

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

<b><u>Scope:</u></b>	Meeting RPO Compliance /Procurement of RE Power/ Payment to RE Generators/Setting up RE Infrastructure (Including Transmission Lines)/ Other Purpose related to RE												
<b><u>Tenure:</u></b>	<p>Upto 5 year excluding moratorium of 12 months</p> <p>Loan would be further classified as follows based on the loan tenure:</p> <table border="1" data-bbox="646 501 1401 656"> <thead> <tr> <th><b>Loan Tenure</b></th> <th><b>Classification</b></th> </tr> </thead> <tbody> <tr> <td>Upto 1 year</td> <td>Short term loan</td> </tr> <tr> <td>More than 1 year and upto 3 years</td> <td>Medium term loan</td> </tr> <tr> <td>More than 3 years</td> <td>Long term loan</td> </tr> </tbody> </table>	<b>Loan Tenure</b>	<b>Classification</b>	Upto 1 year	Short term loan	More than 1 year and upto 3 years	Medium term loan	More than 3 years	Long term loan				
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<b><u>Repayment:</u></b>	Interest to be payable on monthly basis, and principal with an option of monthly or quarterly.												
<b><u>Interest Rate</u></b>	<p>The minimum Interest rates are as follows (The interest rates are applicable to state owned Discoms and their related Transcos and Gencos):</p> <table border="1" data-bbox="679 875 1366 1059"> <thead> <tr> <th><b>Sl. No.</b></th> <th><b>Integrated Rating by MoP</b></th> <th><b>Applicable Interest Rate*</b></th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>A+ and A</td> <td>Repo Rate + 300 bps</td> </tr> <tr> <td>2.</td> <td>B+ and B</td> <td>Repo Rate + 400 bps</td> </tr> <tr> <td>3.</td> <td>C+ and C</td> <td>Repo Rate + 500 bps</td> </tr> </tbody> </table> <p>*The rate of interest will be fixed on case-to-case basis depends on the credibility of the borrower.</p> <p>Note - In case of increase in the Repo rate in future, the Interest rate of the above loans would also increase. The above spread will be fixed for 1 year.</p> <ul style="list-style-type: none"> <li>• However, certain DISCOMs want to avail loan for a period not more than 1 year (excluding moratorium period). Therefore, a further discount of 30 bps may be given to such DISCOMs depending upon the credibility of DISCOMs. We may obtain postdated Cheques and promissory notes as security for loan of tenure less than 1 year. Board has authorized CMD to approve discount of upto 30 bps in interest rate and modification in security conditions for DISCOM's availing short term loan of less than 1 year as mentioned.</li> <li>• Further, for DISCOMs who do not wish to avail loan on floating basis (linked to Repo) and where IREDA intends to offer loan on yearly reset basis, in all such cases the base of minimum rate of interest shall be linked to average cost of borrowing. Board has authorized CMD to approved loans as mentioned above.</li> <li>• In case of similar sanction in market, IREDA may follow interest rate of market and if required, may also provide further discount in overall larger interest of the organization. The rate of interest will be determined on case to case basis based on the risk profile of the company. However, minimum spread of 100 bps over and above</li> </ul>	<b>Sl. No.</b>	<b>Integrated Rating by MoP</b>	<b>Applicable Interest Rate*</b>	1.	A+ and A	Repo Rate + 300 bps	2.	B+ and B	Repo Rate + 400 bps	3.	C+ and C	Repo Rate + 500 bps
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	<p>IREDA's incremental cost of borrowing for the current financial year* is to be ensured</p> <p>* if there is no incremental borrowing during the current FY, the incremental cost of borrowing of previous FY may be considered.</p> <p>All the other terms and conditions remains unchanged</p>
<b><u>Front End Fee and Documentation Charges</u></b>	Front End Fee and Documentation Charges will not be charged to State Sector Borrowers under the scheme
<b><u>Exposure norms (as % of IREDA's Net Worth)</u></b> <b><u>(Till March 2023)</u></b>	<p><b>Exposure Limit (Single and Group exposure to be treated as same)</b> : 35% (For Sectors other than Solar and Wind) / 60% (For Solar and Wind Sectors)</p> <p>Also, the above exposure may be followed in case of Entities like SECI, NTPC, other Government entities i.e. exposure to such individual entities may be kept at 35% (For sectors other than Solar and Wind) / 60% (For Solar and Wind Sectors)</p>
<b><u>Security</u></b>	<p><b>Main Securities</b> Any of the following;</p> <ol style="list-style-type: none"> <li>1. Exclusive Charge of up to 1.2 times of installment of IREDA repayment obligation, on Default Escrow Account by earmarking unencumbered specific revenue stream</li> <li>2. ESCROW cover upto 1.2 times of installment of IREDA repayment obligation through default escrow mechanism or any another established mechanism</li> <li>3. State Govt. Guarantee for the Loan</li> </ol> <p>Till any of the above is furnished, disbursement can be made against deposit of the following with a validity of six months</p> <ol style="list-style-type: none"> <li><b>a)</b> Post-Dated Cheques, and</li> <li><b>b)</b> Promissory Note covering the loan amount.</li> </ol> <p>However, if any entity has already obtained a loan on security different from the above, and has returned entirely the said loan in last six months, then security on the same terms and conditions of previous loan may be considered.</p> <p><b>Timeline for Security Creation:</b></p> <p>In Case, Condition 1, 2 &amp; 3 i.e. Main Securities are taking time then DISCOMS may provide security in the following manner;</p> <ul style="list-style-type: none"> <li>• Promissory Note covering the loan amount and Post-Dated Cheque/ECS mandate.</li> <li>• However, the Condition 1, 2 or 3 i.e. Main Securities shall be complied with within 6 months.</li> </ul>

<p><b><u>Other General Conditions of the scheme</u></b></p>	<ol style="list-style-type: none"> <li>1. The applicant shall provide an undertaking that the term loan assistance will be utilized only for RE sector activities (viz. Meeting RPO Compliance /Procurement of RE Power/ Payment to RE Generators/Setting up RE Infrastructure including Transmission Lines, Other Purpose related to RE etc. and disbursement shall be utilized accordingly.</li> <li>2. Applicant shall provide utilization certificate that the fund has been deployed for RE related activities/ projects. The end use certificate to be submitted within maximum period of 1 year from the date of first disbursement.</li> <li>3. Company shall submit Board Resolution for availing the Loan.</li> <li>4. Company shall execute a loan agreement.</li> <li>5. NoC from the existing lender be provided to IREDA, only if pari-passu charge on assets is stipulated as security</li> </ol> <p><b><u>In case of providing enhanced Exposure as mentioned at Sl. No: 6.2 above, to the applicant or its group, the following compliance be ensured w.r.t Enhanced Exposure.</u></b></p> <ol style="list-style-type: none"> <li>1. Applicable only for Solar and Wind Sectors</li> <li>2. The Applicant shall provide an undertaking that the enhanced exposure shall be utilized only for Solar &amp; Wind sector activities.</li> <li>6. Applicant shall provide utilization certificate that enhanced exposure has been deployed for Solar &amp; Wind sector activities/projects (viz. Meeting RPO Compliance /Procurement of RE Power/ Payment to RE Generators/Setting up RE, Other Purpose related to RE etc.)” The end use certificate to be submitted within maximum period of 1 year from the date of first disbursement.</li> <li>3. Applicant shall submit Board Resolution for availing the Loan for Solar &amp; Wind sector activities.</li> <li>4. Company shall execute a loan agreement.</li> <li>5. NoC from the existing lender be provided to IREDA, only if pari-passu charge on assets is stipulated as security.</li> </ol>
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**Notes:**

- **During the 320th Board Meeting held on 30th September, 2019, the BoD has authorized CMD, IREDA to approve all the Loan Sanctions under the Scheme upto the maximum annual ceiling of Rs. 10,000 Cr.**
- **During the Board Meeting held on 25th March, 2021, Board authorized CMD to approve modification/changes in terms and condition of the scheme including Interest rate, repayment tenor and Security etc., if required, for smooth implementation of the scheme and to protect interest of IREDA.**