

CMD, IREDA participates in a panel discussion on “Financing India’s Clean Energy Transition”

## **IREDA expects five-fold growth in next five years and plans for IPO in 3<sup>rd</sup> quarter**



New Delhi, 16<sup>th</sup> July 2021

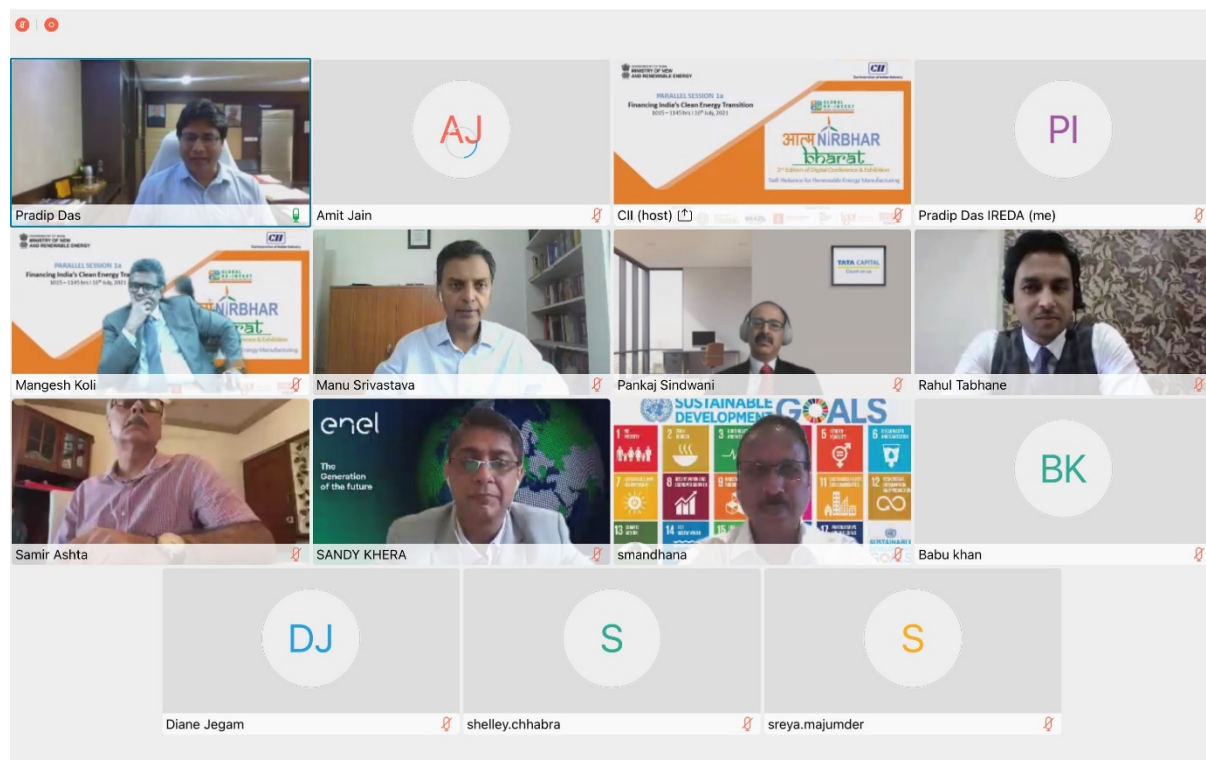
Shri Pradip Kumar Das, Chairman & Managing Director (CMD), IREDA today participated in a panel discussion on “Financing India’s Clean Energy Transition” during 2<sup>nd</sup> edition of Digital Conference & Exhibition on “Aatmanirbhar Bharat- Self-Reliance for Renewable Energy Manufacturing” organized by the Confederation of Indian Industry (CII).

Shri Das reiterated that IREDA does not endeavour to make profit only, but to work in the larger interest of the RE sector as the mother organisation for RE development through financing and other means as mandated by the Ministry of New & Renewable Energy (MNRE). Govt. of India. Further, he added that survival of the RE projects could be driven by reducing project costs. It can be achieved through lowering the operation, maintenance, and finance costs for which IREDA is funding the RE projects at a very attractive rate. The company is reducing its lending rates continuously in line with prevailing market conditions.

As a part of ‘ease of doing business’, IREDA has successfully achieved almost 30% reduction in processing time for sanction, disbursement, and documentation etc. In the recent past, IREDA had sanctioned three loan proposals without the borrowers visiting in-person to the offices of IREDA. With these initiatives, several developers who had earlier left IREDA by prepaying their loans after commissioning of their projects because of higher interest rates, are now coming back IREDA because of attractive interest rates as well as ease of doing business and good governance.

Shri Das also highlighted that IREDA as a nodal agency of MNRE is successfully implementing various ambitious scheme launched by the Govt. of India like 12,000 MW CPSU phase-II Solar

project scheme and Rs. 4,500 crore Production Linked Incentive (PLI) scheme for Solar manufacturing sector. The beneficiaries of PLI scheme will be selected through competitive bidding and the evaluation of the bids will be done on the basis of manufacturing capacity proposed to be set up by companies and the extent of elementary products required for manufacturing solar panels they promise to make in India.



Speaking on future-plans of the company and RE sector for next five years, Shri Das highlighted that IREDA expects its loan book to grow from Rs. 28,000 crores (approx.) to Rs. 1,35,000 crores (approx.) by FY 2026, with financing to the entire value chain in RE sector. The company is targeting to achieve its market share more than 40% of RE sector debt funding by NBFCs by FY 2026. Currently, IREDA has market share of financing to the tune of 19% (approx.) of total installed RE capacity in the country. Shri Das also highlighted that IREDA is expecting to receive equity infusion of Rs. 1500 crore by September-October 2021, which was announced by Hon'ble Finance Minister in her budget speech 2021-22. Accordingly, IREDA is planning to launch its Initial Public Offer (IPO) in 3rd quarter in November-December 2021.

Sharing his views on reforms of distribution sector scheme, CMD, IREDA underlined that the Govt. of India is continuously working to resolve the issues being faced by various State Utilities/ Discoms. Recently, the Cabinet Committee on Economic Affairs approved the marquee of Rs. 3.03 lakh crores power distribution company (discom) reform scheme, wherein the Govt. of India share will be Rs. 97,631 crores.

Further, Shri Das emphasized that trust factor in the fabric of Power sector value chain such as honouring Power Purchase Agreement (PPA), ensuring timely payment in line with Payment Security Mechanism etc., are to be sustained for which all the stakeholders (Developers, Lenders, Power Utilities, Discoms, Consumers, etc. ) have to come forward for shouldering their responsibilities.

Concluding his address, Shri Das urged that it the time to grab the opportunity to accelerate the deployment of Renewable Energy to achieve India's target of reducing carbon emission to 33 percent in line with the Paris agreement.