

## Indian Renewable Energy Development Agency Ltd

February 23, 2017

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bonds: Gol Fully serviced Bonds*	4,000 (Rupees Four Thousand Core only)	<b>CARE AAA; Stable</b> <b>[Triple A; Outlook: Stable]</b>	Assigned

\*the repayment of principal and interest on the said bonds will be done by Government of India (Gol) by making suitable budget provisions. The ratings assigned to these bonds do not reflect the ratings assigned to other bonds of IREDA.

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

The rating assigned to the long-term bonds described as Gol fully serviced bonds factors in the obligation of the government to repay the principal and the interest amount by making suitable budgetary provisions as per the letter dated October 03, 2016 issued by the Department of Economic Affairs, Ministry of Finance, Gol. The rating also takes note of Memorandum of Understanding (MoU) signed between the Ministry of New and Renewable Energy (MNRE) and IREDA for raising of Gol fully-serviced bonds through IREDA.

### Detailed description of the key rating drivers

#### Key Rating Strengths

**Gol fully serviced bonds:** To augment infrastructure spending, Gol has approved the raising of 'Extra Budgetary Resources' (EBR) and these would be raised by respective agencies through issuance of bonds. In respect of this, IREDA has been mandated to raise Rs.4,000 crore under the said EBR for grid interactive renewable power, off grid/distributed and decentralized renewable power and investment in corporations and autonomous bodies. The responsibility of servicing the debt obligations is with Gol itself and it is not in the nature of external additional support.

**MoU between MNRE and IREDA:** As per the MoU dated January 25, 2017, signed between MNRE and IREDA for raising of Gol Fully serviced bonds through IREDA, the funds raised through these bonds shall be utilized on the direction of MNRE which shall be for the purpose/central sector schemes specified in letter dated October 03, 2016 issued by the Department of Economic Affairs, Ministry of Finance, Gol. IREDA shall intimate 15 days before the due date to MNRE regarding interest payable and amount of interest to be paid on half yearly basis and repayment of principal on the date of the maturity and MNRE shall ensure that at least seven working days before the due date of interest/principal repayment, sufficient funds are transferred in IREDA's designated bank account for the debt service payment.

Funds raised for these bonds shall be depicted in IREDA's balance sheet as short term/long term, assets/liability for accounting/financial reporting purpose. However, these bonds issuance shall not be considered IREDA's liability and corresponding assets as IREDA's assets for any financial analysis or any other purpose.

**Analytical approach:** Standalone

### Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)  
[CARE's Policy on Default Recognition](#)  
[Rating Methodology for Non-Banking Financial Companies](#)  
[Financial Ratios \(Financial Sector\)](#)

### About the Company

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

Incorporated in 1987, IREDA is a wholly-owned Government of India enterprise working under the administrative control of MNRE, GoI. IREDA has been notified as a “Public Financial Institution” under the Companies Act, 1956 and registered as NBFC with RBI, formed for the purpose of promoting, developing and financing Renewable Energy (RE) & Energy Efficiency (EE) projects in India. IREDA mainly finances projects in the wind, hydro, solar and bio-energy sectors. Of late, wind energy and solar energy project sectors have emerged as the key growth areas for the company on account of incentives offered by the central as well as some state governments.

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating History for last three years:** Please refer Annexure-2

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

**Analyst Contact:**

Name: Mr. Gaurav Dixit

Tel: 011- 45333235

Mobile: + 91 9717070079

Email: [gaurav.dixit@careratings.com](mailto:gaurav.dixit@careratings.com)

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

## Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Bonds	-	-	-	4000.00	CARE AAA; Stable

## Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015	Date(s) & Rating(s) assigned in 2013-2014
1.	Bonds-Unsecured Redeemable	LT	100.00	CARE AAA (SO); Stable	1)CARE AAA (SO); Stable (20-Dec-16) 2)CARE AAA (SO) (16-Sep-16)	1)CARE AAA (SO) (21-Oct-15)	1)CARE AAA (SO) (20-Oct-14)	1)CARE AAA (SO) (13-Nov-13)
2.	Bonds-Unsecured Redeemable	LT	150.00	CARE AAA (SO); Stable	1)CARE AAA (SO); Stable (20-Dec-16) 2)CARE AAA (SO) (16-Sep-16)	1)CARE AAA (SO) (21-Oct-15)	1)CARE AAA (SO) (20-Oct-14)	1)CARE AAA (SO) (13-Nov-13)
3.	Bonds-Unsecured Redeemable	LT	300.00	CARE AAA (SO); Stable	1)CARE AAA (SO); Stable (20-Dec-16) 2)CARE AAA (SO) (16-Sep-16)	1)CARE AAA (SO) (21-Oct-15)	1)CARE AAA (SO) (20-Oct-14)	1)CARE AAA (SO) (13-Nov-13)
4.	Bonds	LT	400.00	CARE AAA (SO); Stable	1)CARE AAA (SO); Stable (20-Dec-16) 2)CARE AAA (SO) (16-Sep-16)	1)CARE AAA (SO) (21-Oct-15)	1)CARE AAA (SO) (20-Oct-14)	1)CARE AAA (SO) (13-Nov-13)
5.	Bonds	LT	500.00	CARE AAA (SO); Stable	1)CARE AAA (SO); Stable (20-Dec-16) 2)CARE AAA (SO) (16-Sep-16)	1)CARE AAA (SO) (21-Oct-15)	1)CARE AAA (SO) (20-Oct-14)	1)CARE AAA (SO) (13-Nov-13)
6.	Bonds	LT	757.65	CARE AAA (SO); Stable	1)CARE AAA (SO); Stable (20-Dec-16) 2)CARE AAA (SO) (16-Sep-16)	1)CARE AAA (SO) (21-Oct-15)	1)CARE AAA (SO) (20-Oct-14)	1)CARE AAA (SO) (28-Nov-13)
7.	Bonds	LT	2000.00	CARE AA+; Stable	1)CARE AA+; Stable (20-Dec-16) 2)CARE AA+ (16-Sep-16)	-	-	-
8.	Bonds	LT	4000.00	CARE AAA; Stable		-	-	-

**CONTACT****Head Office Mumbai****Mr. Amod Khanorkar**

Mobile: + 91 98190 84000

E-mail: [amod.khanorkar@careratings.com](mailto:amod.khanorkar@careratings.com)**Mr. Saikat Roy**

Mobile: + 91 98209 98779

E-mail: [saikat.roy@careratings.com](mailto:saikat.roy@careratings.com)**CREDIT ANALYSIS & RESEARCH LIMITED**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: [care@careratings.com](mailto:care@careratings.com)**AHMEDABAD****Mr. Mehul Pandya**32, Titanium, Prahaladnagar Corporate Road,  
Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: [mehul.pandya@careratings.com](mailto:mehul.pandya@careratings.com)**BENGALURU****Mr. Deepak Prajapati**Unit No. 1101-1102, 11th Floor, Prestige Meridian II,  
No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-9099028864

Tel: +91-80-4115 0445, 4165 4529

E-mail: [deepak.prajapati@careratings.com](mailto:deepak.prajapati@careratings.com)**CHANDIGARH****Mr. Sajan Goyal**SCF No. 54-55,  
First Floor, Phase 11,  
Sector 65, Mohali - 160062  
Chandigarh

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: [sajan.goyal@careratings.com](mailto:sajan.goyal@careratings.com)**CHENNAI****Mr. V Pradeep Kumar**Unit No. O-509/C, Spencer Plaza, 5th Floor,  
No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: [pradeep.kumar@careratings.com](mailto:pradeep.kumar@careratings.com)**COIMBATORE****Mr. V Pradeep Kumar**T-3, 3rd Floor, Manchester Square  
Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: [pradeep.kumar@careratings.com](mailto:pradeep.kumar@careratings.com)**HYDERABAD****Mr. Ramesh Bob**401, Ashoka Scintilla, 3-6-502, Himayat Nagar,  
Hyderabad - 500 029.

Cell : + 91 90520 00521

Tel: +91-40-4010 2030

E-mail: [ramesh.bob@careratings.com](mailto:ramesh.bob@careratings.com)**JAIPUR****Mr. Nikhil Soni**304, Pashupati Akshat Heights, Plot No. D-91,  
Madho Singh Road, Near Collectorate Circle,  
Bani Park, Jaipur - 302 016.

Cell: +91 – 95490 33222

Tel: +91-141-402 0213 / 14

E-mail: [nikhil.soni@careratings.com](mailto:nikhil.soni@careratings.com)**KOLKATA****Ms. Priti Agarwal**3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)  
10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: [priti.agarwal@careratings.com](mailto:priti.agarwal@careratings.com)**NEW DELHI****Ms. Swati Agrawal**13th Floor, E-1 Block, Videocon Tower,  
Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: [swati.agrawal@careratings.com](mailto:swati.agrawal@careratings.com)**PUNE****Mr. Pratim Banerjee**9th Floor, Pride Kumar Senate,  
Plot No. 970, Bhamburda, Senapati Bapat Road,  
Shivaji Nagar, Pune - 411 015.

Cell: +91-98361 07331

Tel: +91-20- 4000 9000

E-mail: [pratim.banerjee@careratings.com](mailto:pratim.banerjee@careratings.com)

CIN - L67190MH1993PLC071691