Yen Denominated Green Bonds

January 17, 2024 • vajiramandravi.com

About Yen Denominated Green Bonds

- It is REC Limited's eleventh venture into the international bond market and inaugural Yen Bond issuance, which is also the first Yen Green Bonds issuance by any Indian PSU
- Time period: 5-year, 5.25-year and 10-year bonds issued at yield of 1.76%, 1.79% and 2.20% respectively
- It is the largest ever Euro-Yen issuance in South and South East Asia
- It is the largest Yen-denominated issuance from India.
- Largest non-sovereign Yen-denominated issuance ever from South and South East Asia
- The transaction witnessed interest from both Japanese and international accounts, with number of orders from each at 50%, international allocation being one of the highest for any other Indian Yen deal.
- These bonds will be rated Baa3/BBB–/BBB+ (Moody's/Fitch/JCR) and will be listed exclusively on Global Securities Market of India International Exchange (India INX) and NSE IFSC in GIFT City, Gandhinagar, Gujarat.

Key facts about REC Limited

- REC Limited (formerly Rural Electrification Corporation Limited) is a Central Public Sector Undertaking under the Ministry of Power involved in financing projects in the complete power sector value chain from generation to distribution.

- It is registered with the RBI as a Non-Banking Finance Company (NBFC), a Public Financial Institution (PFI) and an Infrastructure Financing Company (IFC).

Q1) What are Green bonds?

A green bond is a fixed-income instrument designed to support specific climate-related or environmental projects.Green bonds may come with tax incentives to enhance their attractiveness to some investors. The phrase “green bond” is sometimes used interchangeably with “climate bonds” or “sustainable bonds.”

Source: REC Limited issues inaugural Yen Denominated Green Bonds aggregating to 61.1 Billion Japanese Yen