shareholding pattern of the company

Apart from retail investors, a company's shares are held by promoters, foreign & domestic institutions (large investors), and mutual funds. Promoters are the ship captains and control the company's direction. Along with institutional and mutual fund holdings, a change in their holdings can indicate the performance outlook for the stock

Shareholding Pattern - Adani Green Energy Ltd.

| Holder's Name | No of Shares | % Share Holding |
|-----------------------|--------------|-----------------|
| NoOfShares | 1564014280 | 100% |
| Promoters | 858907856 | 54.92% |
| ForeignInstitutions | 258531324 | 16.53% |
| NBanksMutualFunds | 2133704 | 0.14% |
| CentralGovt | 2580 | 0% |
| Others | 316331770 | 20.23% |
| GeneralPublic | 18463681 | 1.18% |
| FinancialInstitutions | 10223952 | 0.65% |
| ForeignPromoter | 99419413 | 6.36% |

Promoter Holdings Trend:

Increased total promoter holding

In the last six months, promoters holding in the company has increased by 1.13%.

Low Pledged Promoter Holding

Pledged promoter holdings are insignificant.

Institutional Holdings Trend

Mutual Fund Holding

In the last three months, the mutual fund holding of the company has almost stayed constant.

Foreign Institutional Holding

In the last three months, the foreign institutional holding of the company has almost stayed constant.

Management of the company

Management

| Name | Designation |
|---------------------------|--------------------------------|
| Dinesh Hasmukhrai Kanabar | Ind. Non-Executive Director |
| Gautam S Adani | Chairman |
| Jose Ignacio Sanz Saiz | Nominee Director |
| Kaushal Shah | Chief Financial Officer |
| Poornima Advani | Ind. Non-Executive Director |
| Pragnesh Darji | Co. Secretary & Compl. Officer |
| Rajesh S Adani | Non Exe.Non Ind.Director |
| Raminder Singh Gujral | Ind. Non-Executive Director |
| Sagar R Adani | Executive Director |
| Sandeep Singhi | Ind. Non-Executive Director |
| Vneet S Jaain | Managing Director & CEO |

The company is owned by the Adani group of companies.

Strengths, Weaknesses, Opportunities & Threats (SWOT) analysis of the company:

Strengths in the SWOT analysis of Adani Green Energy Ltd

- Expensive Stars (DVMs)
- Rising net cash flow and cash from operating activities.
- The company has high TTM EPS growth.
- Strong annual EPS growth.
- Effectively using shareholders' fund- Return on equity (ROE) improving since last year.

Weaknesses in the SWOT analysis of Adani Green Energy Ltd

- Companies with the growing costs of YoY for long-term projects.
- The company has high debt.

- The company's debt is increasing.
- High promoter stock pledges.

Opportunities in the SWOT analysis of Adani Green Energy Ltd

- High momentum scores.
- Highest Recovery from 52-Week low
- RSI indicating price strength

Threats in the SWOT analysis of Adani Green Energy Ltd

- Stocks with expensive valuations according to the Trendlyne valuation score.
- Increasing Trend in Non-Core Income.
- Stocks with high PE

Competitive Analysis:

Peer Comparison

| Name | CMP (₹) | P/E | Mar Cap. (Crs) | Div. Yld. (%) | NP Qtr (₹.Crs) | Sales Qtr (₹.Crs) | Book Value (₹) |
|---|--------------|-------|-------------------|---------------------|-------------------|-------------------------|----------------------|
| Adani Transmission Ltd ADANITRANS | 2,981 NSE | 0 | 333,359 | 0 | 6 | 332 | 42 |
| Adani Green Energy Ltd ADANIGREEN | 2,093 NSE | 0 | 331,174 | 0 | -116 | 2,109 | 34 |
| Power Grid Corporation of India Ltd POWERGRID | 210 NSE | 10.52 | 146,659 | 7.02 | 4,321 | 10,221 | 109 |
| NTPC Ltd NTPC | 150 NSE | 9.02 | 145,305 | 4.67 | 5,622 | 32,905 | 132 |
| Adani Power Ltd ADANIPOWER | 290 NSE | 0 | 111,736 | 0 | -32 | 444 | 14 |

Conclusion:

- AGEL wins the single largest solar development bid ever awarded, totaling 8 GW to be delivered over a period of 60 months.

- The \$6 billion investment announced is the single largest since the launch of the Atma Nirbhar Bharat Abhiyan (Self Reliant India program) by Hon'ble PM Shri Modi
- The investment will lead to the creation of 400,000 direct and indirect jobs.
- The renewable energy generated will displace 900 million tonnes of CO₂.
- AGEL now has 15 GW capacity under operation, construction or contract and moves closer to achieving its 25 GW renewable power target by 2025.