

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:443
ANSWERED ON:10.12.2010
NABARD'S FINANCING OF NRE PROJECTS
Paranjpe Shri Anand Prakash

Will the Minister of FINANCE be pleased to state:

- (a) whether the National Bank for Agriculture and Rural Development (NABARD) is financing New and Renewable Energy (NRE) projects, including solar energy projects;
- (b) if so, the details of the projects financed during the last two years and the current year in various States; and
- (c) the other steps taken by NABARD to promote and harness New and Renewable Energy Sources in the country?

Answer

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (c): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (c) of Lok Sabha Starred Question No. 443 to be answered on 10 December, 2010 regarding NABARD's financing of NRE Projects tabled by Shri Anand Prakash Paranjpe.

(a) to (c) : National Bank for Agriculture and Rural Development Bank (NABARD) has reported that loans extended by Banks for renewable sources of energy (non- conventional energy sources) including solar energy, bio-fuel and bio-energy are considered eligible for financing under NABARD's refinance support and co-finance. Refinance extended by NABARD to Banks for financing Biogas units during 2003-09 was Rs 0.80 crore and during 2009-10 was Rs 3.96 crore . NABARD has also financed innovative non conventional energy sources projects including solar energy products for demonstration purposes under the Umbrella Programme on Natural Resource Management (UPNRM). The two projects sanctioned by NABARD under UPNRM are:

(i) Solar Powered reeling machines to MASUTA (Manila Suta Tasar) producers company in Jharkhand, with a soft loan of Rs 51 lakh for 300 solar powered reeling machines,

(ii) Solar powered home lighting systems under ` Lighting the Rural Lives through Solar Lighting` to ASSEFA (Association for Sarva Seva Farms) with a soft loan of Rs 78.60 lakh for 40 solar charging stations each having the capacity to charge 50 lanterns in Bihar and Jharkhand.

NABARD has reported that disbursements shall be made under these schemes after completion of necessary formalities by the agencies concerned.

NABARD has also announced in November, 2010 a Capital and Subsidy Linked Refinance Scheme for financing Solar Off-grid (Photo-Voltaic and Thermal) and Decentralised applications under the Jawaharal Nehru National Solar Mission of the Ministry of New and Renewable Energy, Govt of India by Commercial Banks and Regional Rural Banks. Funds for the purpose (for capital subsidy and refinance) would be made available to NABARD by the Ministry of New and Renewable Energy (MNRE), Government of India.

Further, NABARD also provides promotional grant support for solar powered home lighting systems under watershed projects sanctioned as a `Watershed Plus` activity under the Integrated Watershed Development Programme in Bihar.