

## Review of Financing Norms for Small Hydro Projects (SHP)

S. No	Parameters	Existing Clauses	Revised
1	Additional Security	<ul style="list-style-type: none"> <li>• <b>Additional Security</b> of Minimum 10% FDR / BG of the loan amount</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Additional Security</b> of Minimum 10% FDR / BG/ Surety Bond, of the loan amount.</li> </ul> <p><b>OR</b></p> <p>Security in the form of charge on residential house/commercial property at circle rate equivalent to at least 10% of loan amount, which falls within municipal range as per IREDA norms.</p> <p><b>OR</b></p> <p>Charge on Project assets equivalent to at least 10% of loan amount (at any point of time during the tenure of the loan) of existing commissioned renewable energy project of applicant company or promoter company. For the above purpose, any other debt free renewable energy project (s) of applicant/ promoter company apart from existing IREDA funded project (s) would be considered, and this shall be based on Operational performance/ merits of that project.</p>
2	Exposure	<p><b><u>Exposure in case of Commissioned Projects</u></b></p> <p>For takeover of commissioned SHP projects with one full year of satisfactory operations, IREDA loan may be extended upto 70% of the capitalized project cost.</p>	<p><b><u>Exposure in case of Commissioned Projects</u></b></p> <p>For takeover of commissioned SHP projects with one full year of satisfactory operations, IREDA loan may be extended upto <b>75%</b> of the capitalized project cost.</p> <p><b>Funding of Hydro Power Projects of upto 25 MW Capacity maintaining DER of 75:25 may be considered for the IREDA funded projects <u>upon commissioning</u>, subject to following:</b></p> <ul style="list-style-type: none"> <li>• The condition of funding upto 75:25 on commissioning, to be stipulated during sanction.</li> <li>• The projects should have achieved the envisaged generation levels as per the sanction, for a minimum period of complete 1 Year.</li> <li>• All the securities should have been created and perfected., as per allowed timelines.</li> <li>• The additional exposure is to be utilized for the following purposes only: <ul style="list-style-type: none"> <li>○ Payment of unsecured loans etc.</li> <li>○ Creditor Payables</li> <li>○ Any other short-term liability</li> </ul> </li> </ul> <p><b>However, no reduction in equity shall be allowed.</b></p>