

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

UNSTARRED QUESTION NO:3770
ANSWERED ON:19.03.2015
CREDIT TO CLEAN ENERGY SECTOR
Singh Shri Dushyant

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

- (a) whether the Government proposes to give cheap credit to companies in the clean energy sector and if so, the details thereof;
- (b) the total amount in cheap credit expected to be loaned out and the source of this finance;
- (c) the expected production of energy as a result of these cheap credit loans; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE FOR POWER, COAL & NEW AND RENEWABLE ENERGY (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a),(b),(c)&(d): In order to reduce the cost of financing for renewable energy projects the Government of India has provided Rs.100 crore from the National Clean Energy Fund (NCEF) to the Indian Renewable Energy Development Agency Ltd. (IREDA), a non-banking financial institution under administrative control of the Ministry of New and Renewable Energy in the financial year 2013-14 to on-lend to viable renewable energy projects. During the year 2014-15 an amount of Rs 31.35 crore has been released to IREDA for the purpose. The NCEF proceed to be utilized by IREDA to partially refinance to the extent of 20 per cent of the project cost at concessional rate of interest using NCEF fund, 50 per cent of the project cost to be provided by the lending financial institution at commercial rate and the balance 30 per cent of the project cost as promoters' contribution. Assuming average cost of renewable power project at Rs. 6 crore per MW, under the NCEF supported projects, concessional loan of Rs. 1.2 crore is provided for 1 MW renewable power project.