

IREDA Financing Scheme - “Manufacturing of Biomass Pellets/ Briquettes/Torrefied Pellets/ Refuse Derived Fuels (RDF)”

I. Scheme Objective:

To provide financial assistance for setting up of facilities for manufacture of Biomass Pellets / Briquette/RDF, which in turn promote processing of agriculture crop residues/MSW in an economic way and support sustainable environment.

II. Eligible Entities: As per Financing Norms of IREDA

III. Projects Eligible for the Assistance; All the commercially viable Biomass pellets /Torrefied Pellets/Briquette/ RDF manufacturing plants.

IV. Minimum Loan

The minimum loan eligibility from IREDA will be Rs.50 Lakh

V. Promoter Contribution and Quantum of Loan

- Quantum of loan from IREDA shall be linked to the project cost and is as per the following table:

Project cost	Loan Amount (%) of the project cost
If the project cost is upto Rs. 5 Cr	Upto 70%
More than Rs. 5 cr & upto Rs. 10 cr	Upto 60%
More than Rs. 10 Cr	Upto 50%

- The minimum promoter contribution shall be 30% of the project cost.

VI. Interest Rate: - The applicable interest rate will vary & depends on the grade of the of the project, as per IREDA Credit Risk Rating system (CRRS), as applicable to Biomass Power projects are as given below:

Grade of the Project	Rate of Interest (% pa)
I	10.25%
II	10.75%
III	11.15%
IV	11.45%

Note:

- The interest rates are revised from time to time, as per IREDA's internal process through interest rate fixation committee
- Interest rates prevailing at the time of each disbursement shall apply

VII. Repayment Period & Moratorium: - The repayment periods shall be maximum of 6 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 upto 12 months from the date for COD of the project.

VIII. Securities:

- Company shall provide exclusive charge or pari passu charge in case of co-financing, by way of equitable mortgage and on plant & machinery by way of hypothecation of movable assets of the project.
- Pledge of shares (minimum 51%) of the applicant company.
- One or more additional securities such as mortgage of Collateral security, Corporate and/or Personal Guarantees, 3rd party Guarantee, Deposit of PDCs, Demand Promissory Note, BG/FDR for not less than 10% of loan etc., may be provided to the satisfaction of IREDA.
- Revenue from sale of pellets / briquettes/RDF, if any should be routed through TRA and provide exclusive charge on Trust & Retention account (TRA).
- Any other security, as may be feasible.

IX. Fees and charges: As per Financing guidelines of IREDA

X. General Conditions

- All the commercially viable Biomass pellets /Torrefied Pellets/Briquette/ RDF manufacturing plants.
- The site specific Biomass resource availability/ Survey Reports report to be provided.

- Market Survey reports indicating the potential buyers of Pellets/ Briquettes around the site.
- The borrower shall provide all information and documents reasonably required in connection with the procurement, of any goods, services and works to be financed by IREDA, as per the established commercial practices
- The subsidy/grant, if any given by the Central Government/ State Governments shall be adjusted against loan sanctioned by IREDA.
- The interest subvention/interest subsidy, if any given by State/Central Govt., will be passed on to the project.
- Other terms and conditions shall be as per prevailing Financing Norms/ Guidelines of IREDA.
