

# **NTPC Green Energy Ltd**

## **IPO Note**



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### Moving towards a greener future

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.

NGEL is tasked with expanding NTPC's renewable energy capacity, focusing on solar, wind, and hybrid projects. This is part of NTPC's larger commitment to reduce its reliance on coal-based power and increase its renewable energy capacity. NTPC aims to achieve 60 GW of renewable energy capacity by 2032, and NGEL plays a central role in realizing this target.

As of August 31, 2024, the company had an operational capacity of 3,071 MW from solar projects and 100 MW from wind projects across six states.

As of June 30, 2024, the company's Portfolio consisted of 14,696 MW, including 2,925 MW of operating projects and 11,771 MW of contracted and awarded projects. The company also had 15 off-takers across 37 solar projects and 9 wind projects.

The CUF has been consistently improving, driven by operational efficiency increasing from 19.4% in FY22 to 24.73% in FY24. NTPC Green Energy has fared well in comparison to its peers.

NTPC intends to continue to grow its project pipeline through prudent bidding and strategic joint ventures with PSUs and private corporates. They have signed a JV Agreement with MAHAPREIT to implement Renewable Energy Park projects including solar, wind and hybrid energy.

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.

#### Key Consolidated Financial Data (INR Cr, unless specified):

	Revenue	EBITDA	PAT	EBITDA (%)	PAT (%)	Adj EPS (₹)	RoE (%)	ROCE (%)	EV/EBITDA	P/E (X)	P/BV (X)
FY23	169.7	151.4	171.2	100.9	100.9	0.2	23.7	28.2	602.0	531.5	122.5
FY24	1,962.6	1,745.4	344.7	17.6	17.6	0.4	43.0	62.4	52.2	264.0	111.3

Source: Ventura Research & Company update

Industry	Power Generation & Distribution
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#### Script Details

Listing	BSE & NSE
Open Date	Nov 19, 2024
Close Date	Nov 22, 2024
Price Band	INR 102 -108
Face Value	INR 10
Market Lot	138 Shares
Minimum Lot	1

#### Issue Structure (%)

Issue Size (INR cr)	INR 10,000
Issue Size (Shares)	92,59,25,926
QIB Share (%)	> 75%
Non-Inst Share (%)	< 15%
Retail Share (%)	< 10%
Pre-Issue sh (in cr)	750
Post Issue sh (in cr)	842.59
Post Issue Market Cap (in cr)	90999.72

Shareholding (%)	Pre (%)	Post (%)
Promoter	100	89.01
Public	0.0	10.99
<b>TOTAL</b>	<b>100</b>	<b>100</b>

### Issue Structure and Offer Details:

NTPC Green Energy IPO is a book-built issue of Rs 10000.00 crores. The issue is entirely a fresh issue of 92.59 crore shares.

Issue Structure	
Investor Category	Allocation
QIB	Not less than 75.00% of the Offer
NII (HNI)	Not more than 15.00% of the Net issue
Retail	Not more than 10.00% of the Offer

*Number of shares based on a higher price band of INR 108*

*Source: Company Reports*

### Objects of the Issue:

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.

## Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	Fig in INR Cr (unless specified)	FY23	FY24
<b>Income Statement</b>			<b>Per share data &amp; Yields</b>		
Revenue	169.7	1,962.6	Adjusted EPS (INR)	0.2	0.5
<i>YoY Growth (%)</i>		<i>1,056.6</i>	Adjusted Cash EPS (INR)	0.3	1.3
Raw Material Cost	0.0	0.0	Adjusted BVPS (INR)	1.0	1.1
<i>RM Cost to Sales (%)</i>	<i>0.0</i>	<i>0.0</i>	Adjusted CFO per share (INR)	0.0	2.1
Employee Cost	2.8	37.0	CFO Yield (%)	0.0	1.9
<i>Employee Cost to Sales (%)</i>	<i>1.7</i>	<i>1.9</i>	Adjusted FCF per share (INR)	(0.8)	(8.5)
Other Expenses	15.5	180.2	FCF Yield (%)	(0.7)	(7.9)
<i>Other Exp to Sales (%)</i>	<i>9.1</i>	<i>9.2</i>	<b>Solvency Ratio (X)</b>		
EBITDA	151.4	1,745.4	Total Debt to Equity	0.6	0.5
<i>Margin (%)</i>	<i>89.2</i>	<i>88.9</i>	Net Debt to Equity	0.2	0.1
<i>YoY Growth (%)</i>		<i>1,052.9</i>	Net Debt to EBITDA	1.0	0.0
Depreciation & Amortization	49.9	642.8	<b>Return Ratios (%)</b>		
EBIT	101.5	1,102.7	Return on Equity	23.7	43.0
<i>Margin (%)</i>	<i>59.8</i>	<i>56.2</i>	Return on Capital Employed	28.2	62.4
<i>YoY Growth (%)</i>		<i>986.4</i>	Return on Invested Capital	11.7	125.2
Other Income	1.1	76.9	<b>Working Capital Ratios</b>		
Bill discounting & other charges	50.1	691.3	Payable Days (Nos)	843	90
Fin Charges Coverage (X)	2.0	1.6	Inventory Days (Nos)	1,104	93
Exceptional Item	0.0	0.0	Receivable Days (Nos)	450	49
PBT	52.5	488.2	Net Working Capital Days (Nos)	712	52
<i>Margin (%)</i>	<i>31.0</i>	<i>24.9</i>	Net Working Capital to Sales (%)	195.0	14.4
<i>YoY Growth (%)</i>		<i>829.1</i>	<b>Valuation (X)</b>		
Tax Expense	(118.7)	143.5	P/E	473.1	235.0
<i>Tax Rate (%)</i>	<i>(225.9)</i>	<i>29.4</i>	P/BV	109.1	99.1
PAT	171.2	344.7	EV/EBITDA	536.0	46.5
<i>Margin (%)</i>	<i>100.9</i>	<i>17.6</i>	EV/Sales	478.2	41.3
<i>YoY Growth (%)</i>		<i>101.3</i>	<b>Cash Flow Statement</b>		
Min Int/Sh of Assoc	(0.0)	(0.0)	PBT	52.5	488.2
Net Profit	171.2	344.7	Adjustments	(290.5)	1,185.1
<i>Margin (%)</i>	<i>100.9</i>	<i>17.6</i>	Change in Working Capital	136.5	49.3
<i>YoY Growth (%)</i>		<i>101.3</i>	Less: Tax Paid	118.7	(143.5)
<b>Balance Sheet</b>			Cash Flow from Operations	17.3	1,579.1
Share Capital	21.7	21.8	Net Capital Expenditure	(751.4)	(8,463.1)
Total Reserves	721.1	795.7	Change in Investments	(9,552.9)	(744.0)
Shareholders Fund	742.8	817.5	Cash Flow from Investing	(10,304.3)	(9,207.0)
Long Term Borrowings	89.3	104.2	Change in Borrowings	5,326.9	7,362.1
Deferred Tax Assets / Liabilities	(0.8)	(2.1)	Less: Finance Cost	(50.1)	(691.3)
Other Long Term Liabilities	102.3	145.2	Proceeds from Equity	5,083.0	1,000.0
Long Term Trade Payables	0.0	0.0	Buyback of Shares	0.0	0.0
Long Term Provisions	59.7	56.9	Dividend Paid	0.0	0.0
Total Liabilities	993.2	1,121.7	Cash flow from Financing	10,359.8	7,670.8
Net Block	443.0	555.1	Net Cash Flow	72.7	42.9
Capital Work in Progress	33.1	34.9	Forex Effect	0.0	0.0
Intangible assets under development	0.0	0.0	Opening Balance of Cash	0.0	72.7
Non Current Investments	54.2	30.0	Closing Balance of Cash	72.7	115.6
Long Term Loans & Advances	60.2	43.2			
Other Non Current Assets	1.1	6.2			
Net Current Assets	401.7	452.3			
Total Assets	993.2	1,121.7			

Source: Ventura Research & Company update



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