IPO NOTE

18th November 2024

NTPC Green Energy Ltd

Issue Detail	
Price Band (Rs.)	₹102 to ₹108
Face Value (Rs.)	₹10 per share
Issue Size (Rs.)	₹10,000 Cr
Issue Type	Book Built Issue IPO
Lot Size	138 shares
Issue Opens	November 19, 2024
Issue Closes	November 22, 2024
Listing on	BSE & NSE

Indicative Timeline	On or before
Finalization of Basis of Allotment	November 25, 2024
Unblocking of Funds	November 26, 2024
Credit of shares to Demat Account	November 26, 2024
Listing on exchange	November 27, 2024

Other Detail	
Book Running Lead Managers	• IDBI Capital Market Services Limited • HDFC Bank Ltd • IIFL Securities Ltd • Nuwama Wealth Management Ltd
Registrar	Kfin Technologies Limited

IPO Shareholding (%)		
Category	**Pre-Issue**	**Post-Issue**
Promoters	100%	89.01%
Public	-	10.99%
Total	**100%**	**100%**

Distribution Team

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Company Background

NTPC Green Energy Limited (NGEL), a subsidiary of NTPC Limited—India's largest energy conglomerate—leads NTPC's shift toward clean energy with a dedicated focus on renewable power generation through solar, wind, and hybrid projects. Established to support India's transition to sustainable, low-carbon energy, NGEL is integral to NTPC's long-term vision. With an impressive 76 GW of installed capacity, NTPC aims to expand to 130 GW by 2032, building a diversified, balanced energy portfolio that aligns with India's climate goals and commitment to sustainable development.

Issue Details

NTPC Green Energy IPO is a book-built issue of Rs 10,000.00 crores. The issue is entirely a fresh issue of around 92.59 crore shares.

Issue Objectives

The company proposes to utilise the Net Proceeds towards funding the following objects.

- Investment in the 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 purpose

IPO Share Issue Structure

Category	Allocation	Number of Shares	Value at upper price band (Rs. in Cr.)
QIB (Institutional)	75%	61,11,11,111	6600.00
Non-Institutional	15%	12,22,22,222	1320.00
Retail	10%	8,14,81,481	880.00
Employee*		1,85,18,519	200
Shareholder^		9,25,92,593	1000
Total	100%	**92,59,25,926**	**10000**
Note: *Employee Discount of Rs 5 per share ^ Shareholder reservation aggregating upto Rs 1,000 Cr			

Source: Company RHP, ACMIIL Research

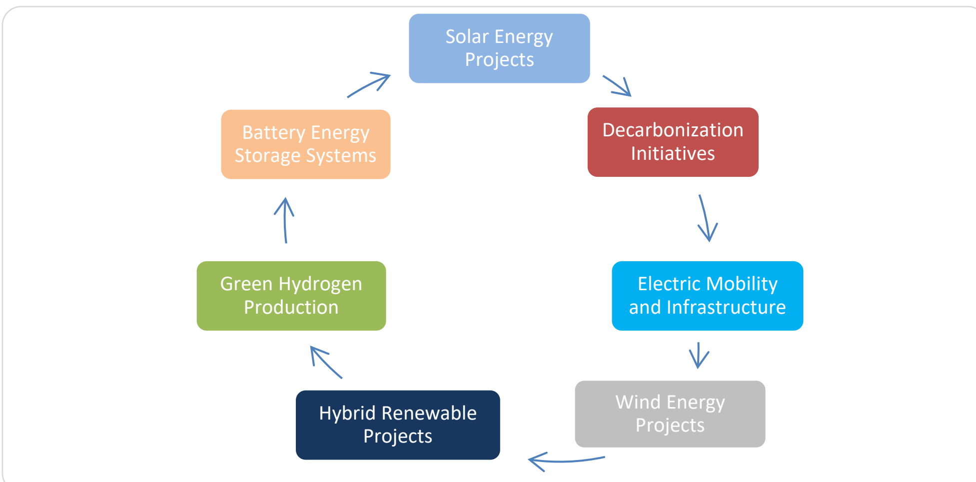
Outlook

In this growing market for renewable power, the company intends to continue to strengthen their position as one of the leading renewable energy companies in India (in terms of total commissioned capacity) in the core solar and wind energy businesses and focus on new geographies and new offtaker customers. They intend to leverage their experience in executing large solar and wind energy projects to further win bids and tenders of Central and State government agencies and state public utilities. They aim to focus on gigawatt scale projects. The prudent bidding approach and financial discipline is aimed at achieving pre-determined internal rate of returns from their projects. To maintain a similar growth rate and to achieve the internal rate of returns, they intend to continue deploying a prudent approach which is backed by thorough diligence and data analysis of proposed projects. In Fiscal 2024, they emerged as the market leader in the winning capacities under Tariff Based Competitive Bidding in the sector with an aggregate capacity of 3.5 GW which is equivalent to AC capacity of around 5 GW.

Company Overview

The company 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 30th, 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. Their operational capacity was 3,220 MW of solar projects and 100 MW of wind projects across six (6) states as of September 30, 2024. They are strategically focused on developing a portfolio of utility-scale renewable energy projects, as well as projects for public sector undertakings ("PSUs") and Indian corporates. The projects generate renewable power and feed that power into the grid, supplying a utility or offtaker with energy. For the 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.

Key Focus Business Areas



Source: Company RHP, ACMIIL Research

Key Strengths

Source: Company RHP, ACMIIL Research

Financial Snapshot (Consolidated)

Particulars (Rs in Mn.)	FY22	FY23	FY24
Revenue from Operations	9104.21	14497.09	19625.98
Operating EBITDA	7948.88	13096.16	17464.70
EBITDA margin (%)	87.31%	90.34%	88.99%
Profit Before Tax (PBT)	2668.99	3908.87	4881.98
Profit After Tax (PAT)	947.42	4564.88	3447.21
PAT Margin (%)	10.41%	31.49%	17.56%
ROCE%	4.9%	8.4%	6.2%
ROE%	4.9%	8.4%	6.2%

Source: Company RHP, ACMIIL Research

Comparison with Peers as of March 31st, 2024

Company Name	EPS (₹) (Diluted)	NAV (Per Share)	P/E (x)	RoNW (%)	P/BV Ratio	Financial Statements
NTPC Green Energy Limited	0.73	10.90	[•]	5.53	9.91	Consolidated
Adani Green Energy Limited	6.20	62.08	259.83	12.81	28.82	Consolidated
Renew Energy Global PLC	9.92	290.15	47.05	3.94	1.61	Consolidated

Source: Company RHP, ACMIIL Research

Risks and concerns

- Restrictions on solar equipment imports and wind turbine generator imports and other factors affecting the price or availability of solar equipment, may increase the business costs.
- Delays in obtaining, or a failure to maintain, governmental approvals and permits required to construct and operate the projects may adversely affect such projects and the business.
- If inflation were to rise in India, company might be not able to increase the prices of the services at a proportional rate thereby reducing the margins.

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Rollover Analysis (Monthly)	IPO Note
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