

# **Policy for granting of In- Principle Loan Sanction to Applicants**

## **Proposed Terms & Conditions:**

- IREDA may grant an In-Principle loan sanction to Borrowers without compromising IREDA's rights to do due diligence at the time of loan sanction, in cases, where Regulatory/ Government Approvals are linked to In-Principle Sanction of Loans by FIs/Banks or Loan by Other Institutions in consortium are linked to In-Principle Sanction of Loan by IREDA.
- In-principle sanction letter is a conditional letter and as such there is no binding on IREDA to issue final sanction letter
- Issue of In-principle sanction letters will be applicable to all sectors/schemes of IREDA
- Receipt of Loan Application along with requisite registration fee and documents
- Borrower to submit the documentary evidence for establishing the need for In-principle sanction.
- IREDA may review the following documents/information for issue of such letters
  - DPR/PIM/Feasibility Reports
  - Basic Financial Viability Analysis
- The account should be standard at the time of issue of final sanction, if any.

## **Eligible Entities/ Categories**

The general eligibility conditions will be as per extant "Financing Norms" & Guidelines of IREDA, as revised from time to time.

## **Exposure Norms:**

The In Principle Loan Sanction shall be within the exposure limits of IREDA.

## **Fee:**

An additional non-refundable fee of Rs.1 Lakh plus taxes (apart from applicable Registration fee) will be charged for processing of In-Principle loan sanction & same will be payable before the issuance of In Principle sanction letter.

**Validity of In-principle sanction:**

In-principle sanction to be valid for 120 days from the date of issuance of the letter.

**General Terms:**

- All other terms and conditions would be as per prevailing IREDA's "Financing Norms" and "Guidelines".
- During the detailed appraisal process for the final sanction, if any, the Applicant (Company/ Promoters etc.) to comply with KYC requirements in line with IREDA Policy.

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