

## RATING RATIONALE

28 July 2023

### Indian Renewable Energy Development Agency Ltd.

**Brickwork Ratings (BWR) reaffirms the rating for the Bank Loan Facilities and Bonds of Indian Renewable Energy Development Agency Ltd and migrates the rating to ISSUER NOT COOPERATING category based on best available information, as the Issuer did not Cooperate. BWR has also revised the analytical approach for the Tax-free Bonds, and migrates the rating to the issuer Not Cooperating category.**

**BWR also reaffirms and withdraws the issuer rating of IREDA and migrate the rating to to ISSUER NOT COOPERATING\* category on best available information, as the Issuer did not Cooperate.**

#### Particulars

Instruments and Facilities	Tenure	Previous Rated Amt (Rs. Crs)	Present Rated Amt (Rs.in Crs)*	Previous Ratings (29 June 2022)	Present
Fund Based Bank Loan Facilities	Long Term	3430	<b>3430</b>	BWR AAA/Stable (Reaffirmation and change in outlook)	<b>BWR AAA/Stable/ Reaffirmed Migration to ISSUER NOT COOPERATING* category</b>
Fund Based Bank Loan Facilities		7270	<b>7270</b>	BWR AAA/Stable (Assignment)	
<b>TOTAL</b>		10700	<b>10700</b>		
Unsecured Taxable Sub Tier II Bonds	Long Term	500	<b>500</b>	BWR AAA/Stable (Reaffirmation and change in outlook)	<b>BWR AAA/Stable/ Reaffirmed Migration to ISSUER NOT COOPERATING* category#</b>
Existing Taxable Bonds		1803	<b>1803</b>		
Taxable Green Bonds		865	<b>865</b>		
Existing Taxable Sub Tier II Bonds		150	<b>150</b>		
<b>TOTAL</b>		3318	<b>3018#</b>		
Long Term Taxable Bonds**	Long Term	750	<b>750</b>	BWR AAA (CE)**/ Stable (Reaffirmation and change in outlook)	<b>BWR AAA / Stable/ Migration to ISSUER NOT COOPERATING Category*^</b>
Long Term Tax Free Bonds**	Long Term	757.65	<b>757.65</b>		
<b>Total</b>		1,507.65	<b>1,507.65</b>		
<b>Total</b>		15,525.65	<b>15,225.65</b>	<b>Rupees Fifteen Thousand two Hundred and Twenty Five Crores and Sixty Five Lakhs Only</b>	

@Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for the definition of the ratings

\*\*Details of Bank loan facilities in Annexure-1

\*Issuer did not cooperate; based on best available information.

^ Change in analytical approach from credit-enhanced approach to standalone approach on account of non-cooperation.

#Rs.300 CRs of NCD out of Rs.3318 Crs. has been redeemed but requisite documents for withdrawal are not Available same amount has been reduced from total rating facilities.

Entity	Rating Type	Tenure	Previous Ratings (29 June 2022)	Present Rating
Indian Renewable Energy Development Agency Ltd	<b>Issuer Rating</b>	Long Term	BWR AAA/Stable (Reaffirmed and outlook changed from Negative)	<b>BWR AAA/Stable Migration to Issuer Not Cooperating* Withdrawal#</b>

Latest TL outstandings not available due to continuing non-cooperation. Hence the previously rated amounts have been considered.

\*\*CE: Credit enhancement for long term taxable bonds of Rs. 750 Crs. and long term tax free bonds of Rs. 757.65 Crs. was based on Letter of Comfort issued by the Ministry of New and Renewable Energy (MNRE), Government of India (GoI), ensuring the timely repayment of debt towards the said bonds. The standalone / unsupported rating of IREDA has been arrived at BWR AAA/ Stable.

^The company has sent a termination of contract letter but did not provide requisite data/information for review/withdrawal of rating. Considering the non-cooperation from company the rating team recommends change in analytical approach to Standalone approach and migrating rating to Issuer not Cooperating category.

In view of the fact that the company has a BWR AAA rating, it is proposed to assign the same rating for the Tax-free bonds also on a standalone basis. The Company is non-cooperative and hence the LOC can no longer be considered for credit enhancement rating. The rating has also been migrated to the Issuer Not Cooperating Category at the time of withdrawal.

#For Withdrawal of Issuer Rating: As per BWR Withdrawal policy on Withdrawal on rating in respect of Issuer ratings: However, if an issuer, at any point in time, during the validity of the Issuer rating, requests for withdrawal of the Issuer Rating, Brickwork Ratings (BWR) would proceed with the process of rating withdrawal without placing the rating on Notice of Withdrawal. Further, if the issuer requests for withdrawal of the issuer rating during the withdrawal notice period, the rating may be withdrawn without waiting for the completion of the Notice period. We have received termination of contract letter from the Company, hence Issuer rating is recommended for withdrawal.

### **RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION**

Brickwork Ratings (BWR) has reaffirmed the rating for the Bank loan facilities of Rs. 10700 Crs. and Bonds/NCDs Rs. 3018 Crs. at BWR AAA/Stable/Reaffirmed and Migration to ISSUER NOT COOPERATING\* category.

Brickwork Ratings (BWR) has reaffirmed the rating of Long term taxable/Tax free bonds of Rs. 1507.65 Crs. at BWR AAA / Stable/Migration to ISSUER NOT COOPERATING Category.

Brickwork Ratings (BWR) has reaffirmed and Withdraw Issuer rating at BWR AAA/Stable /Migration to Issuer Not Cooperating\*/Withdrawal of Indian Renewable Energy Development Agency Ltd , as tabulated above.

Despite BWR's best efforts to obtain at least the minimum required information for a rating review, the Company has not provided the same.

In absence of adequate information from the Company, continued lack of cooperation. BWR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. Based on inadequate information and lack of cooperation, BWR has reaffirmed the rating and migrated the rating to Issuer not Co-operating Category based on the best available information.

IREDA is a Government of India promoted company with 100% holding by GOI. The company has performed very well in FY23, with an increase in revenue by almost 40% and similar improvement in key financials. Based on the past performance, and the importance of Renewable Energy in the country, the company is expected to continue to do well in view of the emphasis given by GOI to renewable energy.

## LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

## About the Company

Indian Renewable Energy Development Agency Ltd (IREDA) was incorporated on 11 March 1987 as a fully owned Government of India enterprise under the administrative control of the MNRE (Ministry of New & Renewable Energy). Furthermore, the company was notified as a public financial institution under section 4A of the Companies Act, 1956 and is also registered as a non-banking finance company with the RBI. The company was established for the promotion, development and commercialisation of new and renewable sources of energy and provides financial assistance to energy efficiency and conservation projects. The GoI conferred the status of Mini Ratna under Category-I upon IREDA in June 2015. The sectors financed by IREDA can broadly be classified as wind energy, small hydro energy, bioenergy, solar energy, energy efficiency and conservation, and new and emerging technologies.

## KEY FINANCIAL INDICATORS - (Latest available with BWR)

Key Parameters	Units	FY21	FY22	FY23
Result Type		Aud	Aud	Aud
Total Loan Book	Rs in Crs	27,854	33,931	46226.92
Tangible Net Worth	Rs in Crs	2,995	5,265	5935.16
Revenue from Operations	Rs in Crs	2,616	2,860	3481.79
PAT	Rs in Crs	346	634	864.62
Gearing	Rs in Crs	8.01	5.24	6.77
GNPA%	Rs in Crs	8.77	5.22	3.21
NNPA%	Rs in Crs	5.61	3.12	1.66
Total CRAR%	Rs in Crs	17.12	21.22	18.82

## NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY

Nil

## ANY OTHER INFORMATION

NIL

**RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]**

Instrument	Current Rating FY 2023		Rating History							
	Type	Amount (Rs. Crs)	Rating	2022	2021		2020			
					10 Dec 21	03 Dec 21	Nov 20	Jun 20	May 20	Feb 20
Perpetual Bonds(Proposed)						Withdrawn	BWR AA+/ Negative	NA	NA	NA
Taxable Bonds (Proposed)						Withdrawn				
Term Loan Facilities (existing)		3430	BWR AAA/Stable/Reaffirmed Migration to ISSUER NOT COOPERATING G* category	BWR AAA/Stable	BWR AAA/ Negative	BWR AAA/ Negative	BWR AAA/ Negative	BWR AAA Stable	BWR AAA Stable	BWR AAA Stable
Term Loan Facilities (existing)		7270	BWR AAA/Stable/Reaffirmed Migration to ISSUER NOT COOPERATING G* category	BWR AAA/Stable	BWR AAA/ Negative	BWR AAA/ Negative	BWR AAA/ Negative	BWR AAA Stable	BWR AAA Stable	BWR AAA Stable
Unsecured Taxable Sub Tier II Bonds		500	BWR AAA/Stable/Reaffirmed		BWR AAA/ Negative	BWR AAA/ Negative			NA	NA
Existing Taxable Bonds		1803	Migration to ISSUER NOT COOPERATING * category							
Taxable Green Bonds		865								
Existing Taxable Sub Tier II Bonds		150		BWR AAA/Stable			BWR AAA/ Negative	BWR AAA Stable	BWR AAA Stable	BWR AAA Stable

Long  
Term

Long Term Taxable Bonds	750	BWR AAA / Stable/ Migration to	BWR AAA (CE)**/ Stable	BWR AAA (CE)/ Negative						BWR AAA (CE)/ Stable
Long Term Tax Free Bonds	757.65	ISSUER NOT COOPERATING Category*^			BWR AAA (CE)/ Negative	BWR AAA (CE)/ Negative	BWR AAA (CE)/ stable	BWR AAA (CE)/ Stable		
Issuer Ratings		BWR AAA/Stable /Migration to Issuer Not Cooperating*/ Withdrawal	BWR AAA/Stable	BWR AAA/ Negative		BWR AAA/ Negative	BWR AAA Stable	BWR AAA Stable	BWR AAA Stable	
Total	15225.65	<b>Rupees Fifteen Thousand two Hundred and Twenty Five Crores and Sixty Five Lakhs Only</b>								

\*Issuer did not cooperate; based on the best available information

#Rs.300 CRs of NCD out of Rs.3318 Crs. has been redeemed but requisite documents for withdrawal are not available same amount is reduced from total rating facilities

## COMPLEXITY LEVELS OF THE INSTRUMENTS -

### Bank Loan facilities - Simple

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Banks and Financial Institutions](#)
- [Policy on Non-cooperation](#)

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**Indian Renewable Energy Development Agency Ltd.**

**ANNEXURE I**

**Details of Bank Loan Facilities rated by BWR:**

<b>Name of the Bank</b>	<b>Type of the Facilities</b>	<b>Long term</b>	<b>Short Term</b>	<b>Total</b>
SBI	Term Loan	450	0	450
SBI	Term Loan	3000	0	3000
Bank of India	Term Loan	1000	0	1000
Bank of India	Term Loan	1500	0	1500
PNB	Term Loan	2700	0	2700
SMBC	OD/STL	350	0	350
Bank of India	OD/STL	400	0	400
RBL	OD/STL	300	0	300
Yes Bank	OD/STL	500	0	500
BAnk of Baroda	OD/STL	500	0	500
<b>Total</b>		<b>10700</b>		<b>10700</b>

**ANNEXURE- II  
INSTRUMENT (NCD/CPs) Details:**

<b>Instrument</b>	<b>Issue Date</b>	<b>Amount Rs. Cr.</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>ISIN Particulars</b>
IREDA Taxable Bonds	24-Sep-10	250.00	9.02%	24-Sep-25	INE 202E 07062
IREDA Taxable Bonds	10-May-13	300.00	8.44%	10-May-23	INE 202E 07088
IREDA Taxable Bonds	10-May-13	200.00	8.49%	10-May-28	INE 202E 07096
IREDA Taxable Green Bonds	3-Jan-19	275.00	8.51%	3-Jan-29	INE 202E 07260
IREDA Taxable Green Bonds	17-Jan-19	590.00	8.47%	17-Jan-29	INE 202E 07278
IREDA Taxable Unsecured Subordinated Tier-II Bond	22-Feb-19	150.00	9.23%	22-Feb-29	INE 202E 08045
IREDA Taxable Bonds	24-Sep-19	1,000.00	8.00%	24-Sep-29	INE 202E 07286
IREDA Taxable Bonds	03-Mar-20	803.00	7.40%	03-Mar-30	INE 202E 07294
IREDA Taxable Unsecured Subordinated Tier-II Bond	08-May-20	500.00	7.74%	08-May-30	INE 202E 08060
IREDA Tax Free Bonds	13-Mar-14	75.76	8.16%	13-Mar-24	INE 202E07104
IREDA Tax Free Bonds	13-Mar-14	123.08	8.55%	13-Mar-29	INE 202E07120
IREDA Tax Free Bonds	13-Mar-14	38.81	8.55%	13-Mar-34	INE 202E07146
IREDA Tax Free Bonds	13-Mar-14	105.29	8.41%	13-Mar-24	INE 202E07112
IREDA Tax Free Bonds	13-Mar-14	234.55	8.80%	13-Mar-29	INE 202E07138
IREDA Tax Free Bonds	13-Mar-14	144.16	8.80%	13-Mar-34	INE 202E07153
IREDA Tax Free Bonds	27-Mar-14	36.00	8.56%	27-Mar-29	INE 202E07161
<b>Total Rated Bonds</b>		<b>4825.65</b>			

Rs.300 CRs of NCD has been redeemed as on 10 May 2023 but requisite documents for withdrawal are not available

**ANNEXURE- III  
List of Entities Consolidated : Not Applicable**



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