

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2953

ANSWERED ON:13.03.2015

LENDING FOR RENEWABLE ENERGY PROJECTS

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has instructed the banks to set specific lending targets for renewable energy projects over the next five years;
- (b) if so, the details thereof along with the objective behind the move;
- (c) whether the Government has formed guidelines in this regard; and
- (d) if so, the details thereof along with the steps taken/being taken by the Government in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) to (d) :- All banks including Public Sector Banks (PSBs) are autonomous bodies regulated by Reserve Bank of India (RBI). Sanction of loan is essentially an internal management function and every bank's Board is empowered to frame suitable policies in this regard. RBI has advised banks to prepare well defined loan policy approved by their Board of Directors which should inter-alia set sectoral exposure limits. Banks have not been given any specific lending targets for renewable energy over the next 5 years.

Ministry of New and Renewable Energy had organized first Renewable Energy Global Investors Meet & Expo (RE-INVEST, 2015) during 15-17 February 2015 in New Delhi. As a part of this initiative, 385 potential investors/project developers/ companies /PSUs had submitted "Green Energy Commitment" letters to Government to develop and set up RE projects aggregating to more than 270 GW in the next 5 years.

In order to finance these projects 25 banks and 5 financial institutions have submitted Green Energy Financing Commitment letters to Government of India for financing 70,505 MW in next 5 years.