

## IPO NOTE

### Issue Details

<b>Price Band:</b> ₹ 102 to ₹ 108
<b>Employee Discount:</b> ₹ 5/Share
<b>Issue Opens on:</b> November 19, 2024
<b>Issue Closes on:</b> November 22, 2024
<b>Lot Size:</b> 138 Shares & in Multiples thereafter

### Issue Highlights

<b>Issue Size:</b>	₹ 10,000 Cr.
<b>No of Shares:</b>	925,925,926
<b>Face Value:</b>	₹ 10

### Offer Structure

Issuance	₹ in Cr.
Fresh Issue	10,000
Offer for Sale	-
<b>Total</b>	<b>10,000</b>

### Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	75	6,600.00
HNI	15	1,320.00
Retail	10	880.00
Employee	-	200.00
Shareholder	-	1,000.00
<b>Total</b>	<b>100</b>	<b>10,000.00</b>

### Listing

BSE & NSE

### Lead Managers

- IDBI Capital Markets & Securities Ltd.
- HDFC Bank Ltd.
- IIFL Capital Services Ltd.
- Nuvama Wealth Management Ltd.

### Registrar

KFin Technologies Ltd.

### Contact Details

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## COMPANY OVERVIEW

NTPC Green Energy is a wholly owned subsidiary of NTPC Limited, a 'Maharatna' central public sector enterprise. They are the largest renewable energy public sector enterprise (excluding hydro) in terms of operating capacity as of September 30, 2024 and power generation in Fiscal 2024. Their renewable energy portfolio encompasses both solar and wind power assets with presence across multiple locations in more than six states and operational capacity of the same was 3,220 MW and 100 MW respectively.

Their projects generate renewable power and feed that power into the grid, supplying a utility or offtaker with energy. For operational projects, they have entered into long-term Power Purchase Agreements ("PPAs") or Letters of Award ("LoAs") with an offtaker that is either a Central government agency like the Solar Energy Corporation of India ("SECI") or a State government agency or public utility.

As of September 30, 2024, the company is in the process of constructing 36 renewable energy projects in 6 states consisting of 13,576 MWs and the company owned 8,900 acres of freehold land and ~45,700 acres of leasehold land relating to its projects and had 17 offtakers across 41 solar projects and 11 wind projects. They are considered a partner of choice by many PSUs for fulfillment of their renewable energy development goals.

## HIGHLIGHTS

1. Promoted by NTPC Limited, which has extensive experience in executing large-scale projects, longterm relationships with offtakers and suppliers and financial strength
2. Portfolio of 16,896 MWs solar and wind projects as of September 30, 2024 with diversification across geographies and offtakers
3. Growing revenues along with strong credit ratings that enable a low cost of capital employed
4. Experienced team in renewable energy project execution and procurement as well as operating and Maintenance

## OBJECTS OF THE ISSUE

1. Investment in wholly owned Subsidiary, NTPC Renewable Energy Limited (NREL) for repayment/prepayment, in full or in part of certain outstanding borrowings availed by NREL (₹ 7,500 Cr.)
2. General corporate purposes

## OUR VIEW

Promoted by the parent company NTPC Limited and incorporated in the year 2022, NTPC Green Energy is the largest renewable energy public sector enterprise (excluding hydro) in terms of operating capacity as of September 30, 2024 and power generation in Fiscal 2024. As of September 30, 2024, their "Portfolio" consisted of 16,896 MWs including 3,320 MWs of operating projects and 13,576 MWs of contracted and awarded projects.

The company is one of the top 10 renewable energy players in India in-terms of operational capacity as of Sep. '24. The company is focused on new energy solutions like green hydrogen, green chemicals and battery storage would be a development levels. It intends to grow project pipeline through prudent bidding and strategic joint ventures with PSUs and private corporates with main focus on projects in new energy solutions like Green hydrogen, Green chemicals and Storage.

There are various risks associated like, dependence on key off-takers, dependence on third-party suppliers for vital components, and potential cost overruns or project delays, which may adversely affect operations, finances, and growth prospects.

Looking at the financial performance, the revenue has grown at CAGR 47% from FY22 to FY24 with improvement in margins and profitability as PAT has grown at a CAGR of 91% for the same period. The company is operating at EBITDA margin of 89% and PAT margin of 18% as at FY24. Also, its average capacity utilization factor (CUF) has improved from 19% to 24%. Its Net Debt to Equity stood at 1.98x and 1.91x as at FY24 & HYFY25 respectively.

At the higher price band of ₹ 108, the issue is priced at P/BV of 9.89x based on NAV of ₹ 10.92 as at HYFY25 and if we attribute annualized FY25 earnings, then the asking price is at a P/E of around 250x. Thus the issue appears aggressively priced.

The company is strategically focused on developing portfolio of utility scale renewable projects and projects for PSU and Indian corporates. Looking at all the factors, risks, opportunities and valuation, aggressive investors can apply with long term view.

### Brief Financials

PARTICULARS	As at September 30, 2024	₹ in Million	
		FY '24	FY '23
Total Income	11,327.39	20,376.57	1,706.31
Total Expenditure	8,849.94	15,494.57	1,180.87
Operating EBITDA	9,315.65	17,464.70	1,513.81
Profit before Tax	2,463.70	2,463.70	525.44
Profit after Tax	1,753.00	3,447.21	1,712.28
E.P.S. (Diluted)	0.3*	0.73	4.66
P/E (x) (Diluted)	-	260	-
RONW (%)	2.14*	5.53	3.50

\* Not Annualised

### PRICE CHART (@ ₹ 138) (Retail Category)

LOT SIZE	Amount
138	14,904
276	29,808
414	44,712
552	59,616
690	74,520
828	89,424
966	104,328
1,104	119,232
1,242	134,136
1,380	149,040
1,518	163,944
1,656	178,848
1,794	193,752

### HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount (Rs.)
Small HNI	1,932	208,656
Big HNI	9,384	1,013,472

### Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	25/11/2024
Initiation of refunds/unblocking ASBA Fund	26/11/2024
Credit of Equity Shares to demat accounts of Allottees	26/11/2024
Commencement of trading of the Equity Shares on the Stock Exchanges	27/11/2024

**For more details, Please refer RHP,**

[https://www.sebi.gov.in/filings/public-issues/nov-2024/ntpc-green-energy-limited-rhp\\_88431.html](https://www.sebi.gov.in/filings/public-issues/nov-2024/ntpc-green-energy-limited-rhp_88431.html) )

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