

# INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY

## Financing Norms and Schemes

Dated 23<sup>rd</sup> December, 2015

Sl. No.	Description	Summary
1.	<b>Title</b>	IREDA Financing Norms and Schemes Doc. No. IREDA/FG/Part-1- 23.12.2015
2.	<b>Sectors Eligible for Assistance</b>	<ul style="list-style-type: none"> <li>• Wind Energy</li> <li>• Hydro Power</li> <li>• Solar Energy including Roof Top</li> <li>• Biomass including Bagasse &amp; Industrial Cogeneration</li> <li>• Biomass Power Generation</li> <li>• Waste to Energy</li> <li>• Energy Efficiency &amp; Energy Conservation</li> <li>• Bio-fuel / Alternate Fuel Including Ethanol &amp; Bio –Diesel</li> <li>• Hybrid Projects with RE Technologies</li> </ul>
3.	<b>Types of Schemes</b>	<ul style="list-style-type: none"> <li>(i) Project Financing</li> <li>(ii) Equipment Financing</li> <li>(iii) Loans for Manufacturing</li> <li>(iv) Financial Intermediaries</li> <li>(v) Financing of commissioned projects including takeover of Loans from other Banks / FIs.</li> <li>(vi) Additional / Bridge Loan against SDF Loan</li> <li>(vii) Loan against Securitization</li> </ul>
4.	<b>New fund and Non-fund based Financing schemes</b>	<ul style="list-style-type: none"> <li>(i) Line of Credit to Non-Banking Financial Companies (NBFCs) for on- lending to RE/ EEC Projects.</li> <li>(ii) Short term loan assistance to RE Developers/Suppliers/Contractors.</li> <li>(iii) Bridge loan assistance to RE Developers against Capital Subsidies/ VGF/GBI under various State/Central Govt. Schemes.</li> <li>(iv) Policy on Underwriting of Debt/Loan Syndication.</li> <li>(v) Guarantee Assistance Scheme to RE Suppliers/Manufacturers/EPC Contractors</li> <li>(vi) IREDA to take up the role of lead FI under Consortium/Syndicated Loans/ Multi banking arrangements by charging Lead Fee</li> <li>(vii) 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</li> <li>(viii) Direct Discounting of MNRE Capital Subsidy payable to Accredited Channel Partners and State Nodal Agencies (SNA) for installation of Solar Water Heating Systems</li> </ul>
5.	<b>General Eligibility Conditions</b>	<p><b>A. Eligible Entities/ Categories</b></p> <ul style="list-style-type: none"> <li>• Private Sector Companies/ Firms</li> <li>• Central Public Sector Undertaking (CPSU)</li> <li>• State Utilities/ Discoms/ Transcos/ Gencos/ Corporations</li> <li>• Joint Sector Companies</li> </ul> <p><b>B. Entities not Eligible</b></p> <ul style="list-style-type: none"> <li>(i) 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 security of Bank Guarantee(BG) / Pledge of Fixed Deposit Receipt (FDR) issued by Scheduled Commercial Bank as described in RBI Act for the entire loan</li> <li>(ii) 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(BG) / Pledge of Fixed Deposit Receipt (FDR) issued by Scheduled Commercial Bank as described in RBI Act for the entire loan</li> </ul>

		<p>Provisions under (ii) above shall not apply to the following --</p> <ul style="list-style-type: none"> <li>(a) Loss incurred due to preliminary &amp; preoperative expenses in the case of projects promoted by Special Purpose Vehicle (SPV)</li> <li>(b) Loss due to depreciation in the case of take over loans</li> <li>(c) Companies posting loss due to de-merger /merger/ acquisition / amalgamation</li> <li>(d) Loss due to booking of one time expenditure provided they are otherwise profit making</li> </ul> <p>(iii) Applicants who are in default in payment of dues to Financial Institutions, Banks, NBFCs and/or IREDA.</p> <p>(iv) Applicants/ Group Companies and/or Core promoters of the applicant company who–</p> <ul style="list-style-type: none"> <li>(a) Default in payment of IREDA dues and/ or,</li> <li>(b) Classified as willful defaulters as defined by RBI/ classified by other FIs and/ or,</li> <li>(c) Had availed OTS from IREDA and/ or,</li> <li>(d) Convicted by court for criminal/ economic offences or under national security laws</li> </ul> <p>(v) Greenfield Projects involving second-hand equipment and machinery.</p> <p><b>C. Minimum Loan Amount</b></p> <p>The minimum loan eligibility from IREDA will be Rs.50 Lakh unless specifically exempted under any scheme/ programme.</p>
6.	<b>Promoter Contribution, Quantum of Loan, Moratorium and Repayment Period</b>	<p>A. Minimum Promoter Contribution, Quantum of loan &amp; Maximum Debt Equity Ratio</p> <ul style="list-style-type: none"> <li>(a) Quantum of loan from IREDA - upto 70% of the total project cost.</li> <li>(b) Minimum promoter contribution - 30% of the project cost and maximum Debt Equity Ratio (DER) shall not be more than 3:1</li> <li>(c) In case of Solar &amp; Wind Sector projects , IREDA may consider the minimum promoter contribution as 25% of project cost and extend loan up to 75% of the project cost subject to meeting the following conditions: <ul style="list-style-type: none"> <li>• 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.</li> <li>• In case of New companies/SPV, the average Debt Service Coverage Ratio (DSCR) of the project should not be less than 1.3.</li> </ul> </li> <li>(d) All government supported RE Projects, IREDA may follow the guidelines of respective schemes w.r.t. treatment of such assistance as Promoter contribution/Quasi Equity.</li> </ul> <p>B. Moratorium &amp; Repayment Period</p> <ul style="list-style-type: none"> <li>(a) Repayment periods to be maximum of 10 to 15 years, depending on the project cash flows &amp; DSCR of the project and it shall be after the construction &amp; grace periods.</li> <li>(b) The grace periods shall be 6 months to 1 year from the date of COD of the project.</li> <li>(c) In case of financial assistance under “Securitization of Future Cash Flows”, the repayment period would be 8 years</li> </ul>

7.	<b>Credit Rating, Interest Rates &amp; Reset</b>	<p><b>I. Credit Rating &amp; Interest Rates</b> IREDA conducts credit rating for all grid connected projects and provides grading in a band of 4 grades (I, II, III &amp; IV) based on the risk assessment</p> <table border="1" data-bbox="532 289 1455 1003"> <thead> <tr> <th>S. No.</th> <th>Borrower/Sector</th> <th>GRADE I</th> <th>GRADE II</th> <th>GRADE III</th> <th>GRADE IV</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Schedule A, 'AAA' Rated PSUs</td> <td>9.90 %</td> <td></td> <td></td> <td></td> </tr> <tr> <td>2.</td> <td>State Sector Borrowers</td> <td>9.90 %</td> <td>10.20 %</td> <td>10.50 %</td> <td>10.75 %</td> </tr> <tr> <td>3.</td> <td>LoC for Refinance and other</td> <td>Borrowing Cost+1.00% to 2.00 % (Spread)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>4.</td> <td>Roof top Solar</td> <td>10.05%</td> <td>10.30%</td> <td>10.60%</td> <td>10.90%</td> </tr> <tr> <td>5.</td> <td>Wind and Grid Connected Solar PV</td> <td>10.20 %</td> <td>10.95 %</td> <td>11.10%</td> <td>11.40%</td> </tr> <tr> <td>6.</td> <td>Co-generation, Hydro and CSP</td> <td>10.50%</td> <td>11.20%</td> <td>11.45%</td> <td>11.70%</td> </tr> <tr> <td>7.</td> <td>Energy Efficiency, Energy Conservation &amp; Solar Thermal /Solar PV Off-Grid, Biomass Power and other sector</td> <td>10.60 %</td> <td>11.25%</td> <td>11.65%</td> <td>11.90%</td> </tr> <tr> <td>8.</td> <td>Manufacturing (All sectors)</td> <td>Existing units – 11.70 %</td> <td></td> <td>Green Field – 11.90%</td> <td></td> </tr> </tbody> </table> <p>1. Reduction in interest rates over and above the applicable interest rates by 25 bps, 20 bps and 15 bps for Grade –I, Grade- II and Grade-III of external grading's respectively. (Irrespective of IREDA's internal grading) Except for serial no. 1 &amp; 2 of above.</p> <p>2. Prompt payment rebate of 15 bps on the applicable interest rate, if the installments of interest and Principal are paid in full, on due dates except for serial no.1 &amp; 2 of above.</p> <p>3. In case of loans sanctioned for manufacturing facilities, no additional interest during the construction period shall be charged.</p> <p>Notes:</p> <p>1. Interest rates indicated above are variable and may be changed any time as and when decided by IREDA</p> <p>2. Interest Rate prevailing at the time of each disbursement shall apply</p> <p><b>Rebate in Interest Rate</b></p> <p>In the event of Borrower furnishing security of BG/ 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"> <li>For CRRS Rated Projects: Interest rate charged to be as applicable for Grade I borrowers.</li> <li>For Projects not covered under CRRS: 1% rebate in applicable interest rates</li> </ul> <p>Exclusions (Rebate in Interest Rates)</p> <ul style="list-style-type: none"> <li>BG/ FDR provided against debt service reserve money (DSRM) as per requirement of Trust &amp; Retention Account (TRA)</li> <li>BG/FDR provided towards collateral security/ Loan against promoter's contribution.</li> </ul>	S. No.	Borrower/Sector	GRADE I	GRADE II	GRADE III	GRADE IV	1.	Schedule A, 'AAA' Rated PSUs	9.90 %				2.	State Sector Borrowers	9.90 %	10.20 %	10.50 %	10.75 %	3.	LoC for Refinance and other	Borrowing Cost+1.00% to 2.00 % (Spread)				4.	Roof top Solar	10.05%	10.30%	10.60%	10.90%	5.	Wind and Grid Connected Solar PV	10.20 %	10.95 %	11.10%	11.40%	6.	Co-generation, Hydro and CSP	10.50%	11.20%	11.45%	11.70%	7.	Energy Efficiency, Energy Conservation & Solar Thermal /Solar PV Off-Grid, Biomass Power and other sector	10.60 %	11.25%	11.65%	11.90%	8.	Manufacturing (All sectors)	Existing units – 11.70 %		Green Field – 11.90%	
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		<p><b>Prompt payment Rebate</b> A rebate of 15 bps on the applicable interest rate to the borrower, if the installments are paid in full, on due dates. Loans against Securitization of future cash flows of existing RE projects (Corporate Loan) Additional interest rate of 1.25% over and above the applicable interest rate</p> <p><b>Applicable Interest in case of default in payment</b> In case any borrower defaults in payment of principal and /or interest and is classified as NPA in terms of IREDAs 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. The higher interest rate will be charged till the loan gets upgraded to standard category.</p> <p><b>II. RESET</b></p> <ul style="list-style-type: none"> <li>• Rate of interest prevailing at the time of each disbursement to be applicable corresponding to the CRRS rated grade at the time of sanction.</li> <li>• Interest rate to 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.</li> <li>• 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.</li> </ul> <p>Note:</p> <ul style="list-style-type: none"> <li>• Reset periods are subject to change.</li> <li>• Re-rating of the project to be carried out (except on the date of COD reset) by IREDA on its own on interest reset dates subsequent to COD. At any other time, the borrower to have the option to get the project re-rated by paying applicable fee of Rs. 5 Lakhs, plus service tax &amp; education cess.</li> <li>• Thereafter, the revised rating and the corresponding interest rate would be applicable for the next 2 year’s period.</li> </ul>
8.	<p><b>Special Efforts &amp; Concessions to Special States/Backward/ Rural Areas, SC/ST, Women Entrepreneurs, Etc.</b></p>	<p><b>I. Entrepreneurs belonging to SC/ST, Women, Ex-Servicemen and Handicapped Categories (applicable for project cost up to Rs. 75 lakhs)</b></p> <ul style="list-style-type: none"> <li>• Rebate of 0.5% p.a. in interest rate</li> <li>• Exemption from payment of the following:- <ul style="list-style-type: none"> <li>- Registration Fee</li> <li>- Front End Fee</li> <li>- Inspection charges</li> <li>- Expenditure on Nominee Directors</li> </ul> </li> <li>• Concession of 5% in promoters’ contribution</li> </ul> <p>Notes The definition of SC/ST, Women, Ex-Servicemen and Handicapped Entrepreneurs would be as under:</p> <p>(1) For Companies incorporated under Companies Act and Co operative Societies Act</p> <ul style="list-style-type: none"> <li>- More than 50% of equity share holding/share capital should be with SC/ST/ women/ Ex-Servicemen and Handicapped entrepreneurs singly or jointly; and</li> <li>- Enterprise to be managed by SC/ ST/ Women/Ex-Servicemen/ Handicapped i.e. management vests with the SC/ST/Women/Ex- Servicemen/ Handicapped in the form of majority in the Board of Directors/Governing Body</li> </ul> <p>(2) For Societies and NGO Majority of members are SC/ST/women /ex-servicemen / handicapped.</p> <p><b>II. Special efforts &amp; concessions for entrepreneurs setting up Projects in North Eastern States, Sikkim, Islands, Estuaries and Jammu &amp; Kashmir</b></p> <ul style="list-style-type: none"> <li>• Rebate of 0.5% p.a. in interest rate</li> <li>• 50% Exemption from payment of the following : <ul style="list-style-type: none"> <li>- Registration Fee</li> <li>- Front-end fee</li> <li>- Inspection Charges</li> <li>- Legal Charges (other than incurred for Recovery)</li> <li>- Expenditure incurred on Nominee Director (s)</li> </ul> </li> </ul>

		<p>Notes</p> <ul style="list-style-type: none"> <li>In case the entrepreneurs belonging to SC/ST/ Women/ Ex-Servicemen/Handicapped category, additional concessions, if any, available for this category will also be available</li> <li>The definition of Islands, Estuaries would be as notified/ announced/declared by Gazette /Government Order / Circular/Executive Order/Specific clarification letter by Competent Authorities of Central/State Government/Local Authorities</li> <li>All interest concessions/rebates to be available if the Borrower pays the installments of loan and interest on or before due dates. This will not apply to rebate for providing BG</li> </ul>
9.	<b>Policy on Pre-Payment</b>	<p>Pre-payment of loan in full/part permissible subject to prior written notice of minimum 30 days and payment of the pre-payment premium by the borrower. In case a borrower continue to avail the loan facility from IREDA but desires that the documented Interest rate be converted into the Present Lending Rate applicable to a particular grade/ sector, the same shall also be considered by IREDA subject to Pre-payment Premium on the following basis:</p> <p><b>I. Pre-closing the loan</b> When the interest rate is not reset during the loan period.</p> <p>(a) The stream of cash flows for the pre-payment period to be worked out based on the document rate and current lending rate for the sector, for the period</p> <p>(b) The differential Interest cash flows are discounted on daily basis by taking the prevailing Present Lending Rate as discount factor</p> <p>(c) 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><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>Not applicable in case the loan is pre-closed partly/ fully out of capital subsidy / grant.</li> <li>Not applicable in respect of projects where the loan agreement provides for specific pre-payment conditions</li> </ul> <p><b>II. In case borrower continues loan with reduced rate of interest i.e., current lending rate for sector</b></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. In case of projects where the interest subsidy is sanctioned by Ministry of New and Renewable Energy, then the same is subject to compliance of conditions as stipulated therein</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><b>III. If a borrower pre-closes the loan after availing the facility of conversion of interest to present lending rate</b> In case the borrower opts to pre-close the loan, at any time, in future, after availing reduction in interest rate as above, it 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><b>IV. Partial pre-payment</b> 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:</p> <p>(a) Not more than 10% of the loan outstanding in one financial year shall be allowed to be partially closed.</p> <p>(b) The said partial prepayment should be made out of internal accruals/surplus revenue of funds from the project only. The borrower shall satisfy IREDA with documentary evidence in this regard.</p> <p>(c) 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 prepayment, it shall be liable to pay the prepayment premium in the same manner as indicated in Para 'I' and Para 'II' above.</p>

10.	<b>Charges for Liquidated Damages</b>	<p>(i) Default in payment of interest or any monies due will attract interest at the same rate as on the principal loan amount.</p> <p>(ii) 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</p> <p>(iii) The additional interest by way of liquidated damages for non-payment of interest and repayment of principal is calculated on daily basis. The number of days in a year being calculated as 365.</p>																
11.	<b>Schedule of Fees</b>	<p><b>I. Processing Fee</b></p> <table border="1" data-bbox="534 478 1446 783"> <thead> <tr> <th>Loan applied</th> <th>Registration Fee per application</th> </tr> </thead> <tbody> <tr> <td>Up to Rs.1 Cr.</td> <td>Rs.10,000/- plus service tax &amp; education cess, as applicable</td> </tr> <tr> <td>Above Rs.1 Cr. &amp; up to 20 Cr.</td> <td>Rs.30,000/- plus service tax &amp; education cess, as applicable</td> </tr> <tr> <td>Above Rs.20 Cr. and up to Rs.40 Cr.</td> <td>Rs.50,000/- plus service tax &amp; education cess, as applicable</td> </tr> <tr> <td>Above Rs.40 Cr.</td> <td>Rs.60,000/- plus service tax &amp; education cess, as applicable</td> </tr> </tbody> </table> <p><b>II. Front-end Fee</b> Borrowers to pay front-end fee within 6 months of issuance of sanction letter and in any case before signing of the loan agreement as below:</p> <table border="1" data-bbox="534 898 1446 1098"> <thead> <tr> <th>Loan slab</th> <th>Front-End- Fee (% of loan amount)</th> </tr> </thead> <tbody> <tr> <td>Upto Rs 5.00 Cr.</td> <td>0.50% of loan amount</td> </tr> <tr> <td>Above Rs 5.00 Cr.</td> <td>For loan above Rs. 5 Cr. and upto Rs. 100 Cr.: 1% of the loan amount. 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>This amount will have to be paid on sanction before signing of the Loan Agreement or as stipulated and is normally non-refundable. The amount of front-end-fee can be included as a part of the project cost.</p> <p>Notes</p> <ul style="list-style-type: none"> <li>• 20% rebate in front end fee applicable if paid within 60 days from the date of IREDA sanction letter.</li> <li>• Applicable front-end fee for take over loans to be 50% of the applicable front end fee</li> <li>• In case of State Nodal Agencies, the rate of front-end-fee will be 0.5% irrespective of loan slab.</li> <li>• Additional loan, if sanctioned will also be governed by above table with reference to total loan amount, but front end fee shall be chargeable on the additional loan component</li> </ul> <p><b>III. Re-schedulement Fee</b> IREDA normally does not allow rescheduling of installment(s) of loan as incorporated in the Loan Agreement. The application for re-schedulement /restructuring shall accompany with application fee of Rs. 1 Lakh, plus service tax, educational cess, etc.</p> <p><b>IV. NOC Fee for sharing existing charge on assets</b> A lump sum fee of Rs. 1 lakh plus service tax &amp; education cess as applicable</p> <p><b>V. Fee for sharing of Appraisal</b> Rs.1 Lakh, plus service tax &amp; education cess as applicable,</p> <p><b>VI. Fee for Issuing of Comfort Letter (Letter of Credit)</b> 0.50 % of amount of comfort letter plus service tax &amp; education cess as applicable for issuing of comfort letter.</p> <p><b>VII. NOCs Fee for Merger/ Amalgamation/ Foreign Participation etc.</b> Rs. 5 Lakhs, plus service tax &amp; education cess as applicable</p>	Loan applied	Registration Fee per application	Up to Rs.1 Cr.	Rs.10,000/- plus service tax & education cess, as applicable	Above Rs.1 Cr. & up to 20 Cr.	Rs.30,000/- plus service tax & education cess, as applicable	Above Rs.20 Cr. and up to Rs.40 Cr.	Rs.50,000/- plus service tax & education cess, as applicable	Above Rs.40 Cr.	Rs.60,000/- plus service tax & education cess, as applicable	Loan slab	Front-End- Fee (% of loan amount)	Upto Rs 5.00 Cr.	0.50% of loan amount	Above Rs 5.00 Cr.	For loan above Rs. 5 Cr. and upto Rs. 100 Cr.: 1% of the loan amount. 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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		<p><b>VIII. Re Rating Fee at the time of Reset</b> Re-rating of the project to be carried out (except on the date of COD reset) by IREDA on its own on interest reset dates subsequent to COD. 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 service tax &amp; education cess.</p>
12.	<b>Norms Under Consortium / Co-Financing</b>	In case of co-financing / consortium financing or any other structured financing, IREDA's lending can be aligned with terms and conditions of lead FI/ Banks
13.	<b>New New Fund and Non Fund Based Financing Schemes</b>	<p><b>A. Line of Credit to Non-Banking Financial Companies (NBFCs) for on-lending to RE/ EEC Projects.</b></p> <p><b>Eligibility</b></p> <ul style="list-style-type: none"> <li>NBFCs/ State Govt. Financial institutions &amp; corporations. NBFCs should have at least "AA+" rating and in case of private sector financial institutions/companies they should also have valid registration with RBI.</li> <li>It should have disbursed loans not less than Rs. 20 Cr for Renewable Energy sector in the last financial year.</li> <li>Capital Adequacy Ratio (CAR) should be in conformity with the prescribed RBI Norms</li> <li>Gross NPA should not normally exceed 5% of entire portfolio.</li> <li>The existing Debt Equity Ratio of NBFC should not be more than 5:1. However DER more than 5:1 can be considered against the security of BG/FDR for 100% loan amount issued by Scheduled Commercial Banks</li> <li>NBFCs should have adequate systems &amp; procedures in regard to appraisal and recovery of loans.</li> </ul> <p><b>Interest Rate:</b> The interest rates vary from time to time. The current interest rates applicable would be as follows:</p> <ul style="list-style-type: none"> <li>Borrowing Cost +2.00% (Spread)</li> </ul> <p><b>Repayment Period:</b> 10 years + 1 year moratorium</p> <p><b>Fund utilization period:</b> 3 years from date of Loan Agreement.</p> <p><b>Mode of Disbursement:</b> On Reimbursement Mode</p> <p><b>Annual Commitment Fee:</b> 0.1% p.a. upfront on outstanding amount (w.e.f. date of loan agreement)</p> <p><b>Security Conditions</b> 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 (OR) Any other securities as per the financing norms of IREDA.</p> <p><b>B. Short term loan assistance to RE Developers /Suppliers / Contractors</b></p> <p><b>Eligibility</b> As per Financing Norms of IREDA</p> <p><b>Interest Rate :</b> Highest interest rate of the sector + 1.5%</p> <p><b>Quantum of Loan:</b> As per financing norms of IREDA.</p> <p><b>Repayment Period:</b> To be repaid within maximum period of 3-5 years from the date of 1<sup>st</sup> disbursement.</p> <p><b>Securities</b> 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 &amp; personal Guarantees, Charge on revenue streams etc to the satisfaction of IREDA.</p> <p><b>C. "Bridge loan assistance to RE Promoters/ Developers against Capital Subsidies/ VGF/GBI available under various State/Central Govt. Schemes"</b></p> <p><b>Eligibility</b></p> <ul style="list-style-type: none"> <li>As per financing norms of IREDA</li> <li>Applicants to submit unconditional letter of approval/comfort from concerned authorities for sanction/release of capital subsidies / VGF/GBI for the project under consideration.</li> </ul>

	<p><b>Interest Rate:</b> Highest int. rate of the sector + 1%</p> <p><b>Repayment Period:</b> As per government schemes/guidelines of sanction order. In case of GBI, the repayment period is 2 years from the date of first disbursement of Bridge loan.</p> <p><b>Securities</b> 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 &amp; personal Guarantees etc. to the satisfaction of IREDA.</p> <p><b>D. “Underwriting of Debt/Loan Syndication”</b></p> <p><b>Eligibility :</b> As per financing norms of IREDA</p> <p><b>Extent of Exposure:</b> To be upto total debt requirement of the project subject to meeting exposure norms of IREDA. IREDA will 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><b>Interest Rate:</b> The lending rates to be as per financing norms of IREDA. IREDA may have same or different interest rates for “Debts to be retained” and “Debt earmarked for down selling”</p> <p>Debt Equity ratio of the project</p> <p>IREDA may consider the projects with DER of 70:30. However, IREDA may consider higher D/E ratio in deserving cases by charging additional interest rates &amp; security as per IREDA financing norms.</p> <p><b>Underwriting Fee including Front End Fee:</b> 1% of the underwritten amount.</p> <p><b>Soft underwriting :</b> IREDA to take only hold portion on its books of accounts and remaining portion to be compulsorily down sold to participating banks/FIs. In case of Soft Underwriting, the charges/fees, if any payable to the FIs/Banks to whom the loan is being Down Sold, may be shared from the above “Underwriting Fee”. Quantum/percentage of sharing to be on case to case basis</p> <ul style="list-style-type: none"> <li>• <b>Hard underwriting:</b> Commitment of IREDA for entire underwritten portion is legally binding even when remaining portion of debt has not been tied up. No fee sharing is applicable.</li> </ul> <p>Financial charges and other fees: The other charges, if any shall be payable by the borrowers, as per IREDA financing norms as applicable from time to time.</p> <p><b>Security:</b> As per financing norms of IREDA.</p> <p><b>E. “Guarantee Assistance Scheme to RE Suppliers/ Manufacturers / EPC Contractors”</b></p> <p>Eligible Entities</p> <ul style="list-style-type: none"> <li>• Suppliers/Manufacturers/EPC Contractors having established track record of successful implementation of RE projects of not less than 50 MW capacity in India.</li> <li>• <b>Extent of Guarantee:</b> To cover tender bid security and or/advance payment received against the contract to execute the RE Project</li> </ul> <p><b>Guarantee Fee (to be paid upfront):</b></p> <ul style="list-style-type: none"> <li>• Guarantee period upto 1 year: 2.5% p.a.</li> <li>• Beyond 1 year and upto 3 years: 3% p.a.</li> </ul> <p><b>Interest charges:</b> In the eventuality of guarantee being invoked, highest Interest rate of that sector + 1% along with 2.50% LD Charges to be charged on amount outstanding, in addition to guarantee fee.</p> <p><b>Securities</b> 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 &amp; personal Guarantees, charge on revenue streams, 3rd party Guarantee etc to the satisfaction of IREDA</p>
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**F. IREDA to take up the role of lead FI under Consortium/Syndicated Loans/ Multi banking arrangements by charging Lead Fee.****Background**

IREDA may take up the role of the Lead Financial Institution (FI) under Consortium / Syndicated Loan / Multi Banking Arrangements while financing Renewable Energy Projects.

**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.

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

- 50% of lead fees to be payable by the borrower before the issue of letter by IREDA confirming to take up the role of Lead FI and rest 50% on the date of execution of Facility Agreement
- In addition to the mentioned Lead Fee, Borrower to reimburse all other expenses incurred, including expenses towards Security trustee fee, Independent engineer/ consultant, Concurrent Auditor/ CA, Legal Counsel, Lender's Financial Advisor, Insurance Advisors, Consortium meetings, Service Tax, travel lodging, boarding, etc.

**G. Direct Discounting of MNRE Capital Subsidy payable to Accredited Channel Partners and State Nodal Agencies (SNA) for installation of Solar Water Heating Systems****Purpose**

The credit under the bill discounting scheme will be available to MNRE Accredited Channel Partners (ACP), State Nodal Agencies (SNA) and other stake holders for purchase and installation of Solar Water Heating System (SWHS) as approved by MNRE

Eligibility for Discounting of MNRE Capital Subsidy Claims

MNRE Accredited Channel Partners, 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.

**Extent of Assistance**

- Up to 80% of the existing pending eligible capital subsidy claim, as verified by the IREDA
- Minimum loan assistance - Rs. 20 Lakhs.

**Determination of Loan Amount**

Based on verification by IREDA, regarding pending eligible claims of the applicant in line with existing Capital Subsidy policy.

**Interest Rate**

1.20% p.m. to be adjusted from the subsidy receipts from MNRE against the claim. Shortfall, if any, will be payable by the borrower on demand. For interest calculation purpose, last date of the month in which subsidy claim/ sanction is received at IREDA will be considered.

**Repayment**

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><b>Security</b> Charge on capital subsidy receivables from MNRE.</p> <p><b>Special Condition</b></p> <ul style="list-style-type: none"> <li>• The amount of loan assistance/ Bill Discounting to be within the unutilized funds of Government Budget/MNRE Scheme for installations of Solar Water Heating Systems (SWHS).</li> <li>• 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.</li> <li>• IREDA to have option to adjust its dues against any other claim of the borrower being handled by IREDA in case of any shortfall.</li> </ul> <p><b>Procedures</b> The request of the borrower will be processed by the dealing group as per the existing procedures and practices followed at IREDA</p> <p><b>H. Direct Discounting of Generation Based Incentive(GBI) Claims Payable to RE Developers under MNRE Scheme for GBI for grid interactive Wind and Solar power projects</b></p> <p>GBI is provided over and above the feed in tariff approved by State utilities.</p> <p>Eligibility for Discounting of GBI Claims 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, to be eligible under this scheme.</p> <p><b>Extent of Assistance</b></p> <ul style="list-style-type: none"> <li>• Up to 80% of the existing pending eligible GBI claim, as verified by the IREDA GBI group.</li> <li>• Minimum loan assistance – Rs.20 Lakhs.</li> </ul> <p>Determination of Loan Amount Based on verification by IREDA regarding pending eligible GBI claim of the applicant in line with existing GBI policy.</p> <p><b>Interest Rate</b> 0.90% p.m. (10.80% pa) to be adjusted from the GBI receipts from MNRE against the claim. Shortfall, if any, to be payable by the borrower on demand. For interest calculation purpose, last date of the month in which GBI claim is received at IREDA will be considered.</p> <p><b>Repayment</b> Loan amount to be recovered out of GBI proceeds received / to be received from MNRE. Shortfall, if any, to be recovered from the borrower, to be payable on demand.</p> <p><b>Security</b> Charge on GBI receivables from MNRE.</p> <p><b>Special Condition</b></p> <ul style="list-style-type: none"> <li>• The amount of loan assistance/ Bill Discounting to be within the unutilized funds of Government Budget/MNRE Scheme for GBI for Grid Interactive Wind &amp; Solar Power Project.</li> <li>• In case it is felt that the recovery/payment of GBI 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.</li> <li>• IREDA to have the option to adjust its dues against any other claim of the borrower being handled by IREDA in case of any shortfall.</li> </ul> <p><b>Procedures</b> The request of the borrower will be processed as per the existing procedures and practices followed at IREDA.</p>
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<b>Amendment/ Revision in the Financing Norms &amp; Guidelines</b>				
<b>S. No.</b>	<b>Date of Amendment / Revision</b>	<b>Clause Ref.</b>	<b>Page No.</b>	<b>S u m m a r y o f changes</b>
1.	27.07.2010	Annexure - A	All pages	New Interest rates effective from 27.07.2010
3.	25.02.2011	Clause No. 11(b) Schedule of Fees	16 of Financing Norms & Schemes	Revision of Front-end-fee.
4.	4.06.2011	Annexure - A	All pages	New Interest rates effective from 04.06.2011
5.	16.08.2011	Annexure-A	All pages	Interest rates revised w.e.f. 16.08.2011
6.	22.06.2012	Annexure-A	All pages	Interest rates revised w.e.f. 22.06.2012
7.	12.06.2014	–	–	Interest rates revised w.e.f. 12.06.2014
8.	26.07.2014	–	All Pages	Review of “Financing Norms & Schemes” & also induction of new Fund and non-fund based schemes.
9.	28.07.2015	–	All pages	Modifications in existing “Financing Norms & Schemes”.