

Mr. K S Popli
Chairman and Managing Director
Indian Renewable Energy Development Agency Limited (IREDA),
3rd Floor, August Kranti Bhawan,
Bhikaji Cama Place, New Delhi – 110 066

September 30, 2014

Confidential

Dear Sir,

Credit rating for long term bonds

On the basis of recent developments including operational and financial performance of your company for FY14, our Rating Committee has reviewed the following ratings:

Facilities/ Instruments	Amount (Rs. crore)	Rating ¹	Remarks
Long Term Bonds	3,100	CARE AAA (SO) [Triple A (Structured Obligation)]	Reaffirmed

2. Refer **Annexure 1** for details of rated instruments.
3. The above ratings are based on the credit enhancement in the form of letter of comfort from Ministry of New and Renewable Energy, Government of India.
4. The rationale for this rating will be communicated to you separately.
5. Please arrange to get the rating revalidated, in case the issue is not made within a period of **six months** for long term rating and **two months** for short term rating from the date of this letter.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

6. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
7. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
8. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without reference to you.
9. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
10. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
11. CARE ratings are **not** recommendations to buy, sell, or hold any securities or sanction, renew, disburse or recall the concerned bank facilities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Gaurav Jain

[Analyst]

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Gaurav Dixit

[Assistant General Manager]

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Encl.: As above

Disclaimer

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

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

Annexure 1

Details of Rated Instruments

Long term instruments

Instrument	Rated Amount (Rs. Crore)	Rating
Long Term Bonds	150	CARE AAA (SO)
Long Term Bonds	100	CARE AAA (SO)
Long Term Bonds	400	CARE AAA (SO)
Long Term Bonds	450	CARE AAA (SO)
Long Term Bonds	1,000	CARE AAA (SO)
Long Term Bonds	1,000	CARE AAA (SO)
Total	3,100	