

Incorporated in April 2022, NTPC Green Energy Limited is a wholly-owned subsidiary of NTPC Limited. NTPC Green is a renewable energy company that focuses on undertaking projects through organic and inorganic routes. The company is promoted by its parent company, NTPC Ltd, India's largest power company both in terms of installed capacity as of March 31, 2024 and power generation in Fiscal 2024. NTPC Limited is a public sector enterprise under the ownership and administrative control of the Ministry of Power ("MOP") of the Government of India ("GoI").

Business Overview:

- The 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. (Source: CRISIL Report, November 2024)
- Company's 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. (Source: CRISIL Report, November 2024).
- Its operational capacity was 3,220 MW of solar projects and 100 MW of wind projects across six (6) states as of September 30, 2024.
- Company is strategically focused on developing a portfolio of utility-scale renewable energy projects, as well as projects for public sector undertakings ("PSUs") and Indian corporates.
- Its projects generate renewable power and feed that power into the grid, supplying a utility or off taker with energy. For its operational projects, it has entered into long-term Power Purchase Agreements ("PPAs") or Letters of Award ("LoAs") with an off taker 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, Company's "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 offtakers but where definitive agreements have not yet been entered, consisted of 9,175 MWs. As of September 30, 2024, its Capacity under Pipeline together with its Portfolio consisted of 26,071 MWs.
- NTPC Green Energy benefit from the support, vision, resources and experience of NTPC Limited and its consolidated subsidiaries, associates and joint ventures (the "NTPC Group"), which is looking to expand its non-fossil based capacity to 45-50% of its portfolio that will include 60 GW renewable energy capacity by 2032. (Source: CRISIL Report, November 2024).
- The NTPC Group is committed to its long-term success as its sustainability arm and partner and looks upon to lead its efforts in proactively supporting India's energy transition to cleaner renewable energy.
- In the six months period ended September 30, 2024 and Fiscal 2024, renewable energy sales accounted for 95.43% and 96.17%, respectively, of its revenue from operations as per its Restated Consolidated Financial Information. In Fiscal 2023 and Fiscal 2022, renewable energy sales accounted for 96.94% and 97.19%, respectively, of its revenue from operations as per its Special Purpose Carved-Out Combined Financial Statements.
- As of September 30, 2024, company had 17 offtakers across 41 solar projects and 11 wind projects.
- It defines offtakers as parties with whom it has megawatts operating, contracted or awarded (signed PPA or from whom it has received an LoA). As of September 30, 2024, all 9 of its offtakers from which company earned revenue in the six months period ended September 30, 2024 were government agencies and public utilities with which it has long-term PPAs with an average term of 25 years.

NSE SYMBOL	NTPCGREEN
SECTOR	POWER GENERATION & DISTRIBUTION
ISSUE SIZE	Rs. 10000 Crs.
PRICE BAND	Rs. 102 - 108
BID SIZE (Nos.)	138
FACE VALUE	Rs. 10.00
MARKET CAP	Rs. 91000 Crs
RATING	SUBSCRIBE

TENTATIVE DATES	
ISSUE OPEN DATE	19TH NOV 2024
ISSUE CLOSE DATE	22ND NOV 2024
BASIS OF ALLOTMENT	25TH NOV 2024
INITIATION OF REFUNDS	26TH NOV 2024
CREDIT OF SHARES	26TH NOV 2024
LISTING DATE	27TH NOV 2024

- The company along with the NTPC Group have a demonstrated track record of developing, constructing and operating renewable power projects, driven by its experienced in-house management and procurement teams.
- 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 Contracted and Awarded.
- NTPC Green Energy Limited is considered a partner of choice by many PSUs for fulfillment of their renewable energy development goals.
- It has signed joint venture agreements to produce renewable power with Rajasthan Rajya Vidyut Utpadan Nigam Limited (RRVUNL), Mahatma Phule Renewable Energy & Infrastructure Technology Limited (MAHAPRET), Damodar Valley Corporation (DVC) and two other PSUs and have signed MOUs or term sheets with other private corporates.
- Company's revenue from operations has grown at a CAGR of 46.82% from Rs.910.42 Cr. in Fiscal 2022 (on a special purpose carved-out basis) to Rs.1962.59 Cr. in Fiscal 2024 (on a restated basis).
- Operating EBITDA has grown at a CAGR of 48.23% from Rs.794.89 Cr. in Fiscal 2022 (on a special purpose carved-out basis) to Rs.1746.47 Cr. in Fiscal 2024 (on a restated basis).
- Profit After Tax has grown at a CAGR of 90.75 % from Rs.947.42 Cr.in Fiscal 2022 (on a special purpose carved-out basis) to Rs.344.72 Cr. in Fiscal 2024 (on a restated basis).
- For the six months periods ended September 30, 2024 and 2023 and for Fiscal 2024, it achieved an Operating EBITDA margin of 86.07%, 90.71% and 88.99%, respectively, on a restated basis. For Fiscal 2023 and Fiscal 2022, company achieved an Operating EBITDA margin of 90.34%, and 87.31%, respectively, on a special purpose carved-out basis.
- For the six months periods ended September 30, 2024 and 2023 and for Fiscal 2024, it achieved a profit margin of 16.20%, 20.64% and 17.56%, respectively, on a restated basis. For Fiscal 2023 and Fiscal 2022, company achieved a PAT margin of 31.49%, and 10.41%, respectively, on a special purpose carved-out basis. *(Source— RHP)*

STRENGTHS

- The company is promoted by NTPC Limited, which has extensive experience in executing large- scale projects, longterm relationships with offtakers and suppliers and financial strength.
- The company has a Portfolio of 16,896 MWs solar and wind projects as of September 30, 2024 with diversification across geographies and offtakers
- Experienced team in renewable energy project execution and procurement as well as operating and maintenance
- Growing revenues along with strong credit ratings that enable a low cost of capital employed
- Experienced Management Team *(Source— RHP)*

OBJECTS OF THE ISSUE

- **Fresh Issue** - The Company would also raise up to Rs. 10000 crores by offering fresh shares. Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects.
 - Investment in its wholly owned Subsidiary, NTPC Renewable Energy Limited (NREL) for repayment/ prepayment, in full or in part of certain outstanding borrowings availed by NREL.
 - General Corporate purposes.

RISKS

- There is a concentrated pool of utilities and power purchasers for electricity generated by its plants and projects.
- Company's business and profitability is substantially dependent on the availability and cost of solar modules, solar cells, wind turbine generators and other materials, components and equipment for its solar, wind and other projects. It is dependent on third party suppliers for meeting its materials, component and equipment requirements.
- Company's renewable energy project construction activities may be subject to cost overruns or delays which may adversely affect its business, results of operations, financial condition and cash flows.
- In the six months period ended September 30, 2024 and in Fiscal 2024, 62.20% and 61.74%, respectively, of its operating renewable energy projects are concentrated in Rajasthan. Any significant social, political, economic or seasonal disruption, natural calamities or civil disruptions in Rajasthan could have an adverse effect on business, results of operations and financial condition.
- Company's Special Purpose Carved-Out Combined Financial Statements and Carved-Out Operating Data for Fiscal 2023 and Fiscal 2022 may not be representative of its results as an independent company. *(Source— RHP)*

PEER COMPARISON

	Face Value (Rs.)	CMP In Rs. (18-11-2024)	TTM EPS (Rs.)	BV per share (Rs.)	P/E (X)	P/BV (X)	M. Cap / Sales
Adani Green Energy	10.00	1456.95	8.61	66.77	169.2	21.8	21.9
NTPC Green Energy	10.00	108.00	0.37	21.70	291.8	5.0	44.7

(**On upper price band and on enhanced equity)

RECOMMENDATION

At the upper band of offer price of Rs 108, the issue has been priced at P/BV of 5 times and P/E of 291 times on enhanced equity. Compared to nearest peer Adani Green Energy, P/BV of 22 times and P/E of 169 times, NTPC GREEN ENERGY is reasonably valued.

Investors - **SUBSCRIBE to NTPC GREEN ENERGY LTD - IPO** considering largest renewable energy public sector enterprise, strong parentage (NTPC), diversified Portfolio of 16,896 MWs solar and wind projects as of September 30, 2024, experienced team and growing revenues along with strong credit ratings.

PROFIT & LOSS A/C

(In Rs. Crore.)

	FY 2023	FY 2024	3 MONTHS JUNE FY 2024	3 MONTHS JUNE FY 2025
Income				
Revenue from operations	169.69	1962.60	1008.32	1082.29
Other income	0.94	75.06	12.82	50.45
Total income	170.63	2037.66	1021.14	1132.74
Expenses				
Employee benefits expense	2.81	37.01	15.92	30.66
Finance costs	49.87	690.57	335.69	377.82
Depreciation and amortization expenses	49.91	642.76	310.94	357.83
Other expenses	15.50	179.11	77.80	118.69
Total expenses	118.09	1549.46	740.34	884.99
Profit before share of profits of JV	52.54	488.20	280.80	247.75
Share of profits of JV	0.00	0.00	0.00	-1.38
Profit before tax	52.54	488.20	280.80	246.37
Tax expense				
Current tax	0.00	0.00	0.00	0.00
Current year	0.01	0.01	0.01	0.00
Deferred tax	-118.69	143.47	72.63	71.07
Total tax expense	-118.68	143.48	72.64	71.07
Profit for the year	171.23	344.72	208.16	175.30

BALANCE SHEET
(In Rs. Crore.)

	FY 2023	FY 2024	3 MONTHS JUNE FY 2024	3 MONTHS JUNE FY 2025
ASSETS				
Property, plant and equipment	14758.12	17573.00	15166.10	19076.13
Capital work-in-progress	1749.35	7138.07	1914.02	9030.51
Other non-current assets	1129.97	1241.55	1327.28	2247.10
Total non-current assets	17637.44	25952.61	18407.40	30353.74
Inventories	9.30	24.50	9.70	28.37
Trade receivables	325.50	704.81	510.33	461.07
Cash and Bank Balances	72.75	472.14	431.46	1455.44
Other current assets	386.41	52.35	501.19	109.68
Total current assets	793.95	1253.81	1452.68	2054.56
TOTAL ASSETS	18431.40	27206.42	19860.08	32408.30
EQUITY AND LIABILITIES				
Equity share capital	4719.61	5719.61	4719.61	7500.00
Other equity	167.82	512.53	375.97	689.18
Non-controlling interests	0.06	0.07	0.07	91.82
Total equity	4887.49	6232.21	5095.65	8281.00
Borrowings	5243.53	12164.51	9102.14	16402.19
Lease liabilities	684.22	978.27	687.53	902.71
Deferred tax liabilities (net)	1086.49	1229.96	1159.12	1301.03
Other non-current liabilities	1694.59	1934.36	1762.60	1942.57
Total non-current liabilities	8708.83	16307.09	12711.38	20548.50
Borrowings	174.31	632.23	620.69	655.31
Lease liabilities	34.95	80.92	37.09	84.26
Trade payables	102.27	62.48	55.56	91.87
Other current liabilities	4523.55	3891.48	1339.70	2747.37
Total current liabilities	4835.08	4667.12	2053.04	3578.81
TOTAL EQUITY AND LIABILITIES	18431.40	27206.42	19860.08	32408.30

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