

Cabinet approves Rs 1,500 crore infusion in IREDA

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The Union Cabinet headed by Prime Minister Narendra Modi recently approved the infusion of Rs 1,500 crore in the Indian Renewable Energy Development Agency (IREDA). This will enable IREDA to lend Rs 12,000 crore to the renewable energy sector, Union Minister Anurag Thakur said.

Key Highlights

- The fresh infusion will also enhance IREDA's net worth which will help it in additional renewable energy financing.
- It will also improve the capital-to-risk weighted assets ratio to facilitate its lending and borrowing operations, the government informed in a release.
- IREDA is a mini ratna company under the Ministry of New and Renewable Energy (MNRE). It was set up in 1987 as a specialized non-banking finance agency for the renewable energy sector.
- IREDA plays a key role in the renewable energy project financing which gives confidence to the financial institutions/banks to lend in the sector.
- Apart from this, the Cabinet also approved the payment of ex-gratia amount of Rs

973.74 crore pertaining to remaining claims submitted by Lending Institutions (LIs) under Scheme for grant of ex-gratia payment of the difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020), a government statement informed.

SOURCE: *The Indian Express*