



ADB-49419-005

Solar Rooftop Investment Program (Tranche 4)



Quick Facts

Countries	India
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	C
Borrower	Government of India
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 150.00 million
Loan Amount (USD)	\$ 150.00 million
Project Cost (USD)	\$ 1,000.00 million



Project Description

As stated by the ADB, on 30 September 2016, the Asian Development Bank (ADB) approved the Solar Rooftop Investment Program to help the Government of India establish a solar rooftop financing facility. The program cost was estimated at \$1 billion, of which \$500 million was expected to be financed through three multitranche financing facility (MFF) tranches through financial intermediary loans. The MFF comprises (i) \$330 million from ADB's regular ordinary capital resources (OCR) and (ii) \$170 million from the Clean Technology Fund (CTF) in the form of concessional loans administered by ADB. A technical assistance (TA) grant of \$5 million from the CTF is attached to the MFF to support associated institutional capacity and market development. The Punjab National Bank (PNB) was the borrower and executing agency for the tranche 1 of \$100 million, which was fully financed by the CTF and administered by ADB and guaranteed by India. The first tranche of MFF with Punjab National Bank (PNB) as the Borrower and Executing Agency (EA) was closed on 11 November 2022 with a net amount of \$9.5 million, which was fully financed by the CTF and administered by ADB and guaranteed by India.

On 4 July 2023, ADB approved a major change in the facility to restructure the program which included two additional borrowers viz. the State Bank of India (SBI) and the National Bank for Agriculture and Rural Development (NABARD) for the remaining tranches. On 20 Dec 2024, SBI signed Tranche 2 of \$90.5 million (CTF) and NABARD signed Tranche 3 of \$150 million (\$80 million OCR and \$70 million CTF). Based on performance of implementation of the previous tranche 2 by SBI, SBI has submitted Periodic Finance Request (PFR) for the Tranche 4 of \$175 million (\$150 million OCR and \$25 million additional CTF) which is concurred by the GoI. The restructured SRIP intends to primarily finance solar rooftop systems on residential, government establishments, and institutions on standalone or aggregated basis in line with the GoI's Pradhan Mantri Surya Ghar Muft Bijali Yojana (PMSGMBY).

The rationale for the PMSGMBY is to promote renewable energy adoption, reduce electricity costs for households, and increase India's energy self-reliance. This is fully aligned with the rational of the MFF and Tranche 4 as SBI is aiming to use the proposed tranche 4 for financing subprojects under PMSGMBY. After launch of PMSGMBY, India has already crossed more than 6.6 million applications and solarized about 2.3 million households of 6.8-gigawatt (GW) capacity. Based on the successful performance of the previous tranche and high readiness due to strong projections under PMSGMBY scheme, SBI expressed interest in the fourth tranche.



Early Warning System Project Analysis

The ADB categorized the project risks as 'FI-C'.



Investment Description

- Asian Development Bank (ADB)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [National Bank for Agriculture and Rural Development \(NBARD\)](#) (Financial Intermediary)
- [Punjab National Bank \(PNB\)](#) (Financial Intermediary)
- [State Bank of India](#) (Financial Intermediary)



Private Actors Description

As stated by Bloomberg, the National Bank for Agriculture and Rural Development (NABARD) operates as a bank. The Bank offers institutional credit, direct finance, and other banking services for agriculture and rural development. NABARD serves communities in India.

State Bank of India provides a wide range of banking and financial services to corporate, institutional, commercial, agricultural, industrial and individual customers throughout India. The Bank also provides international banking to its Indian customers and has operations in other countries.

Punjab National Bank provides financial services such as corporate and personal banking, industrial finance, agricultural finance, financing of trade and international banking. The Company provides services to domestic conglomerates, medium and small industrial units, exporters, non-resident Indians and multinational companies.



Contact Information

ADB Team Leader:

Jigar Arvindbhai Bhatt
Email: jbhatt@adb.org

ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



Bank Documents

- Environmental and Social Management System



Other Related Projects

- ADB-49419-002 Solar Rooftop Investment Program - Tranche 1
- ADB-49419-001 Solar Rooftop Investment Program
- ADB-49419-003 Solar Rooftop Investment Program (Tranche 2)
- ADB-49419-004 Solar Rooftop Investment Program (Tranche 3)