

## Press Release



### ReNew Power closes non-convertible debenture issue worth Rs 2,235 crore

- *Issue worth Rs 1,475 crore is a multi-issuer cross-collateralized INR bond involving multiple power distribution companies*
- *Credit enhancement of Rs 230 crore for the issuance worth Rs 760 crore was jointly extended by IIFCL and IREDA*

**January 9, 2018 – Gurgaon:** ReNew Power Ventures Pvt. Ltd. (hereinafter, referred to as “ReNew Power”) – one of India’s leading clean energy companies, has announced the closure of non-convertible debentures (NCDs) issue collectively worth Rs 2,235 crore (approximately, USD 360 million). The issuance comes in two parts – the first, a credit enhanced NCD worth Rs 760 crore and the second, a multi-issuer cross-collateralized INR bond involving multiple power distribution companies, is valued at Rs 1,475 crore.

Commenting on both issuances, **Kailash Vaswani**, Deputy CFO, ReNew Power, said, *“ReNew Power continues to broad-base its sources of debt financing and the recently concluded NCD transactions have resulted in the reduction of interest cost between 1.5% and 2%. This is expected to help freeing up existing bank limits and allowing us to contribute to working towards the renewable energy targets set by state governments and the Centre.”*

The NCD worth Rs 1,475 crore is a multi-issuer cross-collateralized INR bond involving multiple power distribution companies from the states of Andhra Pradesh, Rajasthan and Gujarat, and spread across 8 special purpose vehicles and 12 projects totaling 234 MW of installed capacity (174 MW of wind; and 60 MW of solar). L & T Financial Services (LTFS) acted as the issue’s underwriter. Proceeds from the bond issue will be used for the prepayment of existing term loans.

Speaking on the issue, **Suresh Darak**, Head – Debt Capital Markets and Selldown, LTFS – the sole arranger to the multi-issuer bond offering and joint underwriter with IDFC Bank, said, *“Renew Power has been instrumental in exploring new structures and avenues for financing for their expanding portfolio. As a prominent renewable energy financier in India, LTFS has always been an active partner in such initiatives. In the current structure, cash flows from a diversified portfolio of solar and wind assets across multiple states have been pooled, leading to an upgrade in the standalone credit rating of the projects by two notches to A+, thereby attracting bond market*

*investors. This will serve as a marquee transaction in the infrastructure space, whereby large renewable players can tap the capital markets which will not only help them free up their bank lines for future capex but also bring down their cost of funds by almost 150 to 200 basis points."*

The second issue – a credit-enhanced NCD worth Rs 760 crore, has a tenor of 17 years. India Infrastructure Finance Company Limited (IIFCL) and the Indian Renewable Energy Development Agency (IREDA) – both AAA rated, have together extended a partial credit guarantee (PCG), thus helping the issue attain a rating of AA+ (SO) by India Ratings and CARE Ratings.

**P R Jaishankar**, Chief General Manager, IIFCL said, *"IIFCL is focused on achieving the Government of India's objective of enabling infrastructure projects in the country to raise long-term funds through debt capital market. The partial guarantee from IIFCL has helped ReNew raise funds for a term of 17 years through bond issuance. IIFCL also supported the project in bringing in new co-guarantor IREDA, which is also partially guaranteeing the bonds along with IIFCL. This is an appropriate time for infrastructure developers to refinance their operational assets through bond financing, which provides an avenue for fixed rates and we congratulate ReNew and its team for availing this facility at this juncture. It will result in substantial savings for the company and bring more stability and clarity to cash flows. This AA+ rated high yielding bond also provides a good investment opportunity to long-term investors like pension and insurance funds, to invest for long terms in such infrastructure sector bonds."*

**K S Popli**, Chairman and Managing Director, IREDA added, *"We are committed to maintaining a strong position in renewable energy (RE) financing. After successfully raising \$300 million through masala bonds listed on the London and Singapore stock exchanges, we have been exploring different ways to lower cost of capital to enable us to lend on more competitive terms and expand our market share in the RE space. In our endeavor to support the RE sector, we have recently introduced several new financial instruments such as credit guarantee enhancement, issuance of a long-term letter of comfort as part of buyers' credit, financing of transmission line projects, etc. The Credit Enhancement facility to ReNew Akshay Urja Limited is our first in what we believe will be many such innovative financing options."*

ReNew Power has a host of international investors, namely Goldman Sachs and Global Environment Fund from the USA; Abu Dhabi Investment Authority from the Middle East; and Asian Development Bank and JERA from Asia and till date, ReNew Power has raised a total equity of USD 900 million.

### **About ReNew Power**

ReNew Power Ventures Pvt. Ltd, one of India's leading renewable energy Independent Power Producers (IPPs), is committed to working towards changing the country's current energy portfolio by delivering cleaner and smarter energy choices thereby, reducing India's carbon footprint.

ReNew Power has over 3,500 MW of commissioned and under construction clean energy capacity across 16 states in the country.

For more information please visit: [www.renewpower.in](http://www.renewpower.in)

Follow ReNew Power on Twitter: [@ReNew\\_Power](https://twitter.com/ReNew_Power)

Warm regards,

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