

**FINANCING OF RENEWABLE ENERGY PROJECTS BY INDIAN RENEWABLE ENERGY
DEVELOPMENT AGENCY LIMITED (BASED ON PERFORMANCE AUDIT REPORT NO. 12 OF 2015)**

MINISTRY OF NEW AND RENEWABLE ENERGY

**COMMITTEE ON PUBLIC UNDERTAKINGS
(2020-21)**

SIXTH REPORT

(SEVENTEENTH LOK SABHA)



**LOK SABHA SECRETARIAT
NEW DELHI**

SIXTH REPORT

COMMITTEE ON PUBLIC UNDERTAKINGS

(2020-21)

(SEVENTEENTH LOK SABHA)

**FINANCING OF RENEWABLE ENERGY PROJECTS BY INDIAN RENEWABLE ENERGY
DEVELOPMENT AGENCY LIMITED (BASED ON PERFORMANCE AUDIT REPORT NO. 12 OF 2015)**

MINISTRY OF NEW AND RENEWABLE ENERGY

[Action Taken by the Government on the Observations/Recommendations contained in the Twenty-Second Report of the Committee on Public Undertakings on Financing of Renewable Energy Projects by Indian Renewable Energy Development Agency Limited (based on Performance Audit Report No. 12 of 2015)]

Presented to Lok Sabha on 29.01.2021

Laid in Rajya Sabha on 29.01.2021



LOK SABHA SECRETARIAT

NEW DELHI

January, 2021/ Magha, 1942 (Saka)

CONTENTS

Page No.

COMPOSITION OF THE COMMITTEE (2020-21)

INTRODUCTION

CHAPTER I	Report.....	1-17
CHAPTER II	Observations/ Recommendations which have been accepted by the Government.....	18-42
CHAPTER III	Observations/Recommendations which the Committee do not desire to pursue in view of the Government Replies.....	43
CHAPTER IV	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration	44-47
CHAPTER V	Observations/Recommendations in respect of which final replies of the Government are still awaited.....	48

ANNEXURE

ANNEXURE-I	Loan Agreement	49-50
ANNEXURE-II	Status of the projects as observed by Audit	51
ANNEXURE-III	List of Projects sanctioned during last quarter of 2017-18	52
ANNEXURE-IV	Letter of MIS HCL Agro limited	53-54
ANNEXURE-V	Details of smaller projects upto 5MV Sector-wise and year-wise	55
ANNEXURE-VI	List of projects upto 10 MV Sector-wise and year-wise for last 4 years	56-57
ANNEXURE-VII	Status of RTS capacity (MW) sanctioned and achievements	58-59

APPENDICES

I	Minutes of the Sitting of the Committee held on 07.1.2021	60-61
II	Analysis of the action taken by Government on the Observations/ Recommendations contained in the Twenty-Second Report of CoPU (2020-21) on Financing Of Renewable Energy Projects by Indian Renewable Energy Development Agency Limited (based on Performance Audit Report No. 12 of 2015).....	62

COMPOSITION OF COMMITTEE ON PUBLIC UNDERTAKINGS (2020-21)

Smt. Meenakashi Lekhi - Chairperson

Members

LOK SABHA

2. Dr.Heena Vijaykumar Gavit
3. Shri Chandra Prakash Joshi
4. Smt. K. Kanimozhi
5. Shri Raghu Ramakrishna Raju Kanumuru
6. Smt. Poonamben Hematbhai Maadam
7. Shri Arjunlal Meena
8. Shri Janardan Mishra
9. Shri Kinjarapu Ram Mohan Naidu
10. Prof. Saugata Roy
11. Dr. Arvind Kumar Sharma
12. Shri Ravneet Singh
13. Shri Sushil Kumar Singh
14. Shri Uday Pratap Singh
15. Shri Ramdas Chandrabhanji Tadas

RAJYA SABHA

16. Shri Prasanna Acharya
17. Shri Birendra Prasad Baishya
18. Shri Anil Desai
19. Shri Joginipally Santosh Kumar
20. Shri Om Prakash Mathur
21. Shri Surendra Singh Nagar
22. Shri M. Shanmugam

Secretariat

Shri R.C. Tiwari	-	Joint Secretary
Shri Srinivasulu Gunda	-	Director
Shri G.C. Prasad	-	Additional Director

INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2020-21) having been authorized by the Committee to submit the Report on their behalf, present this Sixth Report on Action Taken by the Government on the Observations/Recommendations contained in the Twenty-second Report of the Committee on Public Undertakings (Sixteenth Lok Sabha) on 'Financing of Renewable Energy Projects by Indian Renewable Energy Development Agency Limited (based on Performance Audit Report No. 12 of 2015).

2. The Twenty-second Report of the Committee on Public Undertakings (2018-19) was presented to Lok Sabha and laid on the Table of Rajya Sabha on 8 February, 2018. The Action Taken Replies to all the 16 Recommendations contained in the Report were received from the Ministry of New and Renewable Energy on 29 November, 2018.

3. The Committee (2020-21) considered and adopted the draft Report at their sitting held on 7 January, 2021.

4. The observations/recommendations of the Committee based on the analysis of the action taken reply submitted by the Ministry on Twenty-second report (16th Lok Sabha) of the Committee have been given in Chapter-1 of this Report.

5. An analysis of the action taken by the Government on the Observations/Recommendations given by the Committee in their Twenty-second Report (16th Lok Sabha) is given in Appendix II.

New Delhi
7 January, 2021
17 Pausha, 1942 (S)

MEENAKASHI LEKHI
Chairperson
Committee on Public Undertakings

REPORT

CHAPTER I

This Report of the Committee deals with the action taken by the Government on the Observations/Recommendations of the Committee as contained in the Twenty Second Report of the Committee on Public Undertaking on "**Financing of Renewable Energy Projects by Indian Renewable Energy Development Agency Limited (based on Performance Audit Report No. 12 of 2015)**" which was presented to Lok Sabha and Rajya Sabha on 8th February, 2018.

2. Action Taken Replies have been received from the Government in respect of all the sixteen Observations/Recommendations contained in the report. These have been categorized as follows: -

(i)	Observation/Recommendations which have been accepted by the Government Sl.Nos. 1,2,3,4,5,6,7,9,10,11,12,13,15 & 16	(Chapter II) (Total: 14)
(ii)	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies. NIL	(Chapter III) (Total: NIL)
(iii)	Observations/Recommendations in respect of which replies of Government had not been accepted by the Committee and which require reiteration. Sl.No. 8&14	(Chapter IV) (Total: 2)
(iv)	Observations/Recommendations to which the Government has furnished interim replies and final replies are still awaited. Sl.No. NIL	(Chapter V) (Total: NIL)

3. **The Committee desire that the response to their comments in Chapter-I of the Report should be furnished to them expeditiously. They further desire that the final replies in respect of the Observations/Recommendation of the Committee may be furnished to the Committee in a comprehensive manner and within the prescribed time period.**

4. The Committee will now deal with the Action Taken by the Government on some of the Observations/Recommendations of the Committee in succeeding paragraphs.

Contribution of IREDA in development of Renewable Energy(RE)

Recommendation (Sl. No. 1 in Original Report)

5. The Committee in their Twenty-second Report had observed and recommended on contribution of IREDA in development of Renewable Energy as follows: -

"IREDA, a GOI public finance institution established in 1987 under the Companies Act for financing RE and energy efficiency projects has so far approved financial assistance to 2382 clean energy projects supporting green capacity addition of more than 7525 MW, with loan commitment of Rs. 48,832 crore and disbursement of Rs. 27,790 crore, which has helped in supporting the growth of Renewable Energy sector in India. The Committee noted that as per MNRE's Report on status of implementation of Green Energy commitments for financing of Renewable Energy Projects, IREDA is second leading NBFC in RE sector amongst the leading financial institutions in the Country in terms of total amount sanctioned and total amount disbursed during the period 15.2.2015 to 30.9.2016 after L&T Infrastructure Finance Company limited.

The Committee note that renewable energy installed capacity as on 31 December, 2016 was 50,068 MW and it is targeted to achieve 175 GW RE capacity by 2022. IREDA being Government re-financing agency has a greater role to play in this regard. While taking note of the role and the contribution made by IREDA, the Committee feels that still a lot needs to be done particularly in view of the ambitious targets of 175 GW RE capacity by 2022. Not only that, in this era of competition, IREDA being a commercial entity and with other major private layers in field, sustainable efforts are required by IREDA to maintain its position in the market. The Committee hope and trust that IREDA would take all the desired initiatives and emerge as a lead player in RE re-financing sector, thereby promoting the growth of renewable energy sector which would help in reduction of carbon emissions in the Country."

6. The Ministry of New and Renewable Energy in their action taken reply have stated as follows: -

"The Committee's suggestions have been noted for guidance. IREDA would make all efforts to ensure that pace of renewable energy in the country would not slow down for want of financing. It is further informed that Renewable Energy installed capacity has been enhanced to 71.85 GW as on 31.08.2019 and IREDA has sanctioned and disbursed cumulative loan of Rs. 62,077.87 Crore & Rs.38297.63 Crore respectively as on 31.08.2018."

7. The Committee appreciate that IREDA has not only taken the recommendations/observations of the Committee in right perspective with regard to strengthening their role in achieving the ambitious target of 175 GW Renewable Energy capacity by the year 2022 but has also made a commitment to make all efforts to ensure that the pace of renewable energy in the country would not slow down for want of financing. The Committee have however noted that the renewable energy capacity installed as on 31st December 2016 was 50,068 MW which as on 31.08.2019 had gone up to 71.85 GW. This implies that only 21.782 GW of renewable energy has been added during a period of 3 years from 2016 to 2019 and thus about 103.15 GW more capacity of RE still were left to be added in the next 3 years after 2019 to meet the target in the year 2022. Given this slow pace of capacity addition upto August, 2019, the Committee are constrained to express their apprehension as to whether the ambitious target of achieving 175 GW RE capacity would be met by the year 2022. The Committee therefore desire that more structured efforts need to be made vigorously in this regard by all concerned and IREDA being a major player must take all necessary initiatives to strengthen and

support the government's plan in meeting the ambitious target of 175 GW renewable energy by the year 2022.

Recovery of the Loan

Recommendation (SI No. 5 in Original Report)

8. The Committee in their Twenty Second Report had observed and recommended on Recovery of Loans as follows:-

"As per Para No. 4.9 and 4.10 of the C&AG Report during the year 2008-09 to 2012-13, IREDA settled 29 cases under One Time Settlement (OTS). So far as sector wise number of these 29 OTS cases is concerned, 10 related to wind, 4 each in solar and briquetting, 3 each in waste to energy, co-generation and biomass and 2 in small-hydro. In these 29 cases, the amount due for recovery on account of principal on interest, etc. was Rs. 446.70 crore, out of which recovery of Rs. 208.85 crore was made through OTS. Hence, IREDA sacrificed Rs. 237.85 crore, that is more than half its dues, on account of OTS, i.e. Rs. 8 crore on account of principal, Rs. 187.06 crore on account of interest and Rs. 42.79 crore on account of other dues such as liquidated damages, incidental charges, etc.

As per the Audit findings, out of 17 OTS cases selected by then for scrutiny, in 14 cases IREDA deviated from the OTS/financing guidelines. Such deviations include not conducting physical inspection before the release of interim loan, OTS even to the willful defaulters, etc. The examination of the Committee reveal that in many cases, interim disbursements were made multiple times to the parties without creation of mortgage. Not only that rescheduling of the projects was sanctioned at the interim disbursement stage. To mention a few instances viz. in case of M/s Sree Suryachandra Synergetic Pvt. Ltd, four interim disbursements were made and after third interim disbursement, re-schedulement of the project was sanctioned. In case of M/s Purti Sakhar Karkhana Ltd, two interim disbursements were made; in another case M/s Jain Farms and Resorts Ltd. the disbursement was made without inspection of the project. In some of the cases, Trust and Retention Account was not created and additional security was not made in case of repeated default by the borrowers. Besides as pointed out by Audit, adequate mechanism was not there to assess the wealth of the guarantor independently.

In addition to above, the Committee find from the data furnished by Ministry/IREDA, that a number of projects after sanctioning of the loan are being abandoned. During the year 2014-15 out of 61 projects sanctioned by IREDA, only 20 projects could be commissioned and 18 projects were dropped. During the year 2015-16 there was some improvement with regard to the abandoned projects as the data indicate that 7 projects were abandoned. With regard to commissioned projects, the position worsened as against 108 sanctioned projects, only 34 were commissioned. The Committee conclude from the aforesaid scenario that the whole approach of IREDA in sanctioning loan is somewhat flawed.

To improve the situation, IREDA has stated that certain measures have been taken viz. adjustment of pending dues from the next disbursement for under implementation projects and evoking of personal guarantee which require court's intervention. The Committee observe that these steps are the last resort for the recovery of loan for a failed project. Most important on the part of IREDA is to put in place an effective mechanism for ascertaining the viability of the projects for which loans are

sanctioned. Besides the system of relaxing of norms also need a review. The Committee, therefore, strongly recommend that measures like OTS must be utilized sparingly and definitely not for willful defaulters. IREDA, being a financial institution, must follow the benchmarks of financial prudence and monitor performance of repayments so as to recall loans before those turn into NPAs."

9. The Ministry of New and Renewable Energy in their action taken reply have stated as follows:-

"The recovery through OTS in 29 cases was effected during the period under observation of Audit as per the approved OTS Policy. While arriving at the settlement amount due consideration has been given to the status of the project, valuation of securities i.e. project assets/ collateral securities as obtained from government approved independent valuers and networth of personal/ corporate guarantors to the loan duly certified by practicing chartered accountant. The summarized status of due amount in cases where OTS were sanctioned, recoveries through OTS, sacrifice for these 29 cases is given as under:-

(Amount in Crore)

<i>Particular</i>	<i>Total dues</i>	<i>Recovered</i>	<i>Sacrifice</i>
Principal	18,117.22	17,316.64	800.58
Interest dues	22,239.55	3,533.57	18,705.98
LD & Incidental charges	4,313.60	34.66	4,278.94
Total	44,670.37	20,884.87	23,785.5

It may be seen from the above table that IREDA has recovered most of the principal outstanding and the sacrifice on principal was only Rs. 800.58 Crore which is 4.41% only. The sacrifice on principal was mainly in case of Briquetting Sector and Waste to Energy Sector where the projects have adversely suffered due to technological issues.

As regard the observation on conducting physical inspection, release of interim loan, it is to inform that the systems and procedure have been strengthened and financing guidelines modified. It is ensured that the physical inspections are carried out pre and post sanction of the project loan and also during implementation of the project. Generally lender's engineers are engaged to monitor the physical progress on the site and based on their reports only the disbursement are made in the project sanction. The policy of interim disbursement has been modified and no interim disbursement before the creation of mortgage is made unless bank guarantee is obtained. As regards monitoring of Trust and Retention Account (TRA), the recovery team is strengthened and they are now closely monitoring the TRA Accounts.

Abandoned Projects indicate that the projects were either not financed by IREDA or were dropped by the developers. There could be many reasons for it relating to policy, regulation, land acquisition, evacuation, etc. When projects are sanctioned, conditions for pre-execution, pre-disbursement and compliance of security are imposed. The project will not move forward if it is not able to comply with these conditions. As a lender it is not prudent on our part to push a developer to take disbursement or push the project forward in case some of these conditions are not met.

The appraisal process for sanction of the loan has been strengthened. The due diligence of the project loan application is carried out by reviewing the CIBIL Status of the promoter/guarantor, external rating of the project by the rating agencies like CRISIL, ICRA, CARE, India Rating and Brickwork. Internal credit rating is also carried out. Based on the assessment of the rating of the project, the interest rate and security matrix is finalized. The financing guidelines are modified from time to time it has been decided not to take exposure of more than 50% of project cost in respect of small hydro and cogeneration sector which are perceived more risky in nature. Biomass Sector is not being sanctioned any loan for the more than 5 years since the projects in the Biomass Sector are not performing well.

As regards, the recommendation of the Committee that OTS must be utilized sparingly, the same is noted for guidance and it is assured that this would be used sparingly. IREDA shall approach NCLT/ file recovery proceeding before DRT/ initiate action under SARFEASI Act for resolution of Non-Performing Assets."

10. The Committee note from the action taken replies that in the 29 One Time Settlement (OTS) cases, IREDA had sacrificed a total of Rs.23,785.5 crores which is about 53.25% of the total dues of Rs.44,670.37 crores. The 4.41% sacrifice as mentioned by MNRE in the reply is only in the case of dues settled on account of Principal amount. On the other side, the sacrifice on account of Interest dues is quite huge considering the fact that out of total interest dues of Rs.22,239.55 crores, sacrifice of Rs.18,705.98 crores was made which is 84.11% and astonishingly, IREDA lost almost all amount of "LD & Incidental charges" as out of the total dues of Rs.4,313.60 crores on this account, they sacrificed Rs. 4,278.94 crores which is 99.20%. The Committee are dismayed to note the sacrifice of such a huge amount by IREDA and strongly feel that the systemic flaw which led to this scenario needs to be corrected immediately and a system of fixation of responsibility and accountability for non-adherence of financial norms also needs to be put in place. The Committee therefore reiterate their recommendation that willful defaulters are not encouraged and the planned and deliberate defaults resulting in siphoning of hard earned public money by unscrupulous elements are fully avoided. The Committee reiterate their observation that IREDA being a financial institution, must follow the benchmarks of financial prudence and monitor constantly the performance of repayments so as to recall loans well before those turn into NPAs.

Status of IREDA-Applicability of RBI Norms

Recommendation (SI No. 8 in Original Report)

11. The Committee in their Twenty-second Report had observed and recommended on contribution of IREDA in development of Renewable Energy as follows: -

"It has been stated in the Audit Para that while scrutinizing IREDA's application for categorizing it as

an infrastructure finance company, RBI noticed that it was exceeding the permissible exposure limits. RBI, therefore, directed (September 2010) IREDA to submit the time frame within which IREDA would comply with RBI norms of December 2006. The Ministry/IREDA has stated that IREDA did not apply to RBI for infrastructure Finance Company status. On a specific query as to whether IREDA had ever applied for being designated as Infrastructure Finance Company, RBI in the written reply has stated that IREDA had applied for classifying itself as IFC vide its letter no. Accts/26/NBFC/96-97/IREDA/VI dated March 12, 2010. The Committee are unable to comprehend how the Ministry/IREDA straight away denied applying to RBI regarding the infrastructure status even when Audit in the replies has categorically mentioned about this and RBI in the replies specifically quoted the relevant letter no. and date. The Committee take strong objection to the way they have been misinformed about the position in this regard. They would like Ministry/IREDA to explain the position.

As stated by RBI, IREDA is currently categorized as NBFC Non Deposit Accepting-Systemically Important Company. The Committee have been apprised that the exposure norms of RBI with respect to single borrower/group of borrowers do not apply to IREDA being a Government NBFC not accepting/holding public deposit in terms of RBI circular. As stated by the Ministry/ IREDA, IREDA's Board of Directors has approved the exposure norms for NBFC i.e. single borrower 15%+5% of net worth and for group borrowers 25%+10% of net worth. The Committee further note that as per the position indicated by the RBI, in view of the role being played by Government companies in discharging social obligations, norms prescribed by their respective supervisory Departments/Ministries and to avoid dual control and regulation over them, the Bank had, in consultation with the Central Government, decided to grant them exemption from key regulatory provisions vide Notifications dated January 13, 2000 and October 1, 2002. While appreciating the spirit of the relaxations granted by RBI to NBFC, the Committee feel that these relaxations need to be exercised sparingly after due diligence and with proper justifications. In case of IREDA, Audit has pointed out that the prescribed credit exposure limit was exceeded in 29% of selected cases. Not only that IREDA exceeded its own relaxation norms, for example IREDA exceeded the exposure limit even to 56 per cent in case of M/s Tata Power Company Limited (Project No. 1838), as pointed out by Audit, besides deviations of various kinds made in 40 per cent of selected cases. Not only that, IREDA was operating an OTS scheme continuously without a fixed timeframe, which could promote a culture of non- payment, as rightly observed by Audit in its report. Above all, as observed in preceding paras of the report, many of the projects after interim disbursement were abandoned, the percentage of commissioned projects being only 31 per cent during 2015-16, thus serving little social obligations.

The Committee find that RBI is in the process of bringing all deposit taking systemically important Government owned companies under the provision of RBI's prudential norms framework, in view of the high systemic risk they can pose on account of their large balance sheets and their interconnectedness in the broader financial system besides their ability to impact financial markets being recipients from the budgets. While taking note of the large scale relaxation being granted by IREDA as elaborated above, the Committee would like to recommend to consider bringing even the Non Deposit Accepting-systemically Important Companies too within the RBI's prudential norms framework on the same consideration, after due consultation with these Government NBFC's and concerned Ministries."

12. The Ministry of New and Renewable Energy in their action taken reply have stated as follows:-

"The Ministry and IREDA conveys sincere regrets regarding incorrect communication that IREDA did not apply to RBI for Infrastructure Status. The fact is that though IREDA had once referred to RBI for classification of IREDA as Infrastructure Finance Company, the same was not pursued by IREDA due

to RBI requirement of submitting the time frame within which IREDA would comply with RBI norms of December'2006.

The table given below would clear as to how IREDA Board has approved the exposure norms in line with RBI exposure norms as contained in Circular No. RBI/DNBR/2016-17/45 dated 09.11.2017. (Refer page no. 31 para 22 (1))

Table: IREDA's exposure norms vs RBI Norms

Particulars	Single borrower	Group borrower
Exposure norms for NBFC	15%	25%
Exposure norms for NBFC financing to Infrastructure projects (adopted by IREDA)	20%	35%
	(15%+ 5%)	(25% + 10%)
Exposure norms for NBFC classified as Infrastructure Finance Company by RBI	25%	40%
	(15% + 10%)	(25% + 15%)

Since IREDA is financing RE Projects only, which fall under the definition of Infrastructure Projects, IREDA Board has approved exposure to single borrower upto 20% of net worth and for single group of borrower upto 35% of its net worth as indicated in the 2nd Row of the table. Had IREDA been classified as Infrastructure Finance Company by RBI, IREDA's exposure norms could have been 25% and 40% for single borrower and group of borrower respectively (Row 3 of the table). The relevant extract of RBI Circular is enclosed at **Annexure-V**.

It is to inform that the above norms as per approved by the Board were being followed by IREDA in view of the exemption provided by RBI vide their circular dated 13.01.2000 to all government NBFCs which are Systemically Important Non Deposit Taking. As per the latest circular dated 31st May, 2018, these exemptions have been withdrawn by RBI and now all the government NBFCs like IREDA have to follow the norms prescribed by RBI for NBFCs except the norms relating to credit exposure by specific sector companies for which a request has to be sent to RBI. Accordingly, IREDA's Board in its 307th meeting held on 20th July, 2018 has approved that the norms as prescribed by RBI in its circular dated 31.05.2018, to be followed by IREDA w.e.f. 01.06.2018 onwards. As regard, credit exposure relaxation a specific proposal has been sent to RBI through MNRE vide letter No. 340-12/4/2018-IREDA dt. 31st October, 2018."

13. The Committee had observed in their original Report that the Audit had pointed out about the fact that while scrutinizing IREDA's application for categorizing it as an Infrastructure Finance Company, RBI had noticed that IREDA was exceeding the permissible exposure limits. During the course of examination of the subject, the Ministry/IREDA had however stated that IREDA had not applied to RBI for Infrastructure Finance Company(IFC) status. Surprisingly, the RBI, on being enquired, had stated in a written reply that IREDA had applied for classifying itself as IFC *vide* its letter No. Accts/26/NBFC/96-97/IREDA/VI dated 12 March, 2010. The Committee in their original report had taken strong objection to the way the Ministry/IREDA had misinformed the Committee on this issue and had desired for an explanation on this. The Committee observe that in the action taken reply, the Ministry and IREDA have accepted their mistake and regretted for furnishing incorrect communication that IREDA did not apply to RBI for the IFC status. The Committee are not convinced with the reply of the Ministry/IREDA as the circumstances in which incorrect information was submitted to the Committee have not been explained at all in their reply. Further, from the reply, it is evident that apparently no mechanism has been devised by the Ministry/IREDA to prevent reoccurrence of such

lapse in future. The Committee therefore take serious note of the way in which incorrect information had been furnished by the MNRE and IREDA to this august Parliamentary Committee and express their strong displeasure. The Committee further caution the Ministry/IREDA to exercise extra care and alertness while submitting information to the Parliamentary Committees so as to ensure that information furnished to Parliamentary Committees are accurate and authentic and also reoccurrence of such lapse is fully avoided in future. The Committee further desire that a detailed explanatory note be submitted to them explaining the circumstances in which such lapse occurred in furnishing the information to the Committee. The Committee further strongly recommend for fixation of responsibility for the lapses which led to submission of incorrect/false information to the Committee in this case and also desire to be apprised of action taken in this regard and also about the measures taken/guidelines issued in this regard to prevent such incidents in future.

Research, Development and Demonstration in Renewable Energy Sector

Recommendation (Sl. No. 13 in Original Report)

14. The Committee in their Twenty Second Report had observed and recommended on Research, Development and Demonstration in Renewable Energy Sector as follows:-

"The Committee are disappointed to note that the Country remains dependent on imported technology in RE Sector as indigenous technology has not moved ahead much. During the evidence, the Committee have been apprised by the Ministry/IREDA representatives that 85 per cent of the solar panels are still being imported from China as they are cheaper and technologically advanced.

So far as the efforts made by MNRE in Research and Development in RE Sector are concerned, the Committee find that Rs.584 crore has been spent on Research, Development and Demonstration as support for R&D projects to various R&D/academic institutions/industry in the area of solar thermal, SPV, Biogas, Wind, Bio-fuel by hydrogen and fuel cell; and to MNRE Institutes, namely, NISE and NIWE during the 12th Plan Period. Besides, MNRE has three dedicated Institutions as autonomous bodies for solar energy, wind energy and bio-energy which are functioning as research demonstrations, standardization and testing centres. Alternate Hydro energy Centre at IIT Roorkee is also involved for testing and evaluation of small hydro power.

The Committee have also been apprised that the Ministry has also supported creation of a Centre of Excellence for innovation, incubation and entrepreneurship in the area of renewable energy at CIIE IIM Ahmedabad by providing/committing a grant-in-aid of Rs.24 Crore. CIIE IIM Ahmedabad through this grant has created Indian Fund for Sustainable Energy to support start up with innovative ideas besides providing them training and hand holding support.

The Committee firmly believe that the Country has scientific and technological potential to move forward in RE Sector for which more needs to be done in the field of Research and Development. There is no dearth of talent in the Country. The need of the hour is to encourage Research and Development in RE sector through our premier technological institutions like IITs. The Committee, therefore, are of the view that IREDA/Ministry has to work in the mission mode so as to encourage financing for Research and Development, particularly in RE Sector and financing for smaller project so as to ensure technologically competitive projects besides promoting use of indigenous products through various policy decisions in RE Sector. The concrete initiatives as suggested may be taken and the Committee be apprised accordingly."

15. The Ministry of New and Renewable Energy in their action taken reply have stated as follows:-

"The Ministry of New and Renewable Energy (MNRE) has been supporting research, design and development through various R&D/academic institutions, industries, etc., in the fields of solar, wind, biogas, hydrogen, fuel cells, geothermal, etc., for technology development and demonstration leading to commercialization. A comprehensive policy and guidelines for research, development and demonstration (RD&D) for new and renewable energy sector is in place. During the 12th Plan Period, total of 112 R&D projects in the area of solar energy, wind energy, bio-energy, small hydro, hydrogen and fuel cells were sanctioned to various R&D/academic institutions, industries with total grant of Rs.523.43 crore. The MNRE has spent Rs. 307.66 crores on R&D projects during the last three years. The RD&D Programme was also reviewed by a Panel of experts in September, 2017.

The MNRE has decided to scale-up its RD&D effort to Technology Development and Innovation Programme during the current three years period from 2017-18 to 2019-20. The focus is on promoting application oriented innovation, integrated with research and development for commercial applications and testing and standardization for quality and reliability assurance in renewable energy sector. A Technology Development and Innovation Policy (TDIP) is also being finalised. It is based on a robust ecosystem for support for research, innovation and validation for technology development and demonstration, testing and standardization, awards for innovation linked with start-ups.

Following steps are being taken by the Ministry for development of indigenous Solar PV technology

A. Comprehensive Solar PV manufacturing Policy

MNRE is proposing a comprehensive scheme to build up manufacturing capacity of solar PV modules, cells, wafers/ ingots and polysilicon in India which, *inter-alia* provides following incentives:

- Capital subsidy for new capacities/ up-gradation of capacity
- Production Subsidy to existing and upcoming manufacturing facility
- Fiscal Incentives in the form of Exemption from Customs duty on import of capital goods required for setting up solar manufacturing facility
- Permission to set up solar power plant with provision of banking the power generated there from, to reduce the cost of power supply to manufacturing unit.

B. Solar PV manufacturing facility linked with PPAs for solar PV power plant

>MNRE envisages setting up of around 3 GW of Solar PV Manufacturing Capacities in India linked with assured off-take in the form of PPAs of 10 GW for Solar Power Plant.

>The manufacturing capacity is proposed to be allotted through transparent competitive bidding wherein, bidding shall be for tariff for the PPAs and capacity allocated to bidder (s) shall be on bucket filling basis."

16. The Committee are constrained to observe that despite India having achieved much technological advancements in almost all fields of engineering, manufacturing, IT etc. and also having laudable initiatives like 'Make In India' programme and 'Atmanirbhar Bharat', admittedly 85% of solar panels are still being imported from China primarily because they are stated to be cheaper and technologically better. The Committee are quite apprehensive that given the modern day geo-political situations, excessive dependency on import in critical areas could be counterproductive as any unfavourable international atmosphere may cause disruption in import which in turn will adversely affect our economic and commercial ventures. This assumes greater significance in wake of the fact that out of 175 GW renewable energy target to be achieved by the year 2022, 100 GW is targeted from the Solar energy alone. In such a situation, any disruption in import will pose a serious challenge to all stakeholders in achieving that ambitious target. In view of this inherent threat associated with the import, the Committee are of the strong opinion that taking advantage of the ambitious 'Make in India' programme and call for 'Atmanirbhar Bharat', the domestic manufactures and entrepreneurs should be effectively encouraged and motivated to take up on priority the indigenous production of Solar PV Modules, Solar Cells, Lithium batteries and other solar accessories and also for working on alternate battery system.

17. The Committee further observe that the pace with which the Ministry has been moving so far towards augmentation of indigenous production, needs a serious thrust because the scheme to build up manufacturing capacity of Solar PV modules is still stated to be in proposal stage only. The Committee also observe that steps taken till now by MNRE resemble only broad guidelines and even that too is at proposal stage only and no concrete action plan seems to have been prepared by MNRE so far. The Committee, therefore, feel that there needs to be more focus on R&D work and incentives need to be provided to IITs and other premier Technical Institutions so that the indigenous production gains momentum at the earliest. The Committee also desire that a comprehensive strategy for each stage of solar PV modules manufacturing process needs to be put in place. The Committee emphasize that these steps need to be taken in mission mode so that indigenization of Solar PV modules is achieved at the earliest and dependency on imported items/technology is minimized. The Committee, in view of the excessive dependency on imports for Solar panels, would like to suggest the Government for consideration to re-prioritise different sources of Renewable energy targets so as to achieve better economical outputs in respect of the sources having strong indigenous capabilities like wind, hydro and bio-fuels and keep the pace of Solar energy linked with the indigenous production of Solar panels and accessories. The Committee would therefore like that in view to the present scenario of available of accessories, more focus needs to be given to the alternate RE sources like wind, hydro, biofuels which could be explored effectively with indigenous inputs. The Committee would like to know the steps being taken in this regard and also about the details of the Technology Development and Innovation Policy (TDIP) once it is finalised by the Government.

Financing of Start-ups/Small Projects

Recommendation (Sl. No. 14 in Original Report)

18. The Committee in their Twenty Second Report had observed and recommended on Financing of Start-Ups/ Small Projects as follows:-

"The Committee are disappointed to note that IREDA is yet to start financing for start-ups which is apparent from the reply whereby it is stated that no start-up as borrower has approached IREDA so far. The Committee would like IREDA to analyse the factors due to which start-ups do not approach IREDA for financing.

The Committee further note that there is a great potential for small projects in hilly and North-Eastern areas. There is a need to tap the potential by the positive and favourable policies for financing the small projects. The Committee have been apprised that IREDA finances project loan as low as Rs. 50 lakh and finance solar project, with aggregate capacity of 1 MW and above and hydro projects of size lower than 1 MW.

The Committee in this regard would like to be apprised about the year wise financing/loan advanced to smaller projects in various sectors viz. hydel, solar, wind, bio-mass etc.

The Committee are of the view that start-ups/small projects bring innovation to the field and renewable energy being the emergent sector, there is an urgent need to have favorable policies with regard to financing start-ups/small projects. Besides there is a need for having simple procedures/formalities for financing particularly when start-ups/small entrepreneurs cannot afford chartered accountants/professionals or completing the formalities. IREDA being the exclusive Government financing agency for RE sector, need to act proactively and try to reach out to the startups/ small entrepreneurs. Awareness about the financing of RE projects also need to be created."

19. The Ministry of New and Renewable Energy in their action taken reply have stated as follows:-

"MNRE supported entrepreneur development in renewable energy under a project sanctioned in January 2011 to Centre for Innovation Incubation and Entrepreneurship(CIIE), IIM, Ahmadabad. Under this Project, total grant of Rs.24 crores was sanctioned in 2011 with the condition that a matching investment would be mobilized by CIIE from private sector investors. So far 22.47 crores has been released to CIIE, IIM, Ahmedabad for the project. The CIIE, IIM, Ahmedabad has mobilized more than Rs. 25 crores from the private investors for the project. The project has incubated 40 start-ups in renewable energy sector. The project has generated useful experience on entrepreneur development.

However, start-ups generally require seed money which is provided by venture funds. IREDA also finances new technology, new projects after mitigating the perceived risks in any new project/venture.

The Ministry finances new technology under Technology Demonstration Project Mode. Details of smaller project upto 5 MW financed by IREDA sector wise and year wise for last four year is enclosed at **Annexure-V.**"

20. The Committee in their original report had expressed their disappointment that no borrower had approached IREDA for start-up programmes and the Committee had asked IREDA to analyse the factors due to which start-up did not approach the Agency for financing. The Committee are of the view that a reactive approach may not yield the desired results. The Committee feel that the Agency

should be proactive in visiting small entrepreneurs at various locations and also start-ups hubs in various premiere technical and management institutions in order to assess their R&D works and to ascertain their achievements and progress in this area. The Committee had also noted that there is a great potential for small projects in hilly and North-Eastern areas. The MNRE in their reply have stated that CIIE, IIM, Ahmedabad has mobilized more than 25 crores from private investors for the project which has incubated 40 start-ups in renewable energy sector. However, the fate of the start-ups or the factors why start-ups are not approaching IREDA for financing have not been elaborated by the Agency. There is also no mention of the initiatives taken on financing small projects in the North-Eastern sector. The Committee while taking into account the fact that generally the needy persons approach the Banks for financing would suggest that IREDA may also develop a mechanism to have a tie up with the Banks so that applications of the potential borrowers could reach to IREDA through Banks also. The Committee while reiterating their earlier recommendation would like to be apprised of the initiatives taken by IREDA on financing small projects in the North-Eastern sector and the steps taken by them to promote start-ups in Renewable Energy sector as well as the measures taken by them to make financing on start-ups more encouraging for borrowers.

Various Important Issues of RE Sector

Recommendation (Sl. No. 16 in Original Report)

21. The Committee in their Twenty-second Report had observed and recommended on various issues of RE sector as a whole as follows:-

"The Committee during the course of examination besides considering the issues pertaining to IREDA particularly those raised in the Audit paras, also examined other matters related to renewable energy sector as a whole. The observations/ recommendations of the Committee in this regard are as follows :

(A) Sensitizing people's contribution towards environment

"The Committee note that as part of creation and evacuation of renewable energy infrastructures, IREDA/MNRE is involved in Grid Connected solar roof top programme and the schemes / programmes of the MNRE are implemented all over the Country including rural areas. On analysis of the data on sanctioned and installed capacity as furnished to the Committee, it is observed that States like Andhra Pradesh, Assam, Delhi, Gujarat, Jharkhand, Madhya Pradesh, Maharashtra, Tamil Nadu, Telangana and Uttarakhand have achieved less than 30% of sanctioned capacity while States like Madhya Pradesh and Jharkhand have installed capacity of as low as 5% and 10% respectively. States like Kerala, Karnataka, Punjab, Uttar Pradesh, West Bengal and Bihar have installed capacity much higher than their sanctioned capacity. The Committee are concerned to note that States like Meghalaya, Nagaland, Sikkim, Bihar, Daman and Diu and Dadar-Nagar Haweli have zero sanctioned capacity. The Committee were astounded to note such high level variations in this programme. The Committee feel that as Government is providing subsidy for solar roof top programme it becomes imperative to monitor its implementation. India is one of the lowest per capita consumers of electricity in the world. The Committee are disheartened to note that despite energy shortages and high cost of back up supply, roof-top solar PV systems have not yet become widespread in India. The Committee feel that this is primarily due to lack of adequate financing, unfamiliar technology and low consumer awareness. The Committee also note that there are various discrepancies in implementation of subsidy scheme, like non availability of subsidy to the needy people, prolonged delay in disbursement

of the subsidy and no continuity in the scheme. Therefore, solar roof top programme has not achieved the desired level.

The Committee are of the view that aided by Government policy and cost effectiveness the solar roof-top programme has the potential to transform the renewable energy sector and promote ecologically sustainable growth while addressing India's energy security challenge. The Committee note that Government has full support of World Bank at international level too and a variety of financing mechanisms are available under this programme. Therefore, the Committee desire that Government should spread awareness about the scheme and impart required training to interested investors to make them familiar with the technology. It will not only correspond to a major innovation for the roof-top market but also improve the investment climate for solar PV while addressing the much needed low cost power at individual level. At the same time, the Committee hope that, it will sensitize the public about climate change and the individual responsibility towards saving the environment."

(B) Installation of roof-top solar panel on residential premises

The Committee note that many of the States have their own policies in place, and installation of solar panels by the general public on their residences is governed by these policies which varies from State to State. The Committee have been apprised that the cost of a solar panel is approximately Rs. 50,000 per KW and that many private banks are open to providing loans to people for the same. However, people in general hesitate to spend huge amounts for solar roof top panels as the subsidy provided by the Ministry is not passed on to the people. The Committee see a good future in residential roof top programme of the Government and feel that the pressure on the discoms can be eased with more and more people using solar roof tops. But to achieve this, the Government has to spread awareness amongst people about the programme, the loan facility being provided by the banks and the subsidy being provided by the Government."

(C) Promotion of roof top solar panels on Government, Industrial & commercial buildings, Railway Stations and foot over bridges of metro and railway station, etc.

The Committee note that solar panels are being installed on Government buildings to save power and make use of the land. The Committee have been informed that the life span of solar panels is of 25 years with a degradation of 10% every 10 years and the power produced through solar panel is cost effective. Besides, multilateral funding is also being provided through World Bank and ADB to promote rooftops in industrial, commercial, residential and social sector. Regarding installation of solar panels to cover foot-over bridges at railway stations, metro stations in place of metallic sheds, the Committee have been informed that the Government can try to install the solar panels but the efficiency of such type of design will limit the efficiency of the solar module. The model has already been tried on the parking sheds in many organizations with solar panels as a roof. While taking note of the cost effectiveness and longevity of the solar panels, the Committee recommend that the Government should encourage installing solar panels on roof top of Government, industrial and commercial buildings including railway stations and bus stops. The Government should also encourage the State Governments, urban local bodies etc. to include installation of solar panels in their building bye-laws. The efficiency of solar panels already installed on parking sheds and foot-over bridges of rail and metro stations should be assessed and if found, should be implemented all over the Country."

(D) Installation of Solar panels on water bodies

The Committee have been informed that the Government of India has approved the implementation of a 'Pilot-cum-Demonstration project for Development of Grid-connected Solar PV power Plants on Canal-banks and Canal-tops' under National Solar Mission (NSM). On the basis of the request received from various States, in-principle approval has been given for setting-up full targeted capacity of 50 MW canal-top and 50 MW canal-bank solar PV power projects in the States of Andhra Pradesh, Gujarat, Kerala, Karnataka, Punjab, Uttarakhand, Uttar Pradesh and West Bengal. IREDA is financing the Solar Projects being installed on canal banks and canal tops as applied by some of the developers. The Committee have also been informed that there is no harmful effect of installing solar panels on canals either on the environment or the water for consumption by animals, birds, plants and humans. The Committee note that although the concept of installing solar panels over water bodies is new in India, solar panels have been installed world-wide on water bodies like ponds, lakes etc. The Committee are of the view that this concept would help in saving electricity as there are a huge number of water bodies/lakes/canals in India some of which are major tourist attractions. The Committee recommend that Ministry and IREDA should sincerely work on this project and also give wide publicity on their website and print media to attract developers from various States. However, while installing the solar panels, care should be taken on preserving the ambience of those water bodies, which are major tourist attractions."

(E) Installation of Solar panels on highways

Regarding the use of solar-panels for lighting the path on National and State Highways, the Committee note that the MNRE has supported 50 km path from Deogarh to Basukinath temple in Jharkhand with 5 x 100 KWP solar power plant. The Government has proposed to try the same model on State and National Highways. The cost involved would be roughly Rs. 1.5 lakh per KWP solar power plant with centralized location for better maintenance and safety. The Committee appreciate the initiative of the Government as solar panels on highways would prove to be cost effective in the long run in view of the vast network of National and State highways in the Country. The Committee emphasize that more State and National Highways should be covered and desire to be apprised of the progress on the same, the response received from NHAI and the State Governments on the matter as well as the future plans of MNRE."

(F) Exploiting of Wind Energy potential by various States

The Committee note that wind energy potential mainly exists in 8 to 9 States and most of these States are yet to exploit their full wind potential. Although MNRE has taken initiatives to exploit their energy, the desired targets have not been achieved. Delay in land allotment, obtaining clearance especially of forest land, non-development of accurate forecasting and scheduling system, delay in payment to wind power generators, 'most-run' status not being complied with, breaking down of wind power generators, etc. have been cited as some of the major factors in non-achievement of targets in the wind energy sector by the developers and the States. The Committee find that State Governments have not provided enough support to deal with the problems of developers especially in allotment of land and the required clearances which are the main reasons for delay in initiating the projects.

The Committee note that apart from other useful initiatives, the Government is establishing Renewable Energy Management Centers(REMCs) at 11 locations in renewable resource rich States. The Committee, however find that not even a single REMC has been established as yet. The Committee recommend expediting establishment of REMCs that would be of great help in advanced

forecasting, dispatching solutions & real time monitoring of RE generation to closely coordinate with the Grid Operations. The Committee also recommend the Government to bring out a comprehensive policy for taking care of all concerns of wind energy developers at the earliest that is coherent across all States in India. The policy should not only focus on reducing cost but also on reducing risk of installing wind projects.

(G) Avoiding installation of second-hand Wind units

The Committee are happy to note that 70 percent indigenization has been achieved by manufacturers of Wind Energy Units. However, instances have been reported as apprised to the Committee regarding installation of second-hand wind energy units as new units in India which were earlier closed down in other Countries. Shockingly, neither IREDA nor officials of MNRE are aware of such installations. The Committee express their apprehension that such installations are taking place without the knowledge of MNRE and IREDA. Now when things have been brought into the knowledge of IREDA/Ministry, it is expected that such activities would stop and the Government will promote indigenization and installation of new wind units. The Committee also recommend expediting replacement of large turbines in place of smaller turbines so that capacity (potential of wind energy) could be increased."

22. The Ministry of New and Renewable Energy in their action taken replies on the aforesaid issues submitted as under:-

"(A). Under Rooftop Solar (RTS) Scheme MNRE is providing subsidy for the residential, institutional and social sector for installation of RTS plants. For the Government sector incentives are provided on achievement of targeted RTS capacity within a given time frame against capacity sanctioned by MNRE. There is no subsidy for industrial and commercial sector. The scheme is being implemented through State Nodal Agencies and PSUs. The proposals for sanction of subsidy/incentives are to be submitted by these implementing agencies through online web portal SPIN. Scheme is demand driven and proposals are yet to be received from some of the states/UTs. Updated statement on state-wise capacity sanctioned and capacity achieved under subsidy/incentive category and without subsidy/incentive category is given in the table at Annexure-VII. It may be seen that some of the states have good progress of RTS capacity installation in non-subsidised sector. Project completion duration generally varies from 15 to 18 months from the date of sanction. The progress is closely monitored by MNRE. The subsidy/incentives are disbursed on submission of completion report by the implementing agencies on the online web portal. It has been observed there is considerable delay in submission of completion report by these implementing agencies.

The installation of RTS plants was slow during initial phase because of challenges such as involvement of multiple approval process, apprehension of loss of revenue by Discoms due to moving out of high tariff paying customers, non-uniformity of state regulations, skill and knowledge gap, lack of awareness, etc. Ministry has taken various steps to address these challenges, these include development of online single window portal, creating public awareness, identification of gaps in policies and regulations, manuals for best practices, skill development and capacity building of Discom/banks, etc. The Ministry under various (multilateral/bilateral) technical assistance programmes have taken initiatives to promote RTS in the country by providing support to the various stakeholders and these include aggregation of demand with prior approvals to get benefit of economies of scale, development of single window portal from application process to

commissioning/net-metering installation and release of subsidy, capacity building activities, formulation of conducive policies and regulations, bid process management, creation of RTS cell in the Discom, etc.

(B). RTS scheme is being implemented by SNAs and PSUs. After sanction of the RTS capacity these agencies have to complete the project within a time period of 15-18 months. The subsidy/incentives are disbursed on submission of completion report by the implementing agencies on the online web portal. It has been observed there is considerable delay in submission of completion reports by these implementing agencies due to involvement of multiple agencies. To expedite the process single window portal has been developed which will take care from application stage to commissioning / net- metering installation and release of subsidy and the process can be tracked online by the consumer. So far awareness is concerned Ministry has planned public awareness campaign through print and electronic media to create awareness on RTS in the masses."

(C). To ensure the quality and efficiency of the solar PV modules the MNRE Guidelines provides for installation of solar PV modules used in solar power plants under MNRE Scheme must confirm to IEC/BIS standards.

In order to promote RTS systems in various railway premises, metro rail locations, etc., the Ministry has already sanctioned RTS projects to Railway, Delhi Metro Rail Corporation, Kochi Metro Rail Corporation, Noida Metro Rail and Lucknow Metro Rail Corporation. Aggregate capacity of about 68 MW has been reported commissioned by these organisations.

MNRE is constantly pursuing with Central Ministries/Departments as also State Governments for installation of RTS projects in Government buildings. MoUD in its Model Building Bye-Laws has made provision for installation of RTS projects on all buildings above a certain area and has written to all States/UTs to make RTS compulsory on buildings by making changes in building byelaws. Four States/ UTs (Chandigarh, Chhattisgarh, Haryana and Uttar Pradesh) have made mandatory bye-laws/ regulations.

(D) Under MNRE's 'Pilot-cum-Demonstration project for development of grid-connected solar PV power plants on canal-banks and canal-tops', 94 MW solar PV power projects on canal-tops/ canal-banks have been commissioned. Taking this concept further, MNRE has directed Solar Energy Corporation of India Limited (SECI), to explore possibility of setting up floating solar PV power plants, through competitive bidding in different states of India.

To begin with, SECI has floated a tender for setting up 150 MW floating solar PV power plants on Rihand Dam in Sonbhadra district of Uttar Pradesh.

Further, in December'2016, IREDA had sanctioned 14.5 MW Canal Bank Solar PV Power Project of M/s Svarog Global Power Ltd. in Uttarakhand and disbursed Rs. 70 Crore towards the project. IREDA has also sanctioned a 22 MW Floating Solar Power Project to be setup in Tamil Nadu."

(E). Under Off-grid Solar PV Programme Ministry is providing support for installation of solar street lights throughout the country, with special emphasis on areas where there is no facility for street

lighting systems through grid power, North Eastern States and Left Wing Extremism (LWE) affected districts. So far as lighting on State and National Highways is concerned, these are mainly supplied through grid power, however, NHAI and State authorities may consider using solar power, which may prove more cost effective with availability of cheaper energy storage solutions in coming future. MNRE can provide necessary support in terms of prescribing standards and specification in this regard.”

23. Various Important Issues of RE Sector

The Committee's analysis reveal that various measures have been initiated in different areas for achieving the target of Renewable Energy. The Committee however observe that in view of the inadequate availability of indigenous solar accessories, the expansion of Solar Energy at present is largely dependent on imported materials. The Committee therefore feel that till the indigenous production of solar accessories reaches at adequate level, more focus should be given for the development of alternate renewable energy sources like wind, hydro, bio-fuels etc. so that the dream of 'Atmanirbhar Bharat' could be meaningfully materialized.

CHAPTER II

RECOMMENDATIONS / OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 1)

Contribution of IREDA in Development of RE

IREDA, a GOI public finance institution established in 1987 under the Companies Act for financing RE and energy efficiency projects has so far approved financial assistance to 2382 clean energy projects supporting green capacity addition of more than 7525 MW, with loan commitment of Rs. 48,832 crore and disbursement of Rs. 27,790 crore, which has helped in supporting the growth of Renewable Energy sector in India. The Committee noted that as per MNRE's Report on status of implementation of Green Energy commitments for financing of Renewable Energy Projects, IREDA is second leading NBFC in RE sector amongst the leading financial institutions in the Country in terms of total amount sanctioned and total amount disbursed during the period 15.2.2015 to 30.9.2016 after L&T Infrastructure Finance Company limited.

The Committee note that renewable energy installed capacity as on 31 December, 2016 was 50,068 MW and it is targeted to achieve 175 GW RE capacity by 2022. IREDA being Government re-financing agency has a greater role to play in this regard. While taking note of the role and the contribution made by IREDA, the Committee feels that still a lot needs to be done particularly in view of the ambitious targets of 175 GW RE capacity by 2022. Not only that, in this era of competition, IREDA being a commercial entity and with other major private players in field, sustainable efforts are required by IREDA to maintain its position in the market. The Committee hopes and trusts that IREDA would take all the desired initiatives and emerge as a lead player in RE re-financing sector, thereby promoting the growth of renewable energy sector which would help in reduction of carbon emissions in the Country.

Reply of the Government

The Committee's suggestions have been noted for guidance. IREDA would make all efforts to ensure that pace of renewable energy in the country would not slow down for want of financing. It is further informed that Renewable Energy installed capacity has been enhanced to 71.85 GW as on 31.08.2019 and IREDA has sanctioned and disbursed cumulative loan of Rs. 62,077.87 Crore & Rs. 38297.63 Crore respectively as on 31.08.2018.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018-IREDA
Dated: 26.11.2018]

Comments of the Committee

(Please see para 7 of Chapter I of the Report)

Recommendation (Sl. No. 2)

Market share of IREDA

The Committee noted that as per the Audit Report, IREDA's share in the total commissioned capacity of RE which was 52.83 per cent at the beginning of the Tenth Five Year Plan (2002-07) period declined to 19.21 per cent at the end of the Tenth Five Year Plan and further to 7.66 per cent at the end of the Eleventh Five Year Plan. Thus, IREDA was not able to sustain its position as a leading financial institution in the renewable energy sector. MNRE, in the information furnished to the Committee, has given an altogether different perspective of IREDA's share in the total commissioned capacity, whereby it is stated that IREDA's share at the beginning and end of 10th Five Year Plan was 25 per cent and 15 per cent respectively. Further, at the end of 11th Five Year Plan IREDA's share was 12 per cent. The Committee are not able to comprehend huge difference in the data given in the Audit Report and in the revised position furnished to the Committee. Even the revised position furnished to the Committee indicates decline in IREDA's share over the years.

When specifically asked for the reasons, IREDA has tried to justify by stating that they have been consistently making growth of around 23 per cent of CAGR in terms of absolute disbursement and sanctions. In one of the replies IREDA has stated that the agency was able to retain market share to about 12 per cent consistently and in the post evidence replies it is stated that IREDA is maintaining 10-12 per cent market share. The Committee find from the replies a sense of complacency on the part of IREDA. The Committee caution IREDA and would like the Company to continuously monitor its performance and take all the initiatives to maintain its share in the highly competitive market particularly when the private sector is taking keen interest in re-financing RE projects.

Reply of the Government

The comments of the Committee are noted for guidance. However, it is to bring to the kind notice of the Committee that persistent efforts have been made by IREDA to increase its sanctions and disbursements.

The cumulative sanctions during the 25 year period upto 2012-13 was Rs.22460 Crore, while in last five years (till March 2018) cumulative sanction was Rs. 38502.67 Crore i.e. 1.71 times of previous 25 years. Similarly, the cumulative disbursement during the period upto 2012-13 was Rs. 11848.79 Crore while in last five years cumulative disbursement was Rs. 24269.79 Crore i.e. 2.04 times of previous 25 years.

It is also informed that IREDA has been in specialized sector of RE financing since 1987 and in earlier days IREDA was the only RE financing agency. Now with stable RE sector most of the banks and financing agencies have also started lending for the sector, which indicates early stage catalytic role played by IREDA in development of RE financing market.

IREDA's critical activities are being monitored on continuous basis by its senior management, Board (including independent Directors), the Ministry and DPE.

It may be appreciated that there is no clear method of monitoring the market share considering, takeover of loans, underwriting, down-selling, etc., in financing RE Projects. However, IREDA is continuously evolving new and innovative financing products to remain the leading financier in the RE Sector. Further considering the exponential growth in the sector in view of GOI targets of setting up of 175 GW of RE Capacity by 2022, financing by other NBFCs/Banks is also necessary for the growth of the sector.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018-IREDA
Dated: 26.11.2018]

RECOMMENDATION (SL No. 3)

Discrepancies as pointed out by Audit

The Committee observes that the C&AG, in their Audit Report have pointed out some of the discrepancies on non-adherence of financial guidelines by IREDA in a number of projects. The discrepancies in this regard *inter-alia* include disbursing loan even without registration, exceeding credit exposure limits, non-creation of mortgage before disbursement, non-creation of trust and retention account in some projects, allowing longer repayment period in some projects advancing loan to the borrowers whose accounts have been closed due to NPA and non-conducting of inspection in some projects. Some instances as quoted by Audit are (i) projects of Tata Power Company Limited and Maharashtra State Power Generation Company Limited, the loans were sanctioned even without registration of the projects. In case of M/s SCI India Ltd as observed by Audit, different conditions for obtaining security against the loan were imposed in the sanction letter and the loan agreement; (ii) as per the Audit, IREDA exceeded its own exposure norms in cases of M/s Tata Power Company Limited, M/s Vaayu India Power Corporation Limited, IL&FS Wind Power Ltd. and Athena Damwe Power Limited. It was also noted that M/s Venkateshwra Sponge and Power Private Limited were issued NOCs by IREDA without creation of additional security by them, even though it was a co-financed project and that Andhra Bank was able to recover more amount from the borrower than IREDA in spite of having a *pari passu* arrangement. IREDA has submitted to the Committee that their financing norms/guidelines are only indicative for financing RE projects. As per project requirement guidelines are reviewed/revised/modified from time to time in line with changing scenario and deviations from the guidelines, wherever considered, are duly approved by the Board of Directors. The Committee, however, are not convinced as to how even the basic requirements of a project can be waived off. They find that such irregularities/deviations, besides inviting Audit objections, affect the creditability of the PSU and may erode IREDA's standing in the RE sector. The Committee while taking serious note of these deviations would like to recommend to take due precautions while sanctioning loans.

Reply of the Government

The recommendations of committee to take due precautions while sanctioning loans is noted for compliance in future.

As regards specific observation with respect to parties indicated therein, the status is given as under:-

1. Project sanctioned without registration:-

- a) Tata Power Company Limited
- b) Maharashtra State Power Generation Limited

The process of registration of a project is improved and simplified. Also no project is submitted for sanction by competent authority without first being registered, such a situation will not arise in future.

2. Case of SCI India Limited

It is to confirm that security conditions as per the prevailing financing norms applicable at the time of sanction were stipulated in the loan agreement. (Copy of loan agreement enclosed at **Annexure-I**). The company could not create mortgage of project assets and therefore the borrower was not eligible

for disbursement. Further, no disbursement was recommended, due to change in project parameters as observed during the pre-disbursement visit. In the meantime company decided not to avail the disbursement

3. Exceeding the exposure limit

- a) Tata power company limited
- b) Vaayu India Power Corporation India limited
- c) IL&FS wind power limited
- d) Athena Damwe Power Limited

IREDA had exceeded its exposure norms after taking approval of Board of Directors in the above stated projects as IREDA's net worth was very small and in order to take advantage of growth opportunity and credit worthy client the decision to exceed exposure norms were taken. However, the observations of the Committee are noted for compliance in future and it is further confirmed that now the exposure in respect of project mentioned at S.No. a) & b) is within the norms, the loan of project at S.No. c) has been completely repaid and project at S.No. d) no disbursement has yet been made.

4. Case of M/s Venkateshwara Sponge & Power P Ltd.

This is confirmed that IREDA has recovered its entire amount due (without any sacrifice) viz principal loan outstanding, interest, liquidated damages and incidental charges through action initiated under SARFAESI Act, DRT, etc., and the account stands closed in the books of IREDA.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018-IREDA
Dated: 26.11.2018]

RECOMMENDATION (SL NO. 4)

Gaps in sanction, disbursement and recovery of loans

The Committee observe from the data furnished by the Ministry/IREDA that although the amount of loan sanctioned, disbursed and recoveries made has increased in absolute terms during 12th Five Year Plan as compared to 11th Five Year Plan, the percentage of loan disbursed as compared to loan sanctioned has declined from 59 per cent to 53 per cent. Not only that the percentage of recovery as compared to loan disbursed which was 62 per cent during 11th Five Year Plan has declined considerably to 33 per cent. The Committee are concerned to note the aforesaid disturbing trends which clearly indicate the non-viability of the projects for which loans are being sanctioned by IREDA, as substantiated by the analysis of few projects pointed out by Audit and further examined by the Committee. The information furnished by the Ministry reveal that post sanction of loan a number of projects on which Audit made objections have been closed or disbursement not made thus making the whole process of sanctioning of loan futile. To quote specific instances in case of projects of (i) Shri Venkateswara Sponge and Power Pvt. Ltd.; (ii) Mahita Power Projects (P) Ltd. and (iii) Renew wind energy (Rajasthan) Pvt. Ltd., loan account stand closed. Besides in case of (i)

Athena Damwe Power Ltd., (ii) Bhadragiri Power (P) Ltd. and (iii) Vaayu (India) Power Corporation (P) Ltd., no disbursement has been made. In another case relating to Enbee Infrastructure Ltd. the project was abandoned. The aforesaid analysis calls for a re-look into the whole system of granting of loan by IREDA to various agencies. The Committee would like Ministry/IREDA to analyze the position project wise and apprise the Committee accordingly. Not only that, the PSU need to be very careful before sanctioning the loan to an entity so as to avoid such situations in future.

Reply of the Government

Comments/Observations of Committee have been noted for guidance. However, this is to inform the Committee that a loan becomes effective only after the loan documents are executed and disbursement is effected only after creation of security, infusion of promoter's equity in the project and physical progress of the project. Thus, not all projects which are sanctioned take disbursement of loan.

As regards the instances quoted by the Committee where the disbursement has not been effected or the project has been abandoned, it is to inform that this situation emerges due to various factors such as abandoning the plan of setting up of the project by the promoter, inability to get requisite approval from various government agencies, delays in project implementation causing cost over run and inability of the promoters to bring in additional funds to complete the project, etc. The status with respect to projects as observed by Audit is indicated in the **Annexure-II**.

As desired by the Committee, an analysis of term loans sanctioned by IREDA during last five years (from 2013-14 to 2017-18), execution of loan agreement, amount disbursed and capacity commissioned /under commissioning is done and summarized in the table below:-

Table: Summary of Projects sanctioned during last five years

(Rs. In Crore)

Particulars	Amount/Capacity
Sanctioned	38,502.65
Disbursed	22,650.94
LA executed of sanctioned	22,706.65
Disbursed and commissioned	11,263.42
Disbursed and under commissioning	5,809.62
Total disbursement out of LA Executed	17,073.04
Total sanctioned capacity	11324.59 MW
Commissioned capacity	5999.08 MW
Disbursed and under commissioning capacity	2510.11 MW

Analysis: It may be seen from the above table that

- During the period 2013-14 to 2017-18, against the total loan sanctioned of Rs. 38,502.65 Crore, aggregate disbursement of Rs. 22,650.94 Crore was achieved which is 58.83% of sanctioned amount.

- Loan Documents Executed for Rs. 22,706.65 Crores out of total sanctioned during the period which works out to 58.97 %.
- The aggregate disbursement of Rs. 17,073.04 Crore has been achieved out of loan executed which is 75.19% of loan executed.
- The loan executed and disbursement there against resulted in capacity addition of 5999.08 MW and the capacity under commissioning was 2510.11 MW.

It may be seen that there is always a gap between sanction and final execution of loan agreement and availing of disbursement. The status of loan sanctioned during last quarter of 2017-18 (**Annexure-III**) is indicated below:-

(Rs. In Crore)	
Particulars	Amount
Sanctioned	3133.69
Disbursed	612.98
LA executed of sanctioned	1589.74
Disbursed and commissioned	348.72

Note:- Out of Rs. 3133.69 Crores of sanctioned loan in the last quarter of FY 2017-18, LA executed in FY 2018-19 till date is of Rs. 1589.74 Crores.

From the perusal of second table, it can be seen that the project sanctioned in the last quarter of the year were amounting to Rs. 3134 Crore against which loan agreement executed were only Rs. 1579.74 Crore. The execution of loan agreement in these cases is in progress and shall be achieved during remaining part of year 2018-19.

As regards recovery of loan disbursed, this is to inform that for the year 2017-18 recovery of loan was Rs. 5,115.74 Crore against the total due amount of Rs. 5,173.21 Crore. Thus the percentage of recovery was 98.89% of the due amount.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018-IREDA
Dated: 26.11.2018]

RECOMMENDATION (SL NO. 5)

Recovery of the Loan

As per Para No. 4.9 and 4.10 of the C&AG Report during the year 2008-09 to 2012-13, IREDA settled 29 cases under One Time Settlement (OTS). So far as sector wise number of these 29 OTS cases is concerned, 10 related to wind, 4 each in solar and briquetting, 3 each in waste to energy, co-generation and biomass and 2 in small-hydro. In these 29 cases, the amount due for recovery on account of principal on interest, etc. was Rs. 446.70 crore, out of which recovery of Rs. 208.85 crore was made through OTS. Hence, IREDA sacrificed Rs. 237.85 crore, that is more than half its dues, on account of OTS, i.e. Rs. 8 crore on account of principal, Rs. 187.06 crore on account of interest and Rs. 42.79 crore on account of other dues such as liquidated damages, incidental charges, etc.

As per the Audit findings, out of 17 OTS cases selected by then for scrutiny, in 14 cases IREDA deviated from the OTS/financing guidelines. Such deviations include not conducting physical inspection before the release of interim loan, OTS even to the willful defaulters, etc. The examination of the Committee reveal that in many cases, interim disbursements were made multiple times to the parties without creation of mortgage. Not only that rescheduling of the projects was sanctioned at the interim disbursement stage. To mention a few instances viz. in case of M/s Sree Suryachandra Synergetic Pvt. Ltd, four interim disbursements were made and after third interim disbursement, re-schedulement of the project was sanctioned. In case of M/s Puri Sakhar Karkhana Ltd, two interim disbursements were made; in another case M/s Jain Farms and Resorts Ltd. the disbursement was made without inspection of the project. In some of the cases, Trust and Retention Account was not created and additional security was not made in case of repeated default by the borrowers. Besides as pointed out by Audit, adequate mechanism was not there to assess the wealth of the guarantor independently.

In addition to above, the Committee find from the data furnished by Ministry/IREDA, that a number of projects after sanctioning of the loan are being abandoned. During the year 2014-15 out of 61 projects sanctioned by IREDA, only 20 projects could be commissioned and 18 projects were dropped. During the year 2015-16 there was some improvement with regard to the abandoned projects as the data indicate that 7 projects were abandoned. With regard to commissioned projects, the position worsened as against 108 sanctioned projects, only 34 were commissioned. The Committee conclude from the aforesaid scenario that the whole approach of IREDA in sanctioning loan is somewhat flawed.

To improve the situation, IREDA has stated that certain measures have been taken viz. adjustment of pending dues from the next disbursement for under implementation projects and evoking of personal guarantee which require court's intervention. The Committee observe that these steps are the last resort for the recovery of loan for a failed project. Most important on the part of IREDA is to put in place an effective mechanism for ascertaining the viability of the projects for which loans are sanctioned. Besides the system of relaxing of norms also need a review. The Committee, therefore, strongly recommend that measures like OTS must be utilized sparingly and definitely not for willful defaulters. IREDA, being a financial institution, must follow the benchmarks of financial prudence and monitor performance of repayments so as to recall loans before those turn into NPAs.

Reply of the Government

The recovery through OTS in 29 cases was effected during the period under observation of Audit as per the approved OTS Policy. While arriving at the settlement amount due consideration has been given to the status of the project, valuation of securities i.e. project assets/ collateral securities as obtained from government approved independent valuers and networth of personal/ corporate guarantors to the loan duly certified by practicing chartered accountant. The summarized status of due amount in cases where OTS were sanctioned, recoveries through OTS, sacrifice for these 29 cases is given as under:-

(Amount in Crore)

Particular	Total dues	Recovered	Sacrifice
Principal	18,117.22	17,316.64	800.58
Interest dues	22,239.55	3,533.57	18,705.98

LD & Incidental charges	4,313.60	34.66	4,278.94
Total	44,670.37	20,884.87	23,785.5

It may be seen from the above table that IREDA has recovered most of the principal outstanding and the sacrifice on principal was only Rs. 800.58 Crore which is 4.41% only. The sacrifice on principal was mainly in case of Briquetting Sector and Waste to Energy Sector where the projects have adversely suffered due to technological issues.

As regard the observation on conducting physical inspection, release of interim loan, it is to inform that the systems and procedure have been strengthened and financing guidelines modified. It is ensured that the physical inspections are carried out pre and post sanction of the project loan and also during implementation of the project. Generally lender's engineers are engaged to monitor the physical progress on the site and based on their reports only the disbursement are made in the project sanction. The policy of interim disbursement has been modified and no interim disbursement before the creation of mortgage is made unless bank guarantee is obtained. As regards monitoring of Trust and Retention Account (TRA), the recovery team is strengthened and they are now closely monitoring the TRA Accounts.

Abandoned Projects indicate that the projects were either not financed by IREDA or were dropped by the developers. There could be many reasons for it relating to policy, regulation, land acquisition, evacuation, etc. When projects are sanctioned, conditions for pre-execution, pre disbursement and compliance of security are imposed. The project will not move forward if it is not able to comply with these conditions. As a lender it is not prudent on our part to push a developer to take disbursement or push the project forward in case some of these conditions are not met.

The appraisal process for sanction of the loan has been strengthened. The due diligence of the project loan application is carried out by reviewing the CIBIL Status of the promoter/guarantor, external rating of the project by the rating agencies like CRISIL, ICRA, CARE, India Rating and Brickwork. Internal credit rating is also carried out. Based on the assessment of the rating of the project, the interest rate and security matrix is finalized. The financing guidelines are modified from time to time it has been decided not to take exposure of more than 50% of project cost in respect of small hydro and cogeneration sector which are perceived more risky in nature. Biomass Sector is not being sanctioned any loan for the more than 5 years since the projects in the Biomass Sector are not performing well.

As regards, the recommendation of the Committee that OTS must be utilized sparingly, the same is noted for guidance and it is assured that this would be used sparingly. IREDA shall approach NCLT/ file recovery proceeding before DRT/ initiate action under SARFEASI Act for resolution of Non- Performing Assets.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018-IREDA
Dated: 26.11.2018]

Comments of the Committee
(Please see para 10 of Chapter I of the Report)

RECOMMENDATION (SL NO. 6)

Issue of Writing off loans

From the information submitted by IREDA, the Committee note that since the year 2001-02, the Company has written off a huge amount of bad loans. For instance in the year 2003-04, the written off bad loan amount was Rs. 12.25 crore. In the years 2009-10 and 2011-12 it was Rs. 16.13 crore and Rs. 23.86 crore respectively and in the years 2013-14 and 2014-15, it was Rs. 95.27 crore and Rs. 40.56 crore respectively. The Company has stated that these loans were technically written off from the books as they were classified as loss assets against which 100% provisioning was made in earlier years. However, the recovery efforts for such technically written off loans are continuing in DRT/SARFAESI. The recovery affected against these loans shall be credited to P&L Statement as and when amount is recovered. The Company has also stated that these projects were not in operation and the value of the security was depleting and thus, were identified for technical write off in order to get the advantage of income tax as per the Income Tax Act, 1961. The Committee note that the loans which were considered for technical write off, are already classified as NPA (Loss Assets). The names of Promoters/Directors and guarantors are uploaded on CIBIL Website so as to bring to the notice of all FIs/Banks about the default status of these accounts and no further loans are extended to these borrowers generally by any bank/FIs.

The Committee are disheartened to note that IREDA is writing off huge amounts of loan and as the process is non transparent, it may lead to possibility of wrong-doings. Therefore, the Committee feel that as technical write-off creates non-transparency and destroys the credit risk management system, it must be done sparingly. The Committee expect that writing off should not develop as a regular practice in the Company and it should take strict action against the defaulters and exclusively blacklist defaulters so that no further loan is availed by them from any financing agency. The Committee in this regard would like to be apprised about the recovery made so far from the technically written off loans year-wise, so that an assessment on the impact of technically writing off the loans can be made.

Reply of the Government

The recommendation of the Committee of using technical write off sparingly is noted for guidance.

It is to inform to committee that different recovery Actions against the defaulting borrowers are taken such as loans are recalled, action are initiated under SARFEASI Act, 2002/ Recovery Proceedings are filed before Debt Recovery Tribunal, the criminal proceeding are initiated against the defaulting borrowers U/s 138 of Negotiable Instrument Act in respect of Cheque Dishonored Cases (Post Dated Cheques are obtained as security at the time of loan sanction and documentation for the repayment schedule). In addition, the default status of the borrower's account is report on **CIBIL** Portal which is normally referred by all the Lending Institution/Banks before considering any loan sanction by a borrower. With the Promulgation of NCLT Act, the cases have been filed in the NCLT against defaulting borrower which are in progress.

The Committee is also informed that IREDA has already dispensed with the practice of technically writing off the borrower account w.e.f. 2015-16 onwards.

As desired by Committee, the recovery position from written off loans from 2008-09 till 2017-18 is as under:-

Year	Amount Recovered (in Crores)
2008-09	12.24
2009-10	10.08
2010-11	16.41
2011-12	8.58
2012-13	3.90
2013-14	2.75
2014-15	4.07
2015-16	4.47
2016-17	3.15
2017-18	6.10
Total	71.75

[Ministry of New & Renewable Energy OM No. 340-16/1/2018-IREDA
Dated: 26.11.2018]

RECOMMENDATION (SL NO. 7)

Issues of NPA

As per the data furnished by Audit, the gross NPAs of IREDA to the total loans outstanding in 2008-09 was 13.34 *per cent* which thereafter showed a decreasing trend and reduced to 3.86 per cent in 2012-13, except in the year 2011-12 in which it increased marginally to 5.46 *per cent*. Further, as per the information furnished by the Ministry/IREDA, the gross NPA as on 30.09.2015 was Rs. 471.60 crore and as on 30.09.2016, the gross NPA was Rs. 554.67 crore. Audit has observed that the main reason for reduction in NPA from March 2013 to March 2015 was one time settlement (OTS) of NPA cases, upgradation to performing assets and write off of outstanding loans from the books of accounts.

The Committee have analyzed the issues related to OTS, write off and gaps between sanctions and disbursements in the preceding paras of the Report. While taking note of the strong observation of Audit, that reduction in NPA is due to OTS and write off outstanding loans, the Committee would like IREDA to specifically furnish the data of reduction in NPAs after excluding OTS/write off/upgradation to performing assets. The Committee are of the strong view that OTS/writing off should be sparingly resorted to and not for the purpose of book keeping for improving the image of the Company. There is an urgent need to take initiatives to improve the recovery position and increase the capital base of the Company. For this, IREDA should further strengthen its internal control mechanism and closely monitor the outstanding loans to reduce the level of its NPAs.

Reply of the Government

The observations of the Committee have been noted for guidance. Further, it may be noted that to strengthen recovery, IREDA has created a separate Recovery Cell headed by GM level officer. The Cell is continuously monitoring all loans and also take preventive action to avoid future NPA Loans. As desired by Committee, NPA reduction excluding OTS / Written off / Upgradation of assets are as under:-

- A. Including OTS/Written off/ Upgradation of Assets. The period covered is 2012-13 to 2014-15 as the same period was covered in the audit observation.

(Amount in Crore)

Particulars	2012-13	2013-14	2014-15
Gross NPA	254.80	341.55	475.85
*Gross NPA %	3.86%	4.18%	5.34%

* Indicates % of Gross NPA to Total loans.

Excluding OTS/Written off/ Upgradation of Assets.

Particulars	12-13	13-14	14-15
Gross NPA	265.46	437.01	516.42
Gross NPA %	4.02%	5.28%	5.77%

It is to inform the committee that IREDA has not technically written off any loan after 2015-16. Internal control mechanism has been strengthened to monitor NPAs regularly by Internal Audit & Board of Directors.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018-IREDA
Dated: 26.11.2018]

RECOMMENDATION (SL NO. 9)

Discrepancies in subsidy schemes

Several irregularities have been pointed out by Audit in implementation of subsidy schemes viz. continued passing on subsidy to borrowers who became ineligible, non-recovery of subsidy and absence of mechanism to ensure continuity of the project. The Company took the stand that in most of the programmes of the Ministry, wherein subsidy is being provided, there is an inbuilt mechanism of monitoring the physical and financial performance and therefore, it is the responsibility of the third party/implementing agency who certify the eligibility of the users. The Ministry on regular basis directs State Nodal Agencies for improvement in monitoring system. But in some cases as observed by Audit, subsidy amount was not recovered, for instance from M/s Purti Sakhar Karkhana Limited and M/s IndBarath Energies Limited, where in spite of their projects switching over to 100 per cent coal based operation while only 25 per cent can be allowed, subsidy amount was not recovered as per the prescribed guidelines. The Committee also noticed that in the case of Bhagyanagar Solvent Extractions Private Limited, subsidy was not recalled. To substantiate its stand, IREDA has quoted several State orders to justify switching to 100% coal based operation against admissible limit of 25% as prescribed in the subsidy scheme. But, on the contrary, the Committee find that in the order of the Maharashtra Electricity Regulatory Commission (MERC), the regulator upheld that Energy Purchase Agreement (EPA) dated 02.09.2002 would only operate if the cogeneration power plant uses non-fossil fuel and if the non-fossil fuel is not available then the EPA would cease to operate or remain suspended till the time bagasse is available for 240 day/annum. However, due to shortage of power in the State later, MERC allowed it to happen.

The Committee feel that any dilution in implementation of subsidy scheme was uncalled for as the purpose of subsidy to generate electricity through renewable sources got defeated and IREDA did not recover subsidy from the borrower when the plant switched over to use of fossil fuel. Similarly in the cases of M/s IndBarath Energies Limited, M/s GK Bio Energy Limited and M/s Bhagayanagar Solvent Extractions Private Limited, Audit observed that the subsidy was not called back by IREDA in spite of violations of terms and conditions governing the subsidy scheme. Even in some cases IREDA requested MNRE not to recall subsidy on the ground that the project has been commissioned. However, the Committee are of the considered opinion that these actions of the Company defeat the very purpose of the subsidy scheme. They agree with the Audit observation that IREDA needs to develop a mechanism to monitor continuity of the project for the specified period after their commencement to ensure electricity generation through RE project in lieu of Government subsidy. Further, subsidy should be recalled in all cases where projects do not run for the specified period as this dilutes the objective of the scheme. The Committee feel that there is an urgent need for taking a policy decision by IREDA/MNRE in this regard. The concrete action in this regard should be taken and the Committee apprised accordingly.

Reply of the Government

The interest subsidy scheme is not in existence as on today and the capital subsidy is only sanctioned and released by MNRE in Small Hydro and Cogeneration Sector. The said capital subsidy is released only upon commissioning of the project. The loan against the project is reduced against the amount of capital subsidy received.

The interest subsidy as per the scheme can be recalled if the project is abandoned and not commissioned. However, if the project is fully commissioned and is in operation, the interest subsidy amount is not recalled. Similarly, in the case of capital subsidy which is normally treated as part of means of finance, the same is not recalled if the project is commissioned. This was decided by MNRE in the case of M/s HCL Agro Limited vide letter No. 6/1/94-CPG dated 27.09.2004. **(Copy enclosed at Annexure-IV)**

Accordingly, the interest subsidy to M/s Purti Sakhar Karkhana Limited was passed on to the borrower upto the quarter ended September'2009, the dues for which period were settled by the borrower. For the remaining period of the loan amount the unutilized subsidy amount was refunded back to MNRE.

In case of M/s Ind Barath Energies Ltd, the interest subsidy was recalled by IREDA as per advise of MNRE since the project was reported to be running on coal. The borrower has filed a writ petition in the High Court challenging the decision of recall of interest subsidy amount. The matter is still pending.

In the case of M/s G K Bio Energy, the capital subsidy was sanctioned by MNRE as a means of finance and the project was commissioned in August'2005. Therefore, the capital subsidy was not recalled.

In the case of Bhagyanagar Solvent Extraction Pvt Ltd., the interest subsidy was passed on to the borrower based on their payment of IREDA dues. The balance interest subsidy was converted by MNRE into capital subsidy and therefore, the outstanding loan was reduced by the capital subsidy amount.

However, the observation of the Committee to recall subsidy in case of violation are noted for guidance and would be taken care of in drafting of new schemes.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018-IREDA
Dated: 26.11.2018]

RECOMMENDATION (SL NO. 10)

Monitoring and Vigilance of the sanctioned projects

The Committee have been apprised that IREDA officials visit the project site before sanction of the project, during its implementation and also after commissioning of the project. Subsequent project visits are also undertaken in the event of default of payment, non-operation of the plant etc. IREDA has also started appointing Lender's Engineer (LE) for monitoring of the projects. Appointment of LE for 1- 2 years post commissioning of the project is reportedly being considered too which can be extended based on requirements. As regards the Ministry's monitoring mechanism, the Committee have been informed that the Ministry has appointed two Government nominee Directors on the Board of IREDA to ensure the compliance of financial guidelines for sanctioning of loans under various RE projects. Further, the performance on the various parameters fixed in the MoU, is monitored by Inter-Ministerial Committee set up by the DPE in their

MoU evaluation meetings and the Company is rated according to its performance, along with review meetings that are conducted periodically by Secretary/Joint Secretary - MNRE on the performance of IREDA and also on the policies/procedures adopted by IREDA in financing of projects. However, despite the Ministry's monitoring, discrepancies have been noticed by C&AG in the projects financed by IREDA. The Committee are, therefore, of the considered view that to prevent such discrepancies, there is a need to improve the efficacy of its internal Audit, ensure safety of the financial assets, monitor the financial health of the borrower, besides appointing LE to every project to keep a check on any deviations and to discourage any further non-compliance by the developers and the Company as well.

Reply of the Government

The observation / suggestion of Hon'ble Committee is noted for future guidance. It is however, to inform that in addition to appointment of Lender Engineer and concurrent auditor, a separate Recovery Cell has been created in IREDA. The cell monitors on a regular basis the operation of the project, financial health of the borrower, regularly monitors Trust & Retention Account of the borrower to keep a check on the project revenue and utilization.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018-IREDA
Dated: 26.11.2018]

RECOMMENDATION (SL NO. 11)

Manpower Requirements

The Committee note that out of 213, total sanctioned strength (executive and non-executive), the actual manpower strength of the Company is only 152. The Company informed that based on the study of ASCI, which suggested to increase the manpower, the Board of Directors has sanctioned the strength as 215 and it will reach 170 at the end of March, 2017. Though Company targets to raise the number in next five years, the Committee are surprised to note that despite the Audit objections in the year 2012-13, the Company took four years to increase their workforce. The Committee further note that despite DPE instructions there is no independent Director on the Board of IREDA and the Ministry of NRE are still in the process of appointing independent Directors on the Board of the Company. In view of the above, the Committee infer that manpower constraints in IREDA may hamper its efficiency and operations of Company. The Committee, therefore, desire that the MNRE/IREDA should immediately initiate necessary action to fill up the vacant posts and appointment of Independent Director on the Board of the Company so that its performance is not adversely affected.

Reply of the Government

The suggestion/ observation of Committee noted for compliance. It is to inform the Committee that as on 31.03.2018, the no. of employees was 149. During the year 2018-19, we have recruited 17 executive trainees in Technical, Finance and Legal departments. We have also recruited 3 engineers on contract basis and henceforth IREDA shall be recruiting similar number of employees each year to reach the sanctioned strength.

The committee is further informed that MNRE has inducted 3 independent Directors in April'2018. The number

of independent Directors has now reached 5 i.e. the requisite number as required as per SEBI norms being 50% of the total Board Strength. The total no. of Directors in the Board is 10 consisting of 3 functional directors including CMD, 2 Government Nominee Directors and 5 independent directors.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018-IREDA
Dated: 26.11.2018]

RECOMMENDATION (SL NO. 12)

Increasing equity base of IREDA

The Committee note that keeping in view the capital requirement of the Company, the authorized share capital of IREDA was enhanced to Rs. 6000 Crore in 2014-15. The paid up capital of IREDA at present is Rs. 784.60 Crore. Due to Mini Ratna Status, IREDA is no longer eligible for any further equity infusion by the Government of India. Operations of IREDA viz. lending as well as raising of resources now depend upon its net worth. The Committee have been further informed that in view of the enhanced target of Government of India for setting up renewable energy upto 175 GW by 2022, IREDA has also prepared its business plan for next five years projecting a market share upto 15 per cent. Besides, IREDA was expected to raise its requisite equity capital to the extent of Rs. 1250 crore through an IPO. The Company has also submitted that increase in authorized share capital from Rs. 1000 Crore to Rs. 6000 crore is only an enabling provision, its full benefit can accrue if it is capitalized to that extent.

As stated by the Secretary during the course of deposition, to achieve 100 GW RE, there is a need for financing of Rs. five to six lakh crore. So far, Banks have sanctioned loan of Rs. 1,38,220 crore out of which Rs. 63,000 crore has been disbursed. The Committee are disappointed to note that IREDA's share in this regard was very less as stated by the Secretary, MNRE during the evidence. The Committee emphasize that IREDA being the main Government agency for refinancing the RE project, it has to play an important role for which IREDA need intensified capitalization, particularly when the Government has scaled up RE target to 175GW by 2022, for which substantial investments would be required. The Committee in this regard, would like IREDA to raise resources from market through IPO as projected by the Company, which would also enable it to unlock its true value and increase its visibility in domestic and international market. The Committee hope that the Government/MNRE would help IREDA to capitalize intensively as IREDA has to play the major role in refinancing for the scaled up ambitious target for RE sector.

Reply of the Government

IREDA has obtained the Cabinet approval for its IPO for Rs. 139 Crores i.e. 13.90 Crores shares @ Rs. 10 each. The GOI share holding post IPO, shall be 85% and public share holding shall be 15%. The Draft Red Hearing Prospectus (DRHP) has been filed on 22.12.2017 and in principle approval of SEBI also received on 16.02.2018. IREDA will launch its IPO keeping in view the market conditions for NBFC/Banks or favorable market sentiment.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018-IREDA
Dated: 26.11.2018]

RECOMMENDATION (SL NO. 13)

Research, Development and Demonstration in Renewable Energy Sector

The Committee are disappointed to note that the Country remains dependent on imported technology in RE Sector as indigenous technology has not moved ahead much. During the evidence, the Committee have been apprised by the Ministry/IREDA representatives that 85 per cent of the solar panels are still being imported from China as they are cheaper and technologically advanced.

So far as the efforts made by MNRE in Research and Development in RE Sector are concerned, the Committee find that Rs.584 crore has been spent on Research, Development and Demonstration as support for R&D projects to various R&D/academic institutions/industry in the area of solar thermal, SPV, Biogas, Wind, Biofuel by hydrogen and fuel cell; and to MNRE Institutes, namely, NISE and NIWE during the 12th Plan Period. Besides, MNRE has three dedicated Institutions as autonomous bodies for solar energy, wind energy and bio-energy which are functioning as research demonstrations, standardization and testing centres. Alternate Hydro energy Centre at IIT Roorkee is also involved for testing and evaluation of small hydro power.

The Committee have also been apprised that the Ministry has also supported creation of a Centre of Excellence for innovation, incubation and entrepreneurship in the area of renewable energy at CIIE IIM Ahmedabad by providing/committing a grant-in-aid of Rs.24 Crore. CIIE IIM Ahmedabad through this grant has created Indian Fund for Sustainable Energy to support start up with innovative ideas besides providing them training and hand holding support.

The Committee firmly believe that the Country has scientific and technological potential to move forward in RE Sector for which more needs to be done in the field of Research and Development. There is no dearth of talent in the Country. The need of the hour is to encourage Research and Development in RE sector through our premier technological institutions like IITs. The Committee, therefore, are of the view that IREDA/Ministry has to work in the mission mode so as to encourage financing for Research and Development, particularly in RE Sector and financing for smaller project so as to ensure technologically competitive projects besides promoting use of indigenous products through various policy decisions in RE Sector. The concrete initiatives as suggested may be taken and the Committee be apprised accordingly.

Reply of the Government

The Ministry of New and Renewable Energy (MNRE) has been supporting research, design and development through various R&D/academic institutions, industries, etc., in the fields of solar, wind, biogas, hydrogen, fuel cells, geothermal, etc., for technology development and demonstration leading to commercialization. A comprehensive policy and guidelines for research, development and demonstration (RD&D) for new and renewable energy sector is in place. During the 12th Plan Period, total of 112 R&D projects in the area of solar energy, wind energy, bio-energy, small hydro, hydrogen and fuel cells were sanctioned to various R&D/academic institutions, industries with total grant of Rs.523.43 crore. The MNRE has spent Rs. 307.66 crores on R&D projects during the last three years. The RD&D Programme was also reviewed by a Panel of experts in September, 2017.

The MNRE has decided to scale-up its RD&D effort to Technology Development and Innovation Programme during the current three years period from 2017-18 to 2019-20. The focus is on promoting application oriented innovation, integrated with research and development for commercial applications and testing and standardization for quality and reliability assurance in renewable energy sector. A Technology Development

and Innovation Policy (TDIP) is also being finalised. It is based on a robust ecosystem for support for research, innovation and validation for technology development and demonstration, testing and standardization, awards for innovation linked with start-ups.

Following steps are being taken by the Ministry for development of indigenous Solar PV technology

A. Comprehensive Solar PV manufacturing Policy

MNRE is proposing a comprehensive scheme to build up manufacturing capacity of solar PV modules, cells, wafers/ ingots and polysilicon in India which, *inter-alia* provides following incentives:

- Capital subsidy for new capacities/ up-gradation of capacity
- Production Subsidy to existing and upcoming manufacturing facility
- Fiscal Incentives in the form of Exemption from Customs duty on import of capital goods required for setting up solar manufacturing facility
- Permission to set up solar power plant with provision of banking the power generated therefrom, to reduce the cost of power supply to manufacturing unit.

B. Solar PV manufacturing facility linked with PPAs for solar PV power plant

- MNRE envisages setting up of around 3 GW of Solar PV Manufacturing Capacities in India linked with assured offtake in the form of PPAs of 10 GW for Solar Power Plant.
- The manufacturing capacity is proposed to be allotted through transparent competitive bidding wherein, bidding shall be for tariff for the PPAs and capacity allocated to bidder (s) shall be on bucket filling basis.

Ministry of New & Renewable Energy OM No. 340-16/1/2018 -IREDA
Dated: 26.11.2018

Comments of the Committee

(Please see para 16 & 17 of Chapter I of the Report)

RECOMMENDATION (SL NO. 15)

Bio-mass co-generation

The Committee have been informed that lack of regulatory policy framework for governing the price of raw material, escalation of tariff not commensurating with the hike in price of Biomass, downward revision of tariff by DISCOMs in some cases despite entering into a PPA development of other industries and inexperienced or first time borrowers with lack of long term planning, bio-mass co-generation projects are the main reasons for loans sanctioned by IREDA for bio-mass co-generation plants turning into NPA.

The Committee are of the considered view that considering the importance of bio-mass cogeneration particularly their contribution to address the environmental concerns and tackling climate change and the significant employment they provide in rural areas, there is a need to encourage and incentivize this sector. IREDA/MNRE has to play a greater role by co-ordinating with State Governments, through policy intervention

and integrating with schemes like MGNREGA so as to enhance the viability of bio-mass power plants particularly in the States having high bio-mass power potential. All the desired initiatives should be taken in this regard and the Committee be apprised accordingly.

Reply of the Government

The suggestion / observation of Committee has been noted for future compliance and for guidance in helping existing biomass projects to become operative/ operate viably through extending necessary concessions.

It is a fact that the some of DISCOMs are not willing to purchase power produced from Biomass Power Plants due to higher tariffs as compared to Solar and Wind energy. However, the Ministry has written to the State Governments to formulate a policy on Biomass Power and has also been urging the states and DISCOMs to purchase power produced from Biomass Power Plants.

The Ministry has recently brought out a new scheme to support biomass co-generation in Sugar Mills and Other Industries. Under the new scheme, there is provision of higher Central Financial Assistance (CFA) to the biomass power plants. The rate of CFA has been revised and ceiling on the maximum amount of CFA has also been removed.

The Ministry is also planning to bring out a new scheme on Biomass supply chain management to ensure utilization of biomass for manufacture of value added products like briquettes, pellets and terrified pellets so that biomass available in rural areas can be utilized at optimum level and farmers can get additional income.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018 -IREDA
Dated: 26.11.2018]

RECOMMENDATION (SL NO. 16)

Other issues

The Committee during the course of examination besides considering the issues pertaining to IREDA particularly those raised in the Audit paras, also examined other matters related to renewable energy sector as a whole. The observations/ recommendations of the Committee in this regard are as follows :

(A) Sensitizing people's contribution towards environment

The Committee note that as part of creation and evacuation of renewable energy infrastructures, IREDA/MNRE is involved in Grid Connected solar roof top programme and the schemes / programmes of the MNRE are implemented all over the Country including rural areas. On analysis of the data on sanctioned and installed capacity as furnished to the Committee, it is observed that States like Andhra Pradesh, Assam, Delhi, Gujarat, Jharkhand, Madhya Pradesh, Maharashtra, Tamil Nadu, Telangana and Uttarakhand have achieved less than 30% of sanctioned capacity while States like Madhya Pradesh and Jharkhand have installed capacity of as low as 5% and 10% respectively. States like Kerala, Karnataka, Punjab, Uttar Pradesh, West Bengal and Bihar have installed capacity much higher than their sanctioned capacity. The Committee are concerned to note that States like Meghalaya, Nagaland, Sikkim, Bihar, Daman and Diu and Dadar-Nagar Haveli have zero sanctioned capacity. The Committee were astounded to note such high level variations in this programme. The Committee feel that as Government is providing subsidy for solar roof top programme it becomes imperative to monitor its implementation. India is one of the lowest per capita consumers of electricity in the world. The Committee are disheartened to note that despite energy shortages and high cost of back up supply, roof-top solar PV systems have not yet become widespread in India. The Committee feel

that this is primarily due to lack of adequate financing, unfamiliar technology and low consumer awareness. The Committee also note that there are various discrepancies in implementation of subsidy scheme, like non availability of subsidy to the needy people, prolonged delay in disbursement of the subsidy and no continuity in the scheme. Therefore, solar roof top programme has not achieved the desired level.

The Committee are of the view that aided by Government policy and cost effectiveness the solar roof-top programme has the potential to transform the renewable energy sector and promote ecologically sustainable growth while addressing India's energy security challenge. The Committee note that Government has full support of World Bank at international level too and a variety of financing mechanisms are available under this programme. Therefore, the Committee desire that Government should spread awareness about the scheme and impart required training to interested investors to make them familiar with the technology. It will not only correspond to a major innovation for the roof-top market but also improve the investment climate for solar PV while addressing the much needed low cost power at individual level. At the same time, the Committee hope that, it will sensitize the public about climate change and the individual responsibility towards saving the environment.

Reply of the Government

Under Rooftop Solar (RTS) Scheme MNRE is providing subsidy for the residential, institutional and social sector for installation of RTS plants. For the Government sector incentives are provided on achievement of targeted RTS capacity within a given time frame against capacity sanctioned by MNRE. There is no subsidy for industrial and commercial sector. The scheme is being implemented through State Nodal Agencies and PSUs. The proposals for sanction of subsidy/incentives are to be submitted by these implementing agencies through online web portal SPIN. Scheme is demand driven and proposals are yet to be received from some of the states/UTs. Updated statement on state-wise capacity sanctioned and capacity achieved under subsidy/incentive category and without subsidy/incentive category is given in the table at Annexure-VII. It may be seen that some of the states have good progress of RTS capacity installation in non-subsidised sector. Project completion duration generally varies from 15 to 18 months from the date of sanction. The progress is closely monitored by MNRE. The subsidy/incentives are disbursed on submission of completion report by the implementing agencies on the online web portal. It has been observed there is considerable delay in submission of completion report by these implementing agencies.

The installation of RTS plants was slow during initial phase because of challenges such as involvement of multiple approval process, apprehension of loss of revenue by Discoms due to moving out of high tariff paying customers, non-uniformity of state regulations, skill and & knowledge gap, lack of awareness, etc. Ministry has taken various steps to address these challenges, these include development of online single window portal, creating public awareness, identification of gaps in policies and regulations, manuals for best practices, skill development and capacity building of Discom/banks, etc.

The Ministry under various (multilateral/bilateral) technical assistance programmes have taken initiatives to promote RTS in the country by providing support to the various stakeholders and these include aggregation of demand with prior approvals to get benefit of economies of scale, development of single window portal from application process to commissioning / net-metering installation and release of subsidy, capacity building

activities, formulation of conducive policies and regulations, bid process management, creation of RTS cell in the Discom, etc.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018 -IREDA
Dated: 26.11.2018]

(B) Installation of roof-top solar panel on residential premises

The Committee note that many of the States have their own policies in place, and installation of solar panels by the general public on their residences is governed by these policies which varies from State to State. The Committee have been apprised that the cost of a solar panel is approximately Rs. 50,000 per KW and that many private banks are open to providing loans to people for the same. However, people in general hesitate to spend huge amounts for solar roof top panels as the subsidy provided by the Ministry is not passed on to the people. The Committee see a good future in residential roof top programme of the Government and feel that the pressure on the discoms can be eased with more and more people using solar roof tops. But to achieve this, the Government has to spread awareness amongst people about the programme, the loan facility being provided by the banks and the subsidy being provided by the Government.

Reply of the Government

RTS scheme is being implemented by SNAs and PSUs. After sanction of the RTS capacity these agencies have to complete the project within a time period of 15-18 months. The subsidy/incentives are disbursed on submission of completion report by the implementing agencies on the online web portal. It has been observed there is considerable delay in submission of completion reports by these implementing agencies due to involvement of multiple agencies. To expedite the process single window portal has been developed which will take care from application stage to commissioning / net-metering installation and release of subsidy and the process can be tracked online by the consumer.

So far awareness is concerned Ministry has planned public awareness campaign through print and electronic media to create awareness on RTS in the masses.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018 -IREDA
Dated: 26.11.2018]

(C) Promotion of roof top solar panels on Government, Industrial & commercial buildings, Railway Stations and foot over bridges of metro and railway station, etc.

The Committee note that solar panels are being installed on Government buildings to save power and make use of the land. The Committee have been informed that the life span of solar panels is of 25 years with a degradation of 10% every 10 years and the power produced through solar panel is cost effective. Besides, multilateral funding is also being provided through World Bank and ADB to promote rooftops in industrial, commercial, residential and social sector. Regarding installation of solar panels to cover foot-over bridges at railway stations, metro stations in place of metallic sheds, the Committee have been informed that the Government can try to install the solar panels but the efficiency of such type of design will limit the efficiency of the solar module. The model has already been tried on the parking sheds in many organizations with solar

panels as a roof. While taking note of the cost effectiveness and longevity of the solar panels, the Committee recommend that the Government should encourage installing solar panels on roof top of Government, industrial and commercial buildings including railway stations and bus stops. The Government should also encourage the State Governments, urban local bodies etc. to include installation of solar panels in their building bye-laws. The efficiency of solar panels already installed on parking sheds and foot-over bridges of rail and metro stations should be assessed and if found, should be implemented all over the Country.

Reply of the Government

To ensure the quality and efficiency of the solar PV modules the MNRE Guidelines provides for installation of solar PV modules used in solar power plants under MNRE Scheme must confirm to IEC/BIS standards.

In order to promote RTS systems in various railway premises, metro rail locations, etc., the Ministry has already sanctioned RTS projects to Railway, Delhi Metro Rail Corporation, Kochi Metro Rail Corporation, Noida Metro Rail and Lucknow Metro Rail Corporation. Aggregate capacity of about 68 MW has been reported commissioned by these organisations.

MNRE is constantly pursuing with Central Ministries/Departments as also State Governments for installation of RTS projects in Government buildings. MoUD in its Model Building Bye-Laws has made provision for installation of RTS projects on all buildings above a certain area and has written to all States/UTs to make RTS compulsory on buildings by making changes in building byelaws. Four States/ UTs (Chandigarh, Chhattisgarh, Haryana and Uttar Pradesh) have made mandatory bye-laws/ regulations.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018 -IREDA
Dated: 26.11.2018]

(D) Installation of Solar panels on water bodies

The Committee have been informed that the Government of India has approved the implementation of a 'Pilot-cum-Demonstration project for Development of Grid-connected Solar PV power Plants on Canal-banks and Canal-tops' under National Solar Mission (NSM). On the basis of the request received from various States, in-principle approval has been given for setting-up full targeted capacity of 50 MW canal-top and 50 MW canal-bank solar PV power projects in the States of Andhra Pradesh, Gujarat, Kerala, Karnataka, Punjab, Uttarakhand, Uttar Pradesh and West Bengal. IREDA is financing the Solar Projects being installed on canal banks and canal tops as applied by some of the developers. The Committee have also been informed that there is no harmful effect of installing solar panels on canals either on the environment or the water for consumption by animals, birds, plants and humans. The Committee note that although the concept of installing solar panels over water bodies is new in India, solar panels have been installed world-wide on water bodies like ponds, lakes etc. The Committee are of the view that this concept would help in saving electricity as there are a huge number of water bodies/lakes/canals in India some of which are major tourist attractions. The Committee recommend that Ministry and IREDA should sincerely work on this project and also give wide publicity on their website and print media to attract developers from various States. However, while installing the solar panels, care should be taken on preserving the ambience of those water bodies, which are major tourist attractions.

Reply of the Government

Under MNRE's 'Pilot-cum-Demonstration project for development of grid-connected solar PV power plants on canal-banks and canal-tops', 94 MW solar PV power projects on canal-tops/ canal-banks have been commissioned. Taking this concept further, MNRE has directed Solar Energy Corporation of India Limited (SECI), to explore possibility of setting up floating solar PV power plants, through competitive bidding in different states of India.

To begin with, SECI has floated a tender for setting up 150 MW floating solar PV power plants on Rihand Dam in Sonbhadra district of Uttar Pradesh.

Further, in December'2016, IREDA had sanctioned 14.5 MW Canal Bank Solar PV Power Project of M/s Svarog Global Power Ltd. in Uttarakhand and disbursed Rs. 70 Crore towards the project. IREDA has also sanctioned a 22 MW Floating Solar Power Project to be setup in Tamil Nadu.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018 -IREDA
Dated: 26.11.2018]

(E) Installation of Solar panels on highways

Regarding the use of solar-panels for lighting the path on National and State Highways, the Committee note that the MNRE has supported 50 km path from Deogarh to Basukinath temple in Jharkhand with 5 x 100 KWP solar power plant. The Government has proposed to try the same model on State and National Highways. The cost involved would be roughly Rs. 1.5 lakh per KWP solar power plant with centralized location for better maintenance and safety. The Committee appreciate the initiative of the Government as solar panels on highways would prove to be cost effective in the long run in view of the vast network of National and State highways in the Country. The Committee emphasize that more State and National Highways should be covered and desire to be apprised of the progress on the same, the response received from NHAI and the State Governments on the matter as well as the future plans of MNRE.

Reply of the Government

Under Off-grid Solar PV Programme Ministry is providing support for installation of solar street lights throughout the country, with special emphasis on areas where there is no facility for street lighting systems through grid power, North Eastern States and Left Wing Extremism (LWE) affected districts. So far as lighting on State and National Highways is concerned, these are mainly supplied through grid power, however, NHAI and State authorities may consider using solar power, which may prove more cost effective with availability of cheaper energy storage solutions in coming future. MNRE can provide necessary support in terms of prescribing standards and specification in this regard.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018 -IREDA
Dated: 26.11.2018]

(F) Exploiting of Wind Energy potential by various States

The Committee note that wind energy potential mainly exists in 8 to 9 States and most of these States are yet to exploit their full wind potential. Although MNRE has taken initiatives to exploit their energy, the desired targets have not been achieved. Delay in land allotment, obtaining clearance especially of forest land, non-development of accurate forecasting and scheduling system, delay in payment to wind power generators, 'most-run' status not being complied with, breaking down of wind power generators, etc. have been cited as some of the major factors in non-achievement of targets in the wind energy sector by the developers and the States. The Committee find that State Governments have not provided enough support to deal with the problems of developers especially in allotment of land and the required clearances which are the main reasons for delay in initiating the projects.

The Committee note that apart from other useful initiatives, the Government is establishing Renewable Energy Management Centers (REMCs) at 11 locations in renewable resource rich States. The Committee, however find that not even a single REMC has been established as yet. The Committee recommend expediting establishment of REMCs that would be of great help in advanced forecasting, dispatching solutions & real time monitoring of RE generation to closely coordinate with the Grid Operations. The Committee also recommend the Government to bring out a comprehensive policy for taking care of all concerns of wind energy developers at the earliest that is coherent across all States in India. The policy should not only focus on reducing cost but also on reducing risk of installing wind projects.

Reply of the Government

Wind Energy

The Ministry regularly issues guidelines and policies for taking care of concerns of wind energy developers in consultation with all the windy states and stakeholders. This Ministry has issued guidelines for development of onshore wind power project, prototype, transparent competitive bidding process and Revised List of Models & Manufacturers in order to ensure orderly growth of wind power sector and also ensure the quality & safety of wind power projects. Regarding state related issues like delays in payment, must run status, etc., the Ministry issues advisories to the state Governments.

Status of Renewable Energy Management Center (REMC)

Power Grid Corporation of India (PGCIL) is implementing the REMC. Total 11 locations: States Load Dispatch Centres (SLDC) of Tamil Nadu, Andhra Pradesh, Karnataka, Gujarat, Maharashtra, Madhya Pradesh & Rajasthan, Southern Region Load Dispatch Centre (SRLDC), Western Region Load Dispatch Centre (WRLDC), Northern Region Load Dispatch Centre (NRLDC) & National Load Dispatch Centre (NLDC).

Budget: Rs. 409 crore: being provided by Ministry of Power.

Tenders for 11 REMCs has been done in 3 packages: a) Southern Region Package (TN, AP, Karnataka, SRLDC) b) Western Region Package (Gujarat, Maharashtra, MP, WRLDC) c) Northern Region Package (Rajasthan, NRLDC, NLDC).

The implementation of REMC takes 15 months from the award of contract. All the tenders have been awarded and the REMCs are under implementation.

Commissioning Schedule: REMCs are scheduled to be commissioned progressively from December 2018 to June 2019.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018 -IREDA
Dated: 26.11.2018]

(G) Avoiding installation of second -hand Wind units

The Committee are happy to note that 70 percent indigenization has been achieved by manufacturers of Wind Energy Units. However, instances have been reported as apprised to the Committee regarding installation of second-hand wind energy units as new units in India which were earlier closed down in other Countries. Shockingly, neither IREDA nor officials of MNRE are aware of such installations. The Committee express their apprehension that such installations are taking place without the knowledge of MNRE and IREDA. Now when things have been brought into the knowledge of IREDA/Ministry, it is expected that such activities would stop and the Government will promote indigenization and installation of new wind units. The Committee also recommend expediting replacement of large turbines in place of smaller turbines so that capacity (potential of wind energy) could be increased.

Reply of the Government

For wind turbines, the extent of indigenisation is about 70-80%. The Ministry maintains a list wind turbine models through Revised List of Models & Manufacturers (RLMM) mechanism. As per RLMM guidelines, the wind turbine models which are listed in the RLMM can only be installed in the country and only those models & manufacturers are allowed which have hub/ nacelle manufacturing/ assembly facility in India. The same list is being followed by all the states which ensure installation of new wind turbines only. Further, as per Guidelines for installation of prototype wind turbine models, it is clearly mentioned that no second hand components shall be allowed to procure / import in India. Further, this Ministry has not received any information about the installation of second hand wind turbines. MNRE has issued Repowering Policy for replacing old wind turbines in order to exploit maximum wind power potential.

[Ministry of New & Renewable Energy OM No. 340-16/1/2018 -IREDA
Dated: 26.11.2018]

Comments of the Committee

(Please see para 23 of Chapter I of the Report)

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN
VIEW OF GOVERNMENT'S REPLIES

-Nil-

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAD NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

RECOMMENDATION (SL NO. 8)

Status of IREDA-Applicability of RBI Norms

It has been stated in the Audit Para that while scrutinizing IREDA's application for categorizing it as an infrastructure finance company, RBI noticed that it was exceeding the permissible exposure limits. RBI, therefore, directed (September 2010) IREDA to submit the time frame within which IREDA would comply with RBI norms of December 2006. The Ministry/IREDA has stated that IREDA did not apply to RBI for infrastructure Finance Company status. On a specific query as to whether IREDA had ever applied for being designated as Infrastructure Finance Company, RBI in the written reply has stated that IREDA had applied for classifying itself as IFC vide its letter no. Accts/26/NBFC/96-97/IREDA/VI dated March 12, 2010. The Committee are unable to comprehend how the Ministry/IREDA straight away denied applying to RBI regarding the infrastructure status even when Audit in the replies has categorically mentioned about this and RBI in the replies specifically quoted the relevant letter no. and date. The Committee take strong objection to the way they have been misinformed about the position in this regard. They would like Ministry/IREDA to explain the position.

As stated by RBI, IREDA is currently categorized as NBFC Non Deposit Accepting-Systemically Important Company. The Committee have been apprised that the exposure norms of RBI with respect to single borrower/group of borrowers do not apply to IREDA being a Government NBFC not accepting/holding public deposit in terms of RBI circular. As stated by the Ministry/ IREDA, IREDA's Board of Directors has approved the exposure norms for NBFC i.e. single borrower 15%+5% of net worth and for group borrowers 25%+10% of net worth. The Committee further note that as per the position indicated by the RBI, in view of the role being played by Government companies in discharging social obligations, norms prescribed by their respective supervisory Departments/Ministries and to avoid dual control and regulation over them, the Bank had, in consultation with the Central Government, decided to grant them exemption from key regulatory provisions vide Notifications dated January 13, 2000 and October 1, 2002. While appreciating the spirit of the relaxations granted by RBI to NBFC, the Committee feel that these relaxations need to be exercised sparingly after due diligence and with proper justifications. In case of IREDA, Audit has pointed out that the prescribed credit exposure limit was exceeded in 29% of selected cases. Not only that IREDA exceeded its own relaxation norms, for example IREDA exceeded the exposure limit even to 56 per cent in case of M/s Tata Power Company Limited (Project No. 1838), as pointed out by Audit, besides deviations of various kinds made in 40 per cent of selected cases. Not only that, IREDA was operating an OTS scheme continuously without a fixed timeframe, which could promote a culture of non- payment, as rightly observed by Audit in its report. Above all, as observed in preceding paras of the report, many of the projects after interim disbursement were abandoned, the percentage of commissioned projects being only 31 per cent during 2015-16, thus serving little social obligations.

The Committee find that RBI is in the process of bringing all deposit taking systemically important Government owned companies under the provision of RBI's prudential norms framework, in view of the high systemic risk they can pose on account of their large balance sheets and their interconnectedness in the broader financial system besides their ability to impact financial markets being recipients from the budgets.

While taking note of the large scale relaxation being granted by IREDA as elaborated above, the Committee would like to recommend to consider bringing even the Non Deposit Accepting-systemically Important Companies too within the RBI's prudential norms framework on the same consideration, after due consultation with these Government NBFC's and concerned Ministries

Reply of the Government

The Ministry and IREDA conveys sincere regrets regarding incorrect communication that IREDA did not apply to RBI for Infrastructure Status. The fact is that though IREDA had once referred to RBI for classification of IREDA as Infrastructure Finance Company, the same was not pursued by IREDA due to RBI requirement of submitting the time frame within which IREDA would comply with RBI norms of December' 2006.

The table given below would clear as to how IREDA Board has approved the exposure norms in line with RBI exposure norms as contained in Circular No. RBI/DNBR/2016-17/45 dated 09.11.2017. (Refer page no. 31 para 22 (1))

Table: IREDA's exposure norms vs RBI Norms

Particulars	Single borrower	Group borrower
Exposure norms for NBFC	15%	25%
Exposure norms for NBFC financing to Infrastructure projects (adopted by IREDA)	20%	35%
	(15%+ 5%)	(25% + 10%)
Exposure norms for NBFC classified as Infrastructure Finance Company by RBI	25%	40%
	(15% + 10%)	(25% + 15%)

Since IREDA is financing RE Projects only, which fall under the definition of Infrastructure Projects, IREDA Board has approved exposure to single borrower upto 20% of networth and for single group of borrower upto 35% of its networth as indicated in the 2nd Row of the table. Had IREDA been classified as Infrastructure Finance Company by RBI, IREDA's exposure norms could have been 25% and 40% for single borrower and group of borrower respectively (Row 3 of the table).

It is to inform that the above norms as per approved by the Board were being followed by IREDA in view of the exemption provided by RBI vide their circular dated 13.01.2000 to all government NBFCs which are Systemically Important Non Deposit Taking. As per the latest circular dated 31st May, 2018, these exemptions have been withdrawn by RBI and now all the government NBFCs like IREDA have to follow the norms prescribed by RBI for NBFCs except the norms relating to credit exposure by specific sector companies for which a request has to be sent to RBI. Accordingly, IREDA's Board in its 307th meeting held on 20th July, 2018 has approved that the norms as prescribed by RBI in its circular dated 31.05.2018, to be followed by IREDA w.e.f. 01.06.2018 onwards. As regard, credit exposure relaxation a specific proposal has been sent to RBI through MNRE vide letter No. 340-12/4/2018-IREDA dt. 31st October, 2018.

Ministry of New & Renewable Energy OM No. 340-16/1/2018-IREDA

Dated: 26.11.2018

Comments of the Committee

(Please see para 13 of Chapter I of the Report)

RECOMMENDATION (SL NO. 14)

Financing of Start-Ups/Small Projects

The Committee are disappointed to note that IREDA is yet to start financing for start-ups which is apparent from the reply whereby it is stated that no start-up as borrower has approached IREDA so far. The Committee would like IREDA to analyse the factors due to which start-ups do not approach IREDA for financing.

The Committee further note that there is a great potential for small projects in hilly and North-Eastern areas. There is a need to tap the potential by the positive and favourable policies for financing the small projects. The Committee have been apprised that IREDA finances project loan as low as Rs. 50 lakh and finance solar project, with aggregate capacity of 1 MW and above and hydro projects of size lower than 1 MW.

The Committee in this regard would like to be apprised about the year wise financing/loan advanced to smaller projects in various sectors viz. hydel, solar, wind, bio-mass etc.

The Committee are of the view that start-ups/small projects bring innovation to the field and renewable energy being the emergent sector, there is an urgent need to have favorable policies with regard to financing start-ups/small projects. Besides there is a need for having simple procedures/formalities for financing particularly when start-ups/small entrepreneurs cannot afford chartered accountants / professionals for completing the formalities. IREDA being the exclusive Government financing agency for RE sector, need to act proactively and try to reach out to the startups/ small entrepreneurs. Awareness about the financing of RE projects also need to be created.

Reply of the Government

MNRE supported entrepreneur development in renewable energy under a project sanctioned in January 2011 to Centre for Innovation Incubation and Entrepreneurship (CIIE), IIM, Ahmadabad. Under this Project, total grant of Rs.24 crores was sanctioned in 2011 with the condition that a matching investment would be mobilized by CIIE from private sector investors. So far 22.47 crores has been released to CIIE, IIM, Ahmedabad for the project. The CIIE, IIM, Ahmedabad has mobilized more than Rs. 25 crores from the private investors for the project. The project has incubated 40 start-ups in renewable energy sector. The project has generated useful experience on entrepreneur development.

However, start-ups generally require seed money which is provided by venture funds. IREDA also finances new technology, new projects after mitigating the perceived risks in any new project/venture. The Ministry finances new technology under Technology Demonstration Project Mode.

Details of smaller project upto 5 MW financed by IREDA sector wise and year wise for last four year is enclosed at **Annexure-V**.

Comments of the Committee

(Please see para 20 of Chapter I of the Report)

CHAPTER V

**OBSERVATIONS/RECOMMENDATIONS TO WHICH THE GOVERNMENT HAS FURNISHED INTERIM
REPLIES**

-NIL-

New Delhi
7 January, 2021
17 Pausha, 1942 (S)

MEENAKASHI LEKHI
Chairperson
Committee on Public Undertakings

Annexure-I

LOAN AGREEMENT

DATED 30-05-2011

BETWEEN

M/s. SC1 India Limited

AS BORROWER

AND

INDIAN RENEWABLE ENERGY DEVELOPMENT
AGENCY LIMITED (IREDA)

AS LENDER

(Rupee Loan)

LOAN AGREEMENT

Borrower	M/s SCI India Limited
Details of Project	Setting up of 1.6 MW Biogas Power at Raipura, Rajoun, District Banka, in the State of Bihar (Project No. 1941)
Loan Amount	Rs850.00 Lakhs
Security	1. Mortgage of immovable properties 2. Hypothecation of movable assets 3. Personal Guarantee of i) Shri Sunil Kishorepuria ii) Shri Sajjan Kumar Kishorepuria iii) Shri Shiv Kumar Kishorepuria iv) Shri Binod Kumar Kishorepuria Promoters/Directors of the Borrower
	4. Bank Guarantee for an amount not less than 5% of the IREDA's loan amount having validity period till expiry of the repayment period of IREDA loan. The Bank Guarantee can initially be valid for a period of three years with a provision that on the expiry of initial period of three years, the guarantee unless invoked, will stand automatically renewed for a further period of three years.
	5. Pledge of shares 55% held/to be held by the promoters/promoter companies in the Borrower's share capital as security for the loan.
	6. ESCROW A/c to be provided on main revenue A/c in which receivables of distillery shall be credited through tripartite ESCROW Agreement between borrower, Bank and IREDA to the satisfaction of IREDA. <p style="text-align: center;">Or</p> The Borrower shall arrange a letter from the Bank agreeing for earmarking the working capital limits/cash credit limit or in the Bank in which receivables of distillery shall be credited to the extend of servicing IREDA loan repayment
	7. Collateral Security of the land held in t he name of Company/Directors values at about Rs. 6 crores as per valuation report by SBI Patna circle approved valuer.

Besides the above, the Borrower will deposit:

- a) Post dated cheques towards payment of installments of principal of Loan
- b) Post dated cheques towards payment of installments of interest on Loan

towards repayment of the loan.

Annexure-II

Status of the projects as observed by Audit

Annexure-IIS.No.	NAME OF THE BORROWER	SECTOR	REMARK
1	Shri Venkateshwara Sponge and	Energy Efficiency	The project was sanctioned in co-financing mode with Andhra Bank and part disbursement was made based on the physical progress of project. The project could not to down trend in the industry. The account became NPA recovery under SARFAESI Act were initiated and the plant in recovery of the entire outstanding principal, interest (compound), Liquidated Charged & Incidental Charges. No sacrifice in due amount was made. The
2	Mahita Power Projects P Ltd	SHP	The loan was sanctioned for setting up for Small Hydro Project and part disbursement was made. The project could not be implemented by promoter and therefore account stands closed in books of IREDA.
3	Athena Damwe	Hydro	The loan was sanctioned to borrower for setting up Limited is the lead financier among few other bankers/institutions. How in the project.
4	Bhadragiri Pow-	SHP	The part disbursement for the project has been made However, the project has witnessed delays in implementation causing increase in the cost. However, since project remain under implementation category and class under SARFAESI Act has been initiated.
5	Vaayu (India) Power Corpora-	Wind	The disbursement has been made by IREDA. As on date, the outstanding amount is Rs. Nil.
6	Enbee Infrastructure Ltd.	MSW	The loan was sanctioned to the borrower for setting up for waste to energy project J made for initial work. However, the project was abandoned by the borrower therefore, the part amount Bank Guarantee by Rs.69.22 lacs and adjusted against amount. The DRT proceeding are being initiated.

Annexure-III

S.No	Name of the Project	Proj. No.	Approval Date	Type	Cap.	Unit	Sector	Loan Amount (Rs. Lakhs)	Total Disbursement (Rs.Lakhs) + As	LA Date	Commissioning Date	LA EXE SANCT
1	REWA ULTRA MEGA SOLAR LIMITED	2341	29-Jan-18	Main Loan			SOLAR GRID	2106200	404166	3Jan- 8		
2	JINDAL URBAN WASTE MANAGE-	2345	7-Feb-18	Main Loan	15	MW	WASTE TO ENERGY	1000.00				
3	MYTRAHVAYU(SABARMATI) PRATE	2344	7-Feb- 8	Main Loan	252	MW	WIND	40000.00	5997.00	23-Oct- 17		
4	NER IITRANSMISSION LIMITED	2342	7-Feb-18	Main Loan			SOLAR GRID	30100.00				
5	KHARI HYDRO POWER PROJECT PRIVATE LIMITED	2119-1	Feb-18	Additional Loan	1.75	MW	HYDRO	625.30	412.77	7-Jun- 8		
6	ASIAN FAB TEC LIMITED	2348	7 Mar- 8	Main Loan	15 MW		SOLAR GRID	685.00	5000.00	26 Mar-18	29-Dec-17	
7	ASIAN FAS TEC LIMITED	2349	7-Mar-8	Main Loan	10 MW		SOLAR GRID	4350.00	3300.00	26-MAR- 8	20-n- 8	
8	ASIAN FAB TEC LIMITED	2350	7-Mar-18	Main Loan	20	MW	SOLAR GRID	8545.00		26-Mar- 18	6-Jan- 18	
9	ATA WIND POWER (BASAVANA)	2351	7-Mar- 8	Main Loan	395	MVp	WIND	21500.00	4811.00	21 May-8	18-Apr- 8	
10	BAITARA NIPOWER PROJECT	2145-2	7 Mar- 8	Additional Loan			HYDRO	820.00				
11	SHANAY RENEWABLES LIMITED	2346	7 Mar-18	Main Loan	315	MW	WIND	1715.00	9770.00	20Mar- 8	31 Mar-8	
12	VENTO POWER PRIVATE LIMITED	2347	7-Mar-18	Main Loan	40	MW	SOLAR GRID	15755.00	13708.00	10-May-18		
13	VENTO POWR PRIVATE LIMITED	2347-VGF	7 Mar- 8	VGF			SOLAR GRID	185.00	1292.00	10-May- 8		
14	FERMI SOLAR FARM PRIVATE LIMITED	2357	26-Mar-18	Main Loan	80	MW	SOLAR GRID	19000.00	11991.58	25-Jun-18	14-Apr- 18	
15	GREENFRARENEWABLE ENERGY	2355	26-Mar-18	Main Loan	249.9	MWp	WIND	30000.00				
16	POCHAMPAO CONSTRUCTIONS	2352	26-Mar-18	Main Loan	4.5	MW	SOLAR GRID	375.00		17-May- 18	31 Mar-17	
17	SOLARSYS NON-CONVENTIONAL ENER-	2358	26-Mar- 8	Main Loan	90 MW		SOLAR GRID	8200.00			31-Mar-18	
18	WATSUN INFRABUILD PRIVATE	2361	26-Mar-18	Main Loan	150	MW	WIND	30000.00				
19	AVAADA NON-CONVENTIONAL	2359	27-Mar-18	Main Loan	30 MW		SOLAR GRID	6000.00			26-Mar- 18	
20	AVAADA sus-AIJASLE ENERGY	2350	27-Mar-18	Main Loan	30 MW		SOLAR GRID	6000.00			2-Mar- 8	
21	ECORE 1 CARDEA POWER PRIVATE	2354	27-Mar-18	Main Loan	10 MW		SOLAR GRID	4845.00				
22	ECORE IVENT WINDS PRIVATE	2356	27-Mar-18	Main Loan	16 MW		SOLAR GRID	7730.00				
23	GREENVA ENERGY PRIVATE LIMITED	2353	27-Mar- 18	Main Loan	22 MW		SOLAR GRID	8200.00				
24	NANTI HYDRO POWER PRIVATE LI-	1980-3	27 Mar-18	Additional Loan			HYDRO	1753.70	974.50	25-Apr- 8		
25	TAM DA HYDRO POWER PRIVATE	1979-4	27-Mar-18	Additional Loan			HYDRO	823.00		25-Apr- 8		
								313369.00	61298.51			

r fp s

(

Annexure-IV

N. i 6/1/94-CPG

Dated_____

The Managing Director
Indian Renewable Energy Dvt. Agency (IREDA)
India Habitat Centre
East Court, Core-4 A i floor
Lodhi Road
New Delhi-110003

M/s HCL Agro Power Ltd. - Financial Assistance for setting up a 6.75 MW Dendro Thermal Power Plant at Vedadri, Village, Jaggaiah pet Mandal Krishna District, A.P. (Project No. 340)

Sir,

Please refer to your letter no. PTS-810/IREDA/2004-05/6197 dated 1.11.04 on the above project, I am directed to inform you that the project has validated the terms and conditions of the sanction for grant of capital

Thanking you,

Yours faithfully,

(R. D. Sharma)
Principal Scientific Officer

Dated, the 11th August 2004

M.L. Garg
Non-Conventional Energy Sources
No. 14, C.G.O. Complex,
New Delhi-110003

M/s HCL Agro Power Ltd. - Financial Assistance for setting up a 6.75 MW Dendro Thermal Power Plant at Vedadri, Village, Jaggaiah pet Mandal Krishna District, A.P. (Project No. 340)

Please refer to para 2 of our letter no. IREDA/Legal/2004/380i dated

You are aware that IREDA has recalled its loan amount of Rs. 399.00 lacs of bridge loan of Rs. 41.00 lacs against 10% of MNES Capital Subsidy of lacs for the said project.

regards to MNES capital subsidy, the same can be recalled after cancellation.

Subsidy by MNES and/or in case the Borrower Company defaults in the of conditions of sanction of subsidy by MNES. In this connection, reference the Subsidy Agreement dated 4th April 1996 entered into between the

In terms of special condition no. 1 on page 19 of the said Subsidy Agreement have the right to cancel the subsidy in case there is deviation in DPR which

I Acceptable to MNES and in the eventuality the whole of the disbursed subsidy that have to be returned/refunded by the Company to MNES together with interest thereon within 60 days from the date of cancellation of subsidy.

Hence, the security offered by the Company for the MNES is common for the loan by IREDA to the Company, it shall be appropriate the amount of subsidy in should also be from the Company and thereafter suitable proceedings by way of O A could be initiated. You are also aware that IDBI, has already filed Recovery Proceedings against the Company for Recovery of

In view of the above, MNES is requested to please take a final view for the subsidy and enable us to proceed in the matter accordingly.

Thanking You,

ASST. GENERAL MANAGER

Yours faithfully,

(S BASKARAN)
R (PTS)

Annexure V

Details of smaller project upto 5 MW sectorwise and yearwise

Name of the Project	Proi.No.	Sanction Date	Type	Cap.	Unit	Sector	Loan (Rs.Lakhs)
SHAKTI HYDRO ELECTRIC CO. PVT.LTD.	2088	19-Jun-14	Main Loan	2.4	MW	HYDRO	762
GREEN INFRA WIND POWER GENERATION LIMITED	2058-1	12-Sep-14	Additional Loan	4	MW	WIND	1800
NEXTGEN SOLUX POWER PRIVATE LIMITED	2103	22-Sep-14	Main Loan	1	MW	SOLAR GRID	500
TARANDA HYDRO POWER PRIVATE LIMITED	1979-1	24-Sep-14	Additional Loan	1	MW	HYDRO	1538
ABUNDANT ENERGY PRIVATE LIMITED	2106	1-Oct-14	Main Loan	2	MW	SOLAR GRID	995
ALLIANZ ECOPOWER PRIVATE LIMITED	2105	1-Oct-14	Main Loan	2	MW	SOLAR GRID	1000
TR ENERGY & AGRO PRIVATE LIMITED	2107	20-Oct-14	Main Loan	2	MW	SOLAR GRID	995
SAI ACHYUTH ENERGY PRIVATE LIMITED	2120	4-Feb-15	Main Loan	5	MW	SOLAR GRID	2450
KHARI HYDRO POWER PROJECT PRIVATE LIMITED	2119	5-Feb-15	Main Loan	2	MW	HYDRO	1500
SRI KPR INDUSTRIES LIMITED	2126	9-Mar-15	Main Loan	2	MW	WIND	1038
SRI VIJAYEEBHAVA ENTERPRISES PVT LTD	2125	9-Mar-15	Main Loan	2.95	MW	WIND	1375
CAMBRIDGE ENERGY RESOURCES (P) LTD.	2128	11-Mar-15	Main Loan	4.23	MWp	SOLAR ROOFTOP	4068
BALAJI ENERGY PVT. LTD.	2127	16-Mar-15	Main Loan	3	MW	HYDRO	1138
RAYS POWER INFRA PRIVATE LIMITED	2132	16-Mar-15	Main Loan	2	MW	SOLAR GRID	900
ATLANTIC POWER PRIVATE LIMITED	2135	23-Mar-15	Main Loan	0.65	MW	HYDRO	50.1
SLS POWER LIMITED	2143	30-Apr-15	Main Loan	0.01	MW	BIOMASS	850
SSJ POWER PROJECTS & INFRASTRUCTURES PVT. LTD.	2144	21-May-15	Main Loan	5	MW	SOLAR GRID	2466.46
AZURE POWER MARS PRIVATE LIMITED	2149	22-May-15	Main Loan	5	MW	SOLAR GRID	2566.25
EMMA ESTATE PVT. LTD.	2155	5-Aug-15	Main Loan	3	MW	SOLAR GRID	1550
PURSHOTAM INDUSTRIES LIMITED	2156	5-Aug-15	Main Loan	3	MW	SOLAR GRID	1624
RAVINDRA ENERGY LIMITED	2161	11-Aug-15	Main Loan	3.77	MW	SOLAR OFF GRID	2709
DARTVENS POWER PRIVATE LIMITED	2162	18-Sep-15	Main Loan	1	MW	SOLAR GRID	450
VAAYU ENERGY LIMITED	2169	30-Sep-15	Main Loan	3	MW	WIND	1000
TARANDA HYDRO POWER PRIVATE LIMITED	1979-2	13-Oct-15	Additional Loan	3	MW	HYDRO	1262
MAGNIFICENT POWER PRIVATE LIMITED	2172	5-Nov-15	Main Loan	1	MW	SOLAR GRID	463
ABUNDANT ENERGY PRIVATE LIMITED	2173	6-Nov-15	Main Loan	1	MW	SOLAR GRID	483.2
NEXTGEN SOLUX POWER PRIVATE LIMITED	2174	6-Nov-15	Main Loan	1	MW	SOLAR GRID	463
KESTA HYDRO POWER PVT. LTD.	2178	18-Nov-15	Main Loan	4.5	MW	HYDRO	2350
KUSUM FINSERVE LLP	2198	11-Feb-16	Main Loan	2.1	MW	WIND	1035
PHOTON SOLAR POWER PRIVATE LIMITED	2202	7-Mar-16	Main Loan	5	MW	SOLAR GRID	1540
UTRECHT SOLAR PRIVATE LIMITED	2200	8-Mar-16	Main Loan	1	MW	SOLAR GRID	465
DLI POWER (INDIA) PVT.LTD.	1951-1	9-Mar-16	Additional Loan	4	MW	HYDRO	1560
HIMALAYAN RENEWABLE ENERGY PRIVATE LIMITED	2210	31-Mar-16	Main Loan	0.6	MW	HYDRO	560
PURSHOTAM INDUSTRIES LIMITED	2216	27-Apr-16	Main Loan	2	MW	SOLAR GRID	925
VENSOL (BIDAR) ENERGY PRIVATE LIMITED	2236	4-Aug-16	Main Loan	3	MW	SOLAR GRID 1	1596
VENSOL (NIRNA) ENERGY PRIVATE LIMITED	2237	4-Aug-16	Main Loan	3	MW	SOLAR GRID 1	1596
VENSOL (HUBLI) ENERGY PRIVATE LIMITED	2230	4-Aug-16	Main Loan	2	MW	SOLAR GRID 1	1064
HARIKRISHNAN POWER AND TECHNOLOGY PRIVATE LIMITED	2240	30-Aug-16	Main Loan	1	MW	SOLAR GRID 1	355
ARETE ELENA ENERGY PRIVATE LIMITED	2241	6-Sep-16	Main Loan	3	MW	SOLAR GRID 1	1411
BGSUN SOLAR HIRIYUR PRIVATE LIMITED	2242	6-Sep-16	Main Loan	3	MW	SOLAR GRID 1	1420
CONTINENTAL HYDRO POWER PRIVATE LIMITED	2243	6-Sep-16	Main Loan	3	MW	HYDRO	1300
POORVAJ SOLAR ENERGY PRIVATE LIMITED	2244	6-Sep-16	Main Loan	3	MW	SOLAR GRID 1	1422.72
SAMYAMAJYOTHI SOLAR ENERGY PRIVATE LIMITED	2245	6-Sep-16	Main Loan	3	MW	SOLAR GRID 1	1411.15
SUNSOLAR KFP BELLARI PRIVATE LIMITED	2248	28-Sep-16	Main Loan	2	MW	SOLAR GRID 1	951.76
EMMVEE SOLAR SYSTEMS PRIVATE LIMITED	2249	10-Oct-16	Main Loan	1	MW	SOLAR ROOFTOP	485
NANDAL FINANCE AND LEASING PRIVATE LIMITED	2250	13-Oct-16	Main Loan	1	MW	SOLAR ROOFTOP	462
PREMIER PHOTOVOLTAIC MEDAK PRIVATE LIMITED	2251	25-Oct-16	Main Loan	3	MW	SOLAR GRID 1	1371
BELJI HYDRO POWER PRIVATE LIMITED	2254	26-Oct-16	Main Loan	5	MW	HYDRO	2428
LUI RENEWABLE PRIVATE LIMITED	2268	17-Jan-17	Main Loan	0.3	MW	SOLAR THERMAL	110
VIVAAN SOLAR PRIVATE LIMITED	2277	21-Feb-17	Main Loan	5	MW	SOLAR ROOFTOP	2250
AGV SOLAR POWER PROJECT PRIVATE LIMITED	2284	23-Feb-17	Main Loan	2	MW	SOLAR GRID 1	1010
CLEAN MAX ENVIRO ENERGY SOLUTIONS PVT LTD	2299	23-May-17	Main Loan	2.48	MW	SOLAR ROOFTOP	888.2
SAMBHAR SALTSLIMITED	2298	23-May-17	Main Loan	1	MW	SOLAR GRID	500
MADHAV SOLAR (VADODARA ROOFTOP) PRIVATE LIMITED	2303	1-Jun-17	Main Loan	4	MW	SOLAR ROOFTOP	1675
AZURE POWER MERCURY PRIVATE LIMITED	2314	3-Aug-17	Main Loan	4	MW	SOLAR ROOFTOP	1750
PREMIER SOLAR SYSTEMS PRIVATE LIMITED	2321	4-Sep-17	Main Loan	1	MW	SOLAR ROOFTOP	420.62
ATLANTIC POWER PRIVATE LIMITED	2328	13-Nov-17	Main Loan	0.3	MW	HYDRO	320
SUNRUN SOLAR VENTURES UP PRIVATE LIMITED	2335	23-Nov-17	Main Loan	1	MW	SOLAR ROOFTOP	259
SE FREIGHT AND LOGISTICS INDIA PRIVATE LIMITED	2338			4.2	MW	WIND	1750

Annexure VI

LIST OF PROJECTS UPTO 10MW SECTOR WISE AND YEAR WISE FOR LAST 4 YEARS

Name of the Project	Prof. No.	Sanction Date	Type	Cap.	Unit	Sector	Loan (Rs. Lakhs)
KAMDAR INFRASTRUCTURE PVT.LTD.	2051	2 Au 11 13	Main Loan		4 MW	HYDRO	1750
PHOTON SOLAR POWER PVT LTD	2063	s.Feb 14	Main Loan		5 MW	SOLAR GRID	2500
SRI AVANTIKA CONTRACTORS (I) LIMITED	2062	5 Feb 14	Main Loan		5 MW	SOLAR GRID	2500
SAROJ ENERGY COMPANY PVT.LTD.	1877	6 Feb 14	Additional Loan		1.5 MW	HYDRO	350
SASI POWER PRIVATE LIMITED	2073	18 Mar 14	Main Loan		3 MW	HYDRO	156.55
M/S GILL POWER GENERATION CO (P) LTD	197-1	19 Mar 14	Additional Loan		1.5 MW	HYDRO	600
PREMIER PHOTOVOLTAIC MEDAK PRIVATE LIMITED	2083	31 Mar 14	Main Loan		5 MW	SOLAR GRID	2500
RENEW POWER VENTURES PRIVATE LIMITED	2080	3 Mar 14	Main Loan		5 MW	SOLAR GRID	4644
RENEW POWER VENTURES PRIVATE LIMITED	2082	31 Mar 14	Main Loan		5 MW	SOLAR GRID	4460
RENEW POWER VENTURES PRIVATE LIMITED	2085	31 Mar 14	Main Loan		5 MW	SOLAR GRID	4794
RENEW POWER VENTURES PRIVATE LIMITED	2087	31 Mar 14	Main Loan		5 MW	SOLAR GRID	4794
SHAIKI HYDRO ELECTRIC CO. PVT. TD.	2088	19 Jun 14	Main Loan		2.4 MW	HYDRO	762
GREEN INFRA WIND POWER GENERATION LIMITED	2058-1	12 Sep 14	Additional Loan		4 MW	WIND	1800
NEXTGEN SOLUX POWER PRIVATE LIMITED	2103	22 Sep 14	Main Loan		1 MW	SOLAR GRID	500
RDA ENERGY PRIVATE LIMITED	2102	22 Sep 14	Main Loan		10 MW	SOLAR GRID	5456.4
RISHABH RENEY PRIVATE LIMITED	2101	22 Sep 14	Main Loan		10 MW	SOLAR GRID	5480
SAMRUDHI SUGARS LIMITED	2104	23 Sep 14	Main Loan		10 MW	CO-GENERATION	2688
TARANDA HYDRO POWER PRIVATE LIMITED	1979-1	24 Sep 14	Additional Loan		1 MW	HYDRO	1538
ABUNDANT ENERGY PRIVATE LIMITED	2106	Oct 14	Main Loan		2 MW	SOLAR GRID	995
ALLIANZ ECOPOWER PRIVATE LIMITED	2105	Oct 14	Main Loan		2 MW	SOLAR GRID	1000
TR ENERGY & AGRO PRIVATE LIMITED	2107	20 Oct 14	Main Loan		2 MW	SOLAR GRID	995
BAJI (BONE ENTERPRISES LIMITED	2109	22 Oct 14	Main Loan		10 MW	SOLAR GRID	490309
	2111	22 Oct 14	Main Loan		10 MW	SOLAR GRID	4867
SAIACHYUTH ENERGY PRIVATE LIMITED	2120	4 Feb 15	Main Loan		5 MW	SOLAR GRID	2450
KHARI HYDRO POWER PROJECT PRIVATE LIMITED	2119	5 Feb 15	Main Loan		2 MW	HYDRO	1500
RENEW WIND ENERGY (RAJASTHAN ONE) PRIVATE LIM	2090-1	5 Mar 15	Additional Loan		10 MW	WIND	4681
KHANDALERU POWER COMPANY LIMITED	2123	9 Mar 15	Main Loan		6 MW	HYDRO	2200
SRII-PR INDUSTRIES LIMITED	2126	9 Mar 15	Main Loan		2 MW	WIND	1038
SRI VIJAYEEBHAVA ENTERPRI		Mar 15	Main Loan		2.95 MW	WIND	1375
CAMBRIDGE ENERGY RESOURCES (P) LTD.	2128	Mar 15	Main Loan		4.23 MWp	SOLAR ROOF TOP	4068
BALAJI ENERGY PVT. TD.	2127	16 Mar 15	Main Loan		3 MW	HYDRO	1138
BALAJI ENERGY PVT.LTD.	2131	16 Mar 15	Main Loan		8 MW	HYDRO	3300
RAYS POWER INFRA PRIVATE LIMITED	2132	16 Mar 15	Main Loan		2 MW	SOLAR GRID	900
ATLANTIC POWER PVT.LTD.	2135	21 Mar 15	Main Loan		0.65 MW	HYDRO	501
BHILWARA ENERGY LIMITED	2140	31 Mar 15	Main Loan		7.5 MW	HYDRO	5850
ENERGO ENGINEERING PROJECTS LIMITED	2142	31 Mar 15	Main Loan		10 MW	SOLAR GRID	5393
SIS POWER LIMITED	2143	30 Apr 15	Main Loan		0.01 MW	BIOMASS	850
SSJ POWER PROJECTS & INFRASTRUCTURES PVT. LTD.	2144	21 May 15	Main Loan		5 MW	SOLAR GRID	2466.46
AZURE POWER MARS PRIVATE LIMITED	2149	22 May 15	Main Loan		5 MW	SOLAR GRID	2566.25
EAAMA ESTATE PVT.LTD.	2155	5 Aug 15	Main Loan		3 MW	SOLAR GRID	150
PURSHOTAM INDUSTRIES LIMITED	2156	5 Aug 15	Main Loan		3 MW	SOLAR GRID	1624
SSNR POWER PRIVATE LIMITED	2157	6 Aug 15	Main Loan		10 MW	SOLAR GRID	5215
RAVINDRA ENERGY LIMITED	2161	1 Aug 15	Main Loan		3.77 MW	SOLAR OFF GRID	2709
DARTYENS POWER PRIVATE LIMITED	2162	15 Sep 15	Main Loan		1 MW	SOLAR GRID	450
VAAYU ENERGY LIMITED	2169	30 Sep 15	Main Loan		3 MW	WIND	1000
MINAR RENEWABLE ENERGY PROJECTS PRIVATE LIMIT	2171	13 Oct 15	Main Loan		8 MW	HYDRO	3600
TARANDA HYDRO POWER PRIVATE LIMITED	1979-2	13 Oct 15	Additional Loan		3 MW	HYDRO	1262
MAGNIFICENT POWER PRIVATE LIMITED	2172	5 Nov 15	Main Loan		1 MW	SOLAR GRID	463
ABUNDANT ENERGY PRIVATE LIMITED	2173	6 Nov 15	Main Loan		1 MW	SOLAR GRID	483.2
CBC SOLAR TECHNOLOGIES PVT.LTD.	2175	6 Nov 15	Main Loan		10 MW	SOLAR GRID	833
NEXTGEN SOLUX POWER PRIVATE LIMITED	2174	6 Nov 15	Main Loan		1 MW	SOLAR GRID	463
IK-ESTA HYDRO POWER PVT.LTD.	2178	11 Nov 15	Main Loan		4.5 MW	HYDRO	2350
PREMIER PHOTOVOLTAIC MEDAK PRIVATE LIMITED	2185	18 Nov 15	Main Loan		8 MW	SOLAR GRID	4032
CBC SOLAR TECHNOLOGIES PRIVATE LIMITED	2187	14 Dec 15	Main Loan		10 MW	SOLAR GRID	7192.31
IKUSUMFINSERVE P	2198	1 Feb 16	Main Loan		2.1 MW	WIND	1035
PHOTON SOLAR POWER PRIVATE LIMITED	2202	7 Mar 16	Main Loan		5 MW	SOLAR GRID	1640
MAHESWARI MINING AND ENERGY PRIVATE LIMITED	2201	8 Mar 16	Main Loan		10 MW	SOLAR GRID	4715
UTRECHT SOLAR PRIVATE LIMITED	2200	8 Mar 16	Main Loan		1 MW	SOLAR GRID	465
DU POWER (INDIA) PVT.LTD.	195H	9 Mar 16	Additional Loan		4 MW	HYDRO	1560
NEW ERA ENVIROVENTURES (MAHUBNAGARJ PRIVA	2203	9 Mar 16	Main Loan		10 MW	SOLAR GRD	4744
HIMALAYAN RENEWABLE ENERGY PRIVATE LIMITED	2210	31 Mar 16	Main Loan		0.8 MW	HYDRO	560
PURSHOTAM INDUSTRIES LIMITED	2216	27 Apr 16	Main Loan		2 MW	SOLAR GRID	925
KAKATIYA INDUSTRIES PRIVATE LIMITED	2220	31 May 16	Main Loan		9 MW	HYDRO	4060
ASIAN FAB TEC LIMITED	2222	2 Jun 16	Main Loan		10 MW	SOLAR GRID	4422.8
ASIAN FABTEC LIMITED	2223	2 Jun 16	Main Loan		8 MW	SOLAR GRID	3637.4

AZURE RENEWABLE ENERGY PRIVATE LIMITED	2226	22-Jun-16	Main Loan	10 MW	SOLAR ROOF TOP	4495.07
VENSOL (BDAR) ENERGY PRIVATE LIMITED	2236	4-Aug-16	Main Loan	3 MW	SOLAR GRID 1	1596
VENSOL (NIRNA) ENERGY PRIVATE LIMITED	2237	4-Aug-16	Main Loan	3 MW	SOLAR GRID 1	1596
HARIKRISHNAN POWER AND TECHNOLOGY PRIVATE LIMITED	2240	30-Aug-16	Main Loan	1 MW	SOLAR GRID 1	355
ARETE ELENA ENERGY PRIVATE LIMITED	2241	6-Sep-16	Main Loan	3 MW	SOLAR GRID 1	111
BGS SUNSOLAR HIRIYUR PRIVATE LIMITED	2242	6-Sep-16	Main Loan	3 MW	SOLAR GRID 1	120
CONTINENTAL HYDRO POWER PRIVATE LIMITED	2243	6-Sep-16	Main Loan	3 MW	HYDRO	300
POORVAJ SOLAR ENERGY PRIVATE LIMITED	2244	6-Sep-16	Main Loan	3 MW	SOLAR GRID 1	122.72
SAMYAMA JYOTHI SOLAR ENERGY PRIVATE LIMITED	2245	6-Sep-16	Main Loan	3 MW	SOLAR GRID 1	111.15
SUN SOLAR KFP BELLARI PRIVATE LIMITED	2248	28-Sep-16	Main Loan	2 MW	SOLAR GRID 1	951.76
EMMVEE SOLAR SYSTEMS PRIVATE LIMITED	2249	10-Oct-16	Main Loan	1 MW	SOLAR ROOF TOP	485
NANDAL FINANCE AND LEASING PRIVATE LIMITED	2250	13-Oct-16	Main Loan	1 MW	SOLAR ROOF TOP	462
PREMIER PHOTOVOLTAIC MEDAK PRIVATE LIMITED	2251	25-Oct-16	Main Loan	3 MW	SOLAR GRID 1	137.1
BELJU HYDRO POWER PRIVATE LIMITED	2254	26-Oct-16	Main Loan	5 MW	HYDRO	2428
AAIOK SOLAR FARMS LIMITED	2266	10-Jan-17	Main Loan	10 MW	SOLAR GRID	5545
ABHA SOLAR FARMS LIMITED	2267	10-Jan-17	Main Loan	10 MW	SOLAR GRID	5545
LUT RENEWABLE PRIVATE LIMITED	2268	17-Jan-17	Main Loan	0.3 MW	SOLAR THERMAL	110
ES ENERGY PRIVATE LIMITED	2275	20-Feb-17	Main Loan	10 MW	SOLAR GRID	5325
ESSOLAR PRIVATE LIMITED	2274	20-Feb-17	Main Loan	10 MW	SOLAR GRID	5475
VIVAAN SOLAR PRIVATE LIMITED	2277	21-Feb-17	Main Loan	5 MW	SOLAR ROOF TOP	2250
AGV SOLAR POWER PROJECT PRIVATE LIMITED	2284	23-Feb-17	Main Loan	2 MW	SOLAR GRID 1	1010
CLEAN MAX ENVIRO ENERGY SOLUTIONS PVT LTD	2299	23-May-17	Main Loan	2.48 MW	SOLAR ROOF TOP	888.2
SAMBHAR SALTS LIMITED	2298	23-May-17	Main Loan	1 MW	SOLAR GRID	500
KANDI WIND PARKS PRIVATE LIMITED	2300	31-May-17	Main Loan	8 MW	WIND	5000
MADHAV SOLAR (VADODARA ROOFTOP) PRIVATE LIMITED	2303	Jun-17	Main Loan	4 MW	SOLAR ROOF TOP	1675
AZURE POWER MERCURY PRIVATE LIMITED	2314	3-Aug-17	Main Loan	4 MW	SOLAR ROOF TOP	1750
JK PETRO ENERGY PRIVATE LIMITED	2312	3-Aug-17	Main Loan	10 MW	SOLAR GRID	3986.5
PREMIER SOLAR SYSTEMS PRIVATE LIMITED	2321	4-Sep-17	Main Loan	1 MW	SOLAR ROOF TOP	420.62
ATLANTIC POWER PRIVATE LIMITED	2328	13-Nov-17	Main Loan	0.3 MW	HYDRO	320
SUNRUN SOLAR VENTURES UP PRIVATE LIMITED	2335	23-Nov-17	Main Loan	1 MW	SOLAR ROOF TOP	259
SE FREIGHT AND LOGISTICS INDIA PRIVATE LIMITED	2338	20-Dec-17	Main Loan	4.2 MW	WIND	1750
VIVAAN SOLAR PRIVATE LIMITED	2340	22-Dec-17	Main Loan	2 MW	SOLAR ROOF TOP	950
KHARI HYDRO POWER PROJECT PRIVATE LIMITED	2119-1	9-Feb-18	Additional Loan	3.75 MW	HYDRO	625.3
ASIAN FAB TEC LIMITED	2349	14-Mar-18	Main Loan	10 MW	SOLAR GRID	4350
POCHAMPAD CONSTRUCTIONS COMPANY PRIVATE LIMITED	2352	27-Mar-18	Main Loan	4.5 MW	SOLAR GRID	975
ECOREN CARDEA POWER PRIVATE LIMITED	2354	28-Mar-18	Main Loan	10 MW	SOLAR GRID	4845

Annexure VII

Status of RTS capacity (MW) sanctioned and achievements

Sr. No.	Agency/State	Sanctioned Capacity (Revised)	Installed Capacity reported on online portal		
			Subsidised Category	Non-subsidised Category	Total
1.	NREDCAP, Andhra Pradesh	67.77	29.97	16.61	46.58
2.	BREDA, Bihar	50.21	1.35	1.26	2.61
3.	CREDA, Chhattisgarh	13.70	8.44	1.55	9.99
4.	JREDA, Jharkhand	35.57	7.68	1.62	9.30
5.	MPMKVVCL, MPUVN, Madhya Pradesh	37.02	13.96	13.30	27.26
6.	MEDA, Maharashtra	140.00	29.77	115.76	145.53
7.	OREDA, Odisha	4.03	2.70	1.65	4.35
8.	TSREDCO, Telangana	53.11	23.23	22.30	45.53
9.	UPNEDA, Uttar Pradesh	42.00	14.34	40.40	54.74
10.	WBREDA, West Bengal	48.93	6.63	11.90	18.53
11.	AEDA, APDCL, Assam	24.00	2.25	1.68	3.93
12.	Dept. of Power, Delhi	90.00	34.36	12.00	46.36
13.	GEDA, Gujarat	232.75	75.46	66.49	141.95
14.	HAREDA, Haryana	44.50	30.35	53.97	84.32
15.	JAKEDA, KREDA, Jammu Kashmir	66.09	2.43	0.57	3.00
16.	ANERT, Kerala	38.28	13.50	17.36	30.86
17.	KREDL, Karnataka	10.94	6.07	105.88	111.95
18.	REAP, Puduchery	7.02	0.70	1.00	1.70
19.	PEDA, Punjab	20.68	13.75	37.61	51.36
20.	RRECL, Rajasthan	40.00	24.39	55.35	79.74
21.	TEDA, Tamil Nadu	44.50	31.14	94.20	125.34
22.	UREDA, Uttarakhand	46.77	18.28	45.12	63.40
23.	CREST, Chandigarh	28.35	19.00	5.22	24.22
24.	HIMURJA, Himachal Pradesh	15.25	1.67	2.22	3.89
25.	MANIREDA, Manipur	3.22	1.90	1.33	3.23
26.	Elect. Dept., Andaman & Nicobar	3.00	1.00	0.00	1.00

27.	Elect. Dept. Lakshadweep	1.00	0.00	0.00	0.00
28.	TREDA, Tripura	0.50	0.00	0.00	0.00
29.	APEDA, Arunachal Pradesh	10.00	0.00	4.12	4.12
30.	ZEDA, Electricity Department, Mizoram	3.86	0.00	0.10	0.10
31.	GEDA, Goa	1.00	0.00	0.51	0.51
32.	Dadra and Nagar Haveli	0.00	0.00	0.48	0.48
33.	Daman and Diu	0.00	0.00	0.39	0.39
34.	Meghalaya	0.00	0.00	0.08	0.08
35.	Nagaland	0.00	0.00	0.00	0.00
36.	Sikkim	0.00	0.00	0.01	0.01
37.	Other Agencies*	804.92			
	Total	2028.95	414.32	732.04	1146.36

* Achievements of other agencies included in the capacity of respective States/UTs

APPENDIX I

MINUTES OF THE SEVENTH SITTING OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2019-2020)

The Committee sat on Thursday, the 7th January, 2021 from 1210 Hrs. to 1310 Hrs. in Committee Room '3', Ground Floor, Block A, Parliament House Annexe Extension (New Building), New Delhi.

PRESENT

Smt. Meenakashi Lekhi - Chairperson

MEMBERS

Lok Sabha

2. Shri Arjunlal Meena
3. Shri Janardan Mishra
4. Prof. Saugata Roy
5. Dr. Arvind Kumar Sharma
6. Shri Sushil Kumar Singh
7. Shri Uday Pratap Singh
8. Shri Ramdas Chandrabhanji Tadas

Rajya Sabha

9. Shri Prasanna Acharya
10. Shri Birendra Prasad Baishya
11. Shri Surendra Singh Nagar

SECRETARIAT

- | | | |
|----|------------------------|---------------------|
| 1. | Shri R.C.Tiwari | Joint Secretary |
| 2. | Shri Srinivasulu Gunda | Director |
| 3. | Shri G.C. Prasad | Additional Director |

REPRESENTATIVES OF THE NATIONAL THERMAL POWER CORPORATION LIMITED (NTPC)

- | | | | |
|----|-------|---|-------|
| 1. | ***** | - | ***** |
| 2. | ***** | - | ***** |
| 3. | ***** | - | ***** |
| 4. | ***** | - | ***** |
| 5. | ***** | - | ***** |
| 6. | ***** | - | ***** |

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee and apprised them about the agenda for the sitting. As a first agenda item, the Chairperson proposed for consideration and adoption of the draft reports on the following subjects:-

- (i) Airports Authority of India (AAI)
- (ii) Central Coalfields Limited (CCL)
- (iii) Food Corporation of India (FCI)
- (iv) Hindustan Antibiotics Limited (HAL)
- (v) NBCC (India) Limited
- (vi) Action taken by the Government on the Observations/Recommendations contained in the Twenty-second Report (16th LS) of the Committee on Public Undertakings on "Financing of Renewable Energy Projects by Indian Renewable Energy Development Agency Limited (based on Performance Audit Report No.12 of 2015)".
- (vii) Action taken by the Government on the Observations/Recommendations contained in the Twenty-fourth Report (16th LS) of the Committee on Public Undertakings on "Review of Loss Making CPSUs".

3. The Committee then considered the aforesaid draft reports and adopted it without any changes/modifications. The Committee thereafter authorized the Chairperson to finalize the report on the basis of factual verification by the concerned Ministry/Department and consider for presenting the reports to Hon'ble Speaker since Parliament is not in session.

(The representatives of NTPC were then called in)

4.	****	****	****
5.	****	****	****
6.	****	****	****
7.	****	****	****

The Committee then adjourned.

(A verbatim record of the proceedings has been kept separately).

/-----/

APPENDIX II

(Vide para 4 of the Introduction)

Analysis of the Action Taken by Government on the Observations/ Recommendations contained in the Twenty-second Report of the Committee on Public Undertakings on Financing of Renewable Energy Projects by Indian Renewable Energy Development Agency Limited (based on Performance Audit Report No. 12 of 2015).

I	Total number of recommendations	16
II	Observations/Recommendations that have been accepted by the Government [Sl. Nos. 1,2,3,4,5,6,7,9,10,11,12,13,15 and 16] Percentage to total:	14 87.5
III	Observations/Recommendation which the Committee do not desire to pursue in view of Government's replies Percentage to total:	Nil Nil
IV	Observation/Recommendation in respect of which replies of the Government had not been accepted by the Committee [Sl Nos. 8 and 14] Percentage to total:	02 12.5
V	Observations/Recommendations in respect of which Government have furnished interim replies Percentage to total:	Nil Nil