

**GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA**

STARRED QUESTION NO:232

ANSWERED ON:11.03.2011

FINANCING OF SOLAR POWER PROJECTS

Naik Dr. Sanjeev Ganesh;Rao Shri Kavuri Samba Siva

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) whether the scheduled commercial banks finance New and Renewable Energy (NRE) projects;
- (b) if so, the details thereof;
- (c) whether the Government proposes to set up a bankers' group to finance solar power projects in the country;
- (d) if so, the details thereof; and
- (e) the follow-up action taken thereon?

Answer

THE MINISTER OF NEW AND RENEWABLE ENERGY (DR. FAROOQ ABDULLAH)

(a), (b), (c),(d)&(e): A statement is laid on the Table of the House.

STATEMENT

Statement referred to in reply to Parts (a), (b), (c), (d) and (e) of the Lok Sabha Starred Question No. 232 for 11th March 2011 regarding "Financing of Solar Power Projects"

(a)&(b): Yes, Madam. Most of the scheduled commercial banks are providing loans for grid connected renewable energy power projects, such as, wind, small hydro, biomass, etc. Loans are provided up to 70% of the project cost at a rate of interest varying between 10.5% to 12% depending upon capacity of the project, its location, and technology used. Several of these banks are also participating in the interest subsidy scheme of the Government for renewable energy off-grid applications.

(c),(d)&(e): The Government has constituted a Working Group comprising of representatives of banks, Indian Renewable Energy Development Agency, Ministry of Power and Ministry of New and Renewable Energy with a view to identify & address aspects relevant for strengthening investment and credit in solar power sector. The recommendations of the Group have not yet been finalized.