
'CareEdge BBB+ /Stable' assigned to IREDA Global Green Energy Finance IFSC Limited

Long-term Foreign Currency Issuer Rating

CareEdge BBB+ /Stable

CareEdge Global has assigned '**CareEdge BBB+ /Stable**' long-term foreign currency issuer rating to IREDA Global Green Energy Finance IFSC Limited (IGGEFIL). It was established as a wholly owned subsidiary of Indian Renewable Energy Development Agency Limited (IREDA) - majority owned by the Government of India (GoI), to raise global funding for financing of green energy projects.

Rationale

IGGEFIL's rating is aligned with the credit profile of IREDA, reflecting the parent's high moral obligation to provide proactive financial support as required, whether for growth objectives or timely debt servicing. This ensures fund availability for both policy objectives and financial exigencies.

IGGEFIL is of strategic importance for IREDA, serving as its global arm to access foreign currency capital and facilitate financing of green energy projects in India and overseas through the GIFT City ecosystem. The linkage is reinforced by IREDA's shared brand identity, two common directors on board, high management oversight, and the full alignment of strategic objectives. While IGGEFIL maintains an independent organisational structure, its growth strategy and risk framework are closely integrated with those of its parent.

IGGEFIL's standalone credit profile, however, is constrained by its nascent stage of operations and negligible profitability. The company is expected to achieve breakeven at the net level in fiscal 2026 and profitability metrics are expected to remain modest in the near to medium term. Nonetheless, these factors are partially offset by the company's healthy capitalisation and strong financial flexibility, derived from its status as a subsidiary of IREDA. Credit strength is further bolstered by continued parent support through equity infusions and active management oversight.

Outlook

The stable outlook on IGGEFIL reflects CareEdge Global's view on the credit outlook of its parent IREDA, based on parental support and deep operational integration. IGGEFIL's rating and outlook will move in tandem with that of IREDA and the sovereign rating of India.

Rating sensitivities

Upward factors

- An upward revision in the sovereign rating or outlook of India (rated, 'CareEdge BBB+/Stable Unsolicited'); and
- Upward revision in our credit rating view of IREDA

Downward factors

- A downward revision in the sovereign rating or outlook of India by CareEdge Global
- Downward revision in our credit rating view of IREDA
- Material dilution in support philosophy or shareholding in IGGEFIL by IREDA

Analytical approach

CareEdge Global has used its financial institutions methodology to assess IGGEFIL. We have also applied our group rating methodology to factor in the expected support from the parent – IREDA.

IREDA is assessed under the criteria for rating government-related entities (GRE), given majority ownership and management control by the GoI.

Key rating drivers

Strengths

Support from parent with strong credit profile

IREDA's credit profile is intrinsically linked to the sovereign, reflecting the creditworthiness of India. IREDA's strategic significance to the GoI emanates from its role as a nodal implementation agency for national renewable energy schemes in line with GoI's vision of achieving green energy transition and self-sufficiency by 2030. This is in addition to IREDA being set up 39 years ago by the government as a dedicated institution for financing of renewable energy projects in India at competitive rates. Further, GoI has majority ownership (71.76%) and control in IREDA along with high management oversight. These factors ensure that IREDA continues to benefit from strong government support, reflecting the high moral obligation of the GoI to extend proactive financial support. IREDA also executes annual memorandum of understanding (MoU) with Ministry of New and Renewable Energy (MNRE), establishing financial performance targets and compliance parameters.

A fully owned subsidiary of IREDA, IGGEFIL was incorporated in GIFT City to facilitate foreign currency borrowing to efficiently finance green energy projects in domestic and overseas territories. Operating as an extension of IREDA, the subsidiary uses group-level resources and is expected to leverage the established clientele.

This strategic alignment and full ownership underpin the certainty of sustained support from IREDA. Management of IREDA has indicated that IGGEFIL's equity requirements will be fulfilled in line with the applicable mechanisms including equity infusion by the parent as required.

Strong financial flexibility and capitalisation, facilitating headroom for growth

Strong parentage and institutional linkages have enabled IGGEFIL to raise debt at competitive rates. While no explicit guarantee exists, IREDA has articulated its commitment to liquidity support as required. This ensures high financial flexibility and the ability to tap funds from banks and capital markets on short notice.

IREDA has so far infused Rs 260 million as equity into IGGEFIL and articulated its clear intent to provide further capital support in line with the subsidiary's growth trajectory. The parent intends to maintain 100% ownership in IGGEFIL. Accordingly, all incremental equity requirements are expected to be met by the parent, ensuring healthy capital adequacy and strategic control.

Such financial flexibility and healthy capitalisation will pave the way for high assets under management (AUM) growth as envisaged by the management.

Experienced board and management

IGGEFIL benefits from the tight oversight of an experienced board and senior management team, drawing significant strength from its parent. Shri Pradip Kumar Das (Chairman & Managing Director – IREDA) and Dr Bijay Kumar Mohanty (Director Finance & CFO – IREDA) are on the IGGEFIL board, bringing extensive domain expertise across renewable energy financing, project appraisal, structured lending, treasury management, and risk governance. Shri Sushant Kumar Dey (Executive Director of Projects – IREDA) has been appointed as the CEO of IGGEFIL. The management's extensive experience within IREDA and the parent's broader clean energy financing ecosystem provide IGGEFIL with a strong strategic direction and sectoral insight, particularly in evaluating and financing renewable energy projects across geographies.

The leadership structure is further reinforced through alignment in credit appraisal standards, risk management practices, and governance frameworks. Other senior officials associated with IGGEFIL have significant experience in infrastructure financing and policy-driven lending institutions, strengthening its operational and compliance architecture within the IFSC environment.

Weaknesses

Nascent operations and sectoral concentration

Incorporated on May 07, 2024, IGGEFIL is at a nascent stage of operations. It didn't commence lending activity until December 2025 and, thus, does not have an operating track record. Its first overseas loan sanction of USD 22.5 million in January 2026, towards a renewable energy project in Zambia, marked the commencement of its international financing activities. While this represents a strategic milestone, the portfolio size is modest at present. Its ability to prudently scale exposure across geographies while maintaining underwriting discipline is a key monitorable.

In line with IREDA's growth roadmap, IGGEFIL is projected to scale up its AUM to 8-10% of IREDA's AUM by 2030. Accordingly, the operational and financial performance will need to be evaluated over a longer period as the loan book scales up and seasons.

Owing to IREDA's policy mandate, IGGEFIL is also expected to have high sectoral concentration in renewable energy space, leading to lack of diversification.

Low profitability and small balance sheet

The company's profitability is low given nascent operations. In FY25, IGGEFIL reported total income of Rs 9.1 million against total expenses of Rs 11.9 million, resulting in a net loss of Rs 2.8 million. This loss is attributable to fixed operating and administrative costs being incurred ahead of meaningful portfolio scale-up, a typical trend for newly established financial entities. It is estimated to achieve breakeven at the net level in fiscal 2026 with increase in the scale of operations.

Performance improved in 9MFY26, with total income increasing to Rs 10.3 million while expenses moderated to Rs 2.5 million, leading to a profit after tax of Rs 7.8 million. However, absolute earnings are modest given the limited size of the loan book.

Further, IGGEFIL has a small capital base and balance sheet because its parent is expected to infuse capital on an as-needed basis to prevent accumulation of idle cash.

Liquidity

As on December 31, 2026, IGGEFIL's liquidity position is comfortable, supported by Rs 260 million of equity infusion from its parent. Given the early stage of operations and modest disbursement scale, the company is debt-free, resulting in a low leverage profile and strong liquidity buffers. This position is reinforced by the parent's strong liquidity profile. IREDA's liquidity position is adequate: highly liquid assets of close to Rs 9 billion and liquidity coverage ratio (LCR) of 153% as of end-December. It also has Rs 237 billion of undrawn committed facilities from various lenders.

Environmental, social and governance (ESG) considerations

IGGEFIL demonstrates a mission-driven ESG framework, which is inherently aligned with India's climate commitments and global sustainable finance principles. Operating from GIFT City, its core mandate is to facilitate green financing and mobilise international capital towards renewable energy and climate-aligned infrastructure. Environmental considerations are central to its business model, with operations directed exclusively towards clean energy, energy efficiency and other low-carbon sectors to drive emissions reduction and energy transition.

On the social front, IGGEFIL contributes to sustainable development by enabling financing for projects that enhance energy access, promote clean power generation, and support green job creation. By channelling foreign currency funding into India's renewable ecosystem and emerging markets, the company plays a catalytic role in strengthening energy security and fostering inclusive economic growth.

From a governance perspective, IGGEFIL benefits from strong institutional oversight, given its parentage under IREDA and compliance with public sector governance standards. Its governance framework emphasises regulatory compliance within the IFSC ecosystem, prudent risk management, transparency in green financing, and adherence to international best practices for sustainable finance. Oversight by a structured board and adherence to Reserve Bank of India (RBI)/IFSCA regulations reinforce accountability, internal controls, and disciplined capital allocation.

About the company

A wholly owned subsidiary of IREDA, IGGEFIL was established in May 2024 to conduct foreign currency green financing from GIFT City. By tapping global capital markets, it aims to mobilise low-cost international funding for domestic and overseas renewable projects, thereby supporting India's decarbonisation goals.

Operating within the IFSC regulatory framework, IGGEFIL is positioned to issue foreign currency bonds, raise external commercial borrowings, and extend offshore lending solutions tailored to clean energy developers and infrastructure projects.

Leveraging IREDA's almost four decades of sectoral expertise in renewable energy financing, IGGEFIL is likely to strengthen the group's ability to access diversified funding pools while maintaining focus on the green mandate. Its business model is centred on structured project financing, sovereign-backed or policy-aligned funding lines, and partnerships with global investors seeking exposure to sustainable infrastructure opportunities.

About the parent

IREDA is a 'Navratna' and 'Schedule-A' Central Public Sector Enterprise (CPSE), with the GoI shareholding of 71.76% as on December 31, 2025. It was established in 1987 to promote renewable energy production in the country by providing financing in the sector at competitive rates. At present, it is India's largest pure-play green financing non-banking financial company (NBFC). It is categorised as a Systemically Important Non-deposit taking NBFC (NBFC-ND-SI) and accorded an Infrastructure Finance Company (IFC) status by the RBI in 2023.

As on December 31, 2025, IREDA has an AUM of Rs 880 billion, which is diversified across Indian states and entirely towards the renewable energy sector. It disbursed Rs 250 billion of loans during 9MFY26. The company has a sizeable net worth of Rs 135 billion as of December 2025.

Recent updates and financial summary

IGGEFIL posted a net profit of Rs 7.8 million for the nine months ended December 2025, versus a loss of Rs 2.8 million in FY25. As of end-December 2025, IGGEFIL does not have any AUM. It sanctioned the first loan of USD 22.5 million to a 50 MW renewable power project in Zambia in January 2026.

Key summary financial metrics : (Not meaningful)¹

Solicitation status

The rating is solicited. The management has provided information to and held meetings with the CareEdge Global analytical team for the rating.

Rating history

Instrument	Type	Rating	Date
Issuer Rating	Long-Term Foreign Currency	CareEdge BBB+/Stable	March 31, 2026

Criteria applied

[CareEdge Global's Rating Methodology for Financial Institutions](#)

[CareEdge Global's Group Rating Methodology](#)

[CareEdge Global's Government Related Entity Rating Methodology](#)

¹ IGGEFIL's financial metrics are not meaningful owing to nil loan disbursements as of December 31, 2025

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About Us

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