

Tax Free Infrastructure Bonds for Renewable Energy

Department of Economic Affairs, Ministry of Finance, has in principle approved issuance of Tax Free Infrastructure Bonds of Rs. 5,000 crore in the Financial Year 2015-16 by Central Public Sector Enterprises (CPSEs) for funding renewable energy projects aimed towards achieving 175 GW capacity by 2022 as announced in Budget 2015-16. Accordingly, Ministry of New and Renewable Energy has submitted a proposal to Ministry of Finance for allocation of tax free Bonds to 5 CPSE's - i) Indian Renewable Energy Development Agency (IREDA) – Rs 2000 crore; ii) Indian Infrastructure Finance Company Ltd. (IIFCL) – Rs 1000 crore; iii) Power Finance Corporation (PFC) – Rs 1000 crore; iv) Rural Electrification Corporation (REC) – Rs 1000 crore; and iv) Solar Energy Corporation of India (SECI) – Rs 100- 200 crore.