

# Indian Renewable Energy Development Agency (IREDA)

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**In news**– The Cabinet Committee on Economic Affairs has approved the equity infusion of Rs.1500 crore in Indian Renewable Energy Development Agency Limited (IREDA) recently.

## **Key updates-**

- This equity infusion will help in employment generation of approximately 10200 jobs-year and CO2 equivalent emission reduction of approximately 7.49 Million Tonnes CO2/year.
- It will also enhance the specialized non-banking finance agency's net worth, which will help it in additional financing, thereby contributing better to the government's targets.
- At COP26 in Glasgow last November, Prime Minister Narendra Modi announced India's aim to achieve net-zero emissions by 2070 and also committed to achieving 500 GW of installed electricity capacity from non-fossil fuel sources by 2030.
- The country has installed electricity generation capacity of 392 GW, constituting 209 GW of coal and 104 GW of renewables.

## **About IREDA-**

- IREDA is a Public Limited Government Company established as a Non-Banking Financial Institution in 1987 engaged in promoting, developing and extending financial assistance for setting up projects relating to new and renewable sources of energy and energy efficiency/conservation.
- IREDA has been awarded **"Mini Ratna" (Category -I) status** in 2015 by the Ministry of New and Renewable Energy

(MNRE).

- IREDA's Motto is "**Energy for Ever**".
- It plays a catalytic role in the RE project financing which gives confidence to the FIs/banks to lend in the sector.
- It offers a credit enhancement guarantee scheme to support the issuance of bonds by wind and solar energy project developers.
- It aims to enhance the credit rating of bonds for renewable energy projects, thereby improving their marketability and liquidity, and attracting lower-cost and longer-term funding for project developers.
- The **amount raised by credit enhanced bonds shall only serve to repay existing debt partially or fully.**