

## Indian Renewable Energy Development Agency Ltd.

 24<sup>th</sup> March 2025

Sector: NBFC

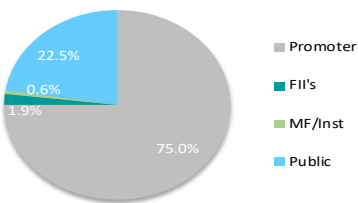
<b>LTP</b>	<b>Recommendation</b>	<b>Target</b>	<b>Stop Loss</b>	<b>Return</b>
Rs.155	Buy between Rs. 153-156	Rs. 196	Rs. 139	+26%
<b>SENSEX</b>	<b>Market Cap</b>	<b>NSE Code</b>	<b>BSE Code</b>	<b>Time Frame</b>
76,906	Rs.41,633cr	IREDA	544026	3-6 Months

Data as of: 21-03-2025

52W High	52W Low	F&O Listed	Div. Yield	D/E
Rs.310	Rs.133	Yes	0%	5.8
Standalone. (Rs. cr)		FY24A	FY25E	FY26E
Net Interest Income		1,658	2,399	2,865
Growth (%)		29	45	19
NIM (%)		3.3	3.2	2.9
PPoP		1,618	2,319	2,809
PAT Adj		1,252	1,626	1,887
Growth (%)		45	29	16
Adj.EPS (Rs)		4.7	6.0	7.0
Growth (%)		45	29	16
ROA(%)		2.2	2.4	2.4
RoE (%)		17	19	20
Valuation		FY24A	FY25E	FY26E
P/E (x)		33	26	22
Price/Book Value		4.8	4.0	3.4
Price Performance		3 Month	6 Month	1 Year
Absolute Return (%)		-25%	-33%	12%
Absolute Sensex (%)		-1%	-9%	6%

### Latest Shareholding Pattern



Category	Percentage
Promoter	75.0%
Public	22.5%
MF/Inst	1.9%
FII's	0.6%

### Fundamental View

The **Indian Renewable Energy Development Agency Limited (IREDA)**, established in 1987, a public sector NBFC under the Ministry of New and Renewable Energy (MNRE), promotes and finances renewable energy and energy efficiency projects in India.

- IREDA's loan book marked a strong growth of ~36%YoY to Rs. 68,960 cr in 9MFY25. The expansion of the loan book is driven by a 41% growth in disbursements during 9MFY25, reaching ₹17,236cr, compared to ₹12,220cr in 9MFY24.
- With the expansion of the loan book and disbursements, the Profit After Tax (PAT) witnessed a growth of 30.82% in 9MFY25, reaching ₹1,197cr compared to ₹915cr in 9MFY24.
- IREDA's asset quality improved during the quarter and 9MFY25, with the Gross NPA ratio reducing to 2.68% from 2.90% as of 9MFY24.
- The Government of India aims to achieve 500 GW of non-fossil fuel energy capacity by 2030, with 195 GW achieved by June 2024, highlighting the substantial scope for capacity expansion and financing needs.
- As per the market consensus, the stock is currently trading at a 1 yr fwd. P/B of 3.4x with ROA and RoE of 2.4% and 20% respectively.

### Technical View

- The stock has corrected nearly 50% from its recent highs. However, over the past two trading sessions, it has shown resilience and signs of a trend reversal.
- The momentum indicator RSI has rebounded from oversold levels and is currently positioned at 42, while the MACD has turned positive, indicating an improvement in momentum, which could support a short-term price rebound.
- The stock may advance towards INR 155, which aligns with the 21-DMA and a key previous support level (red horizontal line). A sustained breakout above the 21-DMA could further propel the price toward the 178–182 range in the coming sessions.

### Price Chart



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