

Cabinet approves infusion of Rs.1,500 crore in Indian Renewable Energy Development Agency Limited (IREDA)

Employment generation of approximately 10200 jobs-year and CO2 equivalent emission reduction of approximately 7.49 Million Tonnes CO2/year

January 19th, 2022, New Delhi.

The Cabinet Committee on Economic Affairs, chaired by the Hon'ble Prime Minister, Shri Narendra Modi, today approved the equity infusion of Rs.1500 crore in Indian Renewable Energy Development Agency Limited (IREDA).

This equity infusion will help in employment generation of approximately 10,200 jobs-year and CO2 equivalent emission reduction of approximately 7.49 million Tonnes CO2/year.

Additional equity infusion of Rs.1500 crore by Government of India will enable IREDA:

1. To lend additional Rs.12000 crore approximately to the RE sector, thus facilitate the debt requirement of RE of additional capacity of approximately 3500-4000 MW.
2. To enhance its networth which will help it in additional RE financing, thus contributing better to the Government of India targets for RE.
3. To improve the capital-to-risk weighted assets ratio (CRAR) to facilitate its lending and borrowing operations.

Shri Pardip Kumar Das, CMD, IREDA said, "we are immensely thankful to Govt. of India and Ministry of New & Renewable Energy without whose support this wouldn't have been possible." CMD, IREDA also underlined that, "despite pandemic situation, IREDA has reported all-time high annual Profit Before Tax (PBT) of Rs. 570 crore rupees in FY 2020-21 and all-time high half-yearly Profit After Tax (PAT) of Rs. 299.90 crores in FY 2021-22. With the collective and focussed efforts of team IREDA, we are quite confident to achieve five-times growth target in next five years."

Shri Das also highlighted that, "IREDA has been rated 'Excellent' for the MoU of FY 2020-21 with a score of 96.93, which was 'Fair' in FY 2019-20 with a score of 45.83. This truly indicates IREDA's ability to translate a global pandemic situation into an opportunity and adaptability to manage unforeseen transition. Therefore, IREDA is geared-up for its IPO in near future."

IREDA, a Mini-Ratna (Category-1) company under the administrative control of MNRE was set up in 1987 to work as a specialised non-banking finance agency for the Renewable Energy (RE) sector. IREDA with more than 34 years of techno-commercial expertise, plays a catalytic role in the RE project financing which gives confidence to the FIs/banks to lend in the sector.
