

Rinkle Vira
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Issue Details

Issue Details	
Issue Size (Value in ` million, Upper Band)	1,00,000.0
Fresh Issue (No. of Shares in Lakhs)	9,259.3
Offer for Sale (No. of Shares in Lakhs)	-
Bid/Issue opens on	19-Nov-24
Bid/Issue closes on	22-Nov-24
Face Value	Rs. 10
Price Band	102-108
Minimum Lot	138

Objects of the Issue

Fresh Issue: ₹ 1,00,000 million

- Repayment in full or in part, of certain outstanding borrowings availed by subsidiaries.
- General corporate purpose

Offer for sale: NIL

Book Running Lead Managers
IDBI Capital Market Services Limited, HDFC Bank Limited, IIFL Securities Ltd and Nuvama Wealth Management Limited
Registrar to the Offer
Kfin Technologies Ltd

Capital Structure (` Million)	Aggregate Value
Authorised share Capital	10000.0
Subscribed paid up Capital (Pre-Offer)	75000.0
Paid up capital (Post - Offer)	84259.3

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	100.0%	89.0%
Public	0.0%	11.0%
Total	100.0%	100.0%

Financials

Particulars (Rs. In Million)	6M FY25	6M FY24	FY24	FY23
Revenue from operations	10822.9	10083.2	19625.9	1696.9
Operating expenses	1493.6	937.2	2161.3	183.1
EBITDA	9329.3	9146.0	17464.6	1513.8
Other Income	504.4	128.1	750.5	9.4
Depreciation	3578.2	3109.3	6427.5	499.0
EBIT	6255.5	6164.8	11787.6	1024.2
Interest	3778.1	3,356.8	6,905.7	498.7
PBT	2477.4	2808.0	4881.9	525.5
Tax	710.7	726.3	1434.7	-1186.8
Consolidated PAT	1766.70	2081.70	3447.20	1712.30
EPS	0.21	0.25	0.41	0.20
Ratio	6M FY25	6M FY24	FY24	FY23
EBITDAM	86.2%	90.7%	89.0%	89.2%
PATM	16.3%	20.6%	17.6%	100.9%
Sales growth	7.3%	-	1056.6%	

Company description

Incorporated in April 2022, NTPC Green Energy Limited, is a wholly-owned subsidiary of NTPC Limited. As on Sep'24, it stands as the largest public sector enterprise in renewable energy (excluding hydro) based on operational capacity and power generation. The company's renewable portfolio encompasses both solar and wind power assets and its operational capacity was 3,220 MW of solar projects and 100 MW of wind projects across 6 states as of Sep' 24. The company is among the top 10 renewable energy players in India in terms of operational capacity as on Jun'24.

As of September 30, 2024, its portfolio consisted of 16,896 MWs including 3,320 MWs of operating projects and 13,576 MWs of contracted and awarded projects. As of September 30, 2024, its "Capacity under Pipeline, for which a memorandum of understanding ("MOU") or term sheet has been entered with joint venture partners or off takers but where definitive agreements have not yet been entered, consisted of 9,175 MWs. As of Sept' 24, its Capacity under Pipeline together with Portfolio consisted of 26,071 MWs. Company is looking to expand its capacity to 60GW by FY32.

The company's portfolio is spread out across Rajasthan, Gujarat, Tamil Nadu, Andhra Pradesh, Madhya Pradesh and Uttar Pradesh which helps in mitigating risk of location specific generation variability.

As of March 31, 2024, its operating/contracted and awarded megawatts capacities were 12396 MW for Solar and 2100 MW for Wind, which was at 6011 MW and 2300 MW as of March 31, 2022 respectively. As of September 30, 2024 it stood at 13796 MW and 3100 MW respectively. The solar energy contributes over 93% in its total revenues. Its capacity expansion in pipeline for Solar is 6925 MW and Wind 2250 MW as of September 30, 2024.

Key initiatives include developing battery storage and renewable energy projects round the clock. They will also develop green hydrogen hub at Pudimadoka. Their focus is also on the RE park in Maharashtra and GH2 production in Rajasthan. In the area of battery storage, it intends to install the grid scale battery storage as part of firm and dispatchable renewable energy (FDRE)/ round-the clock (RTC) projects to complement the solar and wind power

Valuation & outlook

NTPC green energy is one of the leading renewable power generating PSU having solar and wind power generation assets alongside increase focus on hydroelectric assets and power storage plans. It is going to be the leader in the segment with additional activities on hydroelectric projects. The company aims to increase its operational capacity to 6, 11, 9 GW by FY25, FY26E, FY27E respectively from 3.3 GW as of Sep'24.

On valuation parse at the upper price band ₹ 108/-, the issue is asking a Market Cap of ₹ 910000 Mn and based on FY 2025e annualized earnings and fully diluted post IPO paid-up capital, the company is asking for a PB of 4.96x and PE of 259.56x which appears aggressively priced. But considering its current established capacities and future expanded capacities, this is a pure long term story.

The company is well placed to capture the tailwind from capacity addition in renewables owing to its strong parentage (NTPC), low operating costs along with diversified capacity portfolio and access to lower cost of capital. Therefore we believe that this issue may be considered for its long term growth. Hence we give "SUBSCRIBE for LONG TERM" rating to this IPO.

Company's Operations

NTPC Green Energy Ltd is a wholly owned subsidiary of NTPC Limited, a 'Maharatna' central public sector enterprise. Company 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. The renewable energy portfolio encompasses both solar and wind power assets with presence across multiple locations in more than six states which helps mitigate the risk of location-specific generation variability.

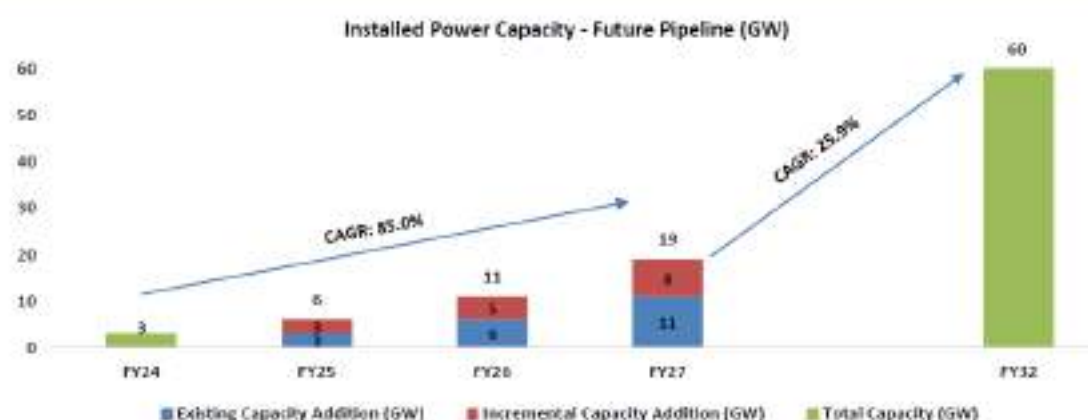
Operational capacity was 3,220 MW of solar projects and 100 MW of wind projects across six (6) states as of September 30, 2024. As of September 30, 2024, the "Portfolio" consisted of 16,896 MWs including 3,320 MWs of operating projects and 13,576 MWs of contracted and awarded projects. As of September 30, 2024, "Capacity under Pipeline, for which a memorandum of understanding ("MOU") or term sheet has been entered with joint venture partners or offtakers but where definitive agreements have not yet been entered, consisted of 9,175 MWs. As of September 30, 2024, Capacity under Pipeline together with our Portfolio consisted of 26,071 MWs. Company is looking to expand its capacity to 60GW by FY32.

It measures the rated capacity of its plants in megawatts in alternate current (AC). Rated capacity is the expected maximum output that a power plant can produce without exceeding its design limits. "Megawatts Operating" represents the aggregate megawatt rated capacity of renewable power plants that are commissioned and operational as of the reporting date. "Megawatts Contracted & Awarded" represents the aggregate megawatt rated capacity of renewable power plants as of the reported date which include (i) PPAs signed with customers, and (ii) capacity won and allotted in auctions and where LoAs have been received.

Particulars	Company Operating Data		Carved-out Operating Data ⁽¹⁾
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Megawatts Operating			
Solar (MWs)	2,825	2,561	1,395
Wind (MWs)	100	50	50
Total (MWs)	2,925	2,611	1,445
Megawatts Contracted & Awarded			
Solar (MWs)	9,571	5,750	4,616
Wind (MWs)	2,000	500	150
Total (MWs)	11,571	6,250	4,766
Megawatts Operating, Contracted & Awarded			
Solar (MWs)	12,396	8,311	6,011
Wind (MWs)	2,100	550	200
Total (MWs)	14,496	8,861	6,211

As of September 30, 2024, the company had 3,320 MWs operating across 17 solar projects and 2 wind projects. The company regularly measure the performance of their plants by using the industry measure, generation/capacity utilization factor ("CUF"). The CUF is lower in solar power plants as compared to thermal power plants given the nature of operations (availability when the sun is shining, or wind is turning turbines).

Particulars	Company Operating Data			Carved-out Operating Data ⁽¹⁾	
	Six months period ended September 30, 2024	Six months period ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
Electricity generation (kWh millions)					
Solar	3,117.95	2,907.21	5,590.70	3,759.49	1,863.88
Wind	124.15	66.19	121.78	103.28	103.64
Total	3,242.10	2,973.41	5,712.48	3,862.77	1,967.53
Capacity utilization factor⁽²⁾ (%)					
Solar	24.61%	25.04%	23.97%	22.74%	19.21%
Wind ⁽³⁾	28.27%	30.14%	19.78%	23.58%	23.66%
Total	24.73%	25.13%	23.86%	22.76%	19.40%

Installed Power Capacity - Future Pipeline

Along with the NTPC Group, NTPC Green energy have strong inhouse experience in renewable energy project execution and procurement. In solar projects, they usually take responsibility for procurement of major equipment and supplies and the contractor builds, commissions and hands over the solar plant. They also use the turnkey EPC contract model based on specific project conditions. In wind projects, generally use the turnkey EPC model, entering into contracts with OEMs for manufacturing, installing, and commissioning wind turbines and the balance of plant.

As of June 30, 2024, they are in the process of constructing projects in 7 states consisting of 11,771 MWs, contracted and awarded. The company has a large portfolio of utility-scale solar energy projects and wind energy projects, as well as projects for PSUs and Indian corporates. These projects generate power and feed that power into the grid, supplying a utility or off-taker with energy. As of June 30, 2024, we had 15 off-takers across 37 solar projects and 9 wind projects.

Particulars	Megawatts Operating by State							
	Company Operating Data				Carved-out Operating Data ⁽¹⁾			
	Six months period ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	MW	% of Operating Capacity	MW	% of Operating Capacity	MW	% of Operating Capacity	MW	% of Operating Capacity
Madhya Pradesh								
...solar	350	10.54%	300	10.26%	300	11.49%	300	20.77%
...wind	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Andhra Pradesh								
...solar	250	7.53%	250	8.55%	250	9.57%	250	17.30%
...wind	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Rajasthan								
...solar	2,065	62.20%	1,806	61.74%	1,556	59.59%	620	42.89%
...wind	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Uttar Pradesh								
...solar	265	7.98%	239	8.17%	225	8.62%	225	15.57%
...wind	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Gujarat								
...solar	60	1.81%	0	0.00%	0	0.00%	0	0.00%
...wind	100	3.01%	100	3.42%	50	1.91%	50	3.46%
Tamil Nadu								
...solar	230	6.93%	230	7.86%	230	8.81%	0	0.00%
...wind	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total MW operating	3,320		2,925		2,611		1,445	

As the renewable energy arm of the NTPC Group, the company is pivotal in the group's plan to reach 60 GW of renewable capacity by 2032. Its sustainability initiatives include reducing CO2 emissions and water use by introducing dry-cleaning systems for solar modules. Additionally, it has registered with global carbon programs like CDM, VCS, and GCC. The company prioritizes workplace safety, aiming to be a zero-accident organization through a comprehensive safety management system, safety audits, and 24/7 monitoring by its health, safety, and environment team

Strengths:

Strong support of NTPC Limited – A 'Maharatna' company

The company is a wholly owned subsidiary of NTPC Ltd, a 'Maharatna' central public service enterprise, which contributes ~17% to India's total installed capacity and ~24% to the total power generated in India as of Sep'24. NGEL benefits from the support, vision, resources and experience of the NTPC group which is currently looking to expand its non-fossil-based capacity to 45-50% of its portfolio which will include 60 GW renewable energy capacity by CY32. The company believes it can use the brand recall and long-term experience of dealing with state DISCOMs of NTPC Ltd to grow its portfolio and business in India. NTPC's five-decade legacy in power generation, land acquisition, and operational efficiency further strengthens the company's foundation. With assets totaling Rs. 492230.40 crore and top credit ratings from Indian and international agencies, NTPC provides a solid platform for the company's growth in renewable energy, leveraging NTPC's brand and reputation.

Robust product portfolio with diversification across geographies and off-takers

The company operates a diversified portfolio of solar and wind projects totaling 16,896 MW as of September 30, 2024, with geographic and offtaker diversity. This includes large-scale utility projects as well as specific projects for PSUs and Indian corporates, feeding power into the grid under long-term Power Purchase Agreements (PPAs) averaging 25 years. Its portfolio comprises 3,320 MW in operational projects and 13,576 MW in contracted and awarded projects, with a development pipeline of 9,175 MW, bringing total capacity to 26,071 MW as of September 30, 2024. Known for its reliable partnerships, the company has joint ventures with Rajasthan Rajya Vidyut Utpadan Nigam Limited, MAHAPREIT, Damodar Valley Corporation, and other PSUs and private corporates. The company's portfolio is spread out across Rajasthan, Gujarat, Tamil Nadu, Andhra Pradesh, Madhya Pradesh and Uttar Pradesh which helps in mitigating risk of location specific generation variability.

Particulars	Restated Consolidated Financial Information ⁽¹⁾		Special Purpose Carved-Out Combined Financial Statements ⁽²⁾			
	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(₹ in million)	% Revenue from operations	(₹ in million)	% Revenue from operations	(₹ in million)	% Revenue from operations
<i>Renewable Energy Sales</i>						
Solar	18,403.54	93.77%	13,651.81	94.17%	8,447.56	92.79%
Wind	471.02	2.40%	401.30	2.77%	400.80	4.40%
Total Renewable Energy Sales	18,874.56	96.17%	14,053.11	96.94%	8,848.36	97.19%
<i>Revenue from operations</i>	19,625.98		14,497.00		9,104.21	

Experience in renewable energy project execution

The company along with the NTPC Group have a strong track record of developing, constructing and operating renewable power projects, driven by experienced in-house management and procurement teams. Company's in-house team works with third-party aggregators, developers and EPC contractors to manage the land acquisition process. As of Sep'24, the company owns ~8,900 acres of freehold land and ~45,700 acres of leasehold land. Further, the company aims to leverage NTPC Group's economies of scale to negotiate and reduce the cost of components, equipment and materials for its solar and wind projects from domestic and foreign original equipment manufacturers and suppliers.

Strong Financial performance and Access to low cost of capital

The company's focus on maintaining high-capacity utilization, operational efficiencies, low operating costs along with the strong parentage and diversified portfolio helps it to maintain healthy coverage ratios. Further, leveraging NTPC group's high credit rating and strong balance sheet provides access to low cost of capital. The Company has demonstrated solid revenue growth, supported by a focus on high capacity utilization, operational efficiency, and low costs. Revenue from operations grew at a CAGR of 46.82% from Rs. 9104.2 Mn in FY2022 to Rs. 19626.0 Mn in FY2024. Operating EBITDA increased at a CAGR of 48.23% from Rs. 7949.0 mn in FY2022 to Rs. 17464.7 Mn in FY 2024. The company has reduced its net debt-to-equity ratio to 1.91 times as of September 30, 2024, from 4.41 times in March 2022, highlighting improved financial leverage and low borrowing costs.

Strategies

Continue to grow project pipeline through prudent bidding and strategic joint ventures with PSUs and private corporates

In this dynamic market, the company plans to maintain its leadership in India's renewable energy sector by focusing on high-capacity solar and wind projects and diversifying its offtaker base and geographic footprint. Leveraging its proven experience, it aims to secure contracts with Central and State government agencies, focusing on large-scale projects with prudent bidding practices and financial discipline to meet internal rate-of-return targets. In Fiscal 2024, the company led in winning 3.5 GW in competitive bids, equivalent to approximately 5 GW of AC capacities. The company's project pipeline, which includes contracts with various PSUs and private entities, presents growth opportunities. It has established joint ventures with Rajasthan Rajya Vidyut Utpadan Nigam Limited, Mahatma Phule Renewable Energy & Infrastructure Technology Limited (MAHAPREIT), Damodar Valley Corporation, and other PSUs, while also partnering with private corporates. By continuing to collaborate with both PSUs and private companies, the company seeks to further strengthen its role as a key renewable energy partner and to capture an increased market share. In addition, it will strategically evaluate acquisition opportunities that align with its performance criteria and offtaker requirements.

Focus on projects in new energy solutions like green hydrogen, green chemicals and storage

Green Hydrogen, Chemicals, and Battery Storage: The company is investing in green hydrogen, green chemicals, and advanced battery storage solutions. Key initiatives include developing a green hydrogen hub at Pudimadaka and finalizing electrolyser partnerships. To support grid stability and renewable integration, it plans to install grid-scale battery storage for firm renewable energy (RTC) projects and stand-alone systems for DISCOMs. It has also launched a pilot battery storage project at an NTPC thermal plant to support flexible operations. Battery Energy Storage Systems (BESS) are identified by CRISIL as a rapidly growing sector due to their high energy density and versatile grid-support functions.

Drive efficiency and cost reductions in project execution and operating & maintenance

To optimize project costs and output, the company leverages NTPC Group's economies of scale for negotiating EPC and 3 construction contracts and sources components from both domestic and international suppliers. Taking direct responsibility for major procurement and land acquisition allows the company to lower project costs per MW. It is implementing advanced technologies—such as next-gen turbines, AI-based forecasting tools, robotic cleaning systems, and drone monitoring—to reduce costs and improve efficiency. Additional cost-saving initiatives include: • Pooling critical spares for nearby plants, • Awarding bulk O&M contracts across locations, • Using a cluster-based approach for manpower planning, • Securing long-term warranties with OEMs, and • Deploying AI-integrated cloud solutions for real-time asset monitoring.

Green Hydrogen Hub and Industrial Development in Pudimadaka

The company's Green Hydrogen Hub in Andhra Pradesh spans 1,200 acres, focusing on green hydrogen and derivative production alongside renewable component manufacturing. The site is intended as a "plug-and-play" facility with key infrastructure to support electrolyser, fuel cell, and battery storage production. With 600 acres earmarked for green chemical production, the hub will feature India's largest green hydrogen facility, producing hydrogen derivatives for domestic and export markets. This project is expected to attract significant investment, creating economic benefits and employment opportunities in Andhra Pradesh.

Commitment to India's Sustainability Goals

As the renewable energy arm of the NTPC Group, the company is pivotal in the group's plan to reach 60 GW of renewable capacity by 2032. Its sustainability initiatives include reducing CO2 emissions and water use by introducing dry-cleaning systems for solar modules. Additionally, it has registered with global carbon programs like CDM, VCS, and GCC. The company prioritizes workplace safety, aiming to be a zero-accident organization through a comprehensive safety management system, safety audits, and 24/7 monitoring by its health, safety, and environment team

Industry Snapshot

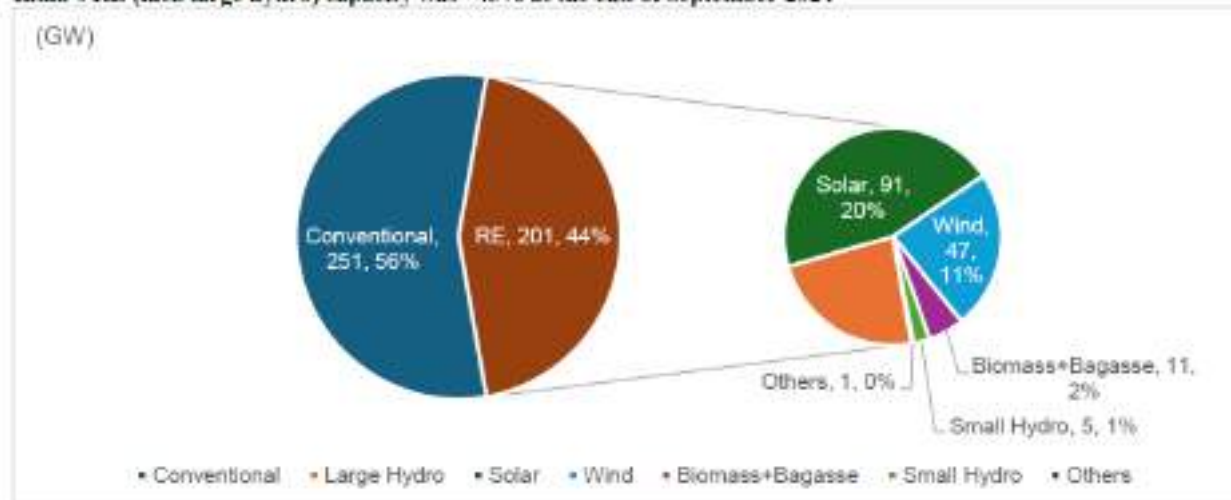
Renewable energy represents a significant and growing industry in India. At the twenty-sixth meeting of Conference of the Parties climate summit in Glasgow, Scotland, the Prime Minister of India updated its nationally determined contributions (NDCs) as follows:

- To reduce Emissions Intensity of its GDP by 45% by 2030, from 2005 level,
- To achieve about 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030,
- By the year 2070, India will achieve the target of Net Zero.

Globally, India ranks fourth in total renewable energy, wind as well as solar installations. India has become the second largest renewable energy market in the Asia Pacific region after China. Installed capacity of renewable energy sources have increased from 63 GW in Fiscal 2012 to approximately 201 GW

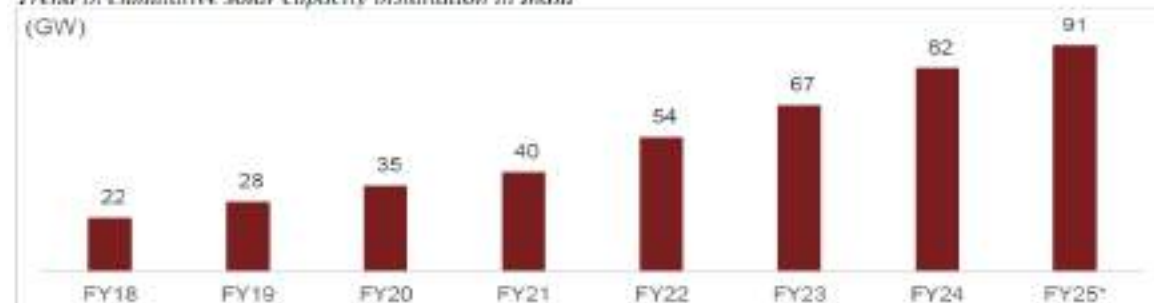
(including large hydro) as of September 2024. As of September 2024, installed grid connected renewable energy generation capacity (including large hydro) in India constituted approximately 45% of the total installed generation base in India. This growth has been led by solar power, which has grown to approximately 91 GW as of September 2024 from approximately 0.09 GW from March 2012.

India's RE (incl. large hydro) capacity was ~45% at the end of September 2024



Solar Energy Potential

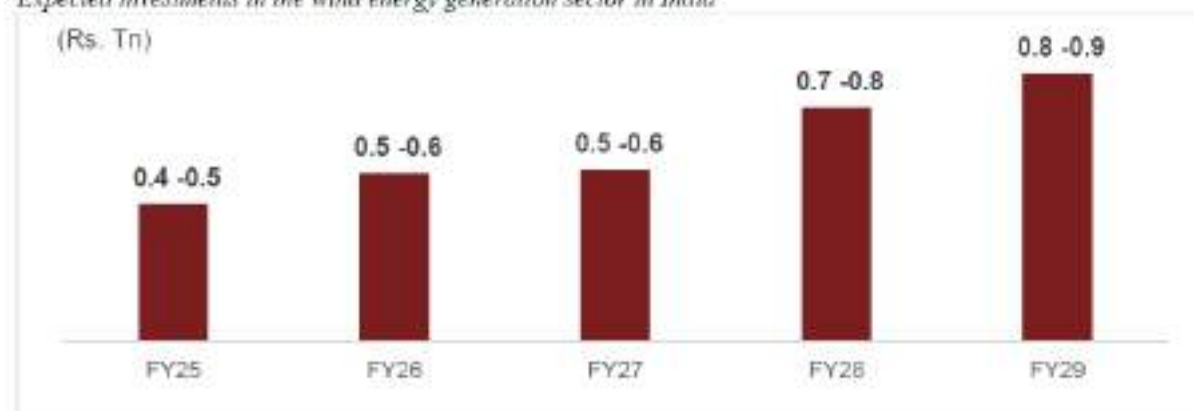
Trend in cumulative solar capacity installation in India



In the renewable energy basket (including large hydro) as of September 2024, solar energy accounted for a share of 45%. (Source: CRISIL Report, November 2024). Growth in the solar power sector over the last five years has been robust according to CRISIL Research. Approximately 69 GW capacity was added in the segment over Fiscals 2018-25 (as of September 2024), registering a CAGR of approximately 24.7%, although on a low base. (Source: CRISIL Report, November 2024). According to CRISIL Research, solar sector growth in India primarily spurred by robust government backing, demonstrated through an aggressive tendering strategy. Some of the key catalysts include technological advancements, affordable financing, supportive policies, thrust on go-green initiatives/sustainability targets, cost optimization due to increased grid electricity tariffs, subsidy initiative (specially in rooftop solar) and various incentives such as the Inter State Transmission System charge waiver. (Source: CRISIL Report, November 2024) CRISIL Research expects 137-142 GW of solar capacity additions over Fiscal 2025 to Fiscal 2029. (Source: CRISIL Report, November 2024)

Wind Energy Potential

Expected investments in the wind energy generation sector in India



India has the fourth largest installed wind power capacity in the world, with approximately 47 GW as of September 31, 2024. (Source: CRISIL Report, November 2024). Wind power accounted for nearly 10.5% of India's total installed utility power generation capacity in Fiscal 2024 (as of September 2024). (Source: CRISIL Report, November 2024). Wind power capacity is mainly spread across the southern, western, and northwestern states of India. CRISIL Research expects capacity additions to grow over the next five years led by pipeline build-up under existing schemes and new tendering schemes, improvement in technology, thrust on green hydrogen, renewable generation obligation and mixed resource models. (Source: CRISIL Report, November 2024). CRISIL Research expects wind power capacity additions be approximately 34-36 GW over Fiscal 2025 to Fiscal 2029, higher than the approximately 10 GW in additions seen over Fiscal 2018 to Fiscal 2023. (Source: CRISIL Report, November 2024).

Power Consumption

We believe that there is huge potential for power demand in India. India's electricity requirement has risen at a CAGR of approximately 8.4% between Fiscal 2021 and Fiscal 2024 (Source: CRISIL Report, November 2024). Despite the high base of preceding three years, CRISIL Research expects power demand to grow by 5.5-6.0% in the next five years which will be supported by infrastructure-linked capital expenditure, strong economic fundamentals along with expansion of the power footprint via strengthening of the transmission and distribution infrastructure, coupled with major reforms initiated by the GoI for improving the overall health of the power sector, particularly that of state distribution utilities, are expected to improve the quality of power supply, thereby propelling power demand. (Source: CRISIL Report, November 2024).

Battery energy storage

Battery Energy Storage Systems (BESS) is another form of storage technology which has gained traction in the last few years. It has a very high energy density, making it appropriate to offer ancillary services. More importantly, BESS can be installed easily, requires less time for setup, and can be used for a wide range of grid support activities, such as energy time shift, distribution deferral, and energy arbitrage etc. The technology is yet to achieve its full potential to provide grid support services, and comes with high investment cost and changing technology, and therefore has associated risks. Further, batteries would require replacement or disposal after 10- 12 years, depending upon usage and type of technology.

Comparison with Listed Peers:

Name of the company	Revenue from Operations (in Rs Million)	Market Cap (in Rs Million)	Face Value (Rs per Share)	Basic EPS	NAV Per Share	P/E Ratio	RoNW (%)
NTPC Green Energy Ltd	19625.9	91000.0	10	0.5*	21.5	257.1	5.53%
Listed Peers							
Adani Green Energy Ltd	92200	2409947	10	7.13	62.08	184.7	12.85

For NTPC Green Energy Ltd, the Market Cap, PE (x), NAV are calculated on post-issue equity share capital based on the upper price band. Cmp as on 13th November, 2024

Key Risks

- The company relies on a limited group of utilities and power purchasers for the electricity generated by its plants and projects. Losing any of these key customers or experiencing a decline in their financial health could negatively impact its business, financial performance, and overall condition.
- The company's business and profitability largely depend on the availability and costs of solar modules, solar cells, wind turbine generators, and other essential materials and equipment for its solar, wind, and other renewable projects.
- The construction of its renewable energy projects may face potential cost overruns or delays, which could harm its business, financial performance, cash flow, and overall financial condition.
- The company's Power Purchase Agreements may expose it to various risks that could negatively affect its business, financial performance, and overall condition

Valuation & Outlook

NTPC green energy is one of the leading renewable power generating PSU having solar and wind power generation assets alongside increase focus on hydroelectric assets and power storage plans. It is going to be the leader in the segment with additional activities on hydroelectric projects. The company aims to increase its operational capacity to 6, 11, 9 GW by FY25, FY26E, FY27E respectively from 3.3 GW as of Sep'24.

On valuation parse at the upper price band ₹ 108/-, the issue is asking a Market Cap of ₹ 910000 Mn and based on FY 2025e annualized earnings and fully diluted post IPO paid-up capital, the company is asking for a PB of 4.96x and PE of 259.56x which appears aggressively priced. But considering its current established capacities and future expanded capacities, this is a pure long term story.

The company is well placed to capture the tailwind from capacity addition in renewables owing to its strong parentage (NTPC), low operating costs along with diversified capacity portfolio and access to lower cost of capital. Therefore we believe that this issue may be considered for its long term growth. Hence we give "SUBSCRIBE for LONG TERM" rating to this IPO.

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Ratings Methodology

- Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid-Caps & Small Caps as described in the Ratings Table below:

	Buy	Hold	Sell
Large Caps (Top 100 companies)	>15%	0%-15%	Below 0%
Mid-Caps (101st-250th company)	>20%	0%-20%	Below 0%
Small Caps (251st company onwards)	>25%	0%-25%	Below 0%

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