

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

UNSTARRED QUESTION NO:4705  
ANSWERED ON:07.08.2009  
LENDING BY BANKS TO RENEWABLE ENERGY PROJECTS  
Rao Shri Sambasiva Rayapati

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

- (a) whether the Government has taken steps for obtaining priority sector status for lending by banks to renewable energy projects;
- (b) if so, the details, thereof; and
- (c) the steps taken or proposed to be taken by the Government in this regard?

**Answer**

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

(a),(b)&(c): Yes,Sir.However,priority sector,which presently consists of 40% of the adjusted net bank credit, is already crowded with agriculture occupying around 45% of the space and the balance 55% shared by housing, micro, small & medium enterprises (MSME), retail and other sectors.In view of this position and the fact that renewable power projects are generally capital intensive,little room is left for priority lending to such projects.