

IREDA to take up the role of lead FI under Consortium/Syndicated Loans / Multi-banking arrangements by charging Lead Fee.

Background

IREDA, as part of simplification of its operations and meeting the customer requirements has been regularly reviewing its financing norms and schemes. In view of changing market requirements, it is felt that IREDA may also take up the role of the Lead Financial Institution (FI) under Consortium/Syndicated Loan/Multi Banking Arrangements while financing Renewable Energy Projects.

Prerequisites

IREDA may consider to take up the role of Lead FI in the following cases, subject to satisfactory due diligence of the loan proposal:

- Only in case of IREDA Funded projects.
- IREDA share in the total consortium Loan, should be preferably more than other participating Banks/FIs.
- In case, If IREDA loan is less than the other participating Bank/FI, still IREDA can take up the role of Lead FI, provided IREDA's exposure is atleast 80% of the participating Bank/FI having highest exposure in the Consortium/Facility.

Roles and responsibilities as Lead FI:

- Preparing Project Appraisal Reports/Project Information Memorandum.
- Convene consortium meetings, where necessary.
- Engaging relevant agencies for loan documentation.
- Execution of Loan / Facility Agreement among the consortium Banks/FIs & the Borrower.
- Inspection/verification of securities.
- Execution of the TRA Agreement and related documents.
- Appointment of Lenders Engineer (LE), Lenders Legal counsel (LLC), Lenders Financial Advisor (LFA) and Lenders Insurance Advisor (LIA) as per requirement of consortium members.
- Regular monitoring of Implementation of the project through Lender's Engineer.
- Review the loan drawdown request of the borrower and advise other lenders regarding the same.
- Receive and deal with any request of the Borrower for modifications/ relaxation in terms/conditions of the Financing Documents.
- To oversee the compliance/statutory requirements as per the terms of the Facility Agreement.

The above roles and responsibilities are indicative and the same can be modified according to project specific requirements.

Other Terms and Conditions:

- IREDA may follow its Financing Norms & Schemes/Guidelines while fixing its terms and conditions. However, flexibility to other lenders in consortium may be provided for fixing their terms and conditions, particularly in parameters such as Interest Rates, Reset

Periods, LD Charges, Pre payment Penalty etc.

- Lead Fee is in addition to the applicable Underwriting Fee (Including Front End Fee), as the case may be, which is already approved by the Board of Directors.
- In case, if consolidated Letter of Comfort on total consortium loan is given after obtaining Letter of Comfort from Other Banks/FIs, the fee received from the developer towards the issue of Letter of Comfort will be shared proportionately among other Banks/FIs.
- IREDA may, at its discretion, entrust the job of periodical valuation of securities charged, to a valuer approved by the IREDA and such expenses shall be borne by the Borrower.
- Borrowers shall obtain/maintain all the required statutory/non-statutory clearances for the Project;
- All disbursements under the Facility shall be made by the Lenders in a No Lien/ Trust & Retention Account to be established with Scheduled Bank.
- All payments to the Lenders shall be credited / made by the Borrower in the Trust & Retention Account.

Fees Structure

- IREDA to take up the role of lead FI under Consortium/Syndicated Loans/Multi banking arrangements by charging the below mentioned Lead Fee, apart from the other applicable fees as per the guidelines.

Consortium Loan Slab	Lead Fee (% of Loan Amount)
Upto Rs. 200 Cr.	0.20% of the total loan amount
Above Rs. 200 Cr.	0.20% for the first Rs. 200 cr and 0.15% for rest loan (Subject to minimum of Rs. 40 Lakhs and maximum of Rs. 60 Lakhs)

- One-time fee as per the mentioned slab needs to be paid in the 1st Year. Subsequently, amount of Rs. 3 Lakhs plus applicable taxes per will be charged on 1st Quarter of every year, till the currency of the loan period
- For calculation of fee for loan slab above Rs. 200 Cr.: 0.20% for first Rs. 200 Cr. plus 0.15% for the balance loan amount above Rs. 200 Cr., will be charged
- In addition to the mentioned Lead Fee, Borrower shall reimburse all other expenses incurred, including expenses towards Security trustee fee, Independent engineer/consultant, Concurrent Auditor/ CA, Legal Counsel, Lender's Financial Advisor, Insurance Advisors, Consortium meetings, Service Tax, travel lodging, boarding, etc.