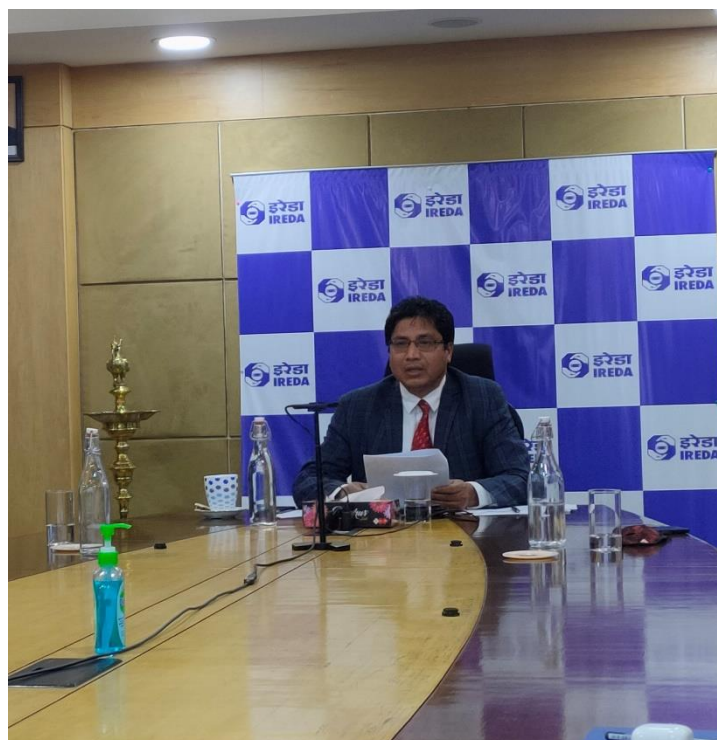


IREDA reduces Lending Rate to make it most Competitive



Indian Renewable Energy Development Agency Limited (IREDA) has revised lending interest rate from 1st December 2020 across all Renewable Energy components. The company's lending rates in the range of 9.70% - 11.65% are now lower compared to its peers in the sector. Informing this during his address today at the Directors' Dialogue Series on "Accelerating Sustainable Energy Transitions: Directors Strategy & Directions" organized by the Institute of Directors, Shri Pradip Kumar Das, Chairman & Managing Director of IREDA however said that the Company does not endeavour to make profit only, but to work in the larger interest of the RE sector as the mother organisation.

Addressing the gathering through virtual platform, CMD, IREDA emphasized that India is now self-sufficient in manufacturing technologies in the field of bioenergy, small hydro & wind energy. Government is taking initiatives to ensure self-sufficiency in solar energy manufacturing in line with the Hon'ble Prime Minister's vision of Atma Nirbhar Bharat. Shri Das underlined that RE Sector is providing employment to the tune of more than 5 Lakhs directly and 4 crores indirectly in rural & semi-urban areas as more than 90% of RE projects have come up in rural areas.

CMD, IREDA also highlighted that net worth of IREDA has been increased by more than Rs. 200 crore in last six months. He further informed that we requested the Government of India for equity infusion of Rs. 1500 crore and we are also planning to raise PDI to the tune of Rs. 500 crore (approx.). In addition we are also planning to come up with IPO issue shortly to increase IREDA's equity base, which will enable

enough space in the exposure for our existing borrowers as well as new borrowers planning to encash the good business opportunity in the RE Sector.

Shri Das informed that IREDA has signed a MoU with SJVN and NHPC for Capex consulting. The company has also financed projects for shared infrastructure for solar parks to RUMSL at the interest rate in the range of 8.5% - 8.8% per annum. IREDA proposes to set up a debt fund (Fund) in the form of an AIF to tap large Institutional Investors who otherwise didn't have a platform to participate in RE Financing at project level. AIF will also help IREDA in financing new projects of those borrowers who are nearing the exposure limit. The company is planning to do asset-based securitization (ABS) by issuance of pass-through certificates.

Discussing the crisis caused by the pandemic, Shri Das said that the Covid-19 crisis has highlighted the importance of developing more resilient and sustainable energy systems that are capable of withstanding future shocks and improving the health and well-being of citizens. Covid-19 had caused power demand to fall by 28% up to the end of March 2020, which in turn affected revenues of Discoms. However, the situation is back to the normal as India's electricity demand surged to all-time high of 185.82 gigawatts on 20th January 2021.

Highlighting the initiative taken by IREDA during pandemic situation, CMD said that IREDA has been rolling out new products to cater to market needs. The Company has introduced several innovative financing schemes and products such as Top-up Loan scheme to tide over liquidity issues caused by the pandemic, scheme for moratorium of term loan's Instalments for a period not more than six months, policies for resolution of COVID – 19 related Stress and for deferment of Interest Instalments and shifting of repayment schedule including residual tenor of term loans under COVID-19.

In response to the queries raised w.r.t capital availability for RE projects, Shri Das replied that there are enough liquidity in banking system, which has reduced the interest rate in recent past. Further, w.r.t. queries for requirement of capital during construction of projects, he replied that the scheme of Project Specific Funding (PSF) in IREDA has already in place and many borrowers have already availed the same. Also recently REC & PFC have introduced such policy to cater the specific need of the sector.

Concluding his remarks, Shri Das reaffirmed that IREDA is committed to play a key role in financing Renewable Energy Projects.