

IREDA Policy framework for deferment of Interest Instalments and shifting of Repayment Schedule including residual tenor of Term Loans under COVID-19.

IREDA is in receipt of inputs regarding adverse impact in light of the COVID-19 crisis. The current crisis is also going to impact the entire RE sector (viz. manufacturing, construction & operations of RE projects). Issues caused by COVID-19 Pandemic and country wide Lockdown are related to disruption in supply chain of manpower & consumables, payment cycle in terms of delay from DISCOMs, Non- generation of invoices etc. are going to be pertinent and bring Financial Stress in the RE Sector.

Thus, there would be liquidity issues with RE industry (developers, manufacturers & others). With a view to provide some degree of relief to the borrowers of IREDA, whose operations are impacted directly & indirectly by COVID 19 Pandemic, the policy framework for deferment of Principal and Interest Instalments and shifting of Repayment Schedule is as under:

In this regard, the detailed features are as under: -

1. Wherever the request of Borrower for moratorium of payment of principal and/or interest instalments is considered, the dues shall be converted into additional loan in each case. The additional loan shall attract interest at rate applicable to the credit facility and shall be recovered on due dates as per original scheme after end of the moratorium period. The principal amount of additional loan shall be recovered during the extended maturity period in equal monthly/quarterly instalment(s).

Note: It is clarified that the additional loan will be treated at par with the original loan facility & all terms and conditions including special rebate on interest and payment terms as applicable to the original loan facility shall apply mutatis mutandis to such loan. All obligations of the borrower like security, guarantees, promoters' undertakings /sponsor support undertakings for debt service obligation should remain in force.

2. The benefits of the said deferment shall not be available to the following –
 - Project which are under commissioning as on 01.03.2020.
 - Borrowers who has availed the Top Up loan facility from IREDA.
 - NPA Borrowers standing in the books of IREDA as on 31st March 2020.
 - Beyond economic life of the project.
3. The additional loan created above will be considered as part of the original loan facility and accordingly, the original loan amount and repayment period shall stand enhanced subject to the condition that the sum of additional loan and existing loan outstanding shall not exceed the originally Sanctioned amount. In any case, the amount of additional loan shall not exceed the existing loan sanctioned. The repayment schedule of the original loan will remain unchanged and payments under the original loan will continue to be made as per the original repayment schedule after 31st August, 2020.
4. Except for principal and interest dues, all other charges/fee(s) will continue to be levied and demanded as per the existing loan document /policies/ guidelines/ procedures.
5. To avail the benefits of the above deferment, Borrower to submit a written request that inter-alia include necessary consent(s) for change/enhancement in existing loan amount; consent for continuing obligations for debt servicing of enhanced amount, increase in financial obligation due to further interest etc.
6. Three (3) months' time (from the date of consent but not later than 30.11.2020) will be provided to execute necessary documents including for security creation, if any. If the borrower fails to execute necessary documents including for security creation, if any within the prescribed timelines, then additional interest @1% will be charged from the borrower from the date of expiry of prescribed timelines.
7. Borrowers wishing to avail the benefit of deferment should have no outstanding overdue(s) as on 1st March 2020. For borrowers, who have outstanding overdue(s) as on 1st March 2020, if such overdue(s) are cleared subsequently i.e. upto 31st August 2020 on or before 30th September 2020, the above benefit of six months

deferment will be available to them for all payment of Instalments falling due between 1st March 2020 to 31st August 2020 from retrospective due date(s),if any.

8. Any prepayment (full/partial) of the said additional loan shall not attract any prepayment penalty paid within the extended period.
9. Any surplus revenue will be 'cash sweep in' within the above repayment period of the additional loan and shall be applicable before creation of DSRM / DSRA. Once the additional loan is fully repaid, waterfall arrangement as stipulated in the TRA shall be applicable.
10. In case of consortium lending, IREDA shall follow the terms of the lead lender.
