

## **Solar Power Developers Association (SPDA) welcomes RBI's new guidelines to include renewable energy in Priority Sector Lending (PSL)**

**New Delhi, April 24 2015** - Solar Power Developers Association (SPDA), the national association representing India's upcoming solar power generators and developers, welcomes the Reserve Bank of India (RBI) new guidelines to include renewable energy in Priority Sector Lending (PSL). Under the renewable energy segment, bank loans of up to INR 15 crore for solar-based power generators, biomass-based power generators, wind mills, micro-hydel plants and for non-conventional energy based public utilities, will be considered as an integral part of PSL.

The new guidelines, operational with effect from the date of the announcement include two more categories in the priority sector - social infrastructure and medium enterprises, in addition to the existing sectors - agriculture, micro and small enterprises, export credit, education and certain categories of housing.

Speaking on the development, **Mr Shekhar Dutt, Director General, SPDA** said, "We welcome the new RBI guidelines as an encouraging step forward for the renewable sector players. At SPDA, we aim at going hand-in-hand with the government initiatives and industry body guidelines to progress on the road map drawn for this nascent sector and promote solar energy as a solution for India's energy security needs. These measures in the project funding will attract more investors and contribute to the over-all development of the sector."

Expressing his views, **Mr Vineet Mittal, President, SPDA** said, *"It is a great initiative on part of India's Central Banking Institution for recognizing renewable energy as a priority sector and setting mandatory finance lending to the sector. This will boost credit and in turn will benefit the developers hugely, as it will make the fund-lending framework less stringent and more flexible. However, with a huge potential in this growing sector, there is a need for additional financing and relaxed reforms that will encourage the industry to nurture and flourish. While these guidelines will surely boost the growth of the industry, we believe, there is a need for additional inflow of funds to*

*finance large-scale projects in the country and we look forward to these developments in the near future.”*

With the growing energy needs of the country and an ambitious solar target to achieve, revised RBI guidelines in the renewable sector will definitely garner additional funding for more sustainable / renewable projects in India.

### **About Solar Power Developers Association (SPDA)**

Solar Power Developers Association (SPDA) is a national association representing India's upcoming solar power generators and developers. With increasing focus on solar energy generation, the independent organization is working to create an environment conducive for the development of this nascent sector and promote solar energy as the solution for India's energy security needs. Contribution of members of SPDA in terms of installed and under development project in the country is more than two third of the total capacity in the country. Through its work, SPDA effectively communicates the voices of its members in the Indian market. SPDA's initiatives are focused on policy, strategic, financial, legal, regulatory and technical issues in the energy sectors.

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