

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

FINANCING NORMS AND SCHEMES

Dated: 19.11.2018

Sl. No.	Description	Summary
1.	Sectors Eligible for Loan Assistance	<ul style="list-style-type: none"> • Wind Energy • Hydro Power • Solar Energy • Biomass including Bagasse & Industrial Cogeneration • Biomass Power Generation • Waste to Energy • Energy Efficiency & Energy Conservation • Bio-fuel / Alternate Fuel including Ethanol & Bio -Diesel • Hybrid Projects with RE Technologies • New & Emerging Renewable Energy Technologies <ol style="list-style-type: none"> 1. IREDA also finance medium and large hydro projects (above 25 MW) under consortium/ co-finance mode only with other lenders 2. Biomass including Bagasse & Industrial Cogeneration <ol style="list-style-type: none"> (a) In case of project size up to 5.0 MW (except sugar industry), the minimum applicable boiler pressure will be 42 kg/ cm² (b) In case of project size above 5.0 MW (Both for Sugar and Non-Sugar Industry), the minimum applicable boiler pressure will be 63 Kg/cm². 3. Biomass Power Generation <ol style="list-style-type: none"> (a) IREDA shall finance not more than one independent Biomass Power Project excluding captive Biomass/ Bagasse based Co-generation, in a radius of 50 KM, whether funded by IREDA/other FIs/Banks. (b) For Biomass direct combustion power projects, IREDA's loan exposure may be limited upto 50% of project cost. 4. Bio-fuel / Alternate Fuel Including Ethanol & Bio- Diesel-In case of Fuel cells, IREDA loan is available for power/ vehicle applications only. 5. Waste to Energy-The loan exposure of IREDA would be limited upto 50% of the project cost 6. Grid Inter-connection Facility for RE Evacuation / Transmission /Distribution facility- IREDA shall extend term loan for 100% of eligible equipment cost limited to a maximum of 70% of total project cost.
2.	Types of Scheme	<ul style="list-style-type: none"> • Project Financing • Equipment Financing • Loans for Manufacturing • Financial Intermediaries • Financing of commissioned projects including takeover of Loans from other Banks / FIs. • Additional / Bridge Loan against SDF Loan • Loan against Securitization
3.	General Eligibility Conditions	<ul style="list-style-type: none"> • Private Sector Companies/ firms/LLPs • Central Public Sector Undertaking (CPSU)

		<ul style="list-style-type: none"> • State Utilities/ Discoms/ Transcos/ Gencos/ Corporations • Joint Sector Companies <p>Applicants, registered in India, falling under any of the above categories, with borrowing powers and powers to take up new and renewable energy and energy efficiency projects as per their Charter, are eligible to avail financial assistance from IREDA except for the following:</p> <ol style="list-style-type: none"> 1. Trusts, Societies, Individuals, Proprietary concerns and Partnership firms (other than Limited Liability Partnerships, LLPs). However, they can be considered for financing only if they provide Bank Guarantee / Pledge of FDR issued by Scheduled Commercial Banks as described in RBI Act for the entire loan. 2. Loss making applicants and / or, Applicants with accumulated losses (without taking in to account effect of revaluation of asset, if any) as per audited Annual Accounts of the immediate preceding financial year of operation. However, they can be considered for financing only if they provide security of Bank Guarantee / Pledge of Fixed Deposit Receipt (FDR) issued by Scheduled Commercial Bank as described in RBI Act for the entire loan. 3. Applicants who are in default in payment of dues to Financial Institutions, Banks, NBFCs and/or IREDA and their name is appearing in CIBIL reports, as defaulters. 4. Accounts classified as NPA with other Institutions/ at the time of applying. 5. Greenfield Projects involving second-hand equipment and machinery.
4.	Minimum Loan Amount	The minimum loan eligibility from IREDA will be Rs.50 Lakh unless specifically exempted under any scheme/ programme.
5.	Promoter, Contribution, Quantum of Loan	<ol style="list-style-type: none"> 1. Minimum Promoter Contribution, Quantum of loan & Maximum Debt Equity Ratio. <ol style="list-style-type: none"> (a) The quantum of loan from IREDA shall be normally upto 70% of the total project cost (b) Typically, the minimum promoter contribution shall be 30% of the project cost and the maximum Debt Equity Ratio (DER) shall not be more than 3:1 (c) However, in case of Solar & Wind Sector projects, IREDA may consider the minimum promoter contribution as 25% of project cost and may extend loan up to 75% of the project cost subject to meeting the following conditions: <ul style="list-style-type: none"> • In case of repeat borrowers of IREDA with an operational RE/EE project, should have a good track record w.r.t. repayment to the satisfaction of IREDA. • In case of new clients, the average Debt Service Coverage Ratio (DSCR) of the project should not be less than 1.3. 2. IREDA support to Cogeneration Projects <ol style="list-style-type: none"> (a) IREDA may consider sanctioning SDF supported Co-generation projects with a condition that minimum promoter contribution should be 25% of the project cost and term loan (IREDA/ Other Banks/FIs) including Bridge loan against SDF, should not exceed 75% of the project cost. (b) IREDA exposure to main loan may be limited upto 50% of the project cost either for normal cogeneration projects or for SDF supported cogeneration projects. In addition, IREDA may extend bridge loan against SDF, upto 50% of expected SDF loan sanction. (c) SDF loan may not be considered as part of promoter's contribution and may have to be considered as term loan as SDF is also seeking charge on Escrow including pari-passu charge on project assets. 3. IREDA support to Hydro Projects <ol style="list-style-type: none"> (a) For Greenfield large/medium Hydro including SHP projects, IREDA loan exposure may be limited upto 50% of the project cost. (b) For SHP projects upto 5 MW -may be considered upto 70% of the project

		<p>cost</p> <p>4. Eligibility-Promoters having experience in the field of Small Hydro Power with at least 1 operational Project.</p> <p>5. Additional Security of Minimum 10% FDR / BG of the loan amount.</p> <p>6. Terms and Conditions: Disbursement to be regulated as per the following</p> <table border="1"> <thead> <tr> <th>Promoters' Contribution (%)</th> <th>IREDA's Loan (%)</th> </tr> </thead> <tbody> <tr> <td>Upfront Equity/contribution of 70% of total contribution</td> <td>Upto 30%</td> </tr> <tr> <td>80%</td> <td>Upto 55%</td> </tr> <tr> <td>90%</td> <td>Upto 75%</td> </tr> <tr> <td>100%</td> <td>Upto 95%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> In case of Waste to Energy generation projects and Biomass direct combustion power projects, IREDA's loan exposure may be limited upto 50% of the project cost. For IREDA funded biomass projects, IREDA can finance biomass fuel processing machines upto 75% of equipment cost. IREDA can finance biomass gasification projects (>=1000 kWth) up to 75% of equipment cost. This loan is only available for captive use of thermal applications. 	Promoters' Contribution (%)	IREDA's Loan (%)	Upfront Equity/contribution of 70% of total contribution	Upto 30%	80%	Upto 55%	90%	Upto 75%	100%	Upto 95%					
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6.	Moratorium & Repayment Period	<ol style="list-style-type: none"> The repayment periods shall be maximum of 10 to 15 years (maximum 20 years in case of Hydro projects), depending on the project cash flows, DSCR of the project, PPA period etc., and it shall be after the construction & grace periods. In case of Syndication/Underwriting of projects, where IREDA is acting as the lead lender, the maximum door to door (Including construction & moratorium) repayment period of upto 20 years may be considered The grace periods shall be 6 months to 1 year from the date of COD of the project. In case of financial assistance under "Securitization of Future Cash Flows", the repayment periods including moratorium shall be maximum of 10 years, subject to the condition that repayment period shall not be more than balance life of PPA less 5 years. 															
7.	Credit Rating & Interest Rates	<p>IREDA conducts credit rating for all grid connected projects and provides grading in a band of 4 grades (I, II, III & IV) based on the risk assessment. The interest rates are linked with the grades. (w.e.f-19.11.2018).</p> <p>The current applicable interest rates are as given below:</p> <table border="1"> <thead> <tr> <th>S. No</th> <th>Borrower/Sector</th> <th>State Sector Borrowers/ CPSUs (Category 'A++') [AND] Identified CPSUs [AND] AAA rated Companies</th> <th>State Sector Borrowers/ CPSUs (Category 'A+')</th> <th>State Sector Borrowers/ CPSUs (Category 'A' & 'B') [AND] Central Sector Borrowers (Other than Identified CPSUs & AAA rated) - New category</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Renewable Energy Projects except Biomass and Waste to Energy projects</td> <td>9.80%</td> <td>9.95%</td> <td>10.20%</td> </tr> <tr> <td>2.</td> <td>Biomass and</td> <td>10.25%</td> <td>10.75%</td> <td>11.15%</td> </tr> </tbody> </table>	S. No	Borrower/Sector	State Sector Borrowers/ CPSUs (Category 'A++') [AND] Identified CPSUs [AND] AAA rated Companies	State Sector Borrowers/ CPSUs (Category 'A+')	State Sector Borrowers/ CPSUs (Category 'A' & 'B') [AND] Central Sector Borrowers (Other than Identified CPSUs & AAA rated) - New category	1.	Renewable Energy Projects except Biomass and Waste to Energy projects	9.80%	9.95%	10.20%	2.	Biomass and	10.25%	10.75%	11.15%
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		Waste to Energy (WTE) projects				
S. No	Borrower/Sector	Private Sector Borrower				
		GRADE I	GRADE II	GRADE III	GRADE IV	
	3.	Roof top Solar	9.80%	10.05%	10.35%	10.70%
	4.	Wind Energy, and Grid Connected Solar PV	9.80%	10.15%	10.50%	10.95%
	5.	Co-generation, Hydro and CSP, Energy Efficiency , Energy Conservation & Solar Thermal /Solar PV Off-Grid, Biomass Power and other sector	10.25%	10.75%	11.15%	11.45%
	6.	Manufacturing (All sectors)	Existing units – 10.80 %		Green Field – 11.00%	
	7.	LoC for Refinance	Cost of domestic borrowing + 1% to 2% spread			
			<ol style="list-style-type: none"> The above interest rates along with conditions will be effective in case of All New Sanction and loan accounts whose first disbursement date is on or after 19-11-2018. The above interest rates along with conditions will be effective also on all loan accounts from their next reset of interest date on or after 19-11-2018. Reduction in interest rates over and above the applicable interest rates by 20 bps, 15 bps and 10 bps for Grade –I, Grade- II and Grade-III of external grading's respectively. (Irrespective of IREDA's internal grading) Except for State sector borrower / CPSUs. The prompt payment rebate of 0.15% across all sectors is withdrawn w.e.f. 01-04-2017 in case of all new loan agreements signed on or after 01.04.2017. The said rebate of 0.15%, however, shall continue in the existing loan agreements signed before 01.04.2017 till the next reset date. Reduction in Interest rate over and above the applicable interest rates by 25 bps for Repowering of wind energy projects. Additional Interest @ 0.50% over and above the applicable rate of interest shall be charged till the date of commissioning of the project other than Wind and Solar sector. No additional interest during construction for (i) "Schedule- A, 'AAA' rated PSUs (ii) State Sector Borrowers who are engaged in power sector and have successfully implemented not less than 200 MW of hydroelectric projects and implementing Hydro sector projects. In case of projects sanctioned on or after 19.11.2018, the interest rate shall be subjected to reset on commissioning of the project or 1 year from the Date of first disbursement, whichever is earlier and thereafter every 1 year. In case of loans sanctioned for manufacturing facilities, no additional interest during the construction period shall be charged. 			
8.	Rebate in Interest Rate	<p>In the event of Borrower furnishing security of Bank Guarantee/ pledge of FDRs from scheduled commercial banks as described in RBI Act, or Unconditional/ Irrevocable guarantee from All India Public Financial Institutions with "AAA" or equivalent rating - equivalent to the amount sanctioned by IREDA, the following shall apply –</p> <ul style="list-style-type: none"> For projects covered under CRRS: Interest rate charged will be as applicable for Grade I borrowers. For Projects not covered under CRRS: 1% rebate in applicable interest rates. 				

		<p>Exclusions (Rebate in Interest Rates)</p> <ul style="list-style-type: none"> • BG/ FDR provided against debt service reserve money (DSRM) as per requirement of Trust & Retention Account (TRA) • BG / FDR provided towards collateral security/ Loan against promoter's contribution.
9..	Applicable Interest in case of default in payment	<ol style="list-style-type: none"> 1. In case any borrower defaults in payment of principal and /or interest and is classified as NPA in terms of IREDA's accounting policy and was assigned grade better than Grade-IV at the time of sanction, the rate of interest to be charged for such loans would be applicable interest rate for "Grade –IV" of the sector at the time of default or applicable rate of interest for the project at the time of sanction/ reset whichever is higher. 2. The higher interest rate will be charged till the loan gets upgraded to standard category.
10.	Reset	<ol style="list-style-type: none"> 1. The rate of interest prevailing at the time of each disbursement shall be applicable, corresponding to the CRRS rated grade at the time of sanction. The interest rate shall be subject to reset on commissioning of the project or 2 years from the date of first disbursement, whichever is earlier and thereafter every 2 years. In case of projects commissioned prior to first disbursement, the first reset will be 2 years from the date of first disbursement. 2. In case of projects sanctioned on or after 19.11.2018, the interest rate shall be subjected to reset on commissioning of the project or 1 year from the date of first disbursement, whichever is earlier and thereafter every 1 year. In case projects commissioned prior to first disbursement, the first reset will be 1 year from the date of first disbursement. Loans for which sanction letter has been issued, borrower may be given the option to opt for interest reset of 1 year. 3. Projects not covered under CRRS rating will also have interest rates prevailing at the time of each disbursement apart from Reset guidelines as mentioned above. 4. Reset periods are subject to change.
11.	Special Efforts and Concession	<p>Entrepreneurs belonging to SC/ST, Women, Ex-Servicemen and Handicapped Categories (applicable only for projects involving project cost up to Rs.75 lakhs)</p> <ul style="list-style-type: none"> • Rebate of 0.5% p.a. in interest rate • Exemption from payment of the following: - <ul style="list-style-type: none"> ➤ Registration Fee ➤ Documentation Charges ➤ Front End Fee ➤ Inspection charges ➤ Expenditure on Nominee Directors • Concession of 5% in promoters' contribution <p>Special efforts & concessions for entrepreneurs setting up Projects in North Eastern States, Sikkim, Islands, Estuaries and Jammu & Kashmir</p> <ul style="list-style-type: none"> • Rebate of 0.5% p.a. in interest rate • 50% Exemption from payment of the following: - <ul style="list-style-type: none"> ➤ Registration Fee ➤ Documentation Charges ➤ Front-end fee ➤ Inspection Charges ➤ Legal Charges (other than incurred for Recovery) ➤ Expenditure incurred on Nominee Director (s)
12.	Policy on Pre-	Pre-payment of loan in full/part is permissible subject to prior written notice of

<p>Payment</p>	<p>minimum 30 days and payment of the pre-payment premium by the borrower. The basis of calculating the pre-payment premium shall be as under:</p> <p><u>I Pre-closing the loan</u></p> <p>(a) When the interest rate is not reset during the loan period</p> <p>(b) The stream of cash flows for the pre-payment period has to be worked out based on the document rate and current lending rate for the sector, for the period</p> <p>(c) The differential Interest (disbursement rate less the current lending rate applicable to the borrower) cash flows are discounted on daily basis by taking the prevailing Present Lending Rate as discount factor</p> <p>(d) The Pre-payment Premium as calculated in (b) above, shall be charged subject to minimum premium amount of 2% of the loan outstanding.</p> <p>Exclusions:</p> <ul style="list-style-type: none"> • The above shall not be applicable in case the loan is pre-closed partly/ fully out of capital subsidy / grant. • The above is not applicable in respect of projects where the loan agreement provides for specific pre-payment conditions. <p><u>II In case borrower continues loan with reduced rate of interest i.e., current lending rate for sector</u></p> <p>(a) Calculate the premium as per the procedure mentioned at I (a) and I (b) above.</p> <p>(b) 50% of the Premium as calculated in II (a) above shall be charged.</p> <p>(c) The conversion of rate of interest to present lending rate may be permitted more number of times during the tenure of the loan subject to compliance of condition in II (b) above.</p> <p><u>III If a borrower pre-closes the loan after availing the facility of conversion of interest to present lending rate</u></p> <p>In this case borrower has to pay premium being the difference between the original documented rate and the present lending rate at the time of pre-closure (the premium payable shall be as per para 'I' above). The premium paid, as indicated in para – II (b) above shall, however, be adjusted out of the premium so worked out.</p> <p><u>IV Prepayment at the time of reset (including reset on COD):</u></p> <p>The prepayment premium may not be charged for prepayment amount upto 25% of loan outstanding or Rs. 50 Crs, whichever is less, made within 30 days of reset date and to charge prepayment premium on balance loan outstanding, as per prevailing guidelines.</p> <p>In case of partial prepayment, the balance loan period for the balance loan will be modified/ reduced accordingly.</p> <p>However, no pre- payment charges shall be payable if the pre-payment is effected in any of the following events:</p> <p>(a) At the instance of the Lender(s);</p> <p>(b) From the surplus cash accruals generated by the project upto 10% of Loan outstanding.</p> <p>(c) If the pre-payment is due to cash sweep of the project</p> <p>(d) Repayment by the borrower in the above cases, should be within 30 days from the interest reset date after giving prior written notice of at least 30 days to IREDA.</p> <p><u>V Partial pre-payment</u></p> <ul style="list-style-type: none"> • If a borrower makes any partial pre-payment of loan during the pendency of the loan period over and above the normal repayment of the installment, the said pre-payment shall not attract any prepayment charges subject to: • Over and above 10% if a borrower opts to pre-close the balance loan outstanding in one lump sum at any point of time subsequent to the partial
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		prepayment, it shall be liable to pay the prepayment premium.														
13.	Charges for Liquidated Damages	<ol style="list-style-type: none"> In case of default in payment of installments of principal, interest and all other monies (except liquidated damages) on due dates, liquidated damages, at the rate of 2.50% p.a. over and above the applicable rate of interest for the projects shall be payable. The additional interest by way of liquidated damages for non-payment of interest and repayment of principal is calculated on daily basis. 														
14.	Schedule of Fees	<p><u>Registration Fee</u></p> <table border="1"> <thead> <tr> <th>Loan applied</th> <th>Registration Fee per application</th> </tr> </thead> <tbody> <tr> <td>Upto Rs.10 Cr.</td> <td>Rs.25,000/- plus applicable taxes, if any</td> </tr> <tr> <td>Above Rs.10 Cr. & up to 70 Cr.</td> <td>Rs.50,000/- plus applicable taxes, if any</td> </tr> <tr> <td>Above Rs.70 Cr.</td> <td>Rs.1,00,000/- plus applicable taxes, if any</td> </tr> </tbody> </table> <p><u>Front-end Fee</u> Processing fee of 0.1% of loan sanction amount and Sanction letter fee of 25% of applicable front end fee as per earlier financing norms is withdrawn w.e.f 19.11.2018. Further, w.e.f., 19.11.2018, the below mentioned front end fee structure will be applicable.</p> <table border="1"> <thead> <tr> <th>Loan slab</th> <th>Front-End- Fee (% of loan amount)</th> </tr> </thead> <tbody> <tr> <td>Upto Rs 100 Cr.</td> <td>1% of loan amount</td> </tr> <tr> <td>Above Rs 100 Cr.</td> <td>For loans above Rs. 100 Cr.: 1% of First Rs. 100 Cr. plus 0.25% for the balance loan amount above Rs. 100 Cr.</td> </tr> </tbody> </table> <p>(a) The 50% of the applicable “Front End Fee” shall be paid within 3 months from the date of issue of sanction letter otherwise sanction letter be cancelled and remaining, 6 months from the date of issue of sanction letter.</p> <p>(b) 20% rebate on front end fee payment shall be applicable, if Loan Agreement is signed within 60 days from the date of IREDA sanction letter.</p> <p>(c) Applicable front-end fee for take over loans shall be 50% of the applicable front end fee. The applicability of 20% rebate in front end fee as mentioned above, will not be available for takeover loans.</p> <p>(d) In case of State Nodal Agencies/ State PSUs/ State Governments, the rate of front-end-fee will be 0.5% irrespective of loan slab.</p> <p><u>Documentation Charges:</u> Acceptance and Creation of mortgage either by way of 1st Charge or 2nd Charge or Pari-passu charge. For Loan Amounts:</p> <ul style="list-style-type: none"> Upto Rs. 20 Cr : Rs. 1 Lac plus applicable taxes Above Rs. 20 Cr : Rs. 3 Lac plus applicable taxes <p><u>Reschedulement Fee</u> IREDA normally does not allow rescheduling of installment(s) of loan as incorporated in the Loan Agreement. The reschedulement fee will be linked with loan o/s in including FITL, if any, as per the following:</p> <ul style="list-style-type: none"> Upto Rs. 20 Cr : Rs. 1 Lac plus applicable taxes Above Rs. 20 Cr : Rs. 3 Lac plus applicable taxes <p><u>NOC Fee for sharing existing charge on assets</u> IREDA would charge a lump sum fee of Rs. 1.5 lakh plus service tax & education cess as applicable for issuing NOC for existing charge on assets.</p>	Loan applied	Registration Fee per application	Upto Rs.10 Cr.	Rs.25,000/- plus applicable taxes, if any	Above Rs.10 Cr. & up to 70 Cr.	Rs.50,000/- plus applicable taxes, if any	Above Rs.70 Cr.	Rs.1,00,000/- plus applicable taxes, if any	Loan slab	Front-End- Fee (% of loan amount)	Upto Rs 100 Cr.	1% of loan amount	Above Rs 100 Cr.	For loans above Rs. 100 Cr.: 1% of First Rs. 100 Cr. plus 0.25% for the balance loan amount above Rs. 100 Cr.
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Fee for sharing of Appraisal

The fee for sharing of appraisal will be linked with loan o/s including FITL, as per the following:

- Upto Rs. 20 Cr : Rs. 1 Lac plus applicable taxes
- Above Rs. 20 Cr : Rs. 3 Lac plus applicable taxes

NoC Fee for Merger/ Amalgamation/ Foreign Participation etc

IREDA would charge fee as 0.1% of the loan o/s including FITL (Highest loan o/s including FITL during last 1 yr. to be considered) for issuance of NOC towards merger/amalgamation/foreign participation etc.

NoC Fee for Change in Management, Change of Shareholding pattern

IREDA would charge fee of Rs. 5 Lac, plus applicable taxes, for issuance of NOC towards change in management, change in shareholding pattern for more than 50%. The fee is not applicable if the change of management/ shareholding is on behalf of IREDA or due to Rehabilitation/ Revival of Stressed Projects.

Re Rating Fee

Re-rating of the project will be carried out by IREDA on its own on interest reset dates subsequent to COD (including reset on COD), by charging applicable fee of Rs. 1 Lac, plus applicable service tax & education cess. At any other time, the borrower will have the option to get the project re-rated by paying applicable fee of Rs. 5 Lakhs plus applicable taxes.

Underwriting Fee

- Soft Underwriting: -0.75% of the underwritten amount (Including 0.25% Front End Fee) plus applicable taxes
- Hard Underwriting: -1% of the underwritten amount (Including 0.25% Front End Fee) plus applicable taxes.

Guarantee Fee

To be paid upfront@ 1% p.a. plus applicable taxes, under "Guarantee Assistance Scheme to RE Suppliers/ Manufacturers / EPC Contractors.

Lead Fee

Consortium Loan Slab	Lead Fee (% of Loan Amount)
Upto Rs. 200 Cr.	0.20% of the total loan amount
Above Rs. 200 Cr.	0.20% for first Rs. 200 cr plus 0.15% for the balance loan (Subject to minimum of Rs. 40 Lakhs and maximum of Rs. 60 Lakhs)

Fee under "Credit Enhancement Guarantee Scheme" for raising Bonds towards Renewable Energy Projects (Solar / Wind)

- The guarantee fee to be charged by IREDA shall be in the range of 1.80% - 2.90% p.a. of its exposure
- Apart from above Guarantee fee, applicant shall be liable to pay processing fee of 0.10% of the IREDA's exposure of Guarantee.

Fee for Issue of Letter of Comfort (LoC)/Letter of Undertaking (LUT) for opening of Letter of Credit (LC)

LoC Type	Applicable Fee
For Short Term LoC (upto 1 year)	0.50% (i.e. the Minimum applicable fee)

		For Long Term LoC (beyond 1 year period and maximum upto 3 years)	Depending upon CRRS rating of the project: Grade I – 0.65 % p.a. Grade II – 0.80 % p.a. Grade III – 1.0 % p.a. Grade IV – 1.25 % p.a.
15.	Norms under Consortium/Co-Financing	For this purpose IREDA's lending can be aligned with terms and conditions proposed by lead FI/ Banks/Underwriters/ Syndicators.	
New Fund and Non Fund based Financing Schemes			
16.	Line of Credit to Non-Banking Financial Companies (NBFCs) for on-lending to RE/ EEC Projects	<p><u>Eligibility:</u></p> <ul style="list-style-type: none"> • NBFCs/ State Govt. Financial institutions & corporations. The NBFCs should have atleast "AA+" rating and in case of private sector financial institutions/companies, they should also have valid registration with RBI. • It should have disbursed loans not less than Rs. 20 Cr for Renewable Energy sector in the last financial year. • Capital Adequacy Ratio (CAR)-RBI Norms • Gross NPA should not normally exceed 5% of entire portfolio. • The existing Debt Equity Ratio of NBFC should not be more than 5:1. <p><u>Interest Rate:</u> The interest rates vary from time to time. In case of Govt. NBFC's/FIs, a rebate of 0.50% p.a. is applicable</p> <ul style="list-style-type: none"> ➤ Repayment Period : 10 years + 1 year moratorium ➤ Fund utilization period: 3 years from date of Loan Agreement. ➤ Mode of Disbursement : On Reimbursement Mode ➤ Annual Commitment Fee: 0.1% p.a. upfront on outstanding amount. <p><u>Security Conditions:</u></p> <p>Line of Credit from IREDA would be secured by a Charge (exclusive/first pari passu charge) as may be required, on the book debts of the NBFC upto 100% of the IREDA Loan outstanding including dues, at all times during the currency of the IREDA loan (OR) Any other securities as per the financing norms of IREDA. For Scheduled commercial Banks, the above condition i.e. Charge on the Book Debts, may be exempted.</p>	
17.	Short term loan assistance to RE Developers /Suppliers/ Contractors	<p><u>Eligibility:</u> As per Financing Norms of IREDA</p> <ul style="list-style-type: none"> ➤ Interest Rate: Highest int. rate of the sector + 0.50% p.a. ➤ Quantum of Loan: As per financing norms of IREDA. ➤ Repayment Period: To be repaid within maximum period of 3-5 years from the date of 1st disbursement. <p><u>Securities:</u></p> <p>First/ Pari passu charge on the movable and immovable assets of projects (OR) In case of 2nd charge, one or more additional securities such as pledge of shares, mortgage of collateral property, corporate, personal Guarantees, Charge on revenue streams etc to the satisfaction of IREDA.</p>	

18.	Bridge loan assistance to RE Promoters/ Developers against Capital Subsidies/VGF available under various State/Central Govt. Schemes	<p>Eligibility:</p> <ul style="list-style-type: none"> As per financing norms of IREDA The applicants should submit unconditional letter of approval/comfort from concerned authorities for sanction/release of capital subsidies/VGF for the project under consideration. <p>Interest Rate: Applicable interest rate for the project + 1% p.a. (on bridge loan portion only).</p> <p>Repayment Period: As per government schemes/guidelines of sanction order.</p> <p>Securities: First/ Pari passu charge on the movable and immovable assets of project (OR) In case of 2nd charge, one or more additional securities such as pledge of shares, mortgage of collateral property, corporate, personal Guarantees etc. to the satisfaction of IREDA.</p>				
19.	Underwriting of Debt/Loan Syndication	<p>Eligibility: As per financing norms of IREDA</p> <p>Extent of Exposure: It will be upto total debt requirement of the project subject to meeting exposure norms of IREDA. IREDA may prescribe a hold portion of loan commitment i.e. loan commitment of IREDA which IREDA intends to take on its own books of account. Remaining portion will be down sold to other banks/FIs.</p> <p>Interest Rate: As per financing norms of IREDA</p> <p>Debt Equity ratio of the project: As per IREDA financing norms</p> <p>Underwriting Fee: Soft Underwriting Fee: 0.75% of the underwritten amount (Including 0.25% Front End Fee) plus applicable taxes Hard Underwriting Fee: 1% of the underwritten amount (Including 0.25% Front End Fee) plus applicable taxes.</p> <p>Security: As per financing norms of IREDA.</p>				
20.	Guarantee Assistance Scheme to RE Suppliers/ Manufacturers / EPC Contractors	<p>Eligible Entities: Suppliers/Manufacturers/EPC Contractors having established track record of successful implementation of RE projects of not less than 50 MW capacity in India.</p> <p>Extent of Guarantee: To cover tender bid security and or/advance payment received against the contract to execute the RE Project.</p> <p>Guarantee Fee: To be paid upfront@ 1% p.a. plus applicable taxes</p> <p>Interest charges: In the eventuality of guarantee being invoked, highest Interest rate of that sector + 1% along with 2.50% LD Charges will be charged on amount outstanding, in addition to guarantee fee.</p> <p>Securities : First/ Pari passu charge on the movable and immovable assets of project (OR) In case of 2nd charge, one or more additional securities such as pledge of shares, mortgage of Collateral security, corporate, personal Guarantees, charge on revenue streams, 3rd party Guarantee etc to the satisfaction of IREDA.</p>				
21.	IREDA to take up the role of lead FI under Consortium/ Syndicated Loans/ Multi banking arrangements by charging Lead Fee	<p>Fees Structure: IREDA to take up the role of lead FI under Consortium/Syndicated Loans/Multi banking arrangements by charging the below mentioned Lead Fee, apart from the other applicable fees as per the guidelines.</p> <table border="1" data-bbox="526 1843 1453 1948"> <thead> <tr> <th data-bbox="526 1843 992 1898">Consortium Loan Slab</th> <th data-bbox="992 1843 1453 1898">Lead Fee (% of Loan Amount)</th> </tr> </thead> <tbody> <tr> <td data-bbox="526 1898 992 1948">Upto Rs. 200 Cr.</td> <td data-bbox="992 1898 1453 1948">0.20% of the total loan amount</td> </tr> </tbody> </table>	Consortium Loan Slab	Lead Fee (% of Loan Amount)	Upto Rs. 200 Cr.	0.20% of the total loan amount
Consortium Loan Slab	Lead Fee (% of Loan Amount)					
Upto Rs. 200 Cr.	0.20% of the total loan amount					

		Above Rs. 200 Cr.	0.20% for first Rs. 200 cr plus 0.15% for the balance loan (Subject to minimum of Rs. 40 Lakhs and maximum of Rs. 60 Lakhs)
22.	Direct Discounting of MNRE Capital Subsidy payable to Accredited Channel Partners and State Nodal Agencies (SNA) for installation of Solar Water Heating Systems	<p><u>Eligibility for Discounting of MNRE Capital Subsidy Claims:</u> MNRE Accredited Channel Partners, State Nodal Agencies (SNA) and other stakeholders as approved by MNRE, who have already submitted a valid claim of Capital Subsidy at IREDA, which is pending for release of payment on account of non- availability of funds, will be eligible under the scheme. The eligibility status is to be verified by the concerned group dealing with Capital subsidy claim at IREDA.</p> <p><u>Extent of Assistance:</u></p> <ul style="list-style-type: none"> Up to 80% of the existing pending eligible capital subsidy claim, as verified by the IREDA Minimum loan assistance – Rs. 20 Lakhs <p><u>Determination of Loan Amount:</u> Based on verification by IREDA</p> <p><u>Interest Rate:</u> 0.90% p.m. (10.80% p.a) to be adjusted from the subsidy receipts from MNRE against the claim. Shortfall, if any, will be payable by the borrower on demand.</p> <p><u>Repayment:</u> Loan amount to be recovered out of capital subsidy received / to be received from MNRE. Shortfall, if any, will be recovered from the borrower, which will be payable on demand.</p> <p><u>Security:</u> Charge on capital subsidy receivables from MNRE.</p> <p><u>Special Condition</u></p> <ul style="list-style-type: none"> The amount of loan assistance/ Bill Discounting Shall be within the unutilized funds of Government Budget/MNRE Scheme for installations of Solar Water Heating Systems (SWHS). In case it is felt that the recovery/payment of subsidy amount against which loan assistance has been provided is doubtful, borrower will be liable to pay on demand entire such amount including interest and other charges to IREDA. IREDA will also have the option to adjust its dues against any other claim of the borrower being handled by IREDA in case of any shortfall. 	
23.	Direct Discounting of GBI Claims Payable to Renewable Energy Developers under MNRE Scheme for Generation Based Incentive (GBI) for grid interactive Wind and Solar power projects	<p><u>Eligibility for Discounting of GBI Claims:</u> RE developers who have already submitted a valid GBI claim under GBI Scheme at IREDA, which is processed and pending for release of payment on account of non-availability of funds, will be eligible under this scheme.</p> <p><u>Extent of Assistance:</u></p> <ul style="list-style-type: none"> Up to 80% of the existing pending eligible GBI claim, as verified by the IREDA GBI group. Minimum loan assistance – Rs.20 Lakhs. <p><u>Determination of Loan Amount:</u> Based on verification by IREDA regarding pending eligible GBI claim of the applicant in line with existing GBI policy.</p> <p><u>Interest Rate:</u> 0.90% p.m. (10.80% pa) to be adjusted from the GBI receipts from MNRE against the claim. Shortfall, if any, will be payable by the borrower on demand.</p> <p><u>Repayment:</u> Loan amount to be recovered out of GBI proceeds received / to be received from MNRE. Shortfall, if any, will be recovered from the borrower, which will be payable on demand.</p> <p><u>Security:</u> Charge on GBI receivables from MNRE.</p> <p><u>Special Condition</u></p> <ul style="list-style-type: none"> The amount of loan assistance/ Bill Discounting Shall be within the unutilized 	

		<p>funds of Government Budget/MNRE Scheme for installations of Solar Water Heating Systems (SWHS).</p> <ul style="list-style-type: none"> In case it is felt that the recovery/payment of subsidy amount against which loan assistance has been provided is doubtful, borrower will be liable to pay on demand entire such amount including interest and other charges to IREDA. <p>IREDA will also have the option to adjust its dues against any other claim of the borrower being handled by IREDA in case of any shortfall.</p>
I.	LOAN SCHEME FOR FINANCING ROOFTOP SOLAR PV GRID CONNECTED/ INTERACTIVE POWER PROJECTS (INDUSTRIAL, COMMERCIAL AND INSTITUTIONAL)	
24.	Eligible Projects for Assistance	<ol style="list-style-type: none"> Scheme is available for all Grid connected/interactive Solar PV projects located on Rooftops. Applications can be submitted under Aggregator Category and Direct Category. Aggregator Category: <ol style="list-style-type: none"> Application can include either single project or aggregate multiple projects. Minimum project capacity to be submitted shall be at least 1000 kWp. Minimum capacity of sub projects under this mode shall not be less than 20 kWp. Direct Category: <ol style="list-style-type: none"> Applicants shall include projects from single roof owners only. Minimum project capacity to be submitted shall be at least 1000 kWp. General Applicant Eligibility norms: IREDA "Financing Norms and Schemes.
25.	Application documentation	<ol style="list-style-type: none"> Applicants shall be required to submit loan application forms along with all attachments of required documents as per detailed checklist. Application forms and checklist is available at IREDA website. Applicants shall be required to submit external credit rating under Rooftop Grading System from empaneled credit Rating agencies of IREDA. In case of multiple owner roofs, the same should be normally located within the geographical boundary of State/Discom (Single contiguous roofs are generally encouraged/ preferred). However, in the following circumstances, Project locations beyond single State/Discom boundary, may be allowed subject to meeting following conditions. If the Loan application/Proposals is under PPAs with Govt. /Govt. owned institutions. In case of Loan applications/Proposals with Private PPAs, having minimum lock in period/tenure of 10 years, wherein the concerned PPA parties shall assign such PPAs including the payment security/termination payments, to IREDA. All Projects shall be required to comply with minimum technical standards as per MNRE /CEA guidelines for rooftop solar/distributed generation "CEA (Technical Standards for Connectivity of the Distributed Generation Resources) Regulations 2013 Applicants shall follow following general guidelines for Rooftop lease, Private PPA agreements <ol style="list-style-type: none"> Submit copy of legal document establishing roof ownership rights. Provision in Private PPAs for Payment security mechanism (i.e. BG/revolving LC for 2 billing cycles) assignable to IREDA. Provision in Roof lease for No termination clause during the currency of IREDA's loan except under force majeure/performance. Under third party PPA, applicant/ roof owner shall ensure that off-taker shall more than 80% of sanctioned load demand and is profitable Profit & Loss accounts for last 2 financial years.
26.	Credit Rating,	IREDA shall conduct credit rating for all grid connected projects and provides grading

	Interest Rates etc.	<p>in a band of 4 grades (I, II, III & IV) based on the risk assessment. The interest rates are linked with the grades.</p> <ol style="list-style-type: none"> 1. The current interest rates applicable would be as prevailing interest rates matrix. 2. Special discounted interest rate (with a discount of 15 bps) for all solar rooftop PV projects being set up on government/PSU buildings. 3. External Credit Rating 4. Maximum repayment period for the loan shall be up to 10 years (PPA with Govt./Govt/ owned institutions it is extended upto 10 to 15 yrs), with the moratorium period of 12 months from the date of COD of the project. 5. The maximum construction period shall be 12 months from first disbursement. 6. Quantum of loan from IREDA shall be 70% of the project cost with minimum promoter's contribution of 30%. However, IREDA may extend loan upto 75% of the project cost on the basis of the creditworthiness of the promoter, track record, project parameters etc. as per the Financing Norms and Operational Guidelines of Rooftop Scheme. 7. If the Borrower opts for providing Bank Guarantee, IREDA shall provide margin money for procuring the above BG. The eligible portion of margin money for funding shall be maximum 20% of the BG amount and the same shall be considered as a part of project cost.
27.	Other Norms	<ol style="list-style-type: none"> 1. Project Monitoring & Provision of Lender's Engineer IREDA shall engage lender's engineer from IREDA's empaneled list of Lender Engineers for monitoring and quality assurance, safety issues in project construction and operational monitoring. 2. Captive Power Generation of roof owner System aggregator and roof Owners shall enter into roof lease and O&M agreement for guaranteed solar generation. Direct applicants shall be required to submit O&M agreement for loan tenor or performance guarantee if self. 3. Sale to Grid under Net Metering /PPA Roof Owners enter into agreement with Discom and aggregator as per Net metering policy. 4. Sale to Grid under Gross Metering PPA Aggregator enters into agreement with Discom/third party and roof owner under Applicable solar Policy. 5. Distribution licensee/ Govt. / Semi Government bodies provides appropriate funds. 6. The DISCOM/Government/Semi Government bodies may appoint Aggregator to implement the Solar Facilities on its behalf for implementing projects. 7. Other revenue models shall also be considered depending upon viability 8. Following Project ownership Models shall be considered for the projects. <ol style="list-style-type: none"> (a) Rooftops under the project are owned by single party (b) Rooftops and Projects owned by multiple parties (c) Applicant shall be required to submit structure load bearing capacity, seismic load safety and wind load safety reports for highest wind speeds in the region for all sub projects from Structural expert/engineer/Civil engineer empaneled with local Government authority/Town Planning authority/Municipal Corporation. (d) Regular Disbursement on pro rata basis shall be done as per the physical and financial progress of the project.
28.	Security Creation	<ol style="list-style-type: none"> 1. Company shall provide exclusive charge on plant & machinery by way of hypothecation of movable assets of the project along with the NOC for project installation/operation for solar rooftop PV Power plants for IREDA's loan tenor from premises owner. 2. For projects being set up on government buildings, IREDA shall explore for

		<p>obtaining substitution rights for lease hold rooftops.</p> <ol style="list-style-type: none"> 3. Company shall provide an undertaking that roof lease rights shall be assigned to IREDA by way of undertaking to that effect. 4. Company shall provide the collateral security i.e. mortgage of immovable non-agricultural properties in urban or rural areas (excluding waste/barren lands) (minimum 10%-20% of loan amount) and/or Bank Guarantee/FD depending upon the viability of the project and credit worthiness of the Company. 5. Apart from above, IREDA shall also explore possibility of taking other securities such as personal and/or corporate guarantees etc.
II.	Bill Discounting Scheme of Energy Bills for IREDA Borrowers	
29.	Purpose	The credit under the bill discounting scheme is available to all IREDA borrowers (sole I consortium lending) who are selling Energy to state DISCOMS/SECI/NVVN etc.
30.	Mechanism	<ol style="list-style-type: none"> 1. Many of the RE project developers are exporting energy generated from their projects to the state Utilities and Energy bills/ invoices are raised by them against the number of units exported on monthly basis. 2. The Utilities are liable to make payment against the eligible billed amount within stipulated time frame. 3. However, it is observed that there has been inordinate delay in receipt of payment against Energy bills which is also impacting the debt servicing obligation of the borrowers. 4. In view of the same, it is proposed to provide bill discounting facility for the Energy bills of IREDA borrowers which are pending for payment with Utilities for upto 6 months. However, IREDA may like to take the track record of Utility into consideration while providing the facility.
31.	Eligibility Criteria	<ol style="list-style-type: none"> 1. The applicant should be existing Client/borrower of IREDA (Sole/co-financing/consortium financing) 2. The borrowers should not be declared NPA by IREDA/any of the lenders in the Consortium/ Co - financing arrangement. 3. The discounted amount will be utilized only for clearance of dues of Term Lenders of the project/ project within the Group and also Working Capital lenders overdue, if any on prorata basis, in terms of financing documents.
32.	Extent of Assistance	<ol style="list-style-type: none"> 1. Upto 75% of the invoice value pending for maximum 6 months from the date of application subject to a maximum bill discounting facility of Rs.20 crore. 2. The minimum amount of transaction covering a set of bills shall not be less than Rs. 1 Crore.
33.	Procedure	<ol style="list-style-type: none"> 1. The applicant will approach IREDA with the bills to be discounted in terms of eligibility criteria. 2. The applicant will provide the original acknowledgement of the receipt of bills to be discounted, by the respective UTILITIES. 3. The borrower will also undertake that the proceeds from the discounted bills will be remitted in the designated TRA Account only and shall be appropriated towards loan against bills discounted on first priority basis. 4. IREDA will discount the bills and lend the eligible amount to the Client/borrower.
34.	Tenure	Terminal date of repayment will be 12 months from disbursement date. The borrower/promoter will undertake to remit the amount from their own sources in case the same is not realized from the utilities within the terminal date.
35.	Interest Rate	<ol style="list-style-type: none"> 1. Prevailing highest interest rate for the Sector + 50 basis point. 2. To be notified from time to time by the Interest Rate Fixing Committee.
36.	Processing Fees	0.25% of the sanctioned loan amount. (Front end fee)

37.	Security	<ol style="list-style-type: none"> 1. IREDA will have first right on payments to be received from Utilities against the discounted bills. 2. NOC will be obtained from the co-lenders in case of co-financed projects. 3. Post Dated Cheques (PDCs) for amount of respective bills being discounted 4. Personal/Corporate Guarantees 5. IREDA charge on the project security shall continue till the time bill discounting facility is fully closed. 6. Any other security as may be deemed appropriate at the time of sanction of the facility.
38.	Repayment	<ol style="list-style-type: none"> 1. The terminal date for repayment will be 12 months from the date of disbursement and thereafter the promoters / borrowers have to make payment of pending dues, if any, from their own sources. 2. In case the outstanding loan against the facility extended is not paid by the borrower, the same shall be classified as Non- Performing Assets.
39.	Documentation	<ol style="list-style-type: none"> 1. Bill Discounting Agreement 2. Promisery Note 3. Endorsement of bills being discounted by the borrower by a way of a letter/undertaking. 4. Any other document and/or condition, as per requirement
III.	“Credit Enhancement Guarantee Scheme” for raising Bonds towards Renewable Energy Projects (Solar / Wind)	
40.	Title	“IREDA - Credit Enhancement Guarantee Scheme” for raising Bonds by project developers / promoters against commissioned and operationally viable Renewable Energy Projects. It is a non-fund partial credit guarantee instrument.
41.	Objective	<ol style="list-style-type: none"> 1. To enhance the credit rating of the bonds, thereby improving the marketability and liquidity. 2. To attract investment of low cost and long tenure of funds in RE through credit enhancement of project bonds issued by project sponsors. 3. It will help the project developers to raise funds at a cheaper stable rate from the bond market and in turn help in development of bond market for RE projects in India.
42.	Eligibility Criteria	<ol style="list-style-type: none"> 1. The RE project should have atleast 1-year operational history after COD, as on the date of request for extension of Guarantee for Credit Enhancement. 2. Commercially viable Grid connected Renewable Energy projects (Solar/ Wind), the projects should have minimum average DSCR of 1.2. 3. The minimum issue size of the proposed bonds should not be less than Rs. 100 Cr. to be eligible under the scheme. 4. The minimum stand-alone credit rating (external) of the RE project / proposed Bond structure to be credit enhanced should be at least “BBB”, such rating should currently be valid. 5. The promoters of the project should not be on the defaulters list of Reserve Bank of India (RBI) or Credit Information Bureau (India) Limited (CIBIL) and no criminal proceeding should be pending against the promoters. 6. The borrower i.e. SPV/holding Company and its subsidiary should not be in default list of IREDA/Banks/FIs as on date of application. 7. The amount raised by way of credit enhancement of bonds shall be used only to repay the existing debt partially or fully. 8. All other eligibility conditions as per financing norms of IREDA.
43.	Technologies	Grid connected Renewable Energy Projects (Solar/ Wind).

44.	Extent of Credit Enhancement	<ol style="list-style-type: none"> IREDA can extend guarantee upto 25% of the proposed issue size of the bonds and in any case it should not be more than 20% of total capitalized Project Cost, as per latest audited balance sheet. The project for which the bond proceeds are proposed to be utilized should not have D/E ratio of more than 3:1. The above limits shall be subjected to IREDA's exposure norms. 																										
45.	Nature of Credit Enhancement	IREDA will provide credit enhancement by way of unconditional and irrevocable partial credit guarantee to enhance the credit rating of the proposed bonds.																										
46.	Security conditions	<ol style="list-style-type: none"> Investors to the project bond will have pari-passu charge, on the assets of the project bond issuer, with other senior lenders in the project, if any. IREDA will have a charge, which may be subordinated to the project bond Investors and other senior debt lenders. However, IREDA will have pari-passu charge to the extent of invoked guarantee on either acceleration of the Project Bonds and/or termination of the concession agreement and/or enforcement of security after paying its obligations under the Guarantee. TRA agreement with trustee bank. The terms of Bonds being issued, for which IREDA is issuing the Guarantee, should have first pari-passu charge on project's TRA (in case of holding company, the TRA of respective subsidiary company) at par with Senior Lenders. 																										
47.	Tenure	The period of Guarantee would be linked with the period for which bond are issued, the maximum tenure of the project bonds may be upto 15 years.																										
48.	Fee Charged by IREDA	The guarantee fee to be charged by IREDA shall be in the range of 1.80% - 2.90% p.a. of its exposure.																										
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<ol style="list-style-type: none"> Apart from above Guarantee fee, applicant shall be liable to pay processing fee of 0.10% of the IREDA's exposure of Guarantee and the same shall be payable to IREDA at the time of documentation for issue of the guarantee. No front end fee shall be charged. In addition to the mentioned Guarantee Fee, Borrower shall reimburse all other expenses incurred, including expenses towards Independent consultant, Concurrent Auditor/ CA, Legal Counsel, IREDA's Financial Advisor, meetings, 																												

		travel lodging, boarding, Service Tax etc.
49.	Credit Rating of the Bonds	<ol style="list-style-type: none"> 1. The borrower shall ensure that the credit rating of the bonds for which IREDA has issued Guarantee, shall be renewed/re-affirmed yearly and informed to IREDA. 2. In case the bonds issued are downgraded by any one of the credit rating agency then IREDA may charge additional guarantee fee as may be notified from time to time. 3. Borrower to submit information in this regard on quarterly basis.
50.	Appraisal	IREDA or its authorised agency shall conduct an independent appraisal of the credit risks of the project solely or jointly with an institution providing back stop guarantee/ Co - guarantee etc., if applicable.
51.	General Conditions	<ol style="list-style-type: none"> 1. IREDA may consider providing Guarantee assistance to developers/promoters in the field of RE who has an established track record of successful implementation of RE projects and possess satisfactory technical and financial background to implement the project. 2. Guarantee extended by IREDA will be reduced proportionately along with the reduction in the total outstanding bonds i.e. on the repayment/redemption of bonds and payment of interest. 3. NOC from the existing lenders shall be obtained stating their acceptance of premature repayment of loan and ceding of charge in favour of IREDA, such NOC shall be obtained from - <ol style="list-style-type: none"> a) Lead Lender (s) along with application of Guarantee b) All lenders before issue of Guarantee 4. At the time of default/devolvement of Guarantee, IREDA will be liable to pay dues proportionately of the total defaulted amount (principal and interest only and will not include any other charges) i.e. in the ratio of its Guarantee to bonds subscribed. 5. The amount (i.e. Principal and interest only and will not include any other charges) for which Guarantee is to be given for enhancing the credit rating has to be informed by credit rating agencies appointed by the borrower to rate the issue. 6. The borrower shall share all the information on the project and its financials with IREDA. 7. The end use of bonds proceeds shall be monitored by the Bond/Debenture Trustee, who should be appointed in accordance with the requirements of SEBI. 8. The borrower shall establish separate earmarked bank account i.e. bond collection account for receiving the bonds proceed and its utilization for repayment of debt of lenders. 9. For the purpose of above policy, bonds should be in the nature of Non - Convertible Debentures (NCD). 10. In case of invoking guarantee (partially/ fully), the interest on the extent of shortfall amount paid by IREDA, shall be at highest interest rate (Grade - IV) prevailing for that sector (Solar, Wind) as per IREDA's norms. 11. Any other terms/ conditions may be deemed appropriate by IREDA.
52.	Other conditions	<ol style="list-style-type: none"> 1. In case, IREDA notices any of the following before the guarantee becoming effective, it may terminate the guarantee even if executed. However, once the Guarantee is effective it would not terminate (as the nature of Guarantee is unconditional & irrevocable): 2. Any fraud or forgery committed by the Borrower or promoters of the project. 3. Any criminal proceeding has been instituted against the borrower or the promoters of the project.
IV.	Policy for Issue of Letter of Comfort (LoC)/Letter of Undertaking (LUT) for opening of Letter of Credit	

(LC) under Term Loans sanctioned by IREDA							
53. Terms and Conditions	<p>Letter of Comfort (LoC)/Letter of Undertaking (LUT) can be issued to all sanctions of term loan where LC opening is a requirement under EPC/Equipment Supply contract to enable the borrower to open LC with its bankers.</p> <p>The issue of LoC/LUT shall be subject to the following terms & conditions:</p> <ol style="list-style-type: none"> 1. Proposal for issue of LoC/LUT shall be put up by respective project appraisal unit in line with the contract and LC terms. 2. Validity of LoC/LUT shall match with LC requirement for the amount & period specified therein. However, IREDA will not issue LoC/LUT facility exceeding a maturity period of 3 years for any project. 3. The maximum exposure for issue of LoC/LUT shall normally be limited to 70% of total IREDA loan exposure, for the projects solely funded by IREDA. 4. All LoC/LUT issued may specifically indicate that borrower shall not be entitled to avail Buyers Line of Credit (BLC) / Buyers' Credit (BC) or similar arrangement/mechanism against such Letter of Comfort / Letter of Credit, unless specifically permitted by IREDA in writing. 						
54. Fee Structure	<table border="1"> <thead> <tr> <th>LoC Type</th> <th>Applicable Fee</th> </tr> </thead> <tbody> <tr> <td>For Short Term LoC (upto 1 year)</td> <td>0.50% (i.e. the Minimum applicable fee)</td> </tr> <tr> <td>For Long Term LoC (beyond 1 year period and maximum upto 3 years)</td> <td>Depending upon CRRS rating of the project, as under; Grade I – 0.65 % p.a. Grade II – 0.80 % p.a. Grade III – 1.0 % p.a. Grade IV – 1.25 % p.a.</td> </tr> </tbody> </table>	LoC Type	Applicable Fee	For Short Term LoC (upto 1 year)	0.50% (i.e. the Minimum applicable fee)	For Long Term LoC (beyond 1 year period and maximum upto 3 years)	Depending upon CRRS rating of the project, as under; Grade I – 0.65 % p.a. Grade II – 0.80 % p.a. Grade III – 1.0 % p.a. Grade IV – 1.25 % p.a.
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<ol style="list-style-type: none"> 1. However in case of Long Term LoC/LUT, first year fee shall be charged on the LoC/LUT amount at the above mentioned rates before issuance of LoC/LUT. 2. Demand for the quarterly fee shall be raised by F&A dept. Such Fee shall be payable by the borrower within 10th day of the start of respective quarter. 3. In case of delay in payment of the fee, the borrower shall be required to pay additional interest @ 1% p.m. for the delayed period, on the due amount. Demand letter(s) issued by F&A dept. for payment of the fee shall invariably indicate the provision of charging of additional interest in case of delay in payment of fee. 4. Since after issuing of LoC/LUT, the disbursement is to be honoured even if disbursement to the borrower is suspended for any reason(s), additional interest may be charged from the borrower in such circumstances. For this, an enabling clause as below may be incorporated in the terms & conditions of sanction; "Additional interest of 2% p.a. shall be levied in addition to the applicable rate of interest for the project loan, in case disbursement is required to be made against LoC, during the period disbursement, would have been suspended for non-compliance of the conditions of the loan for any reason or if an event of default has taken place, as the case may be. The additional interest will be charged by IREDA from the date of disbursement upto the date of compliance of the conditions". 							
V. Access to Energy Scheme under KfW Line							
55. Objective	Increase the supply and use of sustainable clean energy services in rural areas through improved access to financing for project developers.						
56. Minimum Loan Requirement	The minimum loan eligibility from IREDA will be Rs.50 Lakh unless specifically exempted under any scheme/ program. (However, as per KfW terms the loan amount						

		to each borrower shall not exceed 4mn Euro)												
57.	Promoter Contribution and Quantum of Loan	<p>Financing norms relating to quantum of loan and minimum promoter contribution, in brief, for different type of eligible projects are given below:-</p> <ul style="list-style-type: none"> Quantum of loan from IREDA shall be upto 70% of the total Project cost. The minimum promoter contribution shall be 30% of the project cost and the maximum Debt Equity Ratio (DER) shall not be more than 3:1. 												
58.	Sectors Eligible	<p>Sectors Eligible for the Assistance-All the techno-commercially viable projects in RE.</p> <ul style="list-style-type: none"> Project should be implemented in areas where electricity provided through national grid is less than 2 hours (on an average) during peak hours (5 pm to 11 pm). Bio-mass gasifiers are not eligible to be covered under this scheme. Projects under ESCO modes are eligible under the scheme 												
59.	Repayment Period & Interest Rates	<p>1. The repayment periods shall be maximum of 7 years, depending on the project cash flows & DSCR of the project and it shall be after the implementation & grace period. The moratorium period shall be 3 months to 9 months from the date for COD of the project.</p> <p>2. Applicable interest rate will be as follows:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Loan Tenure</th> <th>Rate of Interest (%) P.a.</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>upto 2 Years</td> <td>9.75</td> </tr> <tr> <td>2.</td> <td>More than 2 – 4 Years</td> <td>10.75</td> </tr> <tr> <td>3.</td> <td>Longer than 4 Years</td> <td>11.50</td> </tr> </tbody> </table> <ul style="list-style-type: none"> In case the actual loan tenure exceeds the approved loan tenure the applicable interest rate will be revised accordingly for the entire loan, for a project. 	No.	Loan Tenure	Rate of Interest (%) P.a.	1.	upto 2 Years	9.75	2.	More than 2 – 4 Years	10.75	3.	Longer than 4 Years	11.50
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1.	upto 2 Years	9.75												
2.	More than 2 – 4 Years	10.75												
3.	Longer than 4 Years	11.50												
60.	Special Benefits	<p>1. 5% of the loan amount as milestone based incentive – The amount will be adjusted against the outstanding loan on timely commissioning of the project and repayment of 20% of the loan amount.</p> <p>2. 10% of the loan amount as Debt Service Reserve Money (DSRM) – if the sub loan will never be in payment default for more than 90 days during the tenure of the loan and if the borrower has achieved operational service delivery as agreed with IREDA, the DSRM shall become a grant to the borrower at the end of the tenure. It will be offset against the final debt obligations of the borrower.</p>												
61.	Fees and charges	As per existing guidelines												
62.	Securities	A trust and retention/ Escrow Account between IREDA and borrower, satisfactory to KfW, has to be executed. Other security conditions will be as per existing IREDA Guidelines.												
VI.	Loan Scheme to promote the Concentrating Solar Thermal (CST) Projects in India for Industrial Process Heat Applications													
63.	Objective	It aims to create the necessary enabling environment for increasing penetration and Scaling up of CST Technology in India through an innovative financing mechanism.												
64.	The Loan Scheme	<p>1. The Loan scheme aims to provide upfront financial assistance to beneficiaries to overcome the financial constraints faced in the adoption and penetration of CST technologies.</p> <p>2. Under this scheme, financial assistance is available for up to 75 % of the CST project costs.</p>												

65.	Scheme Highlights	PART A: SOFT LOAN FROM IREDA		
		Rate of Interest	7 %	After considering UNIDO interest subvention
		Repayment Period	7 Yrs	1 year moratorium + 6 years repayment
		PART B: BRIDGE LOAN AGAINST MNRE SUBSIDY		
		Rate of Interest	12 %	The rate is applicable till the project is commissioned. On commissioning, the MNRE subsidy will be passed to the project and the bridge loan will be closed
66.	Indicative Project Cost Structure	Minimum promoter's contribution		25%
		Soft Loan		45%
		MNRE Subsidy		30%
		Total -		100%
		Quantum of Soft Loan will depend on the MNRE subsidy and approval by UNIDO (United Nation Industrial Development Organization) -PMU.		
67.	Eligibility	<p>Projects Eligible for Assistance: Any entity as per IREDA guidelines setting up a solar thermal heating/ cooling/ tri-generation project.</p> <p>General Applicant Eligibility norms: Eligible Entities/ Categories as per IREDA Norms shall include the following: Private Sector Companies/ firms/LLPs, Central Public Sector Undertaking (CPSU), State Utilities/ Discoms/ Transcos/ Gencos/ Corporations, Joint Sector Companies. except for the following:</p> <ul style="list-style-type: none"> • Trusts, Societies, Individuals, Proprietary concerns and Partnership firms (other than Limited Liability Partnerships, LLPs). • Loss making applicants and / or, Applicants with accumulated losses (without taking in to account effect of revaluation of asset, if any) as per audited Annual Accounts of the immediate preceding financial year of operation. • Applicants who are in default in payment of dues to Financial Institutions, Banks, NBFCs and/or IREDA and their name is appearing in CIBIL reports, as defaulters. • Accounts classified as NPA with other Institutions/ at the time of applying • Greenfield Projects involving second-hand equipment and machinery. 		
68.	Minimum Loan Amount	The minimum loan eligibility from IREDA will be Rs. 50 lakhs.		
69.	Disbursement Schedule	The following disbursement schedule is applicable for both Part A (Soft Loan) and Part B (Bridge Loan)		
		Installment	Percentage	Terms
		1st installment	30 % of loan amount	on signing of the loan agreement and inflow of minimum 30 % share of promoters contribution
		2nd	30 % of loan amount	Inflow of additional 60% share of

		installment		promoter's contribution and after delivery of all equipment at site
		3rd installment	30 % of loan amount	Inflow of minimum 90% share of promoter's contribution, on final installation of CST equipment at location
		4th installment	10 % of loan amount	On completion, commissioning, testing and inspection and utilization of 100% of the promoter's contribution.
70.	Guarantee & Security	<ol style="list-style-type: none"> As per IREDA's norms Additionally, performance guarantee from supplier for a period of 7 years or until complete repayment of loan and payment guarantee from the beneficiary The promoter shall give an undertaking that in case non – release of Capital Subsidy, the company will bring in equity to repay IREDA Loan. 		
71.	Others	<ol style="list-style-type: none"> All other terms and conditions not specifically mentioned in the scheme will be as per existing norms of IREDA The consideration of the projects under the scheme may be subject to availability of funds. 		
VII.	POLICY FOR FINANCING OF TRANSMISSION PROJECTS			
72.	Target	175 GW RE capacity by 2022		
73.	Scheme	<p>In view of the above, as all transmission lines across the country are evacuating RE power (currently 8% and expected to reach to 20% by 2020), IREDA has formulated a scheme to participate in funding of transmission line projects.</p> <p>Terms and conditions of the scheme (Clause b & d are effective from 19.11.2018):</p> <ul style="list-style-type: none"> IREDA may participate in funding of transmission projects with an exposure cap of 20% of the total project cost to any single transmission project. Transmission financing portfolio at any point of time shall not exceed 10% of asset book of IREDA at any point of time. The securities and terms & conditions of the transmission project shall be aligned with Lead Lender/ Lead Arranger, to the satisfaction of IREDA. IREDA shall ensure that all the sanctioned transmission projects be served the transmission of power generated through renewable energy. 		
74.	IREDA Loan Scheme/Line of Credit for Financing Large Scale Roof Top Solar PV Grid Connected/ Interacted Power Projects			
75.	Eligible Entities/Projects	<p>Project Eligibility:</p> <ol style="list-style-type: none"> Minimum aggregate capacity of such projects shall be at least 10 MWp and should have MoU/LoA/PPA for installing a minimum capacity of 10 MWp solar rooftop project. The scheme is limited to projects having PPA with Government/Utilities/ Discoms/ Institutions/Hospitals/Trust etc. Average Fixed Asset Coverage Ratio (FACR) > 1.25 <p>Entity eligibility:</p> <ol style="list-style-type: none"> The applicant/sponsor group owns & operates minimum capacity of 100 MW of renewable energy projects (or) 50 MW capacity of solar power projects. The applicant/sponsor group shall, have an average annual turnover from the sale of power, not less than Rs. 50 crores for last three financial years. The applicant/sponsor group shall have operational experience for atleast 5 		

		years in the renewable energy domain, on the date of application.
76.	Extent of Loan	IREDA may extend loan upto 75% of the project cost, subject to assessment of the project cost, in line with benchmark costs as notified by MNRE from time to time and compliance of applicable financial guidelines of IREDA, if any.
77.	Interest rates	<ul style="list-style-type: none"> • Discount of 30 BPS on the interest rates as applicable under the existing Loan scheme to Roof Top Solar PV Projects. (Present Applicable interest rates of Solar Roof-Top are 9.55% to 10.50% depending on the grade of the project) • Other Charges: As per IREDA's Financing norms.
78.	Security	<ol style="list-style-type: none"> 1. The applicant shall create the following primary securities <ul style="list-style-type: none"> • Exclusive first charge by way of Hypothecation, on all movable assets & current assets, lease hold rights, cash flows & project related accounts & rights therein, current as well as future, relating to the project. • Exclusive charge on receivables on the receivables of the project by way of Escrow/TRA account. • The company shall execute Substitution Agreement to the satisfaction of IREDA 2. Apart from above, IREDA shall take one or more of the following securities <ul style="list-style-type: none"> • Personal / Corporate Guarantees of the promoters/ promoter company • Post-dated cheques, • Pledge of shares, • Second charge on the cash flows of the promoters/ Promoter Company
79.	Repayment	Repayment periods shall be maximum of 10 to 15 years, depending on the project cash flows & DSCR of the project & PPA tenure, apart from upto 1-year moratorium from CoD.
80.	Reporting and monitoring	The applicant will provide all statements, information, materials and explanations relating to its business and financial position including Annual Audited Financial Statements and Directors'/Auditors' Reports etc.
VIII.	IREDA: Top-Up Loan Scheme	
81.	Purpose of the Scheme	To create a facility, for existing borrowers of IREDA, that allows them to borrow a certain amount of money over and above their main loan outstanding, for purposes of construction of their project or to meet the equity funding for a new renewable energy project or for any other activities related to RE and for easing out their liquidity requirements.
82.	Eligible Entities	<ol style="list-style-type: none"> 1. Only those applicants, who are having an existing project funded by IREDA, are eligible for applying for the top-up loan. 2. Only those projects, which have serviced their main loan including interest for a minimum period of 4 year after the moratorium, will be eligible for the top-up loan. 3. The project should have CUF of at least 80% of the envisaged CUF/generation considered at the time of appraisal/ loan sanction. 4. The project shall have an average DSCR > 1.25 & Average Asset Coverage ratio > 1.25 after taking in to account the top-up loan. Also the project shall have positive operational revenue till tenure of the IREDA loan. 5. The Debt: Equity Ratio of the applicant, at the time of application, taking in to account the proposed Top-Up loan from IREDA, shall not be more than 4:1 6. The applicant, seeking the top-up financing shall have operational experience in the renewable energy sector for at least 3 years on the date of application. 7. The minimum stand-alone credit rating (external) of the applicant to be at least "BBB" & such rating should currently be valid.

83.	Extent of Loan	<ul style="list-style-type: none"> The extent of top-up loan shall be limited to an amount such that the maximum loan (Main + Top-Up) is 80 % of total current valuation of project cost at time of application for top-up loan. The top-up loan to a project will be subject to the following limits: Minimum – Rs. 10 Crores & Maximum – Rs. 150 Crores In case top-up loans are sought, for multiple projects being owned/ promoted by same promoter, the upper limit of Rs. 250 Crores may be allowed to a same applicant/group.
84.	Interest and other charges	<p>The prevailing int. rate of the project + 1.5% p.a. Processing Fee: 50% rebate Other fees / charges: as per IREDA's Financing norms.</p>
85.	Repayment & Moratorium	<ul style="list-style-type: none"> Moratorium of upto 6 months The repayment of the top-up loan can be co-terminus with the main loan or beyond the main loan repayment period, subject to the condition that repayment period of top up loan shall not be more than 80% of the remaining useful life of the project & PPA period.
86.	Security	<ol style="list-style-type: none"> Extension of existing charges (including TRA)/ securities of main term loan of IREDA In addition, one or more additional securities such as pledge of shares, mortgage of collateral property (or equivalent value of BG or FDR), Corporate Guarantee, Personal Guarantees, Charge on receivables/ revenue streams of the promoters etc. to the satisfaction of IREDA.
87.	Reporting and monitoring	The applicant will provide all statements, information, materials and explanations relating to its business and financial position including Annual Audited Financial Statements and Director/Auditors' Reports etc.
IX.	“Loan Against Securitization of Future Cash Flow of Renewable Energy Projects”	
88.	Terms & Conditions	<ol style="list-style-type: none"> Proposed loan scheme will be extended to both IREDA's existing borrowers as well as applicants other than IREDA's existing borrowers, for their business expansion in renewable energy and energy efficiency sectors. The company should have successfully commissioned existing project and running successfully for at least last three years. However, the above condition may be relaxed to 2 years, provided the project is running successfully for the last 2 years and the average DSCR for the last two years is 1.4. The net present value of the future cash flows will be calculated for a maximum period of 10 years, discounted at the maximum lending rate of the sector. The scheme will be extended for the projects considering a maximum life of 20 years from the date of commissioning. The minimum security coverage (including future cash flow) should be 1.5 times of the loan amount.
89.	Essential Eligibility Criteria Conditions (EECC)	<ol style="list-style-type: none"> Project is commissioned and is running successfully for at least last three years. However, the condition may be relaxed to 2 years, provided the project is running successfully for the last 2 years and the average DSCR for the last two years is 1.4. The applicant company should be earning cash profit for a minimum of three previous years. However, the condition may be relaxed to 2 years from existing 3 years subject to fulfillment of the relaxation criteria as indicated in (a) above. Minimum 40% of the existing loan account should have been repaid including loans of co-financers, if any. However, the condition may be relaxed in cases where the Company is regular in repayment of dues for the last 2 years and maximum debt equity ratio (DER) of the Company including the proposed loan

		<p>should not be more than 3:1 subject to fulfillment of the relaxation criteria as indicated in (a) & (b) above.</p> <ol style="list-style-type: none"> 4. Minimum average debt service coverage ratio (DSCR), including the existing debt, should be 1.4 for the loan repayment period. 5. Maximum debt equity ratio (DER) of the company including proposed loan should not be more than 4:1.
90.	Essential Conditions before Disbursement	<ol style="list-style-type: none"> 1. Additional insurance policies covering Loss of generation due to i) machine breakdown (MBD) ii) natural calamities (fire). 2. For IREDA's borrowers and applicants other IREDA's borrowers, Trust and Retention Account (TRA) will be opened as per IREDA's requirement. 3. The borrower shall submit a letter regarding deposit of sale proceeds of power to Trust & Retention Account from the SEB / off-taker, if not submitted earlier. 4. Pledge 51% of the total shares of the company which will include 100% shares of guarantors for IREDA's existing borrowers. For applicants other than IREDA's existing borrowers if the shares are already pledged to their existing term lenders of the project, the pledge of shares will be obtained on first charge pari-passu basis. 5. All existing securities will be extended for the proposed loan for IREDA's existing borrowers. For applicants other than IREDA's existing borrowers, all existing securities will be extended for the proposed loan on first charge pari-passu basis.
91.	Fees & Validity Period	<ol style="list-style-type: none"> 1. Application Fees as per the prevailing guidelines of IREDA. 2. Sanction Letter will be valid for 45 days from the date of issue of sanction letter. 3. Front end fee of 1.0 % of the loan to be paid before execution of loan agreement. 4. To execute loan agreement within 45 days from the date of issue of Sanction Letter 5. Disbursement within 60 days from the date of signing Loan Agreement.
92.	Loan Terms	<ol style="list-style-type: none"> 1. Interest rate shall be fixed by CRRS committee, however, initially it is proposed to fix at 1.25% as additional interest rate for all grades. 2. Maximum loan repayment period shall be 10 years from the date of disbursement subject to the condition that repayment period shall not be more than balance life of PPA less 5 years. 3. No moratorium. 4. Flexi-repayment schedule of quarterly principal installments may be drawn on the basis of generation and cash flow projections. 5. The borrower will give an undertaking that the amount funded by IREDA shall be utilized as seed money for future renewable energy and energy efficiency projects and that IREDA will have the first right to finance these projects.
93.	Methodology	<ol style="list-style-type: none"> 1. An undertaking that the fund released by IREDA shall be utilized towards business expansion in the Renewable Energy & Energy Efficiency sectors only. 2. The utilization of funds shall be completed within 2 years from the date of disbursement. 3. A Special No Lien account for deposit and utilization of funds released by IREDA shall be opened as per IREDA's requirement and a quarterly No Lien account statement, along with Utilization Certificate from Chartered Accountant, shall be submitted to IREDA. 4. During the interim period i.e. till the funds are fully utilized towards investment in Renewable Energy / Energy Efficiency projects, the balance / unutilized portion of funds in the No Lien account, may be kept as a fixed deposit in the same account. The funds cannot be invested in any other instruments including shares, mutual funds, etc. 5. The repayment of installment and interest towards the loan shall be made from

		<p>the sale proceeds of power of the existing project, through the TRA account.</p> <p>6. At the end of 2 years from the date of disbursement, a consolidated Utilization Certificate certified by a Chartered Accountant, along with documentary proof, shall be submitted to IREDA. Further, if there is any unutilized fund available in the No Lien account, IREDA shall have a right to decide the further course of action, keeping in view the progress of the proposed new project.</p>
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