

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO-2644

TO BE ANSWERED ON-27.12.2018

WORKING CAPITAL FOR GREEN ENERGY PROJECTS

2644. SHRI G. HARI

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

- (a) whether the Government has decided to keep funds flowing for green energy projects by assuring banks and lending institutions and if so, the details thereof;
- (b) whether the banks are not extending working capital for more than two months and that too against the assets offered as collateral and not on the receivables and if so, the details thereof;
- (c) whether the Government proposes to take up the issue with the concerned banks and if required with the Ministry of finance also; and
- (d) if so, the details thereof along with the steps taken in this regard?

ANSWER

THE MINISTER OF STATE FOR NEW & RENEWABLE ENERGY AND POWER (I/C)
(SHRI R.K. SINGH)

(a) The renewable energy projects (both solar and wind power) are awarded through transparent bidding process based on Guidelines issued by the Government. The projects are implemented by bid winners, who may choose the source of finance from any bank or financial institution (national or international) as they deem fit.

(b) It has been ascertained from many banks, including SBI, that they are extending working capital for three months or more for renewable energy projects against pending energy bills. Further, the working capital needs are also assessed at the stage of the sanction of the project itself and up to three months working capital is provided as per assessment.

(c) and (d) The Ministry interacts with all stakeholders including Banks and Financial Institutions for growth of the New and Renewable Energy sector. A meeting of Banks and Financial Institutions (FIs) under the Chairmanship of Minister for New & Renewable Energy was held on 19th September 2018 to discuss various issues relating to financing of renewable projects. All participating banks/ FIs confirmed that they do their due diligence for financing and if the project's financial parameters are up to their benchmarks, the projects are financed by them.

In addition, the Ministry has been also discussing requirement of finance from various multilateral and bilateral agencies who have been sanctioning lines of credit to Indian Banks, FIs.
