

Press Release

CMD, IREDA at COP 28: Dual Approach in Financing to Elevate MSMEs' Contribution in Renewable Energy Transition



Dubai, 10th December 2023

Shri Pradip Kumar Das, Chairman & Managing Director of the Indian Renewable Energy Development Agency Limited (IREDA), highlighted the significance of lending to Micro, Small & Medium Enterprises (MSMEs) in the Renewable Energy sector, emphasizing both its economic and environmental contributions. During a session on "Pioneering Sustainability in MSMEs: Envisioning Global Growth and Local Impact" organized by the International Solar Alliance and CII, as part of COP 28 in Dubai today, he reiterated IREDA's commitment to promoting environmental sustainability. The commitment involves increasing the participation of MSMEs in the Renewable Sector through accessible loan facilities, reinforcing the organization's dedication to a sustainable future.

Shri Das stressed the pivotal role that MSMEs play in environmental sustainability and informed that MSMEs currently constitute approximately 2% of the company's total loan assets in FY 22. IREDA is dedicated to continuously addressing the challenges faced by MSMEs and is actively working towards enhancing their participation in the Renewable Energy sector. He also underlined that Agriculture Sector and MSMEs are the largest contributor in GDP Growth.

CMD, IREDA acknowledged that a significant obstacle for MSME entrepreneurs is securing loans at reasonable interest rates. However, IREDA has made substantial progress in improving the "Ease of Doing Business." This includes the implementation of faceless loan sanctions and disbursements, reduction in the loan sanction, documentation, and disbursement cycle, as well as an expansion of geographical reach across the country.



Highlighting a successful case study involving lending to e-rickshaws through Mufin Green Finance, Shri Das shared that IREDA intervened to lower existing interest rates ranging from 30-36% to 18%. Leveraging its track record of making previously unbankable sectors bankable, he expressed confidence that company's initiatives would result in increased MSME participation in the green energy sector.

Shri Das also underscored IREDA's unwavering commitment to encouraging farmers nationwide to reduce their carbon footprint through financing under the PM-KUSUM scheme. In a proactive move to boost MSMEs and contribute to the success of the PM-KUSUM scheme, IREDA recently launched its Retail Division. Soon after its establishment, Retail Division sanctioned its first loan, amounting to Rs. 58 crores under KUSUM-B.

