

Press Release

Cabinet approves listing of IREDA through IPO by part-sale of Government's stake and issue of fresh equity shares

New Delhi, March 17th, 2023

The Cabinet Committee on Economic Affairs (CCEA) chaired by the Hon'ble Prime Minister, Shri Narendra Modi today approved listing of Indian Renewable Energy Development Agency Ltd. (IREDA), Mini-Ratna CPSE under Ministry of New & Renewable Energy (MNRE) on the Stock Exchanges through an Initial Public Offer (IPO) by part sale of Government's stake in it and to raise funds through issue of fresh equity shares by IREDA.

This decision supersedes earlier CCEA decision taken in June, 2017 for allowing IREDA to issue 13.90 crore fresh equity shares of Rs. 10 each to the public on book building basis through IPO. The instant decision has been necessitated due to change in capital structure following infusion of additional capital to the tune of Rs. 1,500 crores by the Government of India in March, 2022.

The IPO will help in unlocking the value of Government's investment on one hand and on the other hand will provide an opportunity to the public to acquire stake in the national asset and draw benefits therefrom. Besides, it will help IREDA in raising a part of its capital requirement for meeting growth plans. It will further improve the governance through greater market discipline and transparency arising from listing requirements and disclosures.

The Government of India, in line with the pledge made as a part of Nationally Determined Contribution (NDC) in Paris Accord on Climate Change has set the targets of achieving 500 GW of non-fossil fuel-based installed capacity by 2030. IREDA has a pivotal role to play in achievement of RE targets in the country.

The implementation and operation of Renewable Energy/Energy Efficiency projects financed by IREDA will help in creating direct and indirect employment opportunities for both skilled and unskilled manpower. It will also lead to reduction in Co2 emission and sustainable development of the country.

Shri Pradip Kumar Das, Chairman & Managing Director, IREDA, expressed his gratitude to Hon'ble Prime Minister, Cabinet Ministers, MNRE and DIPAM for approving the IPO of IREDA.

About IREDA:

IREDA is a wholly owned Government of India, Mini-Ratna (Category-I) CPSE incorporated in 1987. It is engaged in financing of Renewable Energy (RE) and Energy Efficiency (EE) projects in India. It has over 36 years of techno-commercial expertise in the domain. It is registered as a Non-Banking Finance Company (NBFC) with the Reserve Bank of India (RBI). It has been recently granted the status of Infrastructure Finance Company (IFC) by the RBI which enables it to take higher exposure towards financing of the RE projects. The company's rating has been recently upgraded to "AAA" (Outlook: Stable) from "AA+" (Outlook: Positive) by ICRA.