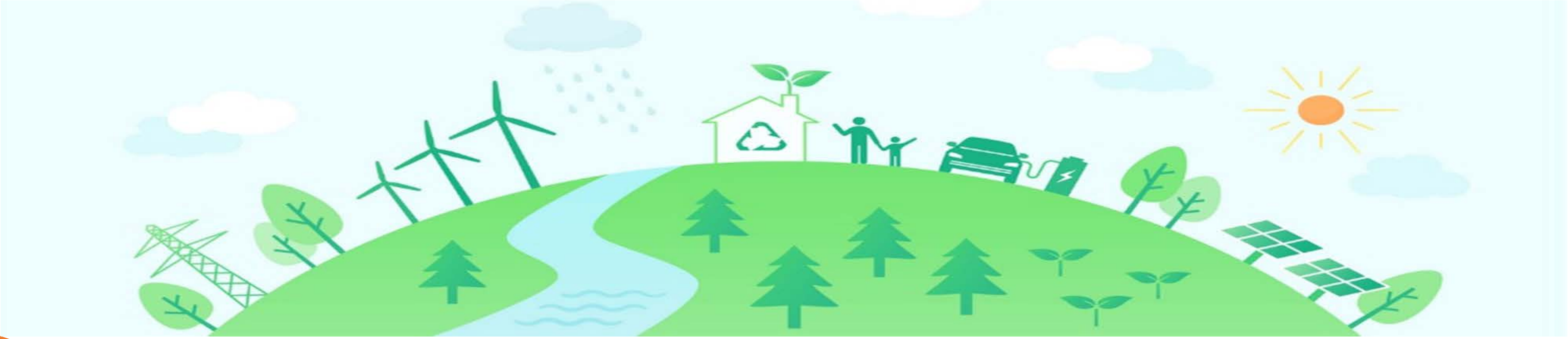
12th Stakeholders’ Interaction Meet



Indian Renewable Energy Development Agency Limited

10th December, 2022 | New Delhi

Performance Highlights : FY 2022-23 – H 1

Amount : ₹ / Crore

	As on 30.09.2021	As on 30.09.2022	Achievement
Loan Sanctions	6,975	11,765	Up by 68.67%
Total Income	1,385	1,578	Up by 13.93 %
Borrowings	12,336	18,298	Up by 48.33 %
Profit Before Tax	355	616	Up by 73.52 %
Profit After Tax	300	410	Up by 36.66%
Net worth	3,333	5,638	Up by 69.15%
Loan Book	28,856	33,783	Up by 17.07
Net NPAs	4.87%	2.72%	Reduced by 44.14 %

Suggestions already implemented

- Reduction in LoC charges
- Introduction of concept of Relationship officer
- Improvement in D/E ratio on account of increased project costs
- Support to E-Mobility
- Document execution at Branch offices
- Retain lower interest rates
- SHP schemes made more attractive & comparable to other sectors

New Policy for extending Medium Term Loan for Renewable Energy Expansion

Policy Initiatives- New Loan Product (1/2)

Eligibility:

- **Applicant in RE sector** with external rating of **minimum A-** for 2 consecutive years immediately preceding loan application date.
- **Must have developed / executed** RE projects of minimum 1.5 GW and have Operational Capacity of minimum 1 GW at Group level.
- **Must be existing borrower of IREDA** (by way of loan through group SPVs/associates/applicant) with combined relationship of minimum 3 years to be considered across borrowing entities of the same Group.
- **Contingent Liability** to be not more than 3 times its net worth for applicant company.
- **Net worth** to be minimum Rs. 500 Crore at a consolidated level.
- Compliance of General Eligibility Conditions as per Financing Norms.

Policy Initiatives- New Loan Product (2 /2)

New Policy for extending Medium Term Loan for Renewable Energy Expansion

- **Tenor** : 2 – 5 years door-to-door
- **Moratorium** : Upto 1.5 years from first disbursement
- **Loan Amount** : Upto 75% of realizable value or 50% of circle rate value of collateral security whichever is higher.
- **Interest Rate** : Highest of the sector + 1%
- **Security:** :
    - Collateral in the form of unencumbered operating project / urban property.
    - Hypothecation of movable assets in parri passu with WC bankers
    - 1 Quarter DSRA
    - PG / Pledge of Holdco share of minimum 15% of loan amount.

Recent Amendments in Existing Loan Products

1) Scheme for setting up of New Distillery / Production of Ethanol

- **Provision for aligning of terms** with lead FIs / Banks/Underwriters In case of consortium / co-financing.
- To provide exclusive / first / first pari-passu charge on TRA / Escrow account, Land & Buildings, Plants & Machinery, other fixed assets.
- Provision for creation of DSRM equivalent to 2 Qtr (P & I) in the form of BG /FD.
- Interest subvention / interest subsidy to be passed on to the project after adjustment against overdue of IREDA / Consortium Lenders.

2) Scheme for Compressed Bio-Gas (CBG) under SATAT.

- Provision for inclusion of Revenue from the by products such as Distiller's dried grains with solubles (DDGS) etc. may also be considered as part of the cash flow calculations during the appraisals. **Subject to** annual and average DSCR of at-least 1.0 and 1.10 be maintained for loan tenure without considering revenue from uncontracted by-products.

3) Scheme for Line of Credit to NBFCs / FIs for on-lending to RE / EEC projects.

- Now includes Electric Mobility Segment, etc.
- Reduction in Funds utilization time - to be utilized within 1 year instead of 3 years.

Recent Amendments in Existing Loan Products- Contd.

4)Scheme for funding Green Mobility Segment

- Annual and average DSCR of at least 1.10 and 1.25 respectively, be maintained.
- In case of exit clause in Concession Agreement & Contract, the same to be reviewed at the time of appraisal and suitable conditions to be stipulated.
- Moratorium period upto 1 year.
- Charge on Project's operating cash flows, book debts, receivables, commissions, revenues.

5)General Terms & Conditions- Transmission Sector

- Quantum of loan **upto 90% of Project Cost** where borrower is **Govt owned entity**

- IREDA has been mandated as Implementing Agency for CFA Release under Waste-to-Energy and Biomass Program of MNRE.

- IREDA has launched Complaint Portal.

Status on suggestions received during the Meeting held on 3.9.2022

No	Suggestion	Action Taken / Present Status
1	**Counter Guarantee Scheme (CGS)** • can be extended from 3 years to 5 years. • can be sanctioned in general terms and not specific to any one area/project. **Prepayment of Group Company** • Cash surplus can be utilized for prepayment for projects under group company. • LC rates can be negotiated with banks as against LOCs issued by IREDA.	• LoC is issued against LC towards supply of goods & services which **generally does not exceed beyond 3 years**. Hence, the timeline. However, any specific request can be examined on case-to-case basis. • Issuance of LOC is subject to satisfactory due diligence. • Prepayment from Cash surplus is governed by cash sweep, prepayment policy. However, the same cannot be directly utilized for the Group Company being a separate legal entity. • Does not fall under IREDA's purview as it is a matter of specific bank policy.
2	• DER for hydro projects borrower who has commissioned less than 100 MW may be considered for DER 4:1. • Policy for Pump Storage.	• IREDA's Policy does not restrict funding of pump storage hydro plants.
3	IREDA may consider DER of 80:20 for new SHPs if old borrowers has a good track record of loan accounts at IREDA	IREDA has allowed funding upto 80% of project cost in case of Hydro Projects.
4	Yearly Statement of Accounts.	Presently provided on request , facility for issuing with each demand letter under implement in new ERP.
5	Bio Sector – Increase the exposure limit from 50% to 70% for the project already sanctioned under limit of 50%	Suggestions are noted. Presently, IREDA do not have policy for enhancing sanctioned limit to 70%. However, IREDA Policy for Setting up of New Distillery / Expansion of Existing Distillery for Production of Ethanol already allows funding upto 75-90% of Project Cost to borrower eligible for availing interest subvention.
6	Funding of Gas distribution system by IREDA.	Not covered in IREDA's mandate.

Status on suggestions received before 12th Stakeholders Meet

No	Suggestion	Action Taken / Present Status
1	Transparency in hiring of technical experts & their remuneration wrt other FIs.	The terms and conditions are in line with market practices.
	Formats of loan documentation to be updated with changing Acts and removal of non-applicable clauses.	The formats of IREDA are regularly updated appropriately. IREDA is funding a wide range of RE technologies, some of the clauses may not be applicable to the specific project. However, the same is marked “not applicable” in specific loan documents.
	Acceptability of TRA Account format.	Draft TRAs are shared in advance and any specific point is suitably addressed without diluting interest of IREDA.
2	Receipt of repayments (acknowledgement)	Being implemented in new ERP.
3	(Loan specific) Refund of Interest Reset Fee Rebate in front-end-fee on Securitization Loan	The borrower has been informed that the rebate is not applicable in their case. To be governed by the Notified Policy.
4	Waiver for NACH Mandate applicability	NACH mandate is requirement of IREDA and cannot be done away on account of process involved.
5	Ethanol Financing Policy- Request for Reducing promoter’s contribution to 5%.	The upfront promoter contribution is stipulated to ensure that promoters execute the project at faster pace and in timely manner.

Cooperation Solicited from Stakeholders

IREDA has been regularly following up with stakeholder’s for providing:

- Annual Financial Statements – Annual Reports
- Renewal of Insurance Policies
- Personal Guarantors’ Net worth Certificate.

Solicit cooperation for timely submission.

Nodal Officers to Help our Business Partners

Nodal Officers for all new & existing Loan Applications (for Govt. and Private Sectors)

S. No.	Name of Official	Query Pertaining To	Contact Number	E-mail Id
1.	**Mr. Anudeep Yadav,** Chief Manager	**Existing** loan Facility at IREDA	9910109683	anudeepyadav@ireda.in
2.	**Mr. Avdhesh Kumar Pandey,** Manager	**New** Loan Application - **Govt. Sector**	9810460919	avdhesh@ireda.in
3.	**Mr. Ayush Khandelwal** Deputy Manager	**New** Loan Application - **Private Sector**	7055318183	ayush@ireda.in

Some General Discussion points- For Open House Discussion Stage

- Exposure no constraint – open for funding to large projects
- Proposed to extend funding to the entire value chain of RE manufacturing. Suggestions solicited.
- Requirement of providing key documents at the time of filing online application, viz: Annual Report, KYC, TEV Report, approvals, etc.
- Feedback on stakeholder’s experience with Lenders’ Independent Engineer (LIE)

Solicit your valuable feedback and suggestions to further improve our services.

ENERGY FOR EVER

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IREDA

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