

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

STARRED QUESTION NO:22
ANSWERED ON:06.12.2013
IREDA
Botcha Lakshmi Smt. Jhansi

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

- (a) the details of funds allocated to the Indian Renewable Energy Development Agency (IREDA) to promote, develop and extend financial assistance for the renewable energy projects during each of the last three years and the current year;
- (b) the extent to which the funds have been utilized by IREDA during the said period;
- (c) whether the Government proposes to evaluate the functioning of IREDA;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to ensure proper utilization of funds released to the borrowers by IREDA?

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)&(e) of the Lok Sabha Starred Question No.22 for 6th December,2013 regarding IREDA

(a)&(b): The details of funds allocated to Indian Renewable Energy Development Agency (IREDA) and disbursements made by IREDA by way of loan for Renewable Energy Projects is given in Annexure.

(c)&(d): IREDA signs a Memorandum of Understanding (MoU) with Government of India every year. The performance of IREDA is evaluated by the Ministry in consultation with the Department of Public Enterprises, on the basis of targets fixed and achievement made against the various parameters set in the MoU. The performance of IREDA on the basis of MoU has been rated as 'Excellent' in the year 2010-11 and 'Very Good' each in the year 2011-12 and 2012-13 (Provisional). Besides this, the Annual Report of IREDA is placed before the Parliament after due scrutiny in the Ministry.

(e): The following steps have been taken to ensure proper utilization of funds released to the borrowers by IREDA:

Disbursement against sanction to be linked with the physical and financial progress of the project.

Periodic inspection of projects by IREDA officials and engineers.

Utilization Certificate by Chartered Accountant while releasing the instalments of disbursement.

Periodical audit by internal auditor.

Formation of a Risk Management Committee for top level oversight.

Obtaining rating from independent rating agencies for the project proposals and ongoing surveillance by them.

Constitution of Credit Committee for inter-departmental review of Project proposals prior to sanction.

Strengthening of recovery mechanism.