

IREDA Scheme “Loan against Securitization of Future GBI receivables in case of Grid Connected Wind & Solar Projects”

Objective: To provide Loan against Securitization of future GBI Receivables of Wind & Solar projects registered under GBI scheme of MNRE.

Eligibility:

- DICOMS/Utilities, who are eligible/ registered for GBI scheme or lending agencies and/or IREDA’s borrower shall be eligible to borrow loan under the scheme
- Lending agencies (Banks/FIs including NBFCs) whose funded projects are registered with IREDA for GBI Scheme, shall be required to satisfy, inter alia, the following parameters to be eligible for availing loan (for refinancing of future GBI claims to their borrowers) under the Scheme:
 - i. They should be profit-making for the last three years and should have no accumulated losses. The condition will not be applicable to State/ Central PSU Banks/Govt. NBFC’s/ Govt. FIs.
 - ii. Gross Non-Performing Assets as a percentage of Gross Advances should normally not exceed five per cent for the entire portfolio of the lending institution. The condition will not be applicable to State/ Central PSU Banks/Govt. NBFC’s/ Govt. FIs.
 - iii. The Capital Adequacy Ratio should be in conformity with the prescribed regulatory norms.
- Group/promoter/holding company is also eligible to avail loan for all the projects registered for GBI Scheme (under the same group) with single application, provided the holding company is having atleast 76% shareholding in each of the concerned SPVs for which loan is sought.
- Eligible borrower under the scheme should have been registered, approved and sanctioned under the GBI Scheme and there shall not be any overdue to their lenders (including IREDA). The loan account should be standard in the books of the lender(s) including IREDA
- To be eligible to avail loan under the scheme, Applicant should not have availed Accelerated Depreciation (AD) benefits for the projects under loan consideration.
- Other eligibility conditions shall be as per prevailing IREDA’s Financing Norms.

Extent of Loan

- To the extent of 50% of the projected balance future GBI receivables of the project. The projected generation may be preferably estimated based on the average generation during last 2 Financial Years.
- Minimum Loan assistance would be Rs. 50 Lacs per project, as per the applicable guidelines.

Repayment Period

- The maximum repayment period would be 1 year less than the remaining period for GBI receivables.
- The repayment of Principal would be preferably on annual basis. The interest payments shall be monthly basis. However, the borrower has the option to pay interest amount on annual basis, provided they are agreeing to pay compound interest. Further, the repayments including interest payments may be linked with release of GBI amounts.
- No moratorium would be provided.
- Repayments may be adjusted 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.
- For above purpose, up to 90% of GBI Proceeds received/ to be received from MNRE will be adjusted against IREDA dues. The balance GBI proceeds upto 10% may be released and borrower may utilize the same. In case, if IREDA wants the balance GBI amount may also be adjusted against dues, if any and the same will be done with the consent of the borrower.
- In case of IREDA funded project, IREDA will also have the option to adjust its project loan dues from GBI receivables.
- In the event of any account under the said scheme, is referred to NCLT, the loan shall be repaid in bullet repayment

Interest rate: Highest prevailing interest rate of the sector (solar & wind) + 0.5% p.a., with reset clause as per prevailing norms of IREDA (presently 1 year).

Registration Fee: As per the prevailing Financing Norms of IREDA

Processing Fees: 0.5% of the loan amount or Rs. 5 Lac, whichever is lower. (No separate Front end fee shall be applicable)

Other Fee & Charges: As per the prevailing Financing Norms of IREDA

Security

- A. Applicant to provide Exclusive charge on GBI receivables from MNRE, to IREDA
- B. IREDA to explore taking First /Pari-Passu charge on all project assets (including current assets/ receivables) on reciprocal basis. In case of genuine difficulties, IREDA shall have second charge on all assets (including receivables) of the Borrower, both present and future, to secure loans. The said second charge to secure debt shall rank pari passu with all other 2nd charge holders/lenders of the project, if any.
- C. One or more additional securities such as Pledge of shares, mortgage of Collateral security (or equivalent value of BG/FDR), Corporate Guarantee, Personal Guarantees, Postdated Cheque, Charge on revenue streams of promoter companies, 3rd party Guarantee etc., to the satisfaction of IREDA.

➤ **Security Conditions for Discoms**

Any one (or more) securities such as State Govt. Guarantee/ Security of Pari-passu charge on current assets /Charge on Escrow Account/Other similar securities such as PDCs/ Comfort Letter from Discoms/ Demand Promissory Notes etc.

➤ **Security Conditions for Banks/FIs (Including NBFCs)**

Apart from the Security conditions as mentioned at Serial No. A & B above in, IREDA may also explore security as “Charge (exclusive/first pari passu charge) as may be required, on the book debts of the Banks/FIs including NBFC upto 100% of the IREDA Loan outstanding including dues, at all times during the currency of the IREDA loan”.

Other Conditions

- The company shall provide an undertaking that funds released under the scheme shall be utilized towards RE projects and its related activities.
- A detailed plan, supported with documents indicating the proposed utilization of funds, if any, along with a detailed time line to be submitted at the time of Loan application. In this regard, the applicant shall submit utilization certificate (Statutory Auditor), immediately after utilization funds.
- Applicant to provide Statutory Auditors Certificate certifying that they have not availed any Accelerated Depreciation(AD) for the projects under consideration and also confirm in the form of undertaking that they will not avail AD in future also.
- GBI Receivables of the project to be free from any charges, All Bankers of the applicant to provide NoC in this regard.
- In case, the projects funded by IREDA under this GBI scheme at any stage undergoes down selling, such down selling can only be allowed with prior permission of IREDA and in this regard, NoC from IREDA needs to be obtained.
- No change in management/ change in shareholding pattern to be effected without prior permission of IREDA and NoC from IREDA for to be obtained for any change in management/ change in shareholding pattern.
- Additional insurance policies covering Loss of generation which may include machine breakdown (MBD), natural calamities/force majeure conditions etc.
- IREDA reserves the right to debit all expenses incurred on inspection (including the visit prior to sanction of project) and monitoring charges of projects involving IREDA’s loan, are to be borne by the borrower.
- The Applicant shall provide an irrevocable undertaking to IREDA for adjusting GBI amounts to recover its dues to IREDA.
- The borrower/ GBI beneficiaries shall provide an irrevocable undertaking authorizing IREDA to receive GBI money released by MNRE, Govt. directly.
- All sanction under the scheme shall be processed as per the Delegation of Power (DOP) of IREDA.
- Other terms and conditions shall be as per prevailing Financing Norms/ Guidelines of IREDA.
