



# INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

Our Company was incorporated in Delhi as "Indian Renewable Energy Development Agency Limited", a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 11, 1987, by the RoC. Our Company was notified as a public financial institution under Section 4A of the Companies Act, 1956 by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs, Government of India on October 17, 1995. Further, the Reserve Bank of India ("RBI") granted a certificate of registration to our Company on January 23, 2008 permitting us to commence/carry on the business of non-banking financial institution without accepting public deposits, and classified us as an infrastructure finance company on March 13, 2023. For further details in relation to changes in the registered Office" on page 278 of the red herring prospectus").

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### OUR PROMOTER: THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF NEW AND RENEWABLE ENERGY, GOVERNMENT OF INDIA

INTIAL PUBLIC OFFER OF UP TO 671,941,177 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹| PER EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹| PER EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES AGGREGATING UP TO ₹| •] MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 268,776,471 EQUITY SHARES AGGREGATING UP TO ₹| •] MILLION BY THE PROMOTER SELLING SHAREHOLDER") ("OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER").

THIS OFFER INCLUDES A RESERVATION OF UP TO 1,875,420 EQUITY SHARES AGGREGATING UP TO ₹| •] MILLION (CONSTITUTING UP TO [| •] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS "NET OFFER AND THE NET OFFER WOULD CONSTITUTE [| •] % AND [| •] %, RESPECTIVELY, OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

DETAILS OF THE OFFER FOR SALE					
NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF SHARES OFFERED/ AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION ON A FULLY DILUTED BASIS (IN ₹ PER EQUITY SHARE)^		
The President of India, acting through the Ministry of	Promoter Selling	Up to 268,776,471 Equity Shares of face value	10.00		
New and Renewable Energy, Government of India.	Shareholder	₹10 each aggregating up to ₹[●] million			

The above details have been certified by DSP & Associates, Chartered Accountants, Statutory Auditors to the Company, pursuant to the certificate dated November 11, 2023.

Indian Renewable Energy Development Agency Limited is a Government of India enterprise under the administrative control of the Ministry of New and Renewable Energy. We are a "Public Financial Institution", registered as a Systemically Important Non-Deposit taking Non-Banking Financial Company, with Infrastructure Finance Company status offering comprehensive range of financial products and related services, from project conceptualisation to post-commissioning, for renewable energy projects and other value chain activities, such as equipment manufacturing and transmission.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

- QIB Portion: Not more than 50% of the Net Offer Non-Institutional Portion: Not less than 15% of the Net Offer
  - Retail Portion: Not less than 35% of the Net Offer
  - Employee Reservation Portion: Up to 1,875,420 Equity Shares aggregating up to ₹ [•] million

PRICE BAND: ₹ 30 TO ₹ 32 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH
THE FLOOR PRICE IS 3.00 TIMES THE FACE VALUE OF THE EQUITY SHARES AND
THE CAP PRICE IS 3.20 TIMES THE FACE VALUE OF THE EQUITY SHARES
THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FISCAL 2023 AT THE FLOOR PRICE IS 7.94 TIMES
AND AT THE CAP PRICE IS 8.47 TIMES

BIDS CAN BE MADE FOR A MINIMUM OF 460 EQUITY SHARES AND IN MULTIPLES OF 460 EQUITY SHARES THEREAFTER

In accordance with the recommendation of Committee of Independent Directors of our Company, pursuant to their resolution dated November 13, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section of the RHP. The price band is in line with the weighted average cost of acquisition ("WACA") of primary and secondary transactions, as applicable, disclosed in the 'Justification for Basis for Offer Price' section on page 129-131 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the Red Herring Prospectus and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

# **RISKS TO INVESTORS:**

 Our business and financial performance could suffer if we are unable to effectively manage the quality of our growing asset portfolio and control the level of our non-performing assets. Set forth below are details of our Term Loans Outstanding, asset quality ratios, as well as provision coverage ratio, as of each of the corresponding periods:

Particulars		As of March 31,		As of September 30,		
	2021	2022	2023	2022	2023	
Term Loans Outstanding (₹ million)	278,539.21	339,306.06	470,755.21	337,833.59	475,144.83	
Gross NPA <sup>(1)</sup> (₹ million)	24,415.53	17,682.54	15,133.54	17,087.67	14,860.81	
Gross NPA <sup>(2)</sup> (%)	8.77%	5.21%	3.21%	5.06%	3.13%	
Net NPA <sup>(3)</sup> (₹ million)	15,102.24	10,353.90	7,680.24	8,957.41	7,710.76	
Net NPA ratio <sup>(4)</sup> (%)	5.61%	3.12%	1.66%	2.72%	1.65%	
Provision Coverage Ratio <sup>(5)</sup> (%)	38.14%	41.45%	49.25%	47.58%	48.11%	

(1) Gross NPA represents Term Loans Outstanding pertaining to loans which are required to be classified as NPA as per the Income Recognition, Asset Classification and Provisioning norms issued and modified by RBI from time to time.

- Our business and financial performance could suffer if we are unable to effectively manage the quality of our growing asset Loans Outstanding at the period end, as a percentage.
  - (3)Net NPA represents Gross NPA reduced by NPA provisions as of the last day of relevant period
  - (4)Net NPA (%) represents Net Non-performing Term Loans divided by Net Term Loans Outstanding, as at the period end, as a percentage. Net Term Loans represent Term Loans Outstanding minus NPA Provisions, as at the period end.
  - (5)Provision Coverage Ratio represents total provisions held on Gross NPA as at the end of the period, as a percentage of total Gross NPAs as at the end of the period.
  - Volatility in interest rates could adversely affect our business, hedging instruments, net interest income and net interest margin, which in turn would adversely affect our business, results of operations and financial condition.
  - We may be unable to secure borrowings on commercially acceptable terms and at competitive rates, which could adversely affect our business, results of operations and financial condition.
  - Projects and schemes for generating electricity and energy through renewable sources like solar, wind, hydro, biomass, waste-toenergy and new and emerging technologies have inherent risks and, to the extent they materialize, could adversely affect our business, results of operations and financial condition.
  - Our credit ratings have been downgraded in the past. Any future downgrade in our credit ratings could adversely affect our business, results of operations and financial condition.
  - We have had negative cash flows from operations in the past. There is no assurance that such negative cash flows from operations shall not recur in the future.

- Concentration Risk: Our business is entirely concentrated in, and dependent on, the Indian Renewable Energy ("RE") sector, which in general has many challenges and effective addressing of these risks are key to the growth of the sector. Even within the Indian RE sector, 81.49% of our Term Loans Outstanding as of September 30, 2023 were concentrated within four sectors. As on September, 2023, our borrowings to our top 20 borrowers contribute 39.70% of Total Term Loans Outstanding. Further, we have concentration of loans in certain states, with 60.72% of Term Loans Outstanding in our top five states as of September 30, 2023.
- We have had instances of non-compliance with covenants under our financing agreements in the past. Any future non-compliance may lead to action against us, adversely affecting our reputation, cash flows and results of operations.
- Our NPAs may increase due to inability of borrowers to repay our loans due to factor such as delay in payment from state electricity distribution companies ("DISCOMs"). Certain DISCOMs that purchase electricity from our borrowers and certain states have sought revision in the terms of their existing PPAs. A downward revision in the tariffs could negatively affect the cash flows and financial conditions of our borrowers and may affect their repayment capabilities. Further, the poor health of State DISCOMs may lead to delays in payments to RE projects that we finance.
- We are exposed to fluctuations in foreign exchange rates, which in turn could adversely affect our results of operation and financial condition.
- Regulatory Risk: Our business is subject to periodic inspections by the RBI, and our non-compliance with observations made by the RBI during these inspections, or significant lapses identified by the RBI in course of inspections, could expose us to penalties and restrictions.
- Our Statutory Auditor has included observations and certain emphasis of matters in the audit reports on the audited consolidated financial statements of our Company as at and for the year ended March 31, 2021 and on the audited standalone financial statements of our Company as at and for the years ended March 31, 2022 and 2023 and for the six months ended September 30, 2022 and September 30, 2023. Further, they have included certain remarks in connection with the Companies (Auditor's Report) Order, 2020/ Companies (Auditor's Report) Order, 2016.
- Our Company will not receive any proceeds from the Offer for Sale portion of the Offer.
- Our Company will continue to be controlled by the Promoter following this Offer.
- The Price/Earnings ratio based on diluted EPS for Fiscal 2023 for our Company at the upper end of the Price band is 8.47 times and Price/Earnings ratio of the average industry peer group on the date of the RHP is 6.25 times.
- The Net Asset Value as of March 31, 2023 for our Company is ₹25.98 per share and Net Asset Value of REC Limited is ₹ 220.72 per share and Power Finance Corporation Limited is ₹424.16 per share.
- Average cost of acquisition of Equity Shares for the Promoter is ₹ 10 per Equity Share and the Offer Price at upper end of the Price Band is ₹32 per Equity Share.
- Weighted Average Return on Net Worth for Fiscals 2021, 2022 and 2023 is 14.91%.

**Select Financial Ratios** 

Particulars	At Floor Price	At Cap Price
Market Capitalisation to Revenue from Operations	2.32	2.47
Price to Book Value	1.15	1.23

Note:

- 1. Market Capitalisation to revenue from operations ratio has been calculated as market capitalization at floor price/cap price divided by revenue from operations for the financial year ended March 31, 2023, as restated. Market Capitalisation at the floor price/cap price has been calculated by multiplying the floor price/cap price with expected total outstanding number of equity shares of the company after the completion of the offer calculated respectively at floor price/cap price.
- 2. Price to Book Value has been computed based on the floor price/ cap price divided by the net asset value per equity share, as on March 31, 2023.
- Details of the price at which equity shares were acquired by our promoter, promoter group, selling shareholders, shareholders entitled with right to nominate directors or any other rights was acquired in the last 3 years

Name	Date of Acquisition	Number of Equity Shares Acquired in past three (3) years	Acquisition Price per Equity Share
The President of India, through Secretary to the Government of India, Ministry of New and Renewable Energy	March 31, 2022	1,500,000,000	10.00

The weighted average cost of acquisition at which the Equity Shares were transacted in the preceding one year, 18 months and three years preceding the date of the Red Herring Prospectus is as follows:

Period	Weighted average cost of acquisition per Equity Share (WACA) (in ₹)	Cap Price (₹ 32) is 'X' times the WACA (in ₹)	Range of acquisition (Lowest Price -Highest Price) (in ₹)
Last one year / 18 months preceding the date of the Red Herring Prospectus	N.A.	N.A.	N.A.
Last three years preceding the date of the Red Herring Prospectus	10.00	3.20	10.00

 The three BRLMs associated with the Offer have handled 21 public issues in the past three Fiscals, out of which 11 issues closed below the IPO price on the listing date.

Name of the BRLM	Total Issues	Issues closed below IPO price on listing date
IDBI Capital Markets & Securities Limited*	2	1
BOB Capital Markets Limited*	2	2
SBI Capital Markets Limited*	15	7
Common Issues of above BRLMs	2	1
Total	21	11

\*Issues handled where there were no common BRLMs.

**ANCHOR INVESTOR BID/OFFER DATE MONDAY, NOVEMBER 20, 2023\*** 

**BID/OFFER OPENS ON TUESDAY, NOVEMBER 21, 2023\*** 

BID/OFFER

**PROGRAMME** 

### **BASIS FOR OFFER PRICE**

The Price Band has been determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs. The Offer Price will be determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is 3.00 times the face value at the lower end of the Price Band and 3.20 times the face value at the higher end of the Price Band.

For further details, see "Risk Factors", "Our Business", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 35, 220, 322 and 521 of the RHP, respectively

#### Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- Track record of growth, geared towards high quality assets, diversified asset book and stable profitability.
- Strategic role in Government of India initiatives in the Renewable Energy sector.
- Established and trusted brand name operating in a rapidly expanding sector. · Digitized process for borrower centricity and operational scalability, with presence across India
- · Comprehensive data-based credit appraisal process and risk-based pricing, with efficient post-disbursement project monitoring and recovery processes Access to diversified and cost-effective long-term sources of borrowing with a judicious approach towards asset-liability management.
- · Experienced senior management with in-depth sector expertise and professionally qualified employee base.

For further details, see "Our Business - Competitive Strengths" on page 223 of the RHP.

#### **Quantitative Factors**

The information presented below relating to our Company is based on the Restated Financial Information. For further details, see "Restated Financial Information" on page 322 of the

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

#### A. Basic and Diluted Earnings per Share ("EPS") at face value of ₹10 each

Year/period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
September 30, 2023 (Standalone)*	2.54	2.54	-
September 30, 2022 (Standalone)*	1.80	1.80	-
March 31, 2023 (Standalone)	3.78	3.78	3
March 31, 2022 (Standalone)	8.03	8.03	2
March 31, 2021 (Consolidated)	4.41	4.41	1
Weighted average	5.30	5.30	

#### \* Not annualized

#### Notes.

- Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights
- Earning per shares (EPS) calculation is in accordance with the notified Indian Accounting Standard (Ind AS) 33 'Earnings per share prescribed by the Companies (Indian Accounting Standards) Rules, 2015. The ratios have been computed as below.
- a) Basic earnings per share (₹) = Net profit after tax attributable to owners of our Company, as restated/weighted average number of equity shares at the end of the year/period b) Diluted earnings per share (₹) = Net profit after tax attributable to owners of our Company, as restated/ weighted average number of potential equity shares at the end of the
- The figures disclosed above are based on the Restated Financial Information of the Company.

#### B. Price/earning ("P/E") ratio in relation to Price Band of ₹30 to ₹32 per Equity Share

	Particulars	(no. of times)	(no. of times)
	Based on basic EPS of ₹3.78 as per the Restated Financial Information for the year ended March 31, 2023	7.94	8.47
	Based on diluted EPS of ₹3.78 as per the Restated Financial Information for the year ended March 31, 2023	7.94	8.47
C.	Industry peer group P/F ratio		

**Particulars** 

P/E ratio (number of times) Highest Lowest

Note: The industry high and low has been considered from the industry peer set provided later in the section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "- Comparison of accounting ratios with listed industry peers" on page 121 of the RHP.

#### D. Industry price/book ("P/B") ratio

Particulars	P/B ratio (number of times)
Highest	1.48
Lowest	0.68
Average	1.08

Note: The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/B of the industry peer set disclosed in this section. For further details, see "- Comparison of accounting ratios with listed industry peers" on page 121 of the RHP.

#### E. Return on net worth ("RoNW")

#### As per the Restated Financial Info

Financial Year/Period ended	RoNW (%)	Weight
September 30, 2023 (Standalone)*	9.26	-
September 30, 2022 (Standalone)*	7.52	-
March 31, 2023 (Standalone)	15.43	3
March 31, 2022 (Standalone)	15.33	2
March 31, 2021 (Consolidated)	12.56	1
Weighted average	14.91	

#### \* Not annualized

- 1. Weighted average RoNW = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights
- 2. RoNW (%) = Net profit after tax attributable to the owners of our Company, as restated divided by restated average net worth as restated as at year/period end.
- 3. 'Net worth' under Ind-As: Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium accoun and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on September 30, 2023, September 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue or Capital and Disclosure Requirements) Regulations, 2018, as amended.

F. Net asset value per Equity Share (face value of ₹10 each)

	Net asset value per Equity Share	Consolidated (₹)
	As on September 30, 2023	28.80
	As on September 30, 2022	24.68
	As on March 31, 2023	25.98
	After the Offer	
	- At the Floor Price	28.98
	- At the Cap Price	29.28
	Offer Price*	[•]
+ 7	La tank da kat Danasa da antana	

# \* To be included at Prospectus stage

# Notes.

- 1. Net asset value per Equity Share (₹): Net worth as restated as pe the Restated Financial Information divided by total number of Equity Shares outstanding at the end of the year/period
- 2. 'Net worth' under Ind-As: Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on September 30, 2023, September 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue or Capital and Disclosure Requirements) Regulations, 2018, as amended
- 3. Net asset value per Equity Share at Floor Price and Cap Price calculated without considering any issue related expenses and based upon September 30, 2023

Name of Company	Face value	EPS (₹	EPS (₹ per share)		P/E <sup>(5)</sup>	P/B <sup>(6)</sup>	RoNW <sup>(7)</sup>
	(₹ per share)	Basic <sup>(2)</sup>	Diluted <sup>(3)</sup>	(₹ per share)			(%)
Company							
Indian Renewable Energy Development Agency Limited*	10.00	3.78	3.78	25.98	[•]	[•]	15.43%
Peers							
REC Limited <sup>(1)</sup>	10.00	42.28	42.28	220.72	7.71	1.48	20.41%
Power Finance Corporation (1)	10.00	60.19	60.19	424.16	4.79	0.68	20.34%

Financial information of our Company has been derived from the Restated Financial Information as at or for financial year ended March 31, 2023. Listed peer companies are in the business of financing in RE and Non RE power segment

# Notes for listed peers:

- (1) All the financial information for listed industry peers mentioned above on a consolidated basis and is sourced from the annual reports for the year ended March 31, 2023
- (2) Basic EPS sourced from the annual report of the peers for the year ended March 31, 2023.
- (3) Diluted EPS sourced from the annual report of the peers for the year ended March 31, 2023
- (4) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares as on March 31, 2023. (5) P/E Ratio for the listed industry peers has been computed based on the closing market price of equity shares on November 10, 2023 on NSE, divided by the Diluted EPS provided
- under Note 3 above. (6) P/B ratio for the listed industry peers has been computed based on the closing market price of equity shares on NSE as on November 10, 2023 divided by the net asset value per
- equity share, as on March 31, 2023. (7) Return on net worth (RoNW) is computed as total profit/ (loss) (including profit attributable to non-controlling interest for the year divided by Average net worth (including non-
- controlling interest) as at March 31, 2023. Average of the total equity (including non-controlling interest) attributable to the equity shareholders of our Company at the beginning and ending of the year

# H. Key Performance Indicators ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyze our business performance, which in result, help us in analyzing the growth of business verticals in comparison to our peers. Our Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated November 1, 2023. Further, the members of our Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years prior to the date of filing of the Red Herring Prospectus. Further, the KPIs disclosed herein have been certified by DSP & Associates, Chartered Accountants, our Statutory Auditors, pursuant to the certificate dated November 6, 2023. For details of our other operating metrics disclosed elsewhere in the RHP, see "Our Business", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 220 and 521 of the RHP, respectively.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of Directors of our Company), until the later of (a) one year after the date of listing of the Equity Shares on the Stock Exchanges, and (ii) complete utilisation of the proceeds of the Offer as disclosed in "Objects of the Offer" on page 113 of the RHP, or for such other duration as may be required under the SEBI ICDR Regulations

Details of our KPIs as at and for the six months ended September 30, 2023 and September 30, 2022, and for the Financial Years ended March 31 2023, March 31, 2022 and

Key Performance Indicators/ KPIs	Period ended September 30, 2023	Period ended September 30, 2022	Financial year ended March 31, 2023	Financial year ended March 31, 2022	Financial year ended March 31 2021
Operations					
Gross Loan Portfolio (GLP) or Term Loans Outstanding <sup>(1)</sup>	475,144.83	337,833.59	470,755.21	339,306.06	278,539.21
GLP Growth <sup>(2)</sup>	0.93%	(0.43)%	38.74%	21.82%	18.29%
Loans <sup>(3)</sup> Sanctioned	47,445.03	117,654.01	325,866.05	239,210.62	110,013.00
Loans Disbursed <sup>(4)</sup>	62,732.52	40,063.06	216,392.07	160,708.22	88,283.53
Asset Quality					
Gross NPA <sup>(5)</sup>	3.13%	5.06 %	3.21%	5.21%	8.77%
Net NPA <sup>(6)</sup>	1.65%	2.72 %	1.66%	3.12%	5.61%
Provision Coverage Ratio <sup>(7)</sup>	48.11%	47.58%	49.25%	41.45%	38.14%
Slippage Ratio <sup>(8)</sup>	0.10%	0.03%	0.02%	0.10%	2.09%
Credit cost ratio <sup>(9)</sup>	1.51%	2.40%	1.84%	2.37%	3.62%
Return Ratio					
Total Expenses to Average AUM <sup>(10)</sup>	3.20%*	2.74%*	5.85%	6.72%	8.20%
PAT to Average AUM <sup>(11)</sup>	1.24%*	1.17*	2.16%	2.09%	1.36%
Return on Assets (ROA) <sup>(12)</sup>	1.14%*	1.06%*	1.98%	1.89%	1.20%
Return on Equity (ROE)(13)	9.26%*	7.52%*	15.44%	15.33%	12.56%
Capital					
Net Worth or Shareholders Equity(14)	65,806.12	56,383.12	59,351.69	52,681.13	29,956.00
Total Debt to Net Worth <sup>(15)</sup>	6.06	5.36	6.77	5.24	8.01
CRAR <sup>(16)</sup>	20.92%	23.55%	18.82%	21.22%	17.12%
Total Debt/Total Assets(17)	0.78	0.75	0.80	0.75	0.79
Profitability					
Net Interest Income <sup>(18)</sup>	7,854.23	6,237.53	13,237.65	11,280.44	9,922.15
NIM <sup>(19)</sup>	1.68%*	1.79%*	3.32%	3.75%	3.93%
Spread <sup>(20)</sup>	1.11%*	1.43%*	2.21%	2.81%	3.26%
Average Yield on Term Loans Outstanding(21)	4.93%*	4.65%*	8.44%	9.14%	10.41%
Average cost of borrowings <sup>(22)</sup>	3.82%*	3.22%*	6.23%	6.33%	7.15%
Cost to Income ratio (23)	64.69%	60.95%	67.29%	70.99%	78.57%
Profit per Employee <sup>(24)</sup>	33.29*	25.97*	54.04	40.61	22.06
Operating Margin <sup>(25)</sup>	35.30%	39.04%	32.69%	28.66%	21.34%
Net Profit Margin <sup>(26)</sup>	24.97%	26.00%	24.82%	22.04%	13.03%
Earnings Per Share					
Basic EPS <sup>(27)</sup>	2.54*	1.80*	3.78	8.03	4.41
Diluted EPS <sup>(28)</sup>	2.54*	1.80*	3.78	8.03	4.41

(1) Gross Loan Portfolio (GLP) or Term Loans Outstanding represents the total term loans outstanding (gross i.e., without netting-off the related provisioning) given by us as at the end of the period. It does not include interest accrued and due on term loans & interest accrued but not due on term loans, liquidated damages accrued and due, staff loans and interest accrued thereon. (2) GLP Growth represents growth in GLP for the period divided by GLP of the previous period in %. (3) Loans Sanctioned represents term loans approved during the period and may/may not be disbursed. (4) Loans Disbursed represents disbursement or financing of term loans during the period. (5) Gross NPA represents Gross Non-performing Term Loans divided by Term Loan Outstanding, at the period end in %. (6) Net NPA represents Net Non-performing Term Loans divided by Net Term Loans Outstanding, as at the period end in %. Net Term Loans represent Term Loans Outstanding minus NPA Provisions, as at the period end. (7) Total provisions held on Gross NPA divided by Gross NPA, as at the period end in %. (8) Fresh accretion of NPAs during the period divided by Term Loans Outstanding-Stage 1 & 2 (Standard), at the beginning of period in %. (9) Total NPA Provisions and write-offs (excluding provision for contingencies/standard assets) divided by average GLP outstanding, during the period in %. (10) Total expenses for a period divided by Average Asset under Management (AUM) for the period. AUM is interest & income generating assets. (11) Profit after tax for the period divided by Average AUM for the period. (12) Profit after tax for the period divided by Average total assets. (13) Profit after tax for the period divided by Average shareholder's equity. (14) Net worth represents the sum of equity share capital and other equity at the end of the period. (15) Total borrowings as at period end divided by net worth as at period end. Total Borrowings includes Debt Securities, Borrowings (Other than Debt Securities) and Subordinated Liabilities as at period end. (16) Total of Tier-I and Tier-II Capital divided by Credit Risk Weighted Asset in %. (17) Total borrowings at the end of the period divided by Total Assets at the end of the period. (18) Net Interest Income (comprising interest on term loans and investments) less interest expense (comprising interest on borrowings availed by us and net gain/loss on foreign exchange translation), for the period. (19) Net Interest Income divided by average interest-earning assets, in %. (20) Difference between average yield on average interest earning assets and average cost on average interest-bearing liabilities, in %. (21) Interest earned on Term Loans Outstanding divided by Average Term Loans Outstanding, in %. (22) Interest expended during the period divided by average borrowings from all sources, in %. (23) Total expenses for the period divided by total income for the period, in %. (24) Profit after tax for the period divided by number of employees at the period end. (25) Profit before tax excluding other income divided by Total Revenue from Operations, for the period in %. (26) Profit after tax divided by Total income, for the period in %. (27) Profit after tax for the period divided by weighted average number of Equity shares at the end of the period. (28) Profit after tax for the period divided by weighted average number of Equity Shares including potential number of Equity Shares at the period end.

Particulars	Description	Rationale
<u>Operations</u>		
Gross Loan Portfolio (GLP) or Term Loans Outstanding	Gross Loan Portfolio (GLP) or Term Loans Outstanding represents the total term loans outstanding (gross i.e., without netting-off the related provisioning) given by us as at the end of the period. It does not include interest accrued and due on term loans & interest accrued but not due on term loans, liquidated damages accrued and due, staff loans and interest accrued thereon	These metrics are used by the management of assess the growth in terms of scale and composition of business of our Company
GLP Growth	GLP Growth represents growth in GLP for the period divided by GLP of the previous period in %	
Loans Sanctioned	Loans Sanctioned represents term loans approved during the period and may/may not be disbursed	
Loans Disbursed	Loans Disbursed represents disbursement or financing of term loans during the period	
Asset Quality		
Gross NPA Net NPA	Gross NPA represents gross non-performing term loans divided by Term Loans Outstanding, at the period end in %  Net NPA represents net non-performing term loans divided by net Term Loans Outstanding,	These metrics are used by the manageme to assess the asset quality of the loan portfolio and adequacy of provisions
	as at the period end in %. Net term loans represent Term Loans Outstanding minus NPA Provisions, as at the period end	against the delinquent loans
Provision Coverage Ratio	Total provisions held on Gross NPA divided by Gross NPA, as at the period end in %	
Slippage Ratio	Fresh accretion of NPAs during the period divided by Term Loans Outstanding – Stage 1 & 2 (Standard), at the beginning of period in %	
Credit cost ratio	Total NPA Provisions and write-offs (excluding provision for contingencies/standard assets) divided by average GLP outstanding, during the period in %	This ratio indicates the credit cost on the average assets of the entity
Return Ratio	Tatal annual for a said divided by Array Array and Marray (ALIBA) (1.10)	The second secon
Total Expenses to	Total expenses for a period divided by Average Asset under Management (AUM) for the period.	These metrics are used by the management
Average AUM	AUM is interest & income generating assets	to assess the cost and profit on the asset
PAT to Average AUM Return on Assets (ROA)	Profit after tax for the period divided by average AUM for the period	in the business of our Company
Return on Equity (ROE)	Profit after tax for the period divided by average total assets  Profit after tax for the period divided by average shareholder's equity	These metrics are used by the management to assess the returns on the deployed cap
Capital Capital	Front arter tax for the period divided by average shareholder's equity	and the assets in the business of our Compa
Net Worth or	Net worth represents the sum of equity share capital and other equity at the end of the period	These metrics are used by the manageme
Shareholders Equity Total Debt to Net Worth	Total borrowings as at period end divided by net worth as at period end. Total Borrowings	to measure the adequacy of Capital financi resources for the business growth
	includes Debt Securities, Borrowings (Other than Debt Securities) and Subordinated Liabilities as at period end.	of the Company
CRAR Total Debt to Total Assets	Total of Tier-I and Tier-II Capital divided by Credit Risk Weighted Asset in %  Total borrowings at the end of the period divided by Total Assets at the end of the period	This metrics indicate proportion of the total borrowed funds against our total assets
Profitability		Donottou fariuo againet our total acceto
Net Interest Income	Net Interest Income (comprising interest on term loans and investments) less interest expense (comprising interest on borrowings availed by us and net gain/loss on foreign exchange translation), for the period	These metrics are used by the management for assessing the financial performance of the company during a particular period
NIM	Net Interest Income divided by average interest-earning assets, in %	
Spread	Difference between average yield on average interest earning assets and average cost on average interest-bearing liabilities, in %	
Yield on Term Loans	Interest earned on Term Loans Outstanding divided by average Term Loans Outstanding, in %	These metrics are used by the manageme to assess the income on loans given in the business of our Company
Cost of Borrowings	Interest expended during the period divided by average borrowings from all sources, in $\%$	These metrics are used by the manageme to assess the cost for financial resources which are deployed for the business growth of our Company
Cost to Income ratio	Total expenses for the period divided by total income for the period, in %	These metrics are used by the manageme
Profit per Employee	Profit after lax for the period divided by number of employees at the period end	for assessing the financial performance of the company during a particular period
Operating Margin	Profit before tax excluding other income divided by total revenue from operations, for the period in %	These metrics are used by the manageme to assess the profit earned on revenue
Net Profit Margin	Profit after tax divided by Total income, for the period in %	generated in the business of our Compan
Earnings Per Share		
Basic EPS	Profit After Tax for the period divided by weighted average number of Equity shares at the end of the period	These metrics are used by the manageme to assess the Earnings on the Capital deployed in the business
Diluted EPS	Profit After Tax for the period divided by weighted average number of Equity shares including Potential No. of Equity Shares at the period end	These metrics are used by the manageme to assess the Earnings on the Capital deployed in the business

# Description on the historic use of the KPIs by us to analyse, track or monitor our operational and/or financial performance

In evaluating our business, we consider and use certain KPIs, as stated above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPls are not defined under Ind AS and are not presented in accordance with Ind AS. These KPls have limitations as analytical tools. Further, these KPls may differ from the similar information used by other comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with financial measures prepared in accordance with Ind AS. Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business.

# $Comparison \ of our \ key performance \ indicators \ with \ listed \ industry \ peers \ for \ the \ Financial \ Years/periods \ included \ in \ the \ Restated \ Financial \ Information$

The following table provides a comparison of the KPIs of our Company with our peer group. The peer group has been determined on the basis of companies listed on Indian stock exchanges and globally, whose business profile is comparable to our businesses in terms of our size and our business model:

Particulars	Ind	ian Renewable Er	nergy Developme	nt Agency Limited (I	REDA)(2)	REC Limited <sup>(3)</sup>				Power Finance Corporation Limited (PFC) <sup>(3)</sup>					
	FY 2021	FY 2022	FY 2023	As of and for the six months ended September 30, 2023	As of and for the six months ended September 30, 2022	FY 2021	FY 2022	FY 2023	As of and for the six months ended September 30, 2023	As of and for the six months ended September 30, 2022	FY 2021	FY 2022	FY 2023	As of and for the six months ended September 30, 2023	As of and for the six month ended Septeml 30, 2022
Operations															
Gross Loan Portfolio (GLP) or Term Loans Outstanding	2,78,539	3,39,306	4,70,755	4,75,145	3,37,834	37,74,181	38,53,713	43,50,118	47,42,749	39,44,321	74,51,891	75,84,964	85,75,000	9,237,236	-
GLP Growth (%)	18.29%	21.82%	38.74%	0.93%	(0.43)%	17.06%	2.11%	12.88%	9.03%	2.35%	11.67%	1.79%	13.05%	7.72%	-
oans Sanctioned	1,10,013	2,39,210	3,25,866	47,445	1,17,654	15,48,209	5,44,218	26,84,605	-	-	-	-	-	-	-
oans Disbursed	88,283	1,60,708	2,16,392	62,733	40,063	9,29,874	6,41,502	9,68,463	-	-	-	-	-	-	-
Asset Quality															
Gross NPA	8.77%	5.21%	3.21%	3.13%	5.06%	4.84%	4.45%	3.42%	3.14%	4.03%	5.29%	5.02%	3.66%	3.40%	4.38%
Net NPA	5.61%	3.12%	1.66%	1.65%	2.72%	1.78%	1.51%	1.04%	-	-	1.97%	1.66%	1.06%	-	-
Provision Coverage Ratio	38.14%	41.45%	49.25%	48.11%	47.58%	64.59%	67.40%	70.64%	69.37%	69.28%	63.97%	68.05%	71.73%	71.18%	70.95%
Slippage Ratio	2.09%	0.10%	0.02%	0.10%	0.03%	0.01%	0.41%	0.00%	-	-	0.03%	0.52%	0.00%	-	-
Credit cost ratio	3.62%	2.37%	1.84%	1.51%	2.40%	3.37%	3.03%	2.56%	2.27%	2.82%	3.57%	3.45%	2.79%	2.51%	-
Return Ratio															
Total Expenses to Average AUM <sup>(4)</sup>	8.20%	6.72%	5.85%	3.20%*	2.74%*	-	-	-	-	-	-	-	-	-	-
PAT to Average AUM <sup>(4)</sup>	1.36%	2.09%	2.16%	1.24%*	1.17%*	-	-	-	-	-	-	-	-	-	-
Return on Assets (ROA)	1.20%	1.89%	1.98%	1.14% *	1.06% *	2.24%	2.47%	2.55%	1.38%*	1.24%*	2.14%	2.40%	2.51%	1.35%*	1.22%*
Return on Equity (ROE)	12.56%	15.33%	15.44%	9.26% *	7.52% *	21.17%	21.11%	20.41%	11.11%*	9.87%*	23.96%	21.08%	20.34%	10.70%*	9.88%*
Capital															
Net Worth or Shareholders Equity including controlling interest)	29,956	52,681	59,351	65,806	56,383	4,37,639	5,13,141	5,81,205	6,35,825	5,37,961	8,17,903	9,62,752	11,19,813	1,237,030	10,22,802
Total Debt to Net worth	8.01	5.24	6.77	6.06	5.36	7.53	6.49	6.55	6.60	6.39	8.07	6.86	6.71	6.58	6.60
CRAR	17.12%	21.22%	18.82%	20.92%	23.55%	19.72%	23.61%	25.78%	28.53%	25.15%	18.83%	23.48%	24.37%	24.86%	-
Total Debt/Total Assets	0.79	0.75	0.80	0.78	0.75	0.81	0.80	0.81	0.81	0.80	0.85	0.83	0.84	0.83	0.83

Particulars	li	Indian Renewable Energy Development Agency Limited (IREDA) <sup>(2)</sup>				REC Limited <sup>(3)</sup>				Power Finance Corporation Limited (PFC)(3)				)	
	FY 2021	FY 2022	FY 2023	As of and for the six months ended September 30, 2023	As of and for the six months ended September 30, 2022	FY 2021	FY 2022	FY 2023	As of and for the six months ended September 30, 2023	As of and for the six months ended September 30, 2022	FY 2021	FY 2022	FY 2023	As of and for the six months ended September 30, 2023	As of and for the six months ended September 30, 2022
Profitability															
Net Interest Income <sup>(5)</sup>	9,922	11,280	13,237	7,854	6,237	1,28,742	1,53,445	1,39,990	75,624	70,267	2,59,957	2,84,737	2,63,899	151,613	1,29,235
NIM <sup>(6)</sup>	3.93%	3.75%	3.32%	1.68% *	1.79% *	3.68%	4.02%	3.41%	1.66%*	1.80%*	3.68%	3.79%	3.27%	1.70%*	-
Spread	3.26%	2.81%	2.21%	1.11% *	1.43% *	2.83%	3.12%	2.51%	1.23%*	1.33%*	2.89%	2.93%	2.37%	1.27%*	-
Average Yield on Term Loans Outstanding/GLP	10.41%	9.14%	8.44%	4.93% *	4.65% *	9.91%	10.01%	9.47%	4.86%*	4.89%*	10.03%	9.96%	9.47%	4.82%*	-
Average cost of Borrowings	7.15%	6.33%	6.23%	3.82% *	3.22% *	7.08%	6.90%	6.96%	3.63%*	3.56%*	7.14%	7.03%	7.10%	3.55%*	3.69%*
Cost to Income ratio	78.57%	70.99%	67.29%	64.69%	60.95%	69.69%	68.37%	64.83%	62.45%	67.20%	72.27%	69.34%	65.87%	63.07%	68.02%
Profit per Employee	22.06	40.61	54.04	33.29*	25.97 *	196	228	267	-	-	325	375	408		-
Operating Margin	21.34%	28.66%	32.69%	35.30%	39.04%	30.26%	31.48%	35.10%	37.50%	32.74%	27.70%	30.55%	34.09%	36.90%	31.94%
Net Profit Margin	13.03%	22.04%	24.82%	24.97%	26.00%	23.55%	25.51%	28.26%	29.65%	26.64%	21.92%	24.58%	27.28%	29.05%	25.89%
Earnings Per Share															
Basic EPS	4.41	8.03	3.78	2.54*	1.80*	42.42	37.98	42.28	25.66*	19.70*	44.50	53.08	60.19	28.51*	27.85*
Diluted EPS	4.41	8.03	3.78	2.54*	1.80*	42.42	37.98	42.28	25.66*	19.70*	44.50	53.08	60.19	28.51*	27.85*

\*Figures have not been annualised for the period ended September 30, 2023 and September 30, 2022.

Notes:

- 1. '-'represents not available
- 2. All the financial information for the Company is sourced from the Restated Financial Information.
- 3. The financial parameters for the industry peers mentioned above is on a consolidated basis and is sourced/derived from the respective annual report/financial results. The financial information of PFC also includes financials of REC Limited being 52.63% subsidiary of PFC
- 4. Asset under Management (AUM) of peer companies are not available directly in public filing and accordingly ratios related to AUM is not provided
- 5. While calculating Net Interest Income, in the interest expense/finance costs "Net translation / transaction exchange loss / (gain)" are adjusted.
- 6. For peers, the NIM (%) computed as Net Interest Income divided by average gross loan portfolio
- 7. Peer companies may calculate such KPIs differently from us in their financial result/annual report/Investor presentation. For the purpose of comparison, unless otherwise stated, the financial ratios of the peers have been computed/calculated in the same manner in which calculation/computation carried out by the Company for purpose of KPIs disclosure. Please see foot note under para table "Key Performance Indicators ("KPIs")" on page 121 of the RHP for details regarding computation of the said ratio.

#### $Comparison \, of \, KPIs \, based \, on \, additions \, or \, dispositions \, to \, our \, business \,$

Our Company has not undertaken a material acquisition or disposition of assets/ business for the periods that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to the business, have been provided.

J. Justification for Basis for Offer price

- A. Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under a stock option scheme and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days
- There has been no issuance of Equity Shares during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days.
- B. Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities involving the Promoter Selling Shareholder during the 18 months preceding the date of filing of the Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days
- There have been no secondary sale/acquisitions of Equity Shares, where the Promoter Selling Shareholder is a party to such transaction, during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.
- C. Primary and secondary transactions in the last three years preceding the date of the Red Herring Prospectus
- Since there are no such transactions to report under (A) and (B) above, information for the last five primary or secondary transactions (secondary transactions where the Promoter/ Promoter Selling Shareholder having the right to nominate director(s) on the Board of our Company, is a party to the transaction), not older than three years prior to the date of the Red Herring Prospectus irrespective of the size of transactions, is as below: **Primary Transactions**

Disclosed below are the last five primary transactions of our Company, in the last three years preceding the date of this Red Herring Prospectus.

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of allotment	Total consideration (in ₹ million)
March 31, 2022	1,500,000,000	10.00	10.00	Cash	Rights issue	15,000.00
Total	1,500,000,000					15,000.00
Weighted average cost of a	10.00					

^ The above details have been certified by DSP & Associates, Chartered Accountants, our Statutory Auditors, pursuant to the certificate dated November 11, 2023.

Secondary Transactions

There has been no secondary transactions in the last three years preceding the date of the Red Herring Prospectus

D. Weighted average cost of acquisition, floor price and cap price

Based on the transaction described in above, the weighted average cost of acquisition, as compared with the Floor Price and Cap Price is set forth below:

TYPE OF TRANSACTIONS	Weighted average cost of	Floor price	Cap price
	acquisition (₹ per Equity Share)	(i.e. ₹ 30.00)	(i.e. ₹ 32.00)
Weighted average cost of acquisition for last 18 months for primary / new issue of shares	N.A.	N.A.	N.A.
(equity/ convertible securities), excluding shares issued under an employee stock option			
plan/employee stock option scheme and issuance of bonus shares, during the 18 months			
preceding the date of filing of the Red Herring Prospectus, where such issuance is equal			
to or more than 5% of the fully diluted paid-up share capital of the Company (calculated			
based on the pre-issue capital before such transaction/s and excluding employee stock			
options granted but not vested), in a single transaction or multiple transactions combined			
together over a span of rolling 30 days			

TYPE OF TRANSACTIONS Weighted average cost of acquisition (₹ per Equity Share)
N.A. (i.e. ₹ 30.00) (i.e. ₹ 32.00) Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities), where promoter/ promoter group entities or selling shareholders or shareholder(s) having the right to nominate director(s) in the Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days

Since there were no primary transactions or secondary transactions of Equity Shares of the Company during the 18 months preceding the date of filing of the Red Herring Prospectus, the information has been disclosed for price per share of the Company based on the last five primary or secondary transactions (secondary transactions where the Promoter/ Promoter Selling Shareholder having the right to nominate director(s) on our Board, is a party to the transaction), not older than three years prior to the date of filing of the Red Herring Prospectus irrespective of the size of the transaction Based on primary transactions 3.00 times

- N.A. Based on secondary transactions Explanation for Cap Price being 3.20 times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in D above) along with our Company's key performance indicators and financial ratios for the six months ended September 30, 2023 and for the Fiscals 2023,
  - 2022 and 2021 and (b) external factors which may have influenced the pricing of the Offer. 1. With the announcement of 500 GW non-fossil fuel based capacity installation by 2030 and net-zero emissions by 2070, India has set itself on one of the most accelerated energy transition trajectories in the world (Source: CARE Report).
  - 2. We are the largest pure-play green financing NBFC in India with loan assets of ₹ 470.7 billion as of March 31, 2023 and are well placed to capitalise on the rapid growth in the RE sector. (Source: CARE Report). We are a wholly owned Government of India Schedule 'A' enterprise 3. We provide a comprehensive range of financial products and related services, from project conceptualisation to post-commissioning, for RE projects and other value chain
  - activities, such as equipment manufacturing and transmission. 4. We have an experienced senior management with in-depth sector expertise and professionally qualified employee base. The average work experience in banking finance,
  - power and RE of our management is between 25 and 30 years. 5. We have a track record of consistent growth in our loan book, diversified asset book, high quality assets with over 90% secured asset base and stable profitability in the RE
  - financing space in India. 6. We play a strategic role in Government of India initiatives in the Renewable Energy sector, and are closely involved in the development and implementation of various
  - policies and schemes for structural and procedural reform in the RE sector.
  - We have access to diversified and cost-effective long-term sources of borrowing. We have AAA (Stable) rating from India Ratings, ICRA and Acuite 8. We have a comorehensive data-based credit appraisal process and risk-based pricing, with efficient post-disbursement project monitoring and recovery processes.
  - Consequently, we have maintained strong control over our NPAs, which have demonstrated a declining trend over the three preceding Fiscals and the six months ended September 30, 2023 9. Our management is committed to implementing high standards of corporate governance and we have established policies and procedures to support transparency, sound
  - business ethics and a well-established compliance framework. 10. Gross NPAs as a percentage of Term Loans Outstanding reduced from 8.77% as of March 31, 2021 to 3.13% as of September 30, 2023. Our net NPAs as a percentage of Net Term Loans Outstanding reduced from 5.61% as of March 31, 2021 to 1.65% as of September 30, 2023.
  - 11. Our Term Loan Outstanding and Profit after Tax grown at a CAGR 30% and 57.99 % during financial year 2021 to Financial Year 2023.
- F. The Offer price is  $[\bullet]$  times of the face value of the Equity Shares.

The Offer Price of ₹[•] has been determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the abovementioned information along with "Risk Factors", "Our Business", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 35, 220, 322 and 521 of the RHP, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "Risk Factors" on page 35 of the RHP and you may lose all or part of your investments.

For further details, please see the chapter titled "BASIS FOR OFFER PRICE" begining on page 119 of the RHP.

# THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF NSE AND BSE

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Promoter Selling Shareholder, in consultation of the BRLMs, may for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs, the "QIB Portion"), provided that our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Price at which allocation is made to Anchor Investors ("Anchor Investor Allocation Price"). In the event of undersubscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion (other than Anchor Investor Portion) ("Net QIB Portion"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders ("Non-Institutional Portion") out of which (a) one-third of such portion shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds of such portion shall be reserved for Bidders with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders ("Retail Portion") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to the Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBAAccounts (as defined hereinafter), and UPI ID in case of UPI Bidders (as defined hereinafter) using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as the case be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" on page 626 of

Bidders/Applicants should ensure that DP ID. PAN and the Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID and UPI ID available (for UPI Bidders bidding through the UPI Mechanism) in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer, Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes notification dated February 13, 2020 and read with press releases dated June 25, 2021, September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023 and any subsequent press releases in this regard.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are requested to see "History and Certain Corporate Matters" beginning on page 278 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see "Material Contracts and Documents for Inspection" beginning on page 656 of the RHP. LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 60,000,000,000 divided into 6,000,000,000 Equity Shares of face value of ₹10 each. The issued, subscribed and paid-up Equity share capital of our Company is ₹ 22,846,000,000 divided into 2,284,600,000 Equity Shares of face value of ₹10 each. For details of the capital structure of our Company, see "Capital Structure" beginning on page 98 of the RHP.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The President of India and his nominees signed our Memorandum of Association, following which an initial allotment of 1 equity share each was allotted to Jagdish Sharan Baijal, Ram Roop Gupta, Satish Khurana, Bahadur Chand, Shamsur Rahman Faruqi, Chander Prakash Malhotra and the President of India through Secretary to the Government of India, Ministry of Energy, Department of Non-Conventional Energy Sources (as nominees of the President of India). For details of the share capital history and capital structure of our Company see "Capital Structure" beginning on page 98 of the RHP.

LISTING: The Equity Shares offered through the RHP are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated October 3, 2023. For the purpose of the Offer, the Designated Stock Exchange shall be NSE. A copy of the RHP has been filed in accordance with Section 32 of the Companies Act, 2013, and the Prospectus shall be filed with the RoC in accordance with the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the RHP up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 656 of the

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities stated in the Offer Document. The investors are advised to refer to page 592 of the RHP for the full text of the disclaimer clause of SEBI. DISCLAIMER CLAUSE OF RBI: The Company has a valid certificate of registration issued by the Reserve Bank of India dated March 13, 2023. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinion

expressed by the Company and for the repayment of deposits/discharge of liabilities by the Company. DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the Offer Document has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to the page 606 of the RHP for the full text of the disclaimer clause of BSE

DISCLAIMER CLAUSE OF NSE (the Designated Stock Exchange): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 607 of the RHP for the full text of the disclaimer clause of NSE.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision. Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the Bidders is invited to "Risk Factors" on page 35 of the RHP.

ASBA\* | Simple, Safe, Smart way of Application!!! \*Applications Supported by Blocked Amount

("ASBA") is a better way of applying to offers by simply blocking the fund in the bank account. For further details, check section on ASBA. Mandatory in public issues. No cheque will be accepted.



UPI-Now available in ASBA for Retail Individual Bidders and Non Institutional Bidders applying in public issues where the application amount is up to ₹ 500,000 applying through Registered Brokers, Syndicate, CDPs & RTAs. Retail Individual Bidders and Non-Institutional Bidders also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021, CBDT Circular No. 7 of 2022 dated March 30, 2022 read with the press release dated March 28, 2023 and any subsequent press releases in this regard.

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Bidders in the Retail Portion; (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI Mechanism, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section "Offer Procedure" on page 626 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges") and can be obtained from the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=35 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=43, respectively as updated from time to time. The Abridged Prospectus can also be downloaded from the website of the Company. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. HDFC Bank Limited has been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Managers ("BRLMs") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail Id: ipo.upi@npci.org.in.



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BOB Capital Markets Limited

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SBI Capital Markets Limited 1501, 15th floor, A&B Wing, Parinee Crescenzo G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India Telephone: +91 22 4006 9807 E-mail: ireda.ipo@sbicaps.com Investor grievance e-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Vaibhav Shah

**LINK**Intime Link Intime India Private Limited

REGISTRAR TO THE OFFER

C 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083, Maharashtra, India Telephone: +91 81 0811 4949 E-mail: indianrenergy@linkintime.co.in Investor Grievance E-mail: indianrenergy@linkintime.co.in **Website:** www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration Number: INR000004058

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ekta Madar INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED India Habitat Centre, East Court, Core 4A, 1<sup>st</sup> Floor, Lodhi Road New Delhi - 110 003 Delhi India

Telephone: +91 11 2468 2206 / 2468 2219 E-mail: equityinvestor2023@ireda.in Website: www.ireda.in

Investors may contact the Company Secretary and Compliance Officer. BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related queries, grievances and for redressal of complaints including non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc

SEBI Registration Number: INM000003531 been made available on the website of SEBI at www.sebi.gov.in and is available on the websites of the BRLMs, IDBI Capital Markets & Securities Limited at www.idbicapital.com, BOB Capital Markets Limited at www.bobcaps.in and SBI Capital Markets Limited at www.sbicaps.com and the websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE at www.nseindia.com and the website of the Company at www.ireda.in

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered and Corporate Office of our Company, INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED: Telephone: +91 11 2468 2214; BRLMs: IDBI Capital Markets & Securities Limited, Telephone: +91 22 2217 1953; BOB Capital Markets Limited, Telephone: +91 22 6138 9353 and SBI Capital Markets Limited, Telephone: +91 22 4006 9807 and Syndicate Members: Investec Capital Services (India) Private Limited, Tel: +91 22 6849 7400; SBICAP Securities Limited, Tel: +91-22-6931 6204 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Offer. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI. SUB-SYNDICATE MEMBERS: Anand Rathi Share & Stock Brokers Limited; Axis Capital Limited; Centrum Broking Ltd.; HDFC Securities Limited; ICICI Securities Limited;

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 35 of the RHP has Jobanputra Fiscal Services Ltd.; Kotak Securities Limited; Notial Oswal Securities Limited; Notial Oswal Securities Limited; Notak Securities Limited; N Limited (Edelweiss Broking Limited); Prabhudas Lilladher Pvt Ltd.; RR Equity Brokers Private Limited; Sharekhan Limited; SMC Global Securities Ltd. and YES Securities (India) Ltd. ESCROW COLLECTION BANK, REFUND BANK AND SPONSOR BANK: Axis Bank Limited.

PUBLIC OFFER ACCOUNT BANK AND SPONSOR BANK: HDFC Bank Limited UPI: UPI Bidders can also Bid through UPI Mechanism

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED On behalf of the Board of Directors

Sd/-

Place: New Delhi Date: November 13, 2023

Ekta Madan Company Secretary and Compliance Officer

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed a draft red herring prospectus dated September 7, 2023 with SEBI (the "DRHP") and a red herring prospectus dated November 11, 2023 ("RHP") with the RoC. The RHP is made available on the website of the SEBI at www.sbicaps.com, the website of the SEBI at www.sbicaps.com, the website of the BRLMs i.e., IDBI Capital Markets Limited at www.bbicaps.in and SBI Capital Markets Limited at www.sbicaps.com, the website of the NSE at www.nseindia.com and the website of the BSE at www.bseindia.com and the website of the Company at www.ireda.in. Any potential investors should note that investors should not rely on the DRHP for making any investment decision, but can only rely on the information included in the RHP. The Equity Shares have not been and will not be registered under the Securities Act or any U.S. federal, state or other securities laws, pursuant to registration or exemption therefrom.

The Company will not be registered as an investment company under the U.S. Investment Company Act") and accordingly is not subject to the protections of the Investment Company Act. Accordingly, the Equity Shares are being offered and sold (a) to persons in the United States and to U.S. Persons who are both, (i) "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIB and a QP are referred to as "Entitled QPs"), pursuant to Rule 144A under the U.S. Securities Act and in accordance with Section 3(c)(7) of the Investment Company Act, and (b) to persons outside the United States, pursuant to Regulation S under the U.S. Securities Act and in accordance with Section 3(c)(7) of the Investment Company Act, and (b) to persons outside the United States, pursuant to Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. There will be no public offering of Equity Shares in the CONCEPT