



## IPO Note

# NTPC Green Energy Limited

Recommendation: **NEUTRAL!**

### Company Background -

- **Incorporation:** NTPC Green Energy Limited was originally incorporated on April 07, 2022 for the reorganization of NTPC Limited's renewable energy business. The registered office is located at New Delhi, India.
- **Business Activity:** The company is a wholly owned subsidiary of NTPC Limited. The company generates electricity using renewable energy portfolio which consists of both solar and wind power assets.
- **Revenue Stream:** The major revenue stream for the company is from solar energy plants.
- **Human Resource:** The company had 232 full-time employees as of Sep 30, 2024.

### Objects of the Issue -

- 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
- General corporate purposes

### Promoters Name -

President of India, acting through the Ministry of Power, Government of India and NTPC Limited

### Rationale for recommendation -

- ✓ The PE ratio is 259.56 times post issue makes it aggressively priced.
- ✓ The top line and bottom line have seen a sudden increase in FY2023.
- ✓ The RoCE and RoE has remained low over the years.
- ✓ The company is a part of NTPC group.
- ✓ The company has entered into joint venture agreements with few of the companies to take up renewable energy projects and taken many initiatives.
- ✓ The company's management is satisfactory.

### IPO Details

Opening Date	Nov 19, 2024
Closing Date	Nov 22, 2024
Allotment Date	Nov 25, 2024
Listing Date	Nov 27, 2024
Stock Exchange	BSE, NSE
Lot Size	138 Shares
Issue Price Per Share	₹102 to ₹108
Issue Size	10,000.00 Cr.
Fresh Issue	10,000.00 Cr.
Offer for Sale	-
Application Amt	₹ 14,904 - ₹ 1,93,752 (138 to 1,794 shares)

### INDUSTRY - Renewable Energy

Avg. PE ratio as per RHP - 153.44

	KPIs (In Crores)			
KPI's	FY 22	FY 23	FY 24	Sep-24
Revenue	910.42	1,619.40	1,962.60	1,082.29
EBITDA	794.89	1,461.00	1,746.47	931.57
Net Profit	94.74	627.72	344.72	175.30
RoCE	3.98%	7.02%	4.90%	3.23%
ROE	4.85%	12.84%	5.53%	2.12%
P/E	-	23.18	147.95	231.03*

\*Annualized

### Promoter Share Holding Pattern

Pre-Issue	Post Issue
100.00%	89.01%

### Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	0.73	0.42
BVPS	10.90	21.90
P/E	147.95	259.56
P/BV	9.91	4.93
Mkt Cap (In Cr)	81,000.00	91,000.00

\*Annualized

### Lead Managers -

1. IDBI Capital Markets & Securities Limited
2. HDFC Bank Limited
3. IIFL Capital Services Limited
4. Nuvama Wealth Management Limited

### Registrar -

KFin Technologies Limited

## Business Overview –

NTPC Green Energy Limited is a wholly owned subsidiary of NTPC Limited. The renewable energy portfolio encompasses both solar and wind power assets and they have established their presence in 6 states. 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 (constructing 36 renewable energy projects). The capacity under pipeline consisted of 26,071 MWs. For operational projects, they have entered into long-term power purchase agreements (PPA) or letter of award (LoAs) with offtakers that is either central government agency, state government agency or public utility for an average term of 25 years. The company has 17 offtakers across 41 solar projects and 11 wind projects.

For solar energy projects they use turnkey EPC contract model or they procure major equipment and supplies. For wind energy projects, they use the turnkey EPC model, entering into contracts with OEMs for manufacturing, installing, and commissioning wind turbines and the balance of plant.

O&M technologies that the company is including are –

- Robotic dry cleaning of photovoltaic (“PV”) arrays
- Drone photovoltaic thermography
- String Combiner Box (“SCB”) thermography
- Live dashboards for generation performance monitoring on plant information server
- Mechanized module washing, vegetation removal
- CCTV Surveillance for plant security
- Module and string level I-V tracing.

## Subsidiaries:

1. **NTPC Renewable Energy Limited (100% shareholding)** – NREL is engaged in the business of planning, promoting and organizing an integrated development of power generation through non-conventional/renewable energy sources.
2. **Green Valley Renewable Energy Limited (51% shareholding)** – GVREL is engaged in the business of planning, promoting and organizing an integrated development of power generation through non-conventional/renewable energy sources.

## Joint Ventures:

**Indian Oil NTPC Green Energy Private Limited (50% shareholding)** - INGEL is engaged in the business of developing grid connected and/or off-grid renewable energy-based power projects.

Also, they have 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.

## Revenue Bifurcation:

(Amt in Cr.)

Particulars	FY 2022		FY 2023		FY 2024		Sep-24	
	Amt	%	Amt	%	Amt	%	Amt	%
<b>Renewable Energy Sales</b>								
Solar	844.76	92.79	1,365.18	94.17	1,840.35	93.77	9,82.50	90.78
Wind	40.08	4.40	40.13	2.77	47.10	2.40	50.32	4.65
<b>Consultancy, project management and supervision fee</b>	-	-	-	-	10.05	0.51	140.04	1.30
<b>Other operating revenues recognized from Government Grants</b>	25.59	2.81	44.40	3.06	65.10	3.32	32.78	3.03
<b>Interest from customers</b>	-	-	-	-	-	-	2.65	0.24
<b>Total</b>	<b>910.42</b>	<b>100.00</b>	<b>1,449.71</b>	<b>100.00</b>	<b>1,962.60</b>	<b>100.00</b>	<b>1,082.30</b>	<b>100.00</b>

## Competition -

1. **Market Competition:** The company operates in a highly competitive industry and the key factors of competition are price and quality of product/service and technology used.
2. **Geographic Competition:** The company faces competition from Indian and international developers and operators of solar projects, wind projects and other renewable energy sources.
3. **Barriers to entry:** Moderate barriers to entry.
4. **Threat of Substitutes:** High threat of substitutes.
5. **Bargaining Power of Buyers:** The bargaining power is slightly low with the customers.
6. **Bargaining Power of Suppliers:** The bargaining power of suppliers is high.

## Business Strategies -

1. The company aims to focus on gigawatt scale solar and wind energy projects.
2. The company is investing in hydrogen, green chemical and battery storage capabilities and solutions as well as associated technologies.
3. The company is developing a green hydrogen hub at Pudimadaka and finalizing a tie-up for electrolyzers.
4. In the area of battery storage, they intend to install the Grid scale battery storage as part of Firm and Dispatchable Renewable Energy (FDRE)/Round-theClock (RTC) projects to complement the solar and wind power in addition to participate in standalone Grid scale battery energy storage system service tenders in the market for various DISCOMS or Grid balancing.
5. The company is in process to install Battery Energy Storage at a NTPC Thermal plant to smooth the flexibilization on pilot basis.
6. The company is presently developing 2.7 GW of Round the Clock (combines storage system such as battery energy storage system or PSP with Solar, Wind or Hydro) renewable energy capacity, which also includes one of the world's largest Round the Clock renewable energy projects of 1.3 GW.

## Risk Factors -

The company is highly dependent on top 9 offtakers which contributed to 97.75%, 98.54%, 97.63% and 97.96% for FY2022, 2023, 2024 and Sep-24 respectively.

The company is dependent on top 10 suppliers to procure a significant portion of major equipment and supplies which contributed to 80.89% and 95.72% for FY2024 and Sep-24 respectively.

The company's renewable energy projects are concentrated in Rajasthan.

The company had Rs. 14,525.46 Cr of unsecured loans as of Sep 30, 2024.

The company has 3 outstanding cases against it for regulatory matters amounting to Rs. 48 Cr and they have filed 5 cases regarding tax matters amounting to Rs. 3,903.20 Cr.

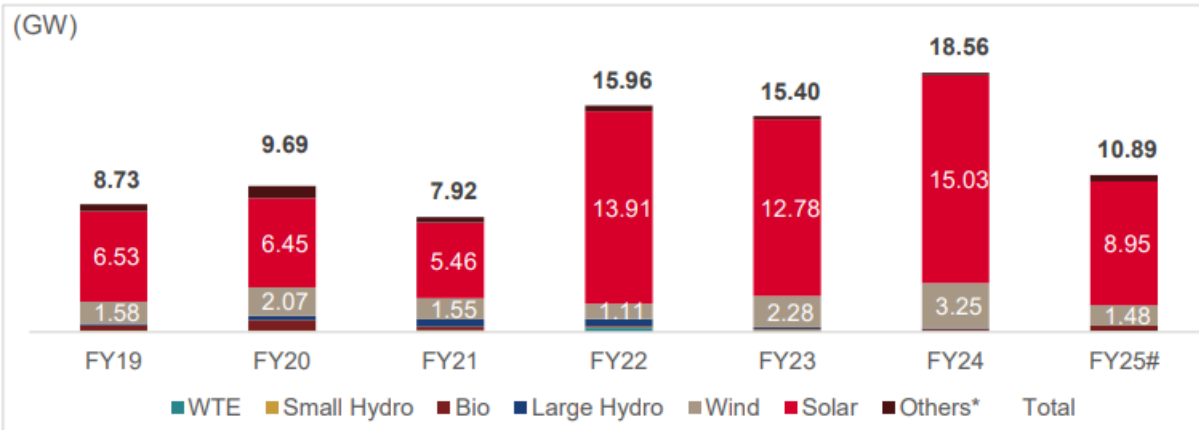
The corporate promoter has 24 cases against it regarding criminal, tax and civil matters amounting to Rs. 5,672 Cr. and has filed 94 cases regarding criminal, tax, regulatory and civil matters amounting to Rs. 4,384.94 Cr.

The subsidiary company has filed 6 cases regarding regulatory matters amounting to Rs. 79 Cr.

INDUSTRY OVERVIEW

Renewable Energy Industry in India-

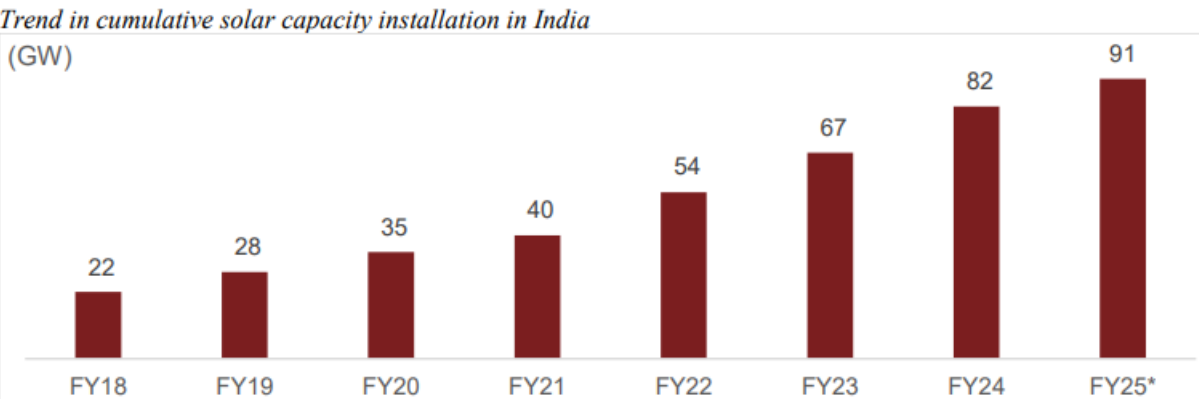
Renewable energy installations (incl. large hydro) have increased to ~201 GW as of September 2024, as compared with ~63 GW as of March 2012, led by various central and state-level incentives. As of September-2024, installed grid connected RE generation capacity (incl. large hydro) in India constituted ~45% of the total installed generation base in India. This growth has been led by solar power, which has grown to ~91 GW from merely ~0.09 GW over the discussed time period (i.e., from March 2012). The installed RE (incl. large hydro) capacity has grown from 114 GW in fiscal 2018 to 201 GW in fiscal 2025 (as of September 2024) at a CAGR of ~9%.



(Source: RHP)

Solar Sector in India -

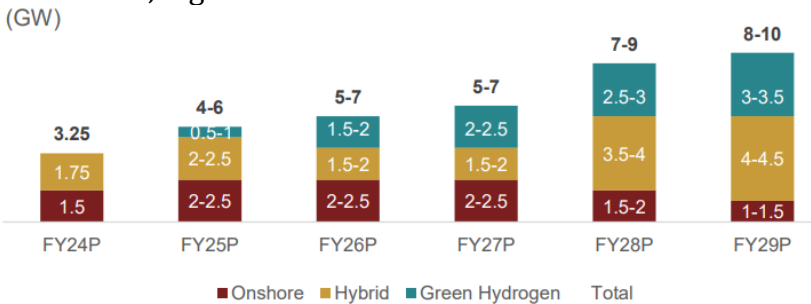
In the renewable energy basket (including large hydro) as of September 2024, solar energy accounted for a share of 45%. Growth in the solar power sector over the last five years has been robust. As much as ~69 GW capacity was added in the segment over fiscals 2018-25 (as of September 2024), registering a CAGR of ~24.7%, although on a low base.



(Source: RHP)

Wind Sector in India -

Wind power has witnessed a healthy capacity addition of ~1.48 GW in six months of fiscal 2025 vis-a-vie ~3.25 GW in Fiscal 2024. CRISIL MI&A-Consulting expects wind power capacity additions to remain at ~34-36 GW over fiscals 2025-2029, higher than the ~10 GW seen over fiscals 2018-2023.



(Source:RHP)

**Key Management -**

<b>Key Management Persons Name -</b>	<b>Gurdeep Singh</b>
<b>Age</b>	59
<b>Designation and No. of experience</b>	Chairman and Managing Director, 18+ years of experience in power sector
<b>Qualification</b>	Bachelor's degree in science (mechanical engineering) and Completed management education programme
<b>Responsibility</b>	Responsible for overall performance and provide strategic leadership for achieving sustenance and growth in terms business strategy for realizing vision of the company
<b>Other Directorships</b>	NTPC Limited and North Eastern Electric Power Corporation Limited

<b>Key Management Persons Name -</b>	<b>Jaikumar Srinivasan</b>
<b>Age</b>	57
<b>Designation and No. of experience</b>	Director (Finance), 17+ years of experience in power sector
<b>Qualification</b>	Member of ICMAI and bachelor's degree in commerce
<b>Responsibility</b>	Responsible for ensuring timely construction, erection, commissioning and completion of all projects as per the desired quality and cost framework through effective project management system.
<b>Other Directorship</b>	NTPC Limited, Green Valley Renewable Energy Limited etc.

<b>Key Management Persons Name -</b>	<b>Shanmugha Sundaram Kothandapani</b>
<b>Age</b>	57
<b>Designation and No. of experience</b>	Director (Projects), 36+ years of experience in power sector
<b>Qualification</b>	Bachelor's degree in engineering (electronics and communication) and Post graduate diploma in business management
<b>Responsibility</b>	Responsible for ensuring timely construction, erection, commissioning and completion of all projects as per the desired quality and cost framework through effective project management system
<b>Other Directorships</b>	NTPC Limited, NTPC Renewable Energy Limited, Patratu Vidyut Utpadan Nigam Limited etc.

<b>Key Management Persons Name -</b>	<b>Dr. Viveka Nand Paswan</b>
<b>Age</b>	51
<b>Designation and No. of experience</b>	Additional Director (Independent), 2 years of experience in academia
<b>Qualification</b>	Bachelor's degree in arts (history), Bachelors in acharya studies, Degree of doctor of philosophy
<b>Other Directorships</b>	NTPC Renewable Energy Limited

<b>Key Management Persons Name -</b>	<b>Bimal Chand Oswal</b>
<b>Age</b>	64
<b>Designation and No. of experience</b>	Additional Director (Independent), 39+ years of experience in pharmaceutical sector
<b>Qualification</b>	Passed Honours exam and final exam in law
<b>Other Directorships</b>	North East India Ayush Consortium Limited

<b>Key Management Persons Name -</b>	<b>Sajal Jha</b>
<b>Age</b>	50
<b>Designation</b>	Non-official independent director, 14+ years of experience as practicing advocate
<b>Qualification</b>	Bachelor's degree in arts and Bachelor's degree in law
<b>Other Ventures</b>	Advocate on the role of the Bihar State Bar Council, Patna

- The overall management of the company is satisfactory.
- The management has good experience.
- There is an evidence of dual chairmanship, which is not favourable.
- Rajiv Gupta (CEO) has 36+ years of experience in power sector.
- Neeraj Sharma (CFO) is a qualified CA and has 25+ years of experience in power sector.
- The senior management (includes general managers) is good with an average of 30+ years of experience.



## FINANCIAL SNAPSHOT

## Statement of Profit and Loss

Amt in Crores

Particulars	FY 22*	FY 23*	FY 24	Sep-24
Revenue from Operations	910.42	1,619.40	1,962.598	1,082.291
Other Income	7.82	8.76	75.059	50.448
<b>Total Income</b>	<b>918.24</b>	<b>1,628.16</b>	<b>2,037.66</b>	<b>1,132.74</b>
<b>Expenses</b>				
Employee benefits expense	7.68	15.72	37.014	30.66
Finance Cost	253.05	519.94	690.573	377.815
Depreciation and Amortization expense	282.76	506.39	642.758	357.828
Other Expenses	107.85	142.69	179.112	118.691
<b>Total Expenses</b>	<b>651.34</b>	<b>1,184.73</b>	<b>1,549.46</b>	<b>884.99</b>
<b>EBITDA</b>	<b>794.89</b>	<b>1,461.00</b>	<b>1,746.47</b>	<b>931.57</b>
<b>EBITDA Margin</b>	<b>87.31%</b>	<b>90.22%</b>	<b>88.99%</b>	<b>86.07%</b>
<b>Profit/(Loss) before share of profits of joint ventures accounted for using equity method</b>	<b>266.90</b>	<b>443.43</b>	<b>488.20</b>	<b>247.75</b>
Share of Profit of associates	-	-	-	-1.38
<b>Profit/(Loss) before tax</b>	<b>266.90</b>	<b>443.43</b>	<b>488.20</b>	<b>246.37</b>
<b>Tax Expense</b>				
Current tax	0.04	0.01	0.01	-
Deferred Tax (net)	172.12	-184.30	143.470	71.07
<b>Total Tax Expense</b>	<b>172.16</b>	<b>-184.29</b>	<b>143.48</b>	<b>71.07</b>
<b>Profit/(Loss) for the year</b>	<b>94.74</b>	<b>627.72</b>	<b>344.72</b>	<b>175.30</b>
<b>Net Profit Margin</b>	<b>10.32%</b>	<b>38.55%</b>	<b>16.92%</b>	<b>15.48%</b>

\*Special Purpose Carved Out Combined Statement

## Statement of Assets and Liabilities

Amt in Crores

Particulars	FY 22*	FY 23*	FY 24	Sep-24
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' funds</b>				
Share Capital	-	4,719.61	5,719.61	7,500.00
Other Equity	1,951.53	167.82	512.53	689.18
<b>Total Shareholder's fund</b>	<b>1,951.53</b>	<b>4,887.43</b>	<b>6,232.14</b>	<b>8,189.18</b>
Non-Controlling Interest	-	0.06	0.07	91.82
<b>Total Equity</b>	<b>1,951.53</b>	<b>4,887.49</b>	<b>6,232.21</b>	<b>8,281.00</b>
<b>2. Non-current liabilities</b>				
Financial Liabilities				
(i) Borrowings	8,573.97	5,243.53	12,164.51	16,402.19
(ii) Lease Liabilities	142.58	684.22	978.27	902.71
(iii) Other financial liabilities	2.71			
Deferred tax liabilities (net)	1,152.10	1,086.49	1,229.96	1,301.03
Other non-current liabilities	1,030.65	1,694.59	1,934.36	1,942.57
<b>Total Non-current liabilities</b>	<b>10,902.01</b>	<b>8,708.83</b>	<b>16,307.09</b>	<b>20,548.50</b>
<b>3. Current liabilities</b>				
Financial Liabilities				
(i) Borrowings	47.21	174.31	632.23	655.31
(ii) Lease Liabilities	23.90	34.95	80.92	84.26
(iii) Trade Payables				
(a) Outstanding Dues to MSME	0.06	12.90	9.70	7.43
(b) Outstanding Dues to other than MSME	92.50	89.37	52.78	84.44
(iv) Other Financial Liabilities	1,834.56	4,448.90	3,790.19	2,653.97
Provisions	0.52	-	0.08	0.08
Other current liabilities	32.53	74.65	101.21	93.32
<b>Total Current liabilities</b>	<b>2,031.29</b>	<b>4,835.08</b>	<b>4,667.12</b>	<b>3,578.81</b>
<b>Total Liabilities</b>	<b>12,933.29</b>	<b>13,543.91</b>	<b>20,974.21</b>	<b>24,127.30</b>
<b>Total Equity and Liabilities</b>	<b>14,884.82</b>	<b>18,431.40</b>	<b>27,206.42</b>	<b>32,408.30</b>
<b>ASSETS</b>				
<b>1. Non-current assets</b>				

Particulars	FY 22*	FY 23*	FY 24	Sep-24
Property, Plant and Equipment	7,521.04	14,758.12	17,573.00	19,076.13
Capital work-in-progress	6,425.69	1,749.35	7,138.07	9,030.51
Intangible Assets	-	-	0.048	16.673
Financial Assets				
- Other financial assets	-	77.77	82.50	84.97
Other non-current assets	736.80	1,052.20	1,158.99	2,145.46
<b>Total Non-Current assets</b>	<b>14,683.52</b>	<b>17,637.44</b>	<b>25,952.61</b>	<b>30,353.74</b>
<b>2. Current assets</b>				
Inventories	5.74	9.30	24.50	28.37
Financial Assets				
(i) Trade receivables	177.65	325.50	704.81	461.07
(ii) Cash and cash equivalents	6.31	72.75	115.63	1,252.25
(iii) Bank balances other than (ii)	-	-	356.52	203.19
(iv) Other financial assets	-	380.60	43.95	65.87
Other Current Assets	11.61	5.81	8.40	43.81
<b>Total Current assets</b>	<b>201.30</b>	<b>793.95</b>	<b>1,253.81</b>	<b>2,054.56</b>
<b>Total Assets</b>	<b>14,884.82</b>	<b>18,431.40</b>	<b>27,206.42</b>	<b>32,408.30</b>

\*Special Purpose Carved Out Combined Statement

### Cash Flow Statement

Amt in Crores

Particulars	FY 22*	FY 23*	FY 24	Sep-24
Net Cash Flow from Operating Activities	674.32	758.01	1,579.12	1,109.55
Net Cash Flow from Investing Activities	-4,473.36	-12,788.95	-9,207.05	-5,535.71
Net Cash Flow from Financing Activities	3,798.28	12,163.81	7,670.81	5,562.79

\*Special Purpose Carved Out Combined Statement

### Key Ratios

Per Share Data	FY 22	FY 23	FY 24	FY 25*	Valuation Ratios (x)	FY 22	FY 23	FY 24	FY 25*
Diluted EPS	-	4.66	0.73	0.47	EV/EBITDA	13.29	7.00	10.63	18.10
BV per share	-	10.36	10.90	24.61	Market Cap / Sales	99.95	56.19	46.37	42.04
<b>Operating Ratios</b>					P/E	-	23.18	147.95	231.03
EBITDA Margins	87.31%	90.22%	88.99%	86.07%	Price to Book Value	-	10.43	9.91	4.39
PAT Margins	10.32%	38.55%	16.92%	15.48%					
Inventory days	2.30	2.10	4.56	4.80	<b>Solvency Ratios</b>				
Debtor days	71.22	73.36	131.08	77.96	Debt / Equity	4.42	1.11	2.05	0.91
Creditor days	-	-	-	-	Current Ratio	0.10	0.16	0.27	0.57
<b>Return Ratios</b>					Quick Ratio	0.10	0.16	0.26	0.57
RoCE	3.98%	7.02%	4.90%	3.32%	Asset Turnover	0.06	0.09	0.07	0.03
RoE	4.85%	12.84%	5.53%	1.90%	Interest Coverage Ratio	2.02	1.84	1.60	1.52

\*Annualized

**FINANCIAL ANALYSIS –**

1. The top line had seen an increase over the years by 77% in FY2023 and by 21% in FY2024. The overall increase in both the years was primarily due to increase in revenue from energy sales and in FY2024, the acquisition of the RE Assets and NREL near the end of FY2023 added on to the revenue.
2. The company had seen a sudden increase in their net profit as well in FY2023 by 562% and in FY2024 there was a decrease by 45%.
3. The EBITDA margin and PAT margin has consistently decreased over the years since FY2023.
4. The RoCE and RoE have remained low over the years.
5. The DE ratio had remained high for FY2022 and FY2024.
6. The PE ratio has remained high for FY2024 and Sep-24.

**PEER ANALYSIS**

Particulars	NTPC Green Energy Limited			Adani Green Energy Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	10.4%	38.8%	17.6%	8.7%	11.2%	10.2%
EBITDA Margin	87.3%	90.2%	89.0%	71.2%	65.0%	79.8%
RoCE	3.4%	6.0%	4.9%	6.7%	7.4%	10.8%
ROE	4.9%	12.8%	5.5%	18.7%	13.3%	11.2%
EPS (INR)	-	4.66	0.73	3.13	6.19	6.94
P/E	-	23.18	147.95	621.44	142.35	264.43

The company has one international peers as well which is ReNew Energy Global PLC which is listed on NASDAQ.



**LEAD MANAGER TRACK RECORD -**

The lead managers to the issue are IDBI Capital Markets & Securities Limited, HDFC Bank Limited, IIFL Capital Services Limited and Nuvama Wealth Management Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

**IDBI Capital Markets & Securities Limited –**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Indian Renewable Energy Development Agency Limited	2,150.21	32.00	Nov 29, 2023	189.90
2.	Inox Green Energy Services Limited	740.00	65.00	Nov 23, 2022	150.60
3.	Rolex Rings Limited	731.00	900.00	Aug 09, 2021	2,011.45

The company has handled 2 mandates in the past three years (including the current year).

**HDFC Bank Limited –**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Niva Bupa Health Insurance Company Limited	2,200.00	74.00	Nov 14, 2024	74.00
2.	Go Digit General Insurance Limited	2,614.65	272.00	May 23, 2024	332.00
3.	Bharat Highways Infrastructure Investment Trust	2,500.00	100.00	Mar 12, 2024	114.00

The company has handled 4 mandates in the past three years (including the current year).

**IIFL Capital Services Limited –**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Sagility India Limited	2,106.60	30.00	Nov 12, 2024	28.51
2.	Waaree Energies Limited	4,321.44	1,503.00	Oct 28, 2024	2,916.90
3.	Bajaj Housing Finance Limited	6,560.00	70.00	Sep 16, 2024	129.55

The company has handled 36 mandates in the past three years (including the current year).

**Nuvama Wealth Management Limited –**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	ACME Solar Holdings Limited	2,900.00	289.00	Nov 13, 2024	229.00
2.	Afcons Infrastructure Limited	5,430.00	463.00	Nov 04, 2024	474.60
3.	P N Gadgil Jewellers Limited	1,100.00	480.00	Sep 17, 2024	690.30

The company has handled 16 mandates in the past three years (including the current year).

\*CMP for the above-mentioned companies is taken as of 16<sup>th</sup> Nov 2024.

As per the offer document, the above-mentioned mandates Inox Green Energy Services, ACME Solar Holdings and Sagility India have opened at a discount and remaining all have opened at a premium on the listing day.

## Recommendation -

NTPC Green Energy Limited has been in the industry since 2022 and is a subsidiary of NTPC Limited which is a government owned company and has been operating in the industry since 5 decades. NTPC Renewable Energy Limited, which is a wholly owned subsidiary of NTPC Green Energy Limited, has been in the industry since 2020.

The management overview of the company is satisfactory.

The P/E on a post-IPO basis is 259.56 times which makes it aggressively priced compared to industry average.

The company enjoys the strong parentage of NTPC Limited, which is one of India's largest power companies. 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 (constructing 36 renewable energy projects). Also they have entered into joint ventures with few of the companies to take up renewable energy projects.

The company's top line has seen a sudden increase in FY2023 because of which the net profit also saw an increased in that year. The EBITDA margin and PAT margin has decreased over the years. The RoCE and RoE have remained low over the years. The DE ratio had remained high for FY2022 and FY2024.

There isn't much financial information available because the company was only incorporated in FY2022. The data given for FY2022 and FY2023 are a special purpose carved-out financial statements. Also, the valuation is aggressively priced.

Thus, we have a **NEUTRAL** opinion on this IPO. So, industry-knowledgeable investors can wait for further company updates and look for investment opportunities.

## Disclaimer

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The analysis and recommendations are based on the current market and company-specific scenario, along with the data available in the prospectus. Market and company-specific conditions may change after the company's listing, potentially impacting its performance and outlook. We will not be providing any follow-up reports or updates on this analysis post-listing.

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