

Cabinet okays listing of Indian Renewable Energy Development Agency through IPO

By TIOL News Service

NEW DELHI, MAR 18, 2023: THE Cabinet Committee on Economic Affairs (CCEA) has approved for listing of IREDA - a 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 for IREDA through issue of fresh equity shares. A Department of Investment and Public Asset Management (DIPAM) will oversee the listing process.

This decision supersedes earlier CCEA decision taken in June, 2017 for allowing IREDA to issue 13.90 crore fresh equity shares of Rs. 10.00 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 capital to the tune of Rs. 1500 crore by the Government in March, 2022.

The Initial Public Offer (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 without depending on the public exchequer, and improve governance through greater market discipline and transparency arising from listing requirements and disclosures.

IREDA is currently a wholly owned Government of India, Mini-ratna (Category-I) CPSE incorporated in 1987 and is engaged in financing of Renewable Energy (RE) and Energy Efficiency (EE) projects in India. It is registered as a Non-banking Financial Company (NBFC) with the Reserve Bank of India (RBI). The Government, 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 175 GW of installed RE capacity by 2022 and 500 GW by 2030. IREDA has a pivotal role to play in achievement of RE targets.

The implementation and operation of Renewal Energy/Energy Efficiency projects by IREDA as per their Business Plan in line with the RE targets of Gol will help in creating direct and indirect employment opportunities for both skilled and unskilled manpower.