

“Comprehensive policy for financing new technologies for promoting & increasing usage / penetration of Renewable Energy & Funding of green mobility segment.”

Background:

Accelerating sustainable energy transitions away from carbon-based fuel sources is key in achieving climate mitigation promises and energy security objectives and India is poised well to achieve this objective. Recently, Government of India has set a target of non-fossil energy capacity of 500 gigawatts (GW) by 2030 and Net-Zero by the year 2070. Electricity comprises only around 16.5% of the final energy consumption at the national level and additional efforts are required to reduce greenhouse gases (GHG) emitted by the remaining 83.5% energy sector. Accordingly, for large scale integration of Renewable Energy and increasing its usage in the economy beyond scope of meeting power sector requirement only, there is a need for constant focus and investments in new and emerging technologies to integrate renewable energy usage in Industry and Transport sector as well. To meet this goal, development of robust manufacturing and deployment infrastructure for Battery Energy Storage Systems (BESS), Green Hydrogen, Biofuel, green-mobility and charging infrastructure shall play a major role. To meet the demand of sustainable alternatives towards mobility, IREDA is already financing Compressed Biogas (CBG), Bio Ethanol Production projects and propose to further extend its mandate for financing entire value chain of green mobility. The details of the Policy are as under:

1. Terms and conditions for Financing of manufacturing/ new technologies:

Particulars	Details
Eligible Technologies	<ul style="list-style-type: none"> • Battery Energy Storage Systems (BESS) and manufacturing of batteries • Projects involving production of Green Hydrogen (Electrolysers) • Fuel Cells, • Manufacturing/ assembling plant of Electric Vehicles and associated components, • Waste Recycling units to meet the demands of the RE Sector, Electric Mobility and BESS Segments.
Minimum Loan Amount	As per IREDA Norms
Quantum of IREDA Loan	Maximum 70% of the project cost
Promotor Contribution	Minimum 30% of the Project cost
Loan Repayment period	<ul style="list-style-type: none"> • Upto 7 Years for manufacturing (in case of E Mobility & associated components, Waste recycling units and Manufacturing of batteries) • Upto 80% of the balance concessionaire/ agreement period (in case of BESS, Projects involving production of hydrogen and Fuel Cells) <p>In any case, repayment period should not be more than 20 years under the scheme.</p>
Moratorium Period	Upto 1.5 Years
Interest rate	As per IREDA Policy
Upfront Equity	100%
Security	<ul style="list-style-type: none"> a) Mortgage of immovable assets by way of deposit of title deeds or any other legally recognized mode, if applicable b) Hypothecation, over movable properties, and assets, including plant & machinery, machinery spares, equipment, tools & accessories,

	<p>furniture, fixtures, vehicles, and all other movable assets, both present and future.</p> <p>c) Charge on the Borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Borrower, both present and future.</p> <p>d) Assignment of Rights, as applicable</p> <p>e) 2 Quarter DSRA: FD/BG be done for First quarter before achieving SCOD/ Completion and for second quarter DSRA will be built up within 12 months from the SCOD/ Completion date.</p> <p>f) Trust and Retention Account (TRA)/Special Bank Account to be opened for receipt of Sale proceeds/revenue from concession agreements etc. for repayments/payments to be appropriated directly, or, on demand.</p> <p>g) Ant other security, as per IREDA Guidelines</p> <p><u>Additional Securities – one or more securities from the following may be stipulated, to the satisfaction of IREDA:</u></p> <p>a) Corporate Guarantee</p> <p>b) Personal Guarantee</p> <p>c) Pledge of shares - (<i>minimum 51%</i>) of the applicant company to be pledged with IREDA.</p> <p>d) 20% of the loan amount in the form of BG/ FD, Commercial Property/ Residential Property, as per requirement based on project strength</p> <p>e) Any other as per IREDA guidelines</p>
All other term and conditions	As per IREDA Policy

2. Terms and conditions for Financing of Electric Mobility Segment

Eligible Entities: The Applicant should be a Company incorporated in India and working in any of following areas:

A. EV Fleet Owner/ Operator:

- Fleet of Commercial Buses or similar passenger vehicle with Concession Agreement with State or Central Govt. Agencies.
- Fleet of Commercial Cars/ Bikes operating as Taxi Service operating on both Business to Business or Business to Customer Model etc. (Business to Customers models would preferably be considered only as Balance Sheet funding to the main promoting company and on merits of the case).

B. Charging Infrastructure owners

- Electrical equipment for charging of Electric Vehicles including land area. Charging through Renewable Energy shall also be allowed.

All other eligibility conditions would be as per prevailing IREDA's Norms/ Guidelines

Based on the different requirements of the sector, following are the terms:

i. **For EV Fleet Owner/ Operator:**

Particulars	Details
Minimum Loan Amount	As per IREDA's existing policy.
Quantum of IREDA Loan	Maximum 80% of the Project Cost
Promotor Contribution	Minimum 20% of the Project cost
Loan Repayment period	Upto 80% of residual value of the contract or 8 Years, whichever is lower
Construction/ Implementation Period	To be proposed as per the proposal/ contract
Grace Period	Upto 1 Year
Interest rate	As per IREDA Policy.
Upfront Equity	100%
Security	<p>a) Mortgage of immovable assets by way of deposit of title deeds or any other legally recognized mode, if applicable</p> <p>b) Hypothecation, over movable assets, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future.</p> <p>c) Charge on the Borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Borrower, both present and future.</p> <p>d) Assignment of Rights, as applicable</p> <p>e) 2 Quarter DSRA: FD/BG be done for First quarter before achieving SCOD/ Completion and for second quarter DSRA will be built up within 12 months from the SCOD/ Completion date.</p> <p>f) Trust and Retention Account (TRA)/ Special Bank Account to be opened for receipt of Sale proceeds/ revenue from concession agreements etc. for repayments/ payments to be appropriated directly, or, on demand.</p> <p>a) Any other security, as per IREDA Guidelines</p> <p><u>Additional Securities – one or more securities from the following may be stipulated, to the satisfaction of IREDA:</u></p> <p>a) Corporate Guarantee</p> <p>b) Personal Guarantee</p> <p>c) Pledge of shares - (minimum 51%) of the applicant company to be pledged with IREDA.</p> <p>d) 20% of the loan amount in the form of BG/ FD, Commercial Property/ Residential Property, as per requirement based on project strength</p> <p>e) Any other as per IREDA guidelines</p>
All other term and conditions	As per IREDA Policy
Reporting and monitoring	<ul style="list-style-type: none"> The applicant will provide all statements, information, materials, and explanations relating to its business and financial position including Annual Audited Financial Statements and Directors'/Auditors' Reports etc.

	<ul style="list-style-type: none"> • The applicant shall obtain all the statutory clearances/approvals, as may be required for implementation/operation • The applicant shall provide all the details, as requested by IREDA, for the monitoring and quality assurance, safety issues etc.
--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

ii. **Financing of Charging Infrastructure**

Particulars	Details
Minimum Loan Amount	As per IREDA Norms
Quantum of IREDA Loan	Maximum 80% of the project cost
Promotor Contribution	Minimum 20% of the Project cost
Loan Repayment period	<ul style="list-style-type: none"> i. Upto 10 years with Renewable Energy based Charging Infrastructure ii. Upto 7 years, without Renewable Energy based Charging Infrastructure.
Construction/ Implementation Period	Upto 1 Year or more in case Renewable Energy System is also being set up
Grace Period	Upto 1 Year
Interest rate	As per IREDA Policy. Further a rebate of 15 bps on the prevailing interest rates for respective grades would be applicable in case of Renewable Energy based Charging Infrastructure.
Upfront Equity	100%
Primary Security	<ul style="list-style-type: none"> a) Mortgage of immovable assets by way of deposit of title deeds or any other legally recognized mode, if applicable b) Hypothecation, over movable properties, and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future. c) Charge on the Borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Borrower, both present and future. d) Assignment of Rights, as applicable e) 2 Quarter DSRA: FD/BG be done for First quarter before achieving SCOD/ Completion and for second quarter DSRA will be built up within 12 months from the SCOD/ Completion date. f) Trust and Retention Account (TRA)/Special Bank Account to be opened for receipt of Sale proceeds/revenue from concession agreements etc. for repayments/payments to be appropriated directly, or, on demand. g) Any other security, as per IREDA Guidelines <p><u>Additional Securities – one or more securities from the following may be stipulated, to the satisfaction of IREDA:</u></p> <ul style="list-style-type: none"> a) Corporate Guarantee b) Personal Guarantee

	c) Pledge of shares - <i>(minimum 51%) of the applicant company to be pledged with IREDA.</i> d) 20% of the loan amount in the form of BG/ FD, Commercial Property/ Residential Property, as per requirement based on project strength e) Any other as per IREDA guidelines
All other term and conditions	As per IREDA Policy

Fees and charges: As per existing guidelines

General Conditions – Financing of Electric Mobility Segment

- At the time of appraisal, it'll be taken into consideration that the DSCR (on annual basis) of the project/ proposal, during the tenure of the loan shall not go below 1.25.
- The concession agreement and contract shall not have any exit clause till the loan tenure.
- The borrower shall provide all information and documents reasonably required in connection with the procurement, of any goods, services and works to be financed by IREDA, as per the established commercial practices.
- The subsidy/grant, if any given by the Central Government/ State Governments shall be adjusted against loan sanctioned by IREDA.
- The interest subvention/interest subsidy, if any given by State/Central Govt., will be passed on to the project.
- Other terms and conditions shall be as per prevailing Financing Norms/ Guidelines of IREDA.
