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India's REC to finance green H2 projects with \$6bn

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**Indian state-controlled financier of energy projects REC has
signed preliminary agreements worth 500bn Indian rupees (\$6bn)**

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hydrogen and ammonia project in July, with a [Rs40bn loan to Indian renewables developer Acme](#) for a site in Oman. REC separately also signed a preliminary deal with Acme for a loan that could go towards building green ammonia projects in the Indian states of Odisha and Tamil Nadu.

REC has received requests from state-owned refiners like HPCL, IOC, BPCL and MRPL to finance green hydrogen projects, Dewangan told *Argus*. India is [mulling mandates for use of green hydrogen in key sectors](#) that currently consume fossil fuel-based hydrogen, including oil refining. REC is also willing to provide financing to refiners as they prepare to switch to cleaner supply, Dewangan added.

Other project developers are looking to set up production facilities around port areas as they are eyeing exports to capitalise on demand from Europe and elsewhere, he said. REC has received proposals for financing green hydrogen and ammonia projects in the coastal states of Odisha, Andhra Pradesh, and Tamil Nadu.

The planned India–Middle East–Europe Economic Corridor (IMEC) — which was [announced at the recent G20 summit in New Delhi](#) — may

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said the company is open to financing "whatever [green hydrogen and green ammonia] projects come, without any fixed limit on the budget." The firm will also be open to infrastructure projects such as pipelines or storages, "if it is viable and the borrower can generate enough money to repay the loans," he said.

REC is also evaluating green hydrogen and ammonia projects in neighbouring countries like Bhutan, Nepal, Bangladesh, Myanmar, and Sri Lanka, Dewangan said, adding that the firm is "open to financing any company, be it Indian or multinational."

REC's Rs500bn for green hydrogen and ammonia projects is part of a larger package of 20 preliminary agreements for renewable energy projects worth a total Rs2.86 trillion. Besides Acme, renewables firms like Avaada, ReNew and Hero Future Energies are also due to receive funding from REC. REC uses instruments like corporate bonds, green bonds, foreign currency non-resident (FCNR) loans and term loans from banks to raise funds.

By Akansha Victor

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