

### IPO ANALYSIS

**Sector:** NBFC  
**Issue Price:** INR 30 to INR 32  
**Issue Size:** INR 2,016 – 2,150 Crores  
**Issue Opens/Closes:** Nov 21 / Nov 23

### IPO Basics

**Promoters:** President of India  
**Selling Shareholders:** President of India  
**Lead Managers:** BOB Capital Markets, IDBI Capital, SBI Capital Markets  
**Registered Office:** New Delhi  
**Registrar:** Link Intime India Pvt. Ltd.  
**Listing:** BSE and NSE

### IPO Capital Structure

<b>Fresh Issue</b>	403,164,706 equity shares upto INR 1,290 Cr
<b>Offer for Sale</b>	268,776,471 equity shares upto INR 860 Cr
<b>Total Issue as % of total capital (Post-Issue)</b>	25.00%
<b>Post Issue No. of Shares</b>	2,687,764,706
<b>Employee Reservation</b>	Upto 18,75,420 shares
<b>Post Issue Market Cap</b>	INR 8,063 – 8,601 Cr
<b>Face Value</b>	INR 10
<b>Issue Route</b>	Book Build Issue
<b>Bid Lot (Shares)</b>	460
<b>Minimum Bid Amount</b>	INR 14,720
<i>All values calculated at upper band</i>	

### Financial Snapshot (INR in crs)

Y/E Mar	FY21	FY22	FY23
Total Income	2,658	2,874	3,483
Profit after tax	346	634	865
Net interest income	992	1,128	1,324
Net interest margin (%)	3.93%	3.75%	3.32%
Net worth	2,996	5,268	5,935
Term loans outstanding	27,854	33,931	47,076
Total borrowings	24,000	27,613	40,165
Total debt to net worth	8.01	5.24	6.77
Cost to income ratio (%)	78.57%	70.99%	67.29%
ROA (%)	1.20%	1.89%	1.98%
CRAR (%)	17.12%	21.22%	18.82%
Gross NPA (%)	8.77%	5.21%	3.21%
Net NPA (%)	5.61%	3.12%	1.66%
Basic EPS	4.41	8.03	3.78
Diluted EPS	4.41	8.03	3.78
RONW (%)	12.56%	15.33%	15.43
NAV (INR)	38.18	23.06	25.98
P/E (Based on Upper Band)			8.47
Average Industry P/E			6.25
P/B (Based on Upper Band)			1.23

### Shareholding Pattern

Holders	Pre-issue	Post Issue
Promoters	100.00%	75.00%
Public	0.00%	25.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Particulars	Retail Category	NII bid between Rs 2 lakhs- Rs 10 lakhs	NII bid above Rs 10 lakhs
<b>Minimum Bid Lot (Shares)</b>	460	6,440	31,280
<b>Minimum Bid Lot Amount (₹)</b>	₹ 14,720	₹ 2,06,080	₹ 10,00,960
<b>No of Applications for 1x</b>	5,09,833	5,202	10,405

## Indian Renewable Energy Development Agency Limited

Nov 20, 2023

### Issue Highlights:

- IREDA, a Government of India enterprise under Ministry of New and Renewable Energy (MNRE), is a designated Public Financial Institution (PFI) since 1995 and operates as a Systemically Important NBFC (NBFCND-SI) with Infrastructure Finance Company (IFC) status. It recently moved up to Schedule A CPSE and holds Mini Ratna (Category-I) status since 2015. Achieving 'Excellent' ratings from MNRE since Fiscal 2021, IREDA boasts over 36 years of expertise in financing Renewable Energy (RE) and Energy Efficiency and Conservation (EEC) projects.
- It provides a comprehensive suite of financial services for Renewable Energy projects, covering sectors like solar, wind, hydro, biomass, waste-to-energy, among others, including emerging technologies like biofuel, green hydrogen, and battery energy storage. Offering both fund-based and non-fund-based facilities, IREDA's non-fund-based products include instruments like letters of comfort and guarantee assistance schemes. Additionally, it provides consulting services for techno-commercial matters in the RE sector. As of March 2023, IREDA's loan assets stood at ₹470.7 billion.
- It handled funds for the Credit Linked Capital Subsidy Scheme and acts as the Central Nodal Agency for initiatives like the National Bioenergy Programme, promoting biomass co-generation, and energy from waste. Additionally, it implements significant schemes like the Central PSU Undertaking (Government Producer Scheme), Generation Based Incentive Scheme, Rooftop PV, Small Solar Generation Programme, and National Programme on High-Efficiency Solar PV Modules.
- In Fiscal 2023, IREDA sanctioned ₹32,587 Cr in total loans, including ₹27,687 Cr for RE and EEC projects, ₹849 Cr in short-term loans to RE developers, and ₹152 Cr of guaranteed loans and comfort letters. This included ₹3,750 Cr for State Utilities and ₹98.45 Cr under the Guaranteed Emergency Credit Line.

- IREDA has a diverse loan portfolio spanning 23 States and five Union Territories in India, with 93.41% of its outstanding term loans secured. Additionally, apart from its financial services, IREDA operates a 50 MW Solar Photovoltaic Project at Kasaragod Solar Park in Kerala, fully commissioned in September 2017. This project injects power into Kerala State Electricity Board's grid and generated revenues of ₹27.42 Cr, ₹28.49 Cr, ₹26.90 Cr in Fiscal 2021, 2022, 2023 respectively.

### Key Risks:

- The company's credit ratings have been downgraded in the past. Any future downgrade in credit ratings could adversely affect the business, results of operations and financial condition.
- Some DISCOMs purchasing electricity from company's borrowers and specific states have requested revisions to their current power purchase agreements. Any downward adjustments in tariffs might adversely impact the borrowers, potentially affecting their repayment abilities.
- 81.49% of their outstanding Term Loans by September 30, 2023, were concentrated in four specific sectors within the Indian RE domain. Failure to manage risks in these sectors could significantly impact their business
- The company's indebtedness and the restrictive terms in its borrowing agreements might limit their ability to respond to changes in the business environment.

Particulars	No. of shares (Cr.)	Issue Size Amount Lower Band (Rs. Cr.)	Issue Size Amount Upper Band (Rs. Cr.)	% Of Issue
<b>QIB</b>	33.50	1,005.10	1,072.11	50.00%
<b>NIB</b>	10.05	301.53	321.63	15.00%
<b>Retail</b>	23.45	703.57	750.47	35.00%
<b>Employee</b>	0.19	5.63	6.00	0.00%
<b>Total</b>	<b>67.19</b>	<b>2,015.82</b>	<b>2,150.21</b>	<b>100.00%</b>

### An Indicative Timetable Post Issue Closing

Particulars	Tentative Date
<b>Finalization of Basis of Allotment</b>	November 28, 2023
<b>Refunds/un-blocking of ASBA Accounts</b>	November 28, 2023
<b>Credit of Equity Shares to DP Ac</b>	November 29, 2023
<b>Trading Commences</b>	December 01, 2023

Investors are advised to refer disclosures made at the end of the research report.

### Brief Biographies of Directors

IREDA's board comprises of 8 Directors, including the Chairman and Managing Director, the Director (Finance), 2 Government Nominee Directors and 4 Independent Directors.

**Pradip Kumar Das** is the Chairman and Managing Director of the Company. He has been a Director of the Company since May 6, 2020. He has over 30 years of experience in various sectors such as power, renewable energy, banking, and finance at various public and private organisations. Prior to joining the Company, he was the Director (Finance) of India Tourism Development Corporation Ltd. He has also previously worked with REC Limited, Bharat Heavy Electricals Ltd, Nuclear Power Corporation Ltd, Bharat Heavy Plate and Vessels Ltd and Kusum Products Ltd.

**Dr. Bijay Kumar Mohanty** is the Director (Finance) of the Company. He has been a Director of the Company since October 12, 2023. He has over 25 years of experience in the Indian power sector and has experience in finance, accounts, commercial, project appraisal, execution and management, and legal functions. Prior to joining the company, he worked as the head of division (smart metering) at REC Power Development and Consultancy Ltd (RECPDCL), and senior general manager (finance and accounts) at REC Ltd.

**Ajay Yadav** is the Government Nominee Director of the Company. He has been a Director of the company since February 14, 2023. He is an Indian administrative service officer of the Bihar cadre from the batch of 2005. He has over 18 years of experience in administration. He has also worked in various ministries of the Government of India such as the Ministry of Consumer Affairs, the Department of Food and Public Distribution and the Ministry of Civil Aviation

**Padam Lal Negi** is the Government Nominee Director of the Company. He has been a Director of the company since February 7, 2023. He has over 30 years of experience in administration. He is, currently, the joint secretary and finance adviser in the Ministry of Civil Aviation and the Ministry of New and Renewable Energy, GoI (additional charge).

**Shabdsharan Narharibhai Brahmbhatt** is a part time non-official Director (Independent Director) of the Company. He has been a Director of the Company since January 28, 2022. He is also a member of the Baroda Bar Association. Previously, he has been the chairman and municipal councillor of the Standing Committee of the Vadodara Municipal Corporation, and the mayor of the Baroda Municipal Corporation (BMC).

**Dr. Jaganath Chennakeshava Murthy Jodidhar** is a part time non-official Director (Independent Director) of the Company. He has been a Director of the Company since March 31, 2022. He has been awarded the Nobel Laureate Mother Teresa State Awards, 2016 in the category of 'The Best Doctor' by the Newspaper Association of Karnataka.

**Ram Nihal Nishad** is a part time non-official Director (Independent Director) of the company. He has been a Director of the company since March 9, 2023. He is a lawyer and a member of the Bar Council of Uttar Pradesh

**Rohini Rawat** is a part time non-official Director (Independent Director) of the Company. She has been a Director of the company since March 9, 2023. She is a member of the Uttaranchal Women Empowerment and Child Welfare Centre and was awarded the "Chief Minister Nirmal Nagar Award" in 2016-17.

**Ekta Madan** is the Company Secretary and Compliance Officer of the Company. She also holds the position of Senior Manager (Corporate Affairs and Company Secretary) in the Company. She has been associated with the Company since July 24, 2015.

### Objects of the Issue

(₹ In Cr)

Objects	Amount
Augmenting capital base to future capital requirements and onward lending	[ • ]
General Corporate Purposes	[ • ]
<b>Total</b>	<b>[ • ]</b>

## Shareholding Pattern

Shareholders	Pre-offer		Fresh Issue and Offer for Shares offered	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter and Promoter Group	2,284,600,000	100.00%	268,776,471	2,015,823,529	75.00%
<b>Total for Promoter and Promoter Group</b>	<b>2,284,600,000</b>	<b>100.00%</b>	<b>268,776,471</b>	<b>2,015,823,529</b>	<b>75.00%</b>
Public	0	0.00%	403,164,706	671,941,177	25.00%
<b>Total for Public Shareholders</b>	<b>0</b>	<b>0.00%</b>	<b>403,164,706</b>	<b>671,941,177</b>	<b>25.00%</b>
<b>Total Equity Share Capital</b>	<b>2,284,600,000</b>	<b>100.00%</b>	<b>671,941,177</b>	<b>2,687,764,706</b>	<b>100.00%</b>

## Key Financial and Operational Metrics

(₹ In Cr)

	As at September 30,		As at March 31,		
	2023	2022	2023	2022	2021
Total Income	2,320	1,578	3,483	2,874	2,658
Profit after tax	579	410	865	634	346
Net interest income	785	624	1,324	1,128	992
Net worth	6,581	5,638	5,935	5,268	2,996
Term Loans Outstanding	47,514	33,783	47,076	33,931	27,854
Term Loans Outstanding/ Average Term Loans Outstanding	1.00	1.00	1.16	1.10	1.08
Total assets/ Average Term Loans Outstanding	1.08	1.20	1.25	1.19	1.18
Total borrowings	39,850	30,230	40,165	27,613	24,000
<b>Profitability ratios:</b>					
Spread	1.11%	1.43%	2.21%	2.81%	3.26%
Net interest margin	1.68%	1.79%	3.32%	3.75%	3.93%
Total Debt to net worth	6.06	5.36	6.77	5.24	8.01
Average yield on average interest earning assets	4.96%	4.46%	8.63%	9.17%	10.44%
Average cost of borrowings	3.82%	3.22%	6.23%	6.33%	7.15%
Cost to income ratio	64.69%	60.95%	67.29%	70.99%	78.57%
ROA	1.14%	1.06%	1.98%	1.89%	1.20%
ROE	9.26%	7.52%	15.44%	15.33%	12.56%
<b>Regulatory capital ratios:</b>					
CRAR	20.92%	23.55%	18.82%	21.22%	17.12%
<b>Asset quality ratios:</b>					
Provision coverage ratio	48.11%	47.58%	49.25%	41.45%	38.14%
Gross NPAs (%)	3.13%	5.06%	3.21%	5.21%	8.77%
Net NPAs (%)	1.65%	2.72%	1.66%	3.12%	5.61%
EPS (basic)	2.54	1.80	3.78	8.03	4.41

Source: RHP

## Business Operations

IREDA provides financial products and related services for solar power, wind power, hydro power, biomass including bagasse and industrial co-generation, waste-to-energy, ethanol, compressed biogas, EEC and green-mobility. The company's products and services are organized primarily in I) Fund Based Products and II) Non-fund Based Products.

The **Fund Based Products** as on 30th September included the following:

- Term loans for RE generation, manufacturing projects and EEC projects;
- Project specific funding;
- Takeover financing from banks and financial institutions;
- Short term loans to RE developers, suppliers, contractors and manufacturers;
- Term loan facility to government bodies, DISCOMs, transport companies and state-owned trading companies;
- Guaranteed Emergency Credit Line;
- Co-financing, underwriting of debt, loan syndication and consortium financing;
- Bridge loan assistance to RE developers against capital subsidies or VGF available under various state or Gol schemes;
- Loan against securitization of future cash flows;
- Line of credit to NBFCs for on- lending to RE and EEC projects;
- Financing rooftop solar PV grid-connected or interactive power projects (industrial, commercial and institutional);
- Financing of transmission projects;
- Top-up loan;
- Financing manufacturing of biomass pellets, briquettes, torrefied pellets and refuse derived fuels;
- Financing of new ethanol distilleries and expansion of distillery production;
- Financing new technologies and funding of green mobility segment;
- Financing for compressed bio-gas under Sustainable Alternative Towards Affordable Transportation Scheme;
- Special products for funding RE project through bonds, banks loans and other financial instruments; and
- Refinancing of loans.

The **Non-fund Based Products** and Services include:

- Letters of comfort / undertaking;
- Guarantee schemes such as : (i) Credit enhancement guarantee schemes, (ii) Guarantee assistance scheme to RE suppliers, manufacturers, developers and EPC contractors; and
- Consultancy services.

### Geographic Spread

As of September 30, 2023, the company's Term Loans Outstanding in 23 States and 5 Union Territories

State	Number of Projects Financed	Term Loans Outstanding as of September 30, 2023 (in ₹ Cr)	Percentage of Term Loans Outstanding
Rajasthan	17	7,363	15.50%
Karnataka	70	6,558	13.81%
Andhra Pradesh	39	6,490	13.66%
Gujarat	35	4,683	9.86%
Maharashtra	45	3,749	7.89%
Telangana	29	3,058	6.44%
Tamil Nadu	33	2,787	5.87%
Madhya Pradesh	13	2,132	4.49%
Uttarakhand	22	1,670	3.52%
Others	10	1,289	2.71%
Odisha	11	1,053	2.22%
Himachal Pradesh	24	1,040	2.19%
Uttar Pradesh	17	979	2.06%
Punjab	15	918	1.93%
Sikkim	1	744	1.57%
Kerala	5	611	1.29%
Haryana	7	507	1.07%

### Lending Policies and Procedures

The company follows a detailed business process for providing financing to specific projects under various schemes for the generation of energy through new and renewable sources of energy and for energy conservation projects. The company's lending norms are generally as follows:

- Range of Interest rates: 8.65% to 12.10%;
- Moratorium: 6 months to 18 months from the date of commercial operation date;
- Repayment period: up to 25 years.

Type of Project	Loan Funding as a % of Project Cost	Maximum Loan Tenure
Wind Power	Up to 80%	25 years*
Solar Energy	Up to 80%	25 years*
Solar Energy	Up to 80%	25 years*
Biomass-based Co-generation	Up to 50%	15 years
Waste-to-energy	Up to 70%	15 years
EEC	Up to 80%	15 years
Emerging Technologies	Up to 80%	20 years, with one year moratorium
Ethanol	Up to 95%	7 years
Transmission	Public sector (90%); Private sector (80%)	25 years*

Source: RHP; \* Total loan is to be amortized within 85% of the balance useful life period as per Central Electricity Regulatory Commission

### Sources of Funding

The company also funds its business with borrowings of various maturities from the domestic and international markets. The borrowings include, among others, taxable and tax-free bonds, foreign currency lines of credits from multilateral and bilateral agencies, borrowings from domestic banks and financial institutions as well as external commercial borrowings.

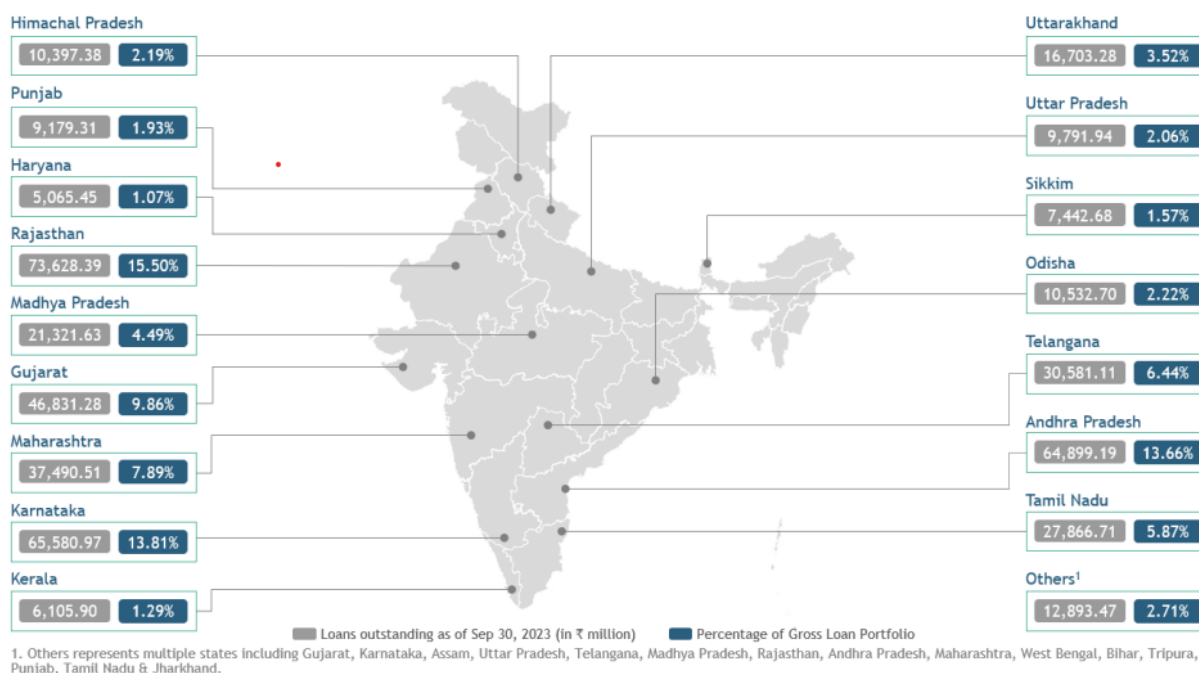
Borrowings from / Period	As of September 30, 2023	%	FY2023	%	FY2022	%	FY2021	%
Domestic Banks & Financial Institutions	17,930	44.9	18,492	46.0	7,043	25.5	3,385	14.1
International Banks and Financial institutions	9,686	24.3	10,133	25.2	10,432	37.8	10,318	42.9
Taxable Bonds (non-convertible)	8,785	22.1	8,086	20.1	4,523	16.4	4,417	18.4
Tax-free Bonds (non-convertible)	2,758	6.9	2,758	6.8	2,758	9.9	2,758	11.5
External Commercial Borrowings	-	-	-	-	1,948	7.1	1,946	8.1
Subordinated Debt	649	1.6	649	1.6	649	2.4	649	2.7
Borrowings from Banks - repayable on demand	-	-	-	-	201	0.7	460	1.9
National Clean Energy Fund	43	0.1	48	0.1	58	0.2	67	0.3
<b>Total</b>	<b>39,850</b>	<b>100</b>	<b>40,165</b>	<b>100</b>	<b>27,613</b>	<b>100</b>	<b>24,000</b>	<b>100</b>

Source: RHP; \*% of Total Borrowings

### Competitive Strengths

- **Track record of growth, geared towards high quality assets and diversified asset book and stable profitability:** IREDA has shown consistent growth and stable profitability in India's renewable energy financing sector. The company boasts a diversified asset book across various sectors and regions. As of September 30, 2023, it held Term Loans Outstanding across 23 states and 5 Union Territories in India. As of March 31, 2023, the company's Term Loans Outstanding reached ₹47,076 Cr, marking a significant increase from ₹27,854 Cr as of March 31, 2021, growing at a CAGR of 30.00%. As of September 30, 2022 and September 30, 2023, the Term Loans Outstanding were ₹33,783 Cr and ₹47,514 Cr, respectively.

## States and UT where loans exceeded 1% of Term Loans Outstanding



The company has been able to achieve strong growth while maintaining asset quality, which is intended to ensure sustained profitability for the Company. The quality and stability of its loan book is demonstrated through the fact that as of September 30, 2023, its loans to RE power generating projects in the sectors set forth below have already been commissioned, and have therefore started generating operating income:

(₹ in Cr, except percentages)

	Term Loans Outstanding	Commissioned Term Loans Outstanding	% commissioned of the Term Loans Outstanding
Hydro Power	5,447	4,892	89.80%
Biomass Power and Co-generation	1,156	1,078	93.24%
Wind Power	9,918	9,411	94.88%
Solar Energy	14,243	10,214	71.71%
EEC	79	72	91.42%
Hybrid Wind and Solar	1,007	248	24.67%
Waste-to-energy	493	259	52.61%
Ethanol	1,507	185	12.31%
Biomass (Briquetting, Gasification and Methanation from Industrial Effluents)	58	4	6.83%
<b>Total</b>	<b>33,908</b>	<b>26,363</b>	<b>77.75%</b>

Source: RHP

Of the Term Loans Outstanding as of September 30, 2023, 37.88% had a residual maturity profile of less than three years, 26.31% had a maturity profile between three years and seven years and 35.80% had a maturity profile of more than seven years.

## Term Loans Outstanding &amp; Maturity Profile

(₹ in Cr)

Balance as on September 30, 2023	Up to 6 months	7-12 month	> 1 year up to 3 years	> 3 years up to 5 years	> 5 years up to 7 years	> 7 years
47,514	4,247	3,184	10,568	7,435	5,068	17,012

Source: RHP

## Key highlights in terms of loan book, profitability, and asset quality

(₹ in Cr)

Particulars	CAGR (FY21-23)	2023	2022	2021
Loans Sanctioned	72.1%	32,587	23,921	11,001
Loans Disbursed	56.6%	21,639	16,071	8,828
Net worth	40.8%	5,935	5,268	2,996
Gross NPA	(21.3)%	1,513	1,768	2,442
Net NPA	(28.7)%	768	1,035	1,510

- **Strategic role in Government of India initiatives in the Renewable Energy sector:** IREDA, a wholly owned GoI enterprise under MNRE, has actively contributed to structuring and implementing policies and schemes for RE sector reform since its establishment.
- **Established and trusted brand name operating in a rapidly expanding sector:** IREDA, India's leading green financing NBFC, is positioned to leverage India's ambitious energy transition plans. With a dedicated focus on green finance for over 36 years, it boasts expertise across diverse RE sectors. As of September 30, 2023, it had 357 RE borrowers spanning solar, wind, hydro, biomass, EVs, waste-to-energy, and more.
- **Digitized process for borrower centricity and operational scalability, with presence across India:** The company has a robust IT infrastructure, including an ERP system tailored to its needs, facilitating key processes like online loan applications and customer portals for real-time tracking. It has expanded its physical presence with branches in strategic locations like Mumbai, Hyderabad, Chennai, and Bhubaneswar, and on-ground personnel in Bengaluru and Guwahati. As of September 30, 2023, it manages ₹47,514 Cr Term Loans Outstanding across 23 States and Union Territories.
- **Comprehensive data-based credit appraisal process and risk-based pricing, with efficient post-disbursement project monitoring and recovery processes:** The company has maintained strong control over NPAs, which have demonstrated a declining trend over the three preceding Fiscals and the 6 months ended September 30, 2023, as set forth below, enabled by a robust credit appraisal process and efficient monitoring and recovery.

(₹ in Cr, except percentages and ratios)

Particulars	As September 30		FY2023	FY2022	FY2021
	2023	2022			
Gross NPA (₹ Cr)	1,486	1,709	1,513	1,768	2,442
Gross NPA (%)	3.13%	5.06%	3.21%	5.21%	8.77%
Net NPA (₹ Cr)	771	896	768	1,035	1,510
Net NPA (%)	1.65%	2.72%	1.66%	3.12%	5.61%

- **Access to diversified and cost-effective long-term sources of borrowing with a judicious approach towards asset-liability management:** IREDA maintains a competitive average borrowing cost, ranging from 3.22% to 7.15% over different fiscal periods. Its PFI classification and strong credit ratings enable diverse funding options. Highly-rated bonds and debt instruments, such as ICRA AAA (Stable) and Acuite's AAA rating on bank loans, solidify its financial credibility. The company also invests in GoI securities, holding ₹99.32 Cr as of September 30, 2023, and manages foreign currency risks through ISDA bank derivatives. IREDA mitigates interest rate risk through flexible loan terms, allowing periodic interest grid resets based on specific conditions.
- **Experienced senior management with in-depth sector expertise and professionally qualified employee base:** IREDA is guided by seasoned senior management with extensive expertise in managing public institutions in India, especially in the power sector and renewable energy financing, averaging 25 to 30 years of experience. Its Board comprises Government Nominee and Independent Directors. As of September 30, 2023, out of its 175 employees, 152 are professionally qualified in engineering, finance, legal, human resources, and IT, with an average work experience exceeding 18 years. Moreover, department heads possess an average work experience of over 27 years.



### Key Business Strategies

- **Leadership in RE Sectors:** IREDA aims to expand financing products for evolving solar and wind energy models, focusing on consortium financing. Several MoUs with major banks have been signed for co-lending. Advisory services with public sector entities like NHPC Ltd and SJVN Ltd are pivotal.
- **Expansion in Emerging Green Technologies:** Eyeing opportunities in green hydrogen, pumped hydro storage, battery storage, offshore wind, green energy corridors, rooftop solar, and green mobility. A dedicated team assesses and finances projects in these sectors.
- **Cost Optimization:** Emphasizes securing lower borrowing costs and expanding funding sources to ensure competitive pricing of financial products. The company's average borrowing cost is instrumental in business growth and profitability.
- **Operational Streamlining:** Initiated digital transformation, focusing on scalable digital offerings, automation, analytics, and system-driven credit appraisal models. Focus on nurturing young leaders for expansion and efficiency.
- **Environmental and Social Management:** Adopts a robust Environmental and Social Management System for project screening, ensuring compliance with global sustainability standards and updating frameworks for RE parks' environmental management.

### Industry Overview

India, ranking third in global energy production and second in consumption, has witnessed a steady rise in power demand, barring Fiscal 2021 impacted by the Covid-19 pandemic. The peak energy demand surged at a 4.7% CAGR from 148 GW in Fiscal 2014 to 216 GW in Fiscal 2023, with a supply growth rate of 5.3% during the same period, resulting in a 0.5% peak deficit in Fiscal 2023. The Government's push anticipates achieving 595 GW of renewable power capacity by Fiscal 2032, comprising 66% of total capacity, requiring an investment of ₹24.43 trillion. Notably, power financing NBFCs contributed nearly ₹150,000 crore to the renewable sector in Fiscal 2023, indicating their crucial role in financing renewable projects.

### Share in Credit towards power financing NBFCs

Power Financing NBFCs	Share in Credit towards Renewable sector	CAGR % (Fiscal 2021 - Fiscal 2023)
IREDA	31%	30%
PFC	32%	13%
PFS	1%	-34%
REC	19%	33%
TCCL	7%	29%
India Infradebt	9%	33%
<b>Aggregate</b>	<b>100%</b>	<b>22%</b>



Key financial performance summary (FY2023)	IREDA	PFC	REC	India Infradebt	Tata Cleantech Capital	PFS
Loan Book size or AUM (₹ Cr)	47,076	8,57,500	4,35,012	17,486	10,464	7,339
Revenue from operations (₹ Cr)	3,482	77,568	39,478	1,593	1,025	791
Profit after tax (₹ Cr)	865	21,179	11,167	351	279	176
Net Interest Income (₹ Cr)	1,324	26,390	13,999	375	452	335
Total Debt (₹ Cr)	40,165	7,51,158	3,80,790	16,299	9,187	5,122
Net Worth (₹ Cr)	5,935	1,11,981	58,121	2,717	1,957	2,443
Return on assets (%)	1.98%	2.51%	2.55%	1.84%	2.82%	2.05%
Return on equity (%)	15.44%	20.34%	20.41%	13.74%	15.33%	7.47%
Net Interest Margin (%)	3.32%	3.27%	3.41%	2.34%	4.94%	4.18%
CRAR (%)	18.82%	24.37%	25.78%	21.79%	22.20%	33.05%
Gross NPA (%)	3.21%	3.66%	3.42%	0.74%	0.52%	13.59%
Net NPA (%)	1.66%	1.06%	1.04%	0.33%	0.18%	8.00%
Provision coverage ratio (%)	49.25%	71.73%	70.64%	49.49%	65.00%	57.24%
Basic EPS (₹)	3.78	60.19	42.28	4.04	6.06	2.74
Diluted EPS (₹)	3.78	60.19	42.28	4.04	6.06	2.74

## Comparison with Listed Industry Peers (as on 31st March 2023)

Company	Consolidated /Standalone	Face value	EPS		NAV (₹ per share)	P/E (x)	P/B (x)	RoNW (%)
			Basic	(Diluted)				
Indian Renewable Energy Development Agency	Consolidated	10	3.78	3.78	25.98	8.47	1.23	15.43%
REC	Consolidated	10	42.28	42.28	220.72	7.71	1.48	20.41%
Power Finance Corporation	Consolidated	10	60.19	60.19	424.16	4.79	0.68	20.34%

Source: RHP~P/E Ratio, and P/B Ratio is calculated as closing share price as at November 10, 2023 at NSE

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