

“Short Term Loan Facility to Govt. Bodies/ Discoms/ Transcos /State Owned Trading Companies”

- 1. Scope:** Meeting RPO Compliance /Procurement of RE Power/ Payment to RE Generators/Setting up RE Infrastructure (Including Transmission Lines).
- 2. Tenure:** Upto 3 year.
- 3. Repayment:** Interest to be payable on monthly basis, and principal with an option of monthly or quarterly.
- 4. Interest Rate** shall be based on the risk profile of the borrower company (based on their external rating) as follows:

| Sl. No. | External Rating | Charge on Escrow Account / Other Similar Securities* |
|---------|-----------------|--|
| 1. | AAA to AA- | Cost of Borrowing + 100 bps |
| 2. | A+ to BBB- | Cost of Borrowing + 150 bps |
| 3. | BB+ to BB- | Cost of Borrowing + 200 bps |
| 4. | Below BB- | Cost of Borrowing + 250 bps |

* Cost of borrowing / raising, one day before Board Meeting in which the proposal is being approved.

5. Exposure norms (as % of IREDA's Net Worth)

5.1 Normal Exposure Norms

| | |
|----------------------|-----|
| Standalone Company | 20% |
| Group Exposure Limit | 35% |

5.2 Enhanced Exposure Norms

However, in cases of Short Term Loans under the scheme, where Applicant proposes to provide State Govt. Guarantee for the entire Loan, the Exposure limits may be considered as:

- Total Loan Exposure to the State (Single/ Group Exposure):** Upto 50% of the IREDA's Networth (beyond 20% Standalone Company/ 35% Group Exposure limit of IREDA's Networth) shall be applicable for Wind and Solar Sector Only.
- Also the above exposure may be followed in case of Central Govt Entities like SECI, NTPC (Wherein the central government entities be exempted from furnishing of Central/ State Govt. Guarantees) etc.

6. Security: The applicant shall create the following securities:

1. Exclusive Charge of upto 1.2 times of IREDA Loan, on Default Escrow Account by earmarking unencumbered specific revenue stream for repayment of IREDA loan.

And

2. Any one or more of the following securities:
 - State Govt. Guarantee for the Loan
 - Post-Dated Cheque
 - Promissory Note covering the loan amount.
 - Comfort Letter from respective State Govt.

7. Other General Conditions of the scheme

1. The applicant shall provide an undertaking that the short term loan assistance will be utilized only for RE sector activities.
2. Applicant shall provide utilization certificate that the fund has been deployed for RE related activities/ projects
3. Disbursement to be met only for Renewable Energy (viz. Meeting RPO Compliance /Procurement of RE Power/ Payment to RE Generators/Setting up RE Infrastructure including Transmission Lines)
4. Company shall submit Board Resolution for availing the Short Term Loan.
5. Company shall execute a short term loan agreement.
6. NoC from the existing lender be provided to IREDA

In case of providing enhanced Exposure as mentioned at Sl. No: 5.2 above, to the applicant or its group, the following compliance be ensured:

1. Applicable only for Solar and Wind Sectors
2. The Applicant shall provide an undertaking that the short term loan assistance will be utilized only for Solar & Wind sector activities.
3. Applicant shall provide utilization certificate that the fund has been deployed for Solar & Wind sector activities/projects
4. Disbursement to be met only for Solar & Wind sector activities/projects (viz. Meeting RPO Compliance /Procurement of RE Power/ Payment to RE Generators/Setting up RE Infrastructure including Transmission Lines)
5. Applicant shall submit Board Resolution for availing the Short Term Loan for Solar & Wind sector activities.
6. Company shall execute a short term loan agreement.
7. NoC from the existing lender (s) be provided to IREDA