

Solar industry welcomes RBI decision

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The RBI's decision to keep the repo rate unchanged has been welcomed not just by the real estate but also the solar industry, which said that the stability will not impact the cost of solar panels which in turn helps consumers. Mr Sunil Rathi, Director, Waaree Energies, said that significant positive changes were seen this year and the RBI's decision to keep the repo rate unchanged will help the solar industry, which is eyeing growth. "Any minor change in the repo rate would have created a further upheaval and confusion in the sector which could have been a deterrent to the sector's development. The liquidity and debt changes would have further made loans and borrowings tedious. We can now expect favourable investments from lenders and banks to continue the sustained aggression in the growth of the industry," he said. Industry experts said that an increase in the interest rate along with the likely change in the country's renewable energy landscape by the central government would have impeded the industry's growth. The central government in July announced a target of 1.75 lakh MW of renewable energy, including 1 lakh MW solar energy, by 2022. "The RBI decision is in line with the market expectation, considering stable inflation outlook. Given the current liquidity situation across banks and financial institutions, even a marginal increase in interest rate would have been very difficult to absorb by businesses," said Mr Nikunj Ghodawat, CFO, CleanMax Solar.