



सहायक महाप्रबंधक

Assistant General Manager

निर्गम एवं सूचीबद्धता प्रभाग-1 / RAC-Division of Issues and Listing-1

निगम वित्त विभाग / Corporation Finance Department

SEBI/CFD/RAC-DIL1/2024/33167
October 22, 2024

IDBI Capital Markets & Securities Limited

6th Floor, IDBI Tower,

WTC Complex,

Cuffe Parade,

Mumbai - 400 005

महोदय / महोदया,

Dear Sir / Madam,

विषय / Sub: Proposed IPO of NTPC Green Energy Limited

उपरोक्त से संबंधित प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट), भारतीय प्रतिभूति और विनिमय बोर्ड (सेबी) द्वारा मांगे गए स्पष्टीकरणों और उसके संबंध में दिए गए उत्तरों के संदर्भ में, यह सूचित किया जाता है कि इनकी जाँच करने पर यह पाया गया है कि इनमें कमियाँ हैं / भारतीय प्रतिभूति और विनिमय बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्युलेशन्स, 2018] के प्रावधानों और दिए गए अनुदेशों का पालन नहीं किया गया है, और आपके लिए यह जरूरी है कि आप स्टॉक एक्सचेंज और / या कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले उन कमियों को दूर करें और संबंधित प्रावधानों तथा दिए गए अनुदेशों का पालन करें। उपरोक्त के संबंध में की गई टिप्पणियों का और जिन शर्तों आदि का पालन किया जाना है, उनका जिक्र संलग्नक 'I' और संलग्नक 'II' में किया गया है। कृपया यह भी नोट करें कि संलग्नक में जो कमियाँ बताई गई हैं / कुछ और प्रकटीकरण (डिस्क्लोज़र) करने की बात कही गई है, यह सब आपको केवल उदाहरण के तौर पर ही बताया गया है। यह सुनिश्चित करने की जिम्मेदारी आपकी है कि सभी और सही प्रकटीकरण किए जाएं।

With reference to the draft offer document in respect of captioned issue, clarifications sought by SEBI and the replies submitted therein, it is stated that on scrutiny of the same, deficiencies / instances of non-compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as SEBI (ICDR) Regulations, 2018) and instructions have been observed, which are required to be rectified / complied with by you before filing the offer document with the Stock Exchange and/ or ROC. Observations on the captioned issue and other conditions to be complied with are indicated in Annexure 'I' and 'II'. It may be noted that the deficiencies / requirement of additional disclosures listed in the Annexure are merely illustrative and not exhaustive. It is your responsibility to ensure full and true disclosures.

1. बुक रनिंग लीड मैनेजर होने के नाते, आप यह सुनिश्चित करेंगे कि स्टॉक एक्सचेंज / कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले संलग्नक में दी हुई टिप्पणियों / शर्तों आदि के अनुसार प्रस्ताव दस्तावेज में बदलाव कर लिए जाएं। कंपनी रजिस्ट्रार / स्टॉक एक्सचेंज के पास अंतिम प्रस्ताव दस्तावेज दाखिल करने से पहले आपको हमें एक पत्र भेजकर इस बात की पुष्टि करनी होगी कि अपेक्षानुसार बदलाव कर लिए गए हैं और साथ ही यह भी बताना होगा कि प्रत्येक टिप्पणी / शर्त आदि के अनुसार बदलाव कैसे किए गए हैं। इसके अलावा और कोई भी बदलाव सेबी से लिखित सहमति लिए बिना नहीं किए जाएंगे।

As Book Running Lead Manager (LM), you shall ensure that all changes are effected based on the observations/ conditions contained in the Annexure before you file the offer document with the stock Exchange/ ROC. A letter confirming these changes and explaining, in seriatim, the manner in which each observation / condition has been dealt with along with your comments should be submitted to us, before filing the final offer document with ROC / Stock Exchange. **NO FURTHER CHANGES SHOULD BE EFFECTED WITHOUT SPECIFIC WRITTEN CONSENT OF SEBI.**

- यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) के पास प्रस्ताव दस्तावेज (ऑफर डॉक्यूमेंट) दाखिल करने का अर्थ किसी भी तरह से यह न लगाया जाए कि सेबी द्वारा इसे मंजूरी प्रदान कर दी गई है। सेबी न तो इस बात की कोई जिम्मेदारी लेता है कि जिस स्कीम या परियोजना (प्रोजेक्ट) के लिए निर्गम (इश्यू) लाए जाने का प्रस्ताव है उसकी वित्तीय स्थिति अच्छी है और न ही इस बात की जिम्मेदारी लेता है कि प्रस्ताव दस्तावेज में दी गई जानकारी या व्यक्त की गई राय सही है। अग्रणी प्रबंधकों (लीड मैनेजर्स) ने यह प्रमाणित किया है कि प्रस्ताव दस्तावेज में जो प्रकटीकरण (डिस्क्लोज़र) किए गए हैं वे मोटे तौर पर पर्याप्त हैं और जो प्रकटीकरणों (डिस्क्लोज़र) तथा निवेशक संरक्षण के संबंध में उस समय लागू सेबी के विनियमों के प्रावधानों के अनुसार किए गए हैं। अग्रणी प्रबंधक यह भी सुनिश्चित करेंगे कि ऐसा भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018] के अनुसार भी किया जाए। ऐसा करना इसलिए जरूरी है, ताकि निवेशक प्रस्तावित निर्गम (इश्यू) में निवेश करने के संबंध में सोच-समझकर निर्णय ले सकें।

It is to be distinctly understood that submission of offer document to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. The LMs have certified that the disclosures made in the offer document are generally adequate and are in conformity with SEBI regulations for disclosures and investor protection in force for the time being. The LMs are advised to ensure the same with respect to SEBI (ICDR) Regulations, 2018. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

- यह भी पूरी तरह से स्पष्ट किया जाता है कि यद्यपि इस बात की जिम्मेदारी मुख्य रूप से निर्गमकर्ता (इश्युअर) कंपनी की होती है कि प्रस्ताव दस्तावेज में समस्त जरूरी जानकारी प्रकट की जाए और जो सही और पर्याप्त हो, फिर भी अग्रणी प्रबंधकों (लीड मैनेजर्स) से अपेक्षित है कि वे यह सुनिश्चित करने के लिए पूरी तत्परता (ड्यू डिलिजेंस) बरतें कि कंपनी अपनी जिम्मेदारियाँ सही ढंग से निभाए, और इसी उद्देश्य से अग्रणी प्रबंधकों ने भारतीय प्रतिभूति और विनियम बोर्ड (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018 के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख September 18, 2024 का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है।

It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the LMs are expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the LMs have furnished to SEBI a Due Diligence Certificate dated September 18, 2024 in accordance with SEBI ICDR Regulations, 2018.

4. हालाँकि, कंपनी प्रस्ताव दस्तावेज दाखिल कर देने से ही कंपनी अधिनियम, 2013 की धारा 34 के तहत दी गई किसी भी बाध्यता से मुक्त नहीं हो जाती या वह कानूनी प्रावधानों के अनुसार ली जाने वाली मंजूरी या ऐसी कोई अन्य मंजूरी लेने से मुक्त नहीं हो जाती, जो प्रस्तावित निर्गम के संबंध में लेनी जरूरी हो। हालाँकि, सेबी प्रस्ताव दस्तावेज में कोई अनियमितता या कमी पाए जाने पर कभी भी अग्रणी प्रबंधकों के खिलाफ कार्रवाई कर सकता है।

The filing of offer document does not, however, absolve the company from any liabilities under Section 34 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point of time, with the LMs any irregularities or lapses in offer document.

5. किसी भी प्रचार सामग्री या विज्ञापन में ऐसा कुछ भी उल्लेख नहीं किया जाएगा, जो प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डाक्यूमेंट) में दी गई जानकारी से भिन्न हो। इस संबंध में आपका ध्यान विशेष रूप से कंपनी अधिनियम, 2013 की धारा 36 के प्रावधानों की ओर आकर्षित किया जाता है।

Any publicity materials / advertisements should not contain matters extraneous to the information contained in the draft offer document. **Attention is specifically drawn to the provisions of Section 36 of the Companies Act, 2013.**

6. अग्रणी प्रबंधक यह सुनिश्चित करें कि भारतीय प्रतिभूति और विनिमय बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 के विनियम 25(1) और अनुसूची- III के अनुसार उपरोक्त निर्गम (इश्यू) के संबंध में फाइलिंग फीस की गणना किस प्रकार की गई है उसका एक विस्तृत विवरण, यथास्थिति, कंपनी रजिस्ट्रार के यहाँ प्रॉस्पेक्टस दाखिल किए जाने के सात दिनों के भीतर / स्टॉक एक्सचेंज के पास प्रस्ताव-पत्र (लेटर ऑफ ऑफर) दाखिल किए जाने के सात दिनों के भीतर, सेबी के पास प्रस्तुत कर दिया जाए और साथ ही अब तक अदा की गई फाइलिंग फीस का ब्यौरा भी दिया जाए।

The LMs are advised to ensure that a detailed calculation of filing fees in relation to the captioned issue in terms of regulation 25(1) and Schedule III of the SEBI (ICDR) Regulations, 2018 is submitted to SEBI within seven days of filing the Prospectus with ROC/ within seven days of filing the Letter of Offer with the stock exchange, as the case may be, along with details of filing fees paid till date.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से कम हो, तो ऐसे में अग्रणी प्रबंधक यह सुनिश्चित करेंगे और इस बात की पुष्टि करेंगे कि सेबी को शेष फीस अदा किए जाने के संबंध में इन विनियमों की अनुसूची-III के प्रावधानों का पालन किया गया है।

If filing fees paid by you is less than the actual fees required to be paid, the LMs are advised to ensure and confirm compliance with the provisions of Schedule III of the said Regulations in regard to payment of the balance fees to SEBI.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से अधिक हो, तो ऐसे में आप सेबी को सूचित करेंगे कि कितनी फीस लौटाई जानी है, साथ ही आप यह भी बताएंगे कि आपने लौटाई जाने वाली फीस की रकम की गणना कैसे की है और सेबी को किसके नाम पर चेक जारी करना होगा।





If filing fees paid by you are more than the actual fees required to be paid, you are advised to inform SEBI about the amount to be refunded, along with detailed calculation of amount refundable and name of the person in whose favour, the cheque may be issued by SEBI.

7. प्रस्तावित निर्गम (इश्यू) इस अभिमत पत्र के जारी होने की तारीख से 12 महीनों के भीतर पैसा लगाने (अभिदान करने / सब्सक्रिप्शन) के लिए खोला जा सकता है।

The proposed issue can open for subscription within a period of 12 months from the date of issuance of this observation letter.

Place: Mumbai


Ashish Solankey

Annexure I

OBSERVATIONS

1. Please refer to our email dated October 15, 2024 and the response received from LM vide email dated October 15, 2024 and all other correspondences exchanged. LM is advised to ensure that SEBI observation are suitably incorporated in the offer document.
2. These observations refer to a specific chapter or point, however, the LM shall ensure to disclose the same across all pages / chapters where the same / similar matter is disclosed in the offer document or give a cross reference.
3. The LM is advised to ensure that the language used in the offer document is lucid, usage of abbreviations is limited, abbreviations to be used in the para, if already quoted in the same page / heading. Any expressions, jargons or nomenclatures from other languages or not commonly used, are explained clearly at all relevant places.
4. LM is advised to incorporate all the certificates issued by the Chartered Accountants under the section "*Material Contracts and Documents for Inspection.*"

Summary of the offer document

5. Disclose the diagram / chart explaining the transfer of assets / undertakings from NTPC Limited to NTPC Green Energy Limited.
6. Disclose the current organizational structure of the issuer company.
7. Disclose the details of how the revenue of the issuer company is generated. Disclose power generation capacity from different renewal energy sources.
8. Disclose the related party transactions as per the format specified by SEBI (ICDR) regulations, 2018.
9. Update the status of exemption application along with details of confirmations and undertaking.

Risk Factors

10. LM is advised to ensure that the Risk Factors provide adequate explanation of risk, are placed based on materiality and provide cross-reference to the exact page no. of the offer document, wherein further information has been disclosed.
11. Risk Factor 1 - disclose the reasons for using special purpose carved-out combined financial statements. Disclose the revenues derived from offtakers of public sector and private sector entities.
12. Risk Factor 2 - disclose the following:

- 12.1. Modify the heading of the Risk Factor to highlight that top 10 suppliers account for 92.58% of the total cost of materials sourced.
 - 12.2. Disclose any agreement or firm arrangement done for supply of materials.
 - 12.3. The issues relating to import of materials to be merged with Risk Factor 20.
 - 12.4. Disclose the name of the largest supplier, as in the adverse event with the largest supplier, the same should be known to the shareholders.
 - 12.5. Details on EPC services contractors to be disclosed. Concentration of such contractors to be disclosed. Method of engaging these contractors such as tender etc. to be disclosed.
 - 12.6. Risk due to escalation of prices and availability of materials / equipment's obtained from suppliers such as solar modules, WTG etc.
13. Risk Factor 3 - disclose the following:
- 13.1. Material instances of cost overruns or delays in past 3 financial years. Such disclosure shall contain the projected dates and actual completion date of these projects and the amount of cost overruns.
 - 13.2. Disclose the projects which were awarded or contracted, but did not commence operations or were discontinued in past 3 financial years.
 - 13.3. Clarify whether regulatory approvals, preliminary engineering permits, and legal and other expenses can be classified as capital expenditure. Further, give the break-up of PPAs signed and capacity won and allotted, where LOA has been issued.
 - 13.4. Disclose the updated status of permissions and approvals. (Page no. 34)
14. Risk Factor 4 - disclose the concentration of capacity in the state of Rajasthan in the heading of the Risk Factor. Further, disclose the details of energy projects across India in a tabular format.
15. Risk Factor 5 - disclose the periods for which carve out financials have been used and the periods for which consolidated financials have been used.
16. Risk Factor 6 - define "long term", disclose the number of offtakers with whom the issuer company has long term PPAs. Disclose the revenues derived from PPAs of different terms. LM to explain the component "Revenue from operations". LM to disclose past instances of delay in commencement of projects in past 3 financial years.
17. Risk Factor 7 - disclose in the heading of the Risk Factor that post closing actions may impose limitations or costs on the issuer company. LM to update the status of post-closing actions on acquisitions and highlight risks related to non fulfilment of the same.

18. Risk Factor 8 - disclose data on market share of traditional and renewal energy companies. Disclose the market shares of different energy sources and their average per unit price for comparison.
19. Risk Factor 9 - disclose trade receivables as a percentage of revenues. Disclose dues written off / impaired in past 3 financial years. Give the amount of dues as a percentage of trade receivables.
20. Risk Factor 10 - disclose the material instances of delay in receipt of equipments and materials for the project and its impact, if any.
21. Risk Factor 12 - update and elaborate the Risk Factor after receipt of exemption from SEBI. Move it after Top 20. LM to disclose risks related to probable non-compliances of LODR provisions post listing.
22. Risk Factor 16 - disclose brief operational history of the issuer company.
23. Risk Factor 17 - merge with Risk Factor 55.
24. Risk Factor 19 - LM to disclose past instances, if any.
25. Risk Factor 21- LM to disclose the risks related to availability of infrastructure for power transmission.
26. Risk Factor 22 - disclose instances of shortage of critical spare parts for solar modules.
27. Risk Factor 23 - It is to be clearly disclosed that green hydrogen is not commercially viable as on date; and it cannot be assured that it be commercially viable in future. Such disclosures to be included at all relevant places in the offer document.
28. Risk Factor 26 - disclose the incentives / subsidies received under various Government schemes in past 3 financial years. Subsidy claimed or accrued in past 3 financial years to be disclosed, in terms of percentage of revenues.
29. Risk Factor 27 - disclose changes in technology relating to efficiency of solar cells.
30. Risk Factor 29 - mention in the heading of the Risk Factor that all the employees are on secondment from NTPC Limited.
31. Risk Factor 32 - disclose material details of joint ventures.
32. Risk Factor 36 - modify the heading of the Risk Factor to disclose that there is no formal agreement with NTPC Limited for the use of "NTPC" trademark.
33. Risk Factor 37 - LM to disclose past instances, if any.

34. Risk Factor 40 - modify the heading of the Risk Factor to disclose that regulatory framework may become more stringent in future. Move to Top 25.
35. Risk Factor 41 - disclose material instances in past 3 financial years.
36. Risk Factor 43 - disclose any material instances of non-renewal of leases in past 3 financial years.
37. Risk Factor 45 - modify the heading of the Risk Factor to disclose that debt to equity and debt service coverage ratio have worsened in past 3 financial years. Move to Top 10.
38. Risk Factor 46 - disclose unsecured loans availed in amount and as a percentage of total loans in past 3 financial years. Move to Top 25.
39. Risk Factor 47, 49, 52, 55, 62 - Move to Top 25.
40. Risk Factor 51 - disclose that operation and maintenance services for renewable energy projects are provided through third party service providers.
41. Risk Factor 60 - Move to Top 30.

Additional Risk Factors

42. LM is advised to add suitable Risk Factors under appropriate heading disclosing the risk involved, along with relevant data on the following points:
- 42.1. Majority of the funds raised will be utilized to repay the debt taken by the subsidiary, NTPC Renewable Energy Limited. Specify the purpose of such debt, including the project details. Disclose the major sources of revenues of the subsidiary. Disclose select financial information of the subsidiary for past 3 financial years. Include such Risk Factor in Top 10.
 - 42.2. The profitability of the issuer company is largely a function of its ability to manage costs during the terms of the PPAs and operate the power projects at optimal levels. If the issuer company is unable to manage the costs effectively or operate the power projects at optimal levels, its business, results of operations, financial condition and cash flows may be adversely affected.
 - 42.3. In the long term PPAs, there may be limited options for increase of tariff; hence any cost escalation may impact the profitability.
 - 42.4. As power generation is capital intensive business, the issuer company depends on the availability of funds at competitive price.
 - 42.5. Impact of declining module prices which results in lower tariffs for new power projects as compared to projects which are already operational.

- 42.6. Disclose the arrangement for reimbursement of remuneration paid to directors, KMPs and other employees of NTPC on secondment to the issuer company.
- 42.7. Material impact of delay in the execution of PPAs after the receipt of LoA; and the instances where the LoA was cancelled without the execution of a PPA in past 3 financial years, if any.
- 42.8. Details of financial and performance guarantees executed by the issuer company in past 3 financial years and its material impact.
- 42.9. Disclose instances where conditions of PPA have not been met by the parties involved.
- 42.10. Material terms of certain PPAs executed may be adverse to the issuer company.
- 42.11. Risks relating to overcapacity.
- 42.12. There has been significant variation in the revenues of the issuer company over the past 3 financial years.
- 42.13. The constraints faced in setting up hybrid power plants. (Page no. 160)
- 42.14. Key issues / challenges in hydro power projects in India. (Page no. 162)
- 42.15. Challenges in the small hydro power sector. (Page no. 163)
- 42.16. Changing technology and regulatory framework relating to energy storage including Pumped Hydro Storage Project and Battery Energy Storage Systems. (Page no. 164)
- 42.17. Key challenges and threats impacting renewable energy sector. (Page no. 177)
- 42.18. The assumptions and estimates used in calculation and presentation of some of the operational and financial performance indicators of the issuer company may vary from that used by other companies in India and other jurisdictions to be explained. Its implication and risks associated with the same to be disclosed. (Page no. 178)
- 42.19. Disclose data on electricity generation and capacity utilization factor along with comparison with the peer companies. (Page no. 181)
- 42.20. Disciplinary actions including penalties imposed by SEBI or the Stock Exchanges on the NTPC Limited, in the last 5 financial years preceding the date of this Draft Red Herring Prospectus. (Page no. 502)

- 42.21. Disclose that the majority of revenue is from solar which contributes to 91.65% of the revenues in the financial year 2024.
- 42.22. The PPA of the issuer company are generally for long term for 25 years from the date of commencement. Disclose the risk related to long term agreements such as cost escalation, termination of agreements, restrictive clauses etc. Further, disclose the average time for commissioning of projects.
- 42.23. Dependency on the promoter, NTPC Limited for assets, operations and secondment of employees etc.
- 42.24. Disclose material risks highlighted in the Industry report and the report of the credit rating agencies.
- 42.25. Risks relating to quality of third party sub-contractors.

Objects of the issue

43. Page no. 111 - explain the reasons for long utilization period for repayment of borrowings.
44. Page no. 112 - finalize the actual mode of investment into subsidiary.
45. Page no. 113 - disclose the following:
- 45.1. Brief details of the projects of the company.
 - 45.2. Whether the issue proceeds will be utilized for any project of the issuer company.
 - 45.3. Whether GCP will be utilized by the issuer company and for what purpose.
46. Page no. 114 - disclose how much will be repaid from issue proceeds and how much will remain after such re-payment / pre-payment.
47. Page no. 115 - certificate dated September 18, 2024 from the Statutory Auditor certifying the utilization of loan for the purpose it was availed, to be included in MCDI.
48. Page no. 115 - HDFC Bank to disclose conflict of interest in the due diligence process carried out by them.
49. Page no. 116 - no lien of any nature to be created on the unutilized portion of the issue proceeds.
50. Page no. 118 - gross proceeds of the issue to be monitored. The utilization towards stated objects as well as the period of utilization to be monitored.

Other sections

51. Page no. 83 - disclose the number of shares reserved under employee and shareholders category.
52. Page no. 86 - disclose the nature of liabilities and include relevant disclosures of the same.
53. Page no. 102 - separate footnote on individual allottees as nominee of NTPC Limited / jointly with NTPC Limited.
54. Page no. 120 - qualitative factors to be substantiated with data and relevant parameters.
55. Page no. 122 - disclose that financial parameters of ReNew Energy Global PLC, which is listed on Nasdaq, may not be comparable.
56. Page no. 165 and 166 - there is inconsistency on the expected life of batteries. LM is advised to rectify the same.
57. Page no. 176 - the observations relating to issuer company to be move to “*Our Business*” section.
58. Page no. 178 - LM to confirm that no material information from the CRISIL report has been omitted.
59. Page no. 181 - disclose market share for each source of renewal energy.
60. Page no. 192 - explain the “*Round the Clock renewable energy projects*”
61. Page no. 204 - disclose details of PPAs in a tabular format for each type of renewal energy with the material terms of each. Disclose tariff range for each type of renewal energy.
62. Page no. 209 - disclose domestic and international suppliers, and the details of supply sourced domestically and imported.
63. Page no. 227 - all special rights of promoters, including President of India, acting through the Ministry of Power, shall fall at listing and will be subject to shareholders’ approval in terms of LODR.
64. Page no. 227 - disclose the purpose for borrowings availed by NREL, including the project details. Disclose the major sources of revenues of NREL. Disclose select financial information of NREL for past 3 financial years. Disclose state-wise details of operational projects.
65. Page no. 228 - disclose select financial information of GVREL for past 3 financial years.
66. Page no. 233 - disclose the total experience of directors in number of years. Elaborate the responsibilities undertaken at NTPC Limited.

67. Page no. 496 - clarify how petition filed against Electricity Corporation of India Limited is considered as action taken by regulatory and statutory authorities.
68. Page no. 500 - *w.r.t.* criminal litigation against promoters at Sr. No. 4, 5 and 6 disclose relevant dates.
69. Page no. 502 - expand "RGPPL".
70. At 'Industry overview': Clause 24 (3) of SEBI (ICDR) Regulations, 2018, requires that the LM shall exercise due diligence and satisfy himself about all aspects of the issue including the veracity and adequacy of disclosure in the draft offer document and the offer document. In view of the same, LM is advised to ensure that:
- 70.1. The draft offer document and the offer document, shall not contain any information where no responsibility is taken by the BRLMs or the issuer company/ Expert.
- 70.2. The "Industry Overview" section represents a fair and true view of the comparable industry scenario and the same is neither exaggerated nor have any underlying assumptions been omitted for investors to make an informed decision.
- 70.3. LM is further advised to include industry report in the list of material documents for inspection and also provide a link in the offer document for online access of industry report.
71. LM is advised to ensure that the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.
72. LM is advised that reference to name of any place mentioned in the offer document may be followed by name of City / State, as the case may be.
73. With respect to all the complaints received by LM / company / forwarded by SEBI, LM is advised to ensure that there is adequate redressal of the complaint and relevant disclosures of the same are made in the Red Hearing Prospectus and other Offer related material along with the disclosures of the financial impact of the same, if any.
74. LM is advised to ensure that the disclosure of details of all the criminal matters initiated by or against the company, group, directors, promoters, subsidiaries which are at FIR stage and no / some cognizance has been taken by court, is incorporated in the UDRHP / RHP along with appropriate Risk Factors in this regard.

75.LM is advised to ensure following disclosures in the Issue advertisement for announcement of Price Band and all further advertisements as a box item below the price band:

"Risks to Investors:

- i. The [to be disclosed] Merchant Bankers associated with the issue have handled [to be disclosed] public issues in the past three years out of which [to be disclosed] issues closed below the issue price on listing date."*
- ii. Any adverse data in the basis for issue price should be disclosed. For example:*
 - "The Price/Earnings ratio based on diluted EPS for [latest full financial year] for the issuer at the upper end of the Price band is as high as [to be disclosed] as compared to the average industry peer group PE ratio of [to be disclosed]."*
[if average industry peer group PE ratio is not available, then P/E of Nifty Fifty may be disclosed]
 - "Average cost of acquisition of equity shares for the selling shareholders in IPO is [to be disclosed] and offer price at upper end of the price band is [to be disclosed]."*
 - "Weighted Average Return on Net Worth for [last three full financial years] is [to be disclosed]%. "*

The data on above disclosures shall be updated and disclosed prominently (in the same font size as the price band) in advertisements of Price Band and all further advertisements, website of the company and the stock exchange. Further, any adverse ratio / data in basis for issue price should be disclosed.

76.LM shall submit the draft advertisement for announcement of Price Band with SEBI before its publication in the newspapers for our comments, if any.

Annexure II

General Observations

1. LM is advised to ensure that prior to filing of RHP with Registrar of Companies, the Issuer Company has received crucial clearances / licenses / permissions / approvals from the required competent authority which are necessary for commencement of the activity for which the issue proceeds are proposed to be utilized.
2. LM is advised to ensure that the 'Observation Letter' issued by SEBI is included among the material contracts and documents for inspection.
3. LM is advised to ensure that prior to proceeding with the issue, "No Objection Certificates" are obtained from all the lenders with whom the company has entered into an agreement and the terms of such agreement require an approval to be taken.
4. LM is advised to ensure that adequate disclosures are made to disclose any material development which may have a material effect on the Issuer Company between the date of registering final prospectus or the RHP or the letter of offer, with the Registrar of Companies or designated stock exchange, as the case may be, and the date of allotment of specified securities, while ensuring compliance with Regulation 42 and Schedule IX of SEBI (ICDR) Regulations, 2018.
5. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.
6. In terms of SEBI Circulars No. SEBI/CIR/ISD/03/2011, No. SEBI/CIR/ISD/05/2011 and SEBI/CIR/ISD/01/2012 dated June 17, 2011, September 30, 2011 and March 30, 2012 respectively, LM is advised to ensure that 100% promoter holding is in demat form prior to listing.
7. LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.
8. In pursuance of Regulation 25 Sub-Regulation 9(a) of SEBI (ICDR) Regulations, 2018, LM is advised to certify while submitting the in-seriatim reply that all amendments, suggestions and observations advised by SEBI have been complied with and duly incorporated in the offer document, while also indicating the page number for the same.

9. ASBA:

76.1.LM is advised to ensure that sufficient number of Physical ASBA forms are printed and dispatched directly to all designated branches of SCSBs which are located in places of mandatory collection centers as specified in Schedule XII of SEBI (ICDR) Regulations, 2018, Syndicate Members and Registered Brokers of Stock Exchanges, the Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) registered with SEBI, at least two days before the opening of the issue. This shall be in addition to ASBA forms which shall be sent to controlling branch of SCSBs for sending to designated branches other than those located in mandatory collection center.

76.2.LM is advised to ensure that the ASBA mode of payment is highlighted in bold in all the advertisement / communication informing about the issue. Further, LM is also advised to ensure that the following is suitably incorporated in all advertisements / communications regarding the issue issued by the issuer:

- a. The following may appear just below the price information of the issue as shown below:

"PRICE BAND: RS. xx TO RS. xx PER EQUITY SHARE OF FACE VALUE OF RS. xx EACH

THE FLOOR PRICE IS xx TIMES OF THE FACE VALUE AND THE CAP PRICE IS xx TIMES OF THE FACE VALUE

BID CAN BE MADE FOR A MINIMUM OF xx EQUITY SHARES AND IN MULTIPLES OF xx EQUITY SHARES THEREAFTER.

ASBA

(APPLICATION SUPPORTED BY BLOCKED AMOUNT)

Simple, Safe, Smart way of Application !!!

Mandatory in public issue .No cheque will be accepted



now available in ASBA for retail individual investors.

* ASBA is a better way of applying to issues by simply blocking the fund in the bank account.



For further details check section on ASBA below.”

- b. The following paragraph on ASBA may be inserted in the advertisement/Communications:

“ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors.

For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section “Issue Procedure - Issue Procedure of ASBA Bidders” beginning on page xxx of the Red Herring Prospectus. The process is also available on the website of AIBI and Exchanges in the General Information Document.”

*ASBA bid-cum application forms can be downloaded from the websites of Bombay Stock Exchange and National Stock Exchange and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in.** List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in**.*
