

**Last date for Submission of proposals –
Extended upto 30.04.2018**

**Invitation of Loan Applications from
Scheduled Commercial Banks/FIs for
refinancing of their loans under:**

**IREDA-NCEF Refinance Scheme
(Revised)**

*"Revival of the operations of existing Biomass Power/ SHP
projects affected due to unforeseen circumstances"*

IREDA Registered Office
India Habitat Centre, East Court
Core- 4A, 1st Floor, Lodhi Road
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Section 1

Invitation for Applications for Refinance of Loans

Section 1: Notification

Invitation for Loan Applications under IREDA – NCEF Refinance Scheme

- 1) A large number of Biomass Power & Small Hydro Projects (SHP) in the recent past have been affected/ suffered difficulties for several reasons & this has affected the projects viability & ability to repay the loan.
- 2) In order to overcome some of the difficulties faced by the biomass power/ small hydro power plants to some extent and to improve the viability of the above projects, IREDA has launched “IREDA- NCEF Refinance Scheme” with the support from National Clean Energy Fund, MNRE, for refinancing the outstanding loans of Banks/FIs at concessional rate of interest (2%) for stressed Biomass Power & SHP Projects.
- 3) Based on several requests / suggestions received from various stakeholders, the scheme has been revised
- 4) It is proposed that the support would be provided through Scheduled Commercial Banks/FIs to biomass power & small hydro projects where there is a possibility of revival of their operations.
- 5) This invitation for application contains the prescribed application format (Section 2) and the approved “IREDA NCEF Refinance scheme” (Revised) (Section 3).
- 6) Applications shall be submitted only by Scheduled Commercial Banks & FIs. No application shall be entertained from Biomass Power / Small Hydro Projects directly.
- 7) Banks/FIs are requested to submit the applications through online portal (for online portal link refer IREDA’s Website www.ireda.gov.in) and thereafter, a printout of the application duly signed by Competent Authority in all pages along with **Enclosures 1 & 2** should be submitted in 2 hard copies (spirally bound or arranged in folder) with proper page numbering to the following address on or **before 5.30 PM on 30.04.2018**

**Chairman & Managing Director
Indian Renewable Energy Development Agency
Limited (IREDA)
India Habitat Centre, East Court Core-4A,
1st Floor, Lodhi Road, New Delhi - 11 00 03
Tel: +91 11 24682206 - 24682219
Fax: +91 11 24682202**

Section 2

***Prescribed format for submission of
Refinance Loan Application online***

Loan Application Form (Online)

Part - A

1. Name of the Scheduled Commercial Bank/ FI

2. Status of the Applicant

Scheduled Commercial Bank / FI

3. Ownership Status

Government / Private

4. Communication Address

Address	
Pin Code	
State	
Telephone	
Fax	
E-mail	
Website	

5. Name & Designation - Authorized Personnel (with Contact Address)

Name	
Designation	
Employee No/ Code	
Address	
Telephone	
Mobile Number	
E-mail	

6. Certification

We certify the following -

- Our Bank/FI is profit-making for the last 3 years and has no accumulated losses
- The Gross Non-Performing Assets as a percentage of Gross Advances does not exceed five per cent of our entire portfolio. **(Not applicable to State/ Central PSU Banks/Govt. NBFC's/ Govt. FIs)**
- Capital Adequacy Ratio is in conformity with the prescribed regulatory norms

7. Enclosures - 1

- a) Copy of audited Annual Report for last three financial years

Place:

Name

Designation

Date:

Signature with office seal

Part - B

1. **Project related information** for which Loan (refinance) is sought:

	Project 1	Project 2	Project 3.	Total
Name of the borrower				
Sector (*)				
Size (MW)				
Address of the Project site (Village, Distt, State)				
Commissioning date				
Project Cost (Originally sanctioned) (Rs. Lakhs)				
Original Main Loan Sanctioned (Rs. Lakhs)				
Existing repayment schedule of project loan (prior to NCEF Refinance) a) Start Date b) End Date				
Revised repayment schedule of project loan after NCEF Refinance a) Start Date b) End Date				
Main Loan outstanding as on date (Rs Lakhs)				
Funded Interest Term Loan (FITL) as on date (Rs Lakhs) (excluding Working capital limits/loans) (#)				
Refinance Requested (Rs. Lakhs) (##) a) Main Loan b) FITL				
Proposed Interest rate on loan • For refinance loan • Other than Refinance				
Assumptions taken while reappraising/ restructuring the project: I. Fuel rate (Rs./MT) in case of Biomass Power Project II. Present Applicable Tariff rate in (Rs./Kwh) III. Minimum DSCR IV. Average DSCR V. Maximum DSCR				

Notes:

(*) Only combustion based Biomass Power (**upto 10 MW**) & Small Hydro Power (SHP) projects (**upto 5 MW**)

- In case of Biomass Power, the projects of **more than 10 MW** may also be considered, but the refinance amount will be limited to the amount as per pro rata basis upto 10 MW only, subject to maximum refinance amount that can be availed as per scheme i.e. Rs. 15 Crores.
- All Small Hydro Power projects upto an installed capacity of **25 MW** are eligible, subject to maximum refinance amount that can be availed as per scheme i.e. Rs. 15 Crores per project.

(#) Working capital loans are not eligible to be included as loans outstanding for refinance under the scheme. Funded Interest Term Loans (FITL) may also be indicated separately.

(##) Up to 30% of Loan outstanding, subject to maximum refinance amount Rs. 15 cr per project.

Enclosures - 2

- Commissioning certificate issued by competent authority / Transco to be enclosed with application.
- Revised Ammortization schedule for the project under consideration after availing refinance.

Part – C

Confirmations/Declarations by the applicant:

1. We confirm that the benefit in the interest rate arising from the refinance disbursed to us against this request will be passed on only to the loan accounts in respect of which refinance has been availed of by us under the captioned scheme.
2. We confirm further, that:
 - a) The loan(s) covered under this refinance request are eligible for refinance in terms of the IREDA NCEF Refinance Scheme/ NCEF Guidelines issued by the Government of India.
 - b) Refinance is sought for Projects, whose viability is affected in view of tariff revisions/ abnormal fuel cost escalation issues/ Force majeure conditions.
 - c) The project has been re-appraised and the project is techno commercially viable after taking into account refinancing/restructuring.
 - d) The project has min. average DSCR of 1.1 after taking into account IREDA refinance amount and shall be able to service the loan.
 - e) Project Company is not a declared wilful defaulter, as per RBI norms.
 - f) The project/loan has not availed One time Settlement/ or such facility.
 - g) Project Company is not a declared Non – cooperative borrower, as per RBI norms.
 - h) The loans covered under this refinance request are not for take-over of existing loans.
 - i) The Loan account for which refinance is sought was not sanctioned against securitization of future cash flows.
 - j) The working capital loans are excluded while determining eligible loans outstanding
 - k) The applicability of the interest rate to the project developers on the refinance portion of loan shall be 2% p.a.
 - l) We confirm that, we have taken undertaking from promoters of the project, that they will run the project for atleast 3 years after the refinance with an average PLF of 40% in case of Biomass Power Projects and 25% of the designed PLF/Generation in case of SHP Projects.
 - m) Project has operational history of atleast 2 years after commissioning of the project and the 2 year's average PLF (in case of plant operated for more than 2 years, then the average PLF of any 2 years) is atleast 20% in case of Biomass Power and 15% in case of Small Hydro Power (SHP) Projects, as the case may be.
 - n) Projects has not remained idle for last 5 years.
 - o) Project Company is not having net profits as per the latest Audited Balance sheet/ Annual Report.
 - p) The project will be revived/operationalized within 6 months from the date of disbursement and in case the project is not revived within 6 months of the loan disbursement, IREDA may withdraw the refinance disbursed, and the amount will be refunded to IREDA in one go, as per the scheme. (However, in exceptional cases, additional time period of upto 1 year, apart from above 6 months may be given for operationalization/ revival of projects, subject to submission of suitable reasons/ justifications by FIs/ Banks to the satisfaction of IREDA.)

- q) We confirm that we will submit the generation details of the project/s under consideration every 6 months as per IREDA Format.
- r) All information / statements in this regard as may be required by IREDA from time to time shall be furnished promptly.
3. We undertake to repay the refinance as per the repayment schedule furnished by IREDA.
4. We note that Sanction and release of refinance by IREDA is subject to the availability of funds from the NCEF and continuation of the relevant Scheme by IREDA/ Government of India and that IREDA shall in no way be responsible for any delay/ non-availability in release of refinance due to non-availability of funds from the NCEF.
5. We note that in case of paucity of NCEF Funds, preference for older projects (based on commissioning dates) may be given under the scheme.
6. We note that refinance disbursement will be effected only on completion of required documentation.
7. We also confirm that we have read the terms and conditions of "IREDA-NCEF REFINANCE SCHEME" and only submitting the application/request for refinance will not raise any obligation and legal rights in our favor, what so ever and we shall abide by the terms and conditions of 'IREDA-NCEF REFINANCE SCHEME' and 'NCEF Guidelines' issued by the Government of India.

Place:

Yours faithfully,
Authorized Signatory

Section 3

Approved Scheme Guidelines

IREDA NCEF REFINANCE SCHEME (Revised)

“REVIVAL OF THE OPERATIONS OF EXISTING BIOMASS POWER & SMALL HYDRO POWER PROJECTS AFFECTED DUE TO UNFORSEEN CIRCUMSTANCES”

SUPPORTED BY THE NATIONAL CLEAN ENERGY FUND (NCEF)

1. Background

- 1.1) Providing adequate and quality power to domestic and other consumers remains one of the major challenges before the country. There is also an increasing concern to reduce reliance on fossil fuels in meeting power needs and opting for cleaner and greener fuels instead. As a major initiative to promote ecologically sustainable growth while addressing India’s energy security challenge and also as a contribution to the global effort to meet the challenges of climate change, the National Clean Energy Fund was established by the Government of India by levying a cess on coal produced in India as also from imported coal.

- 1.2) A large number of renewable energy projects in the recent past have been affected/ suffered difficulties in view of uncertainties in policy/regulatory matters such as low tariffs, higher wheeling and banking charges, cancellation of PPAs, higher transmission & cross subsidy charges, in addition to abnormal escalation of biomass fuel costs (in case of Biomass Power Projects) apart from the force majeure conditions such as floods, cloud bursts, draught etc. Due to the above unforeseen circumstances, the projects viability & ability to repay the loan has been affected. In order to overcome these difficulties to some extent and to improve the viability of the above projects, it is proposed to use the NCEF funds for refinancing of their loans outstanding (including Funded Interest Term Loan, FITL). The proposed scheme would provide comfort in the form of refinancing of loan component (Including FITL) at concessional rates to these needy projects. For effective utilization of NCEF Funds, it is proposed that the

support would be provided to projects where there is a possibility of revival of their operations.

- 1.3) The Scheme to be implemented by Indian Renewable Energy Development Agency Ltd. (IREDA) will be known as the **“IREDA - NCEF REFINANCE SCHEME FOR REVIVAL OF THE OPERATIONS OF EXISTING BIOMASS POWER & SMALL HYDRO POWER PROJECTS AFFECTED DUE TO UNFORSEEN CIRCUMSTANCES”**.

2. Objectives

The scheme aims to revive the operations of the existing Biomass Power & Small Hydro Power projects by bringing down the cost of funds for these projects by providing refinance at concessional rates of interest, with funds sourced from the National Clean Energy Fund (NCEF).

3. Scope

- 3.1) Technology: Small Hydro Power (SHP) & Bio-mass combustion based grid connected power generation projects.

4. Financing Structure

- 4.1) In terms of the Scheme, IREDA would provide funds received from NCEF by way of refinance to scheduled commercial banks and financial institutions (including IREDA) in respect of their lending to the above category of Renewable Energy projects.
- 4.2) Refinance not exceeding 30% of the loans outstanding (including Funded Interest Term Loan, FITL, if any) of above category of projects, in the books of scheduled commercial banks/ financial institutions (including IREDA) would be made available to them at concessional rate of interest under the scheme by IREDA. However, the refinance amount, shall in no case be more than Rs. 15 Crs per project.

5. Rate of Interest

The rate of interest on the refinance from IREDA to Banks/FIs shall be **two per cent** per annum. The scheduled commercial Banks/FIs are required to provide the

refinanced component of loan to the borrower at the same interest rate i.e. **two per cent** per annum.

6. Tenure of Refinance

Repayment period for the refinance amount should be co-terminus with the repayment period of Bank/FIs for that project and the maximum repayment period shall be 10 years apart from 6 months moratorium/ grace period from the date of disbursement/ release of refinance amount from IREDA.

7. Eligibility

7.1) *Institutions eligible to avail refinance:*

Scheduled commercial banks and financial institutions would be eligible for refinance from IREDA under this Scheme. Grant of refinance shall be at the sole discretion of IREDA who would also determine the availability and extent of refinance. The scheduled commercial banks / financial institutions shall be required to satisfy, inter alia, the following parameters to be eligible for availing refinance under the Scheme:

- i) They should be profit-making for the last three years and should have no accumulated losses.
- ii) Gross Non-Performing Assets as a percentage of Gross Advances should normally not exceed five per cent for the entire portfolio of the lending institution. The condition will not be applicable to State/ Central PSU Banks/Govt. NBFC's/ Govt. FIs.
- iii) The Capital Adequacy Ratio should be in conformity with the prescribed regulatory norms.

7.2) *Other eligibility conditions:*

- i) Operational grid connected power generation projects:
 - Combustion based Biomass power projects (Upto installed capacity of 10 MW)*
 - All Small Hydro Power projects upto installed capacity of **25 MW****

* In case of combustion based Biomass Power, the projects of more than 10 MW may also be considered, however, the refinance amount will be limited to the amount as per pro rata basis upto 10 MW only, subject to maximum refinance amount that can be availed as per scheme i.e. Rs. 15 Crores.

** The maximum refinance amount that can be availed as per scheme i.e. Rs. 15 Crores.

- ii) Projects viability affected, in view of tariff, abnormal fuel cost escalation issues & Force majeure conditions
- iii) Project should be revived/operationalized after the utilization of NCEF refinance loan from IREDA.
- iv) Plants should have operational history of atleast 2 years after commissioning of the project and the 2 year's average PLF (in case of plant operated for more than 2 years, then the average PLF of any 2 years) should be atleast 20% in case of Biomass Power and 15% in case of Small Hydro Power (SHP) Projects.
- v) Refinance not exceeding 30% of the loan outstanding, @ 2% interest rate from IREDA to Scheduled commercial banks / FIs (including IREDA) and the same shall be extended by the Banks/FIs to the project developers at the same rate of 2%, subject to, maximum Refinance amount Rs. 15 Cr. per project.
- vi) The project should also have min. of average DSCR of 1.1 after taking into account IREDA refinance amount and should be able to service the loan.
- vii) The project should be revived/operationalized within 6 months from the date of disbursement, In case Bank / FI do not provide the confirmation on revival of the plant within 6 months, the refinance disbursed may be recalled, and the amount has to be refunded to IREDA in one go. (However, in exceptional cases, additional time period of upto 1 year, apart from above 6 months may be given for operationalization/ revival of projects, subject to submission of suitable reasons/ justifications by FIs/ Banks to the satisfaction of IREDA.)

7.3) **No - Go Condition**

The following categories of projects/promoters/entities will be ineligible for refinance under the scheme:

- a) Declared wilful defaulters, as per RBI norms.
- b) Declared Non – cooperative borrowers, as per RBI norms.
- c) Projects not operated for last 5 years.
- d) Company having net profits as per the latest Audited Balance sheet/ Annual Report will be ineligible, [Companies having Net Loss are eligible even though they have Cash Profits])
- e) Projects/Loans, which availed One Time Settlement (OTS) are not eligible under the scheme.

7.4) **The following components of finance/loans are not eligible under the scheme:**

- a) Loan Sanctioned against securitization of future cash flows will not be eligible.
- b) Working Capital Limits/Loans

8. Security

8.1) *Security for refinance from IREDA:*

- i) The credit risk of the loan to the consumer will be fully taken by the scheduled commercial bank/ financial institution. Refinance from IREDA would be secured by charge on the book debts of the scheduled commercial bank / financial institution. Additional security such as charge on immovable properties / movable properties, guarantee of government, promoter, sponsor bank, etc. in favour of IREDA may be stipulated at the discretion of IREDA. The nature and extent of security will be determined to the satisfaction of IREDA on a case-to-case basis. The scheduled commercial bank/ financial institution shall furnish to IREDA / execute in favour of IREDA such documents/ undertakings, etc. in such form and content as may be prescribed by IREDA from time to time.

- ii) If at any time IREDA is of the opinion that the security provided by the scheduled commercial bank /financial institution has become inadequate to cover the outstanding refinance, it may advise such institution to provide and furnish to IREDA, such additional security as may be acceptable to IREDA to cover such deficiency.

8.2) *Security for loans to borrowers at the primary level:*

- i) The scheduled commercial banks and financial institutions may have secured the loans extended by them to the primary borrowers by adequate security in accordance with their internal lending norms as approved by their Board of Directors / Competent Authority, in conformity with the applicable guidelines of the Reserve Bank of India (RBI) / other regulators. This may include primary security of adequate value in the form of hypothecation / other charge over the assets financed or, at the discretion of the primary lending institution, security of adequate value in the form of other assets such as receivables, property, Life Insurance policies, bank fixed deposits, or such other security as may be deemed appropriate to fully secure the loan.

9. Procedure for availing Refinance

9.1) *Sanction of refinance*

A scheduled commercial bank / financial institution desirous for availing refinance under the Scheme will file their loan refinance request with IREDA after meeting the eligibility requirements. IREDA will issue a letter informing the sanction of refinance after scrutiny & approval of refinance proposal.

9.2) *Legal documentation*

The scheduled commercial bank / financial institution seeking refinance from IREDA, shall also furnish:

- i) A resolution duly passed by its Board of Directors or any other Committee appointed for the purpose or a specific authorization from its Competent Authority to avail refinance from IREDA and to execute documents, etc. in favour of IREDA as may be required.
- ii) Specimen signature of the officials in this behalf
- iii) The scheduled commercial bank / financial institution will execute an Agreement for availing refinance from IREDA under the Scheme and such other documents as may be required by IREDA in this regard.

9.3) *Application for disbursal*

Following the sanction and on completion of the legal documentation including the security for refinance, the scheduled commercial bank / financial institution may apply for release of refinance in respect of eligible loans outstanding in their books after revival/operationalizing of the project. The application shall provide details of the eligible loans granted and outstanding amount, by the scheduled commercial bank / financial institution in respect of which refinance is being sought from IREDA.

10. Mode of release

- 10.1) The refinance release will be by way of cheque or by credit (through RTGS or otherwise) to the bank account of the borrowing institution as specified to IREDA in writing.
- 10.2) IREDA shall endeavor to disburse the amount of refinance on receipt of the duly completed application and documents required for disbursement.

10.3) Each tranche of refinance disbursed by IREDA shall be treated as an independent term loan with its own repayment schedule.

11. Repayment of Refinance

11.1) The refinance availed by the scheduled commercial bank / financial institution from IREDA shall be repaid to IREDA promptly on due dates, irrespective of whether or not the amount has actually been recovered by it from its primary borrowers or the primary loan account remaining regular or otherwise and the credit risk of the loan to the consumer will be fully taken by the scheduled commercial bank / financial institution.

11.2) Repayment of **principal** shall be made by the scheduled commercial bank / financial institution to IREDA as follows:

(i) Repayment period for the refinance amount should be co-terminus with the repayment period of Bank/FIs for that project and the maximum repayment period **shall be 10 years apart from moratorium/grace period of 6 months from the date of disbursement/ release of Refinance Loan from IREDA**, the amount will be repaid to IREDA in accordance with the repayment schedule as may be specified by IREDA.

(ii) The due date for repayments of quarterly instalments shall be the last day of each calendar quarter (**i.e. 31st March, 30th June, 30th September and 31st December each year**).

(iii) The date of repayment will be reckoned as the date on which credit of the amount is received in the account of IREDA. However, if the repayment of instalment is made before the due date, credit will be given only on the due date.

12. Payment of Interest

12.1) Interest on refinance will accrue from the date of the cheque / date of debit of the amount to the account of IREDA, whichever is earlier.

12.2) Computation of interest will be made as under:

(i) Interest to be paid to IREDA on refinance availed will be calculated on daily product basis and charged at quarterly rests.

- (ii) For calculation of interest, a 'year' will be taken as 365 days, irrespective of whether the year is a leap year or otherwise.

12.3) Payment of interest shall be made as under:

- (i) Payment of interest shall be made on quarterly basis.
- (ii) The due date for payment of interest shall be the last day of each calendar quarter (i.e. 31st March, 30th June, 30th September and 31st December each year).
- (iii) Payment of interest shall commence from the last day of the calendar quarter immediately succeeding the disbursement of refinance. For example, if refinance is disbursed on 15th December 2015, interest on the refinance will first fall due for payment on 31st March 2016, i.e. the last day of the January – March calendar quarter.
- (iv) The date of payment will be reckoned as the date on which credit of the amount is received in the account of IREDA. However, if the payment of interest is made before the due date, credit will be given only on the due date.

13. Delayed payments

13.1) **For any delay beyond the due date**, the institution availing refinance will pay additional interest on the amount in default for the total period of delay, at the rate of **twelve per cent per annum** besides the applicable interest.

In case, If Banks/FIs does not repay the loan in any 2 subsequent quarters, during the currency of the loan, Refinance amount will be recalled, and in that case Banks/FIs will have to return the NCEF refinance amount in one go (without any penalty).

13.2) All repayments of principal and payments of interest & additional interest on delayed payments should be made to IREDA at New Delhi.

14. Prepayment

- 14.1) If the repayment of instalment and payment of interest is made before the due date, credit will be given only on the due date.
- 14.2) A scheduled commercial bank / financial institution availing of refinance from IREDA may prepay the whole or any part of the amount earlier than the due date, with prior approval of IREDA. No prepayment charge will be levied on such prepayments.
- 14.3) In case of prepayment, the scheduled commercial bank / financial institution will be required to furnish full details about the refinance account against which prepayment is being made. The size of instalment as originally fixed at the time of release will not be altered. Consequently, the last instalment will be reduced and wherever necessary the period of repayment would get reduced.

15. Adverse Balance

- 15.1) Refinance from IREDA is required to be backed, at all times, by outstanding eligible loans totaling an amount not less than the amount of refinance availed and outstanding.
- 15.2) Scheduled commercial banks / financial institutions availing refinance from IREDA shall furnish a certificate as at September 30 and March 31 every year, duly countersigned by their Statutory Auditors, confirming that the aggregate refinance outstanding from IREDA under this Scheme does not exceed the total outstanding eligible loans in respect of which the refinance has been obtained. The certificate shall be furnished within 3 months of the respective dates indicated above.
- 15.3) If at any time the total amount of refinance to a particular scheduled commercial bank / financial institution outstanding in the books of IREDA, exceeds the total amount of corresponding eligible loans outstanding in the books of the scheduled commercial bank / financial institution, such excess constitutes '**adverse balance**'. The scheduled commercial bank and financial

institution would be required to repay to IREDA, the amount of the adverse balance immediately.

- 15.4) Credit in respect of such repayment will be given on the date of credit of the amount to the bank account of IREDA. Scheduled commercial banks / financial institutions will be required to furnish a list of refinance releases (i.e. term loan accounts relating to each drawal of refinance) in which the adverse balance has arisen, along with the aggregate of outstanding loan in respect of each refinance loan account, to enable IREDA to adjust the amounts accordingly.

16. Other Terms and Conditions

- i) **Operation of the project:** The Scheduled Commercial Banks/FIs shall obtain an undertaking from the promoter that they will run the project for atleast 3 years after the refinance with an average PLF of 40% in case of Biomass Power Projects and 25% of the designed PLF/generation for SHP Projects.
- ii) Scheduled Commercial Banks and FIs shall confirm that the project is techno commercial viable after refinancing/restructuring.
- iii) **The Scheduled commercial Banks/FIs are allowed to give longer repayment** periods, if required for their portion of the loan (apart from refinanced portion under this scheme).
- iv) The scheduled commercial Banks/FIs to provide undertaking that the project in consideration has not taken OTS, One time Settlement/ or similar facility.
- v) **Periodical Returns:** IREDA may call for information or returns at periodic intervals from the scheduled commercial bank / financial institution availing of refinance from IREDA. The scheduled commercial bank / financial institution should be prompt and regular in submission of the requisite returns.

- vi) **Inspection:** The books of account, registers, and all other relevant records of the scheduled commercial bank / financial institution as also the sites of the project loans, can be inspected by IREDA or any authorized representative on behalf of IREDA.
- vii) **Monitoring:** Scheduled Commercial Banks/FIs to submit the generation details of the project/s under consideration every 6 months as per IREDA format
- viii) **Inspection / Audit Compliance:** Action on any findings of inspection / audit should be taken promptly by the scheduled commercial bank / financial institution.
- ix) **Appraisal and Follow-up of Loans:**
- The scheduled commercial bank / financial institution should have proper systems and procedures for appraisal and follow-up of loans, as also qualified staff for the purpose.
 - The Banks/FIs will undertake the appraisal / reschedulement/ restructuring and confirm the viability and operation ability of the project, after taking into consideration of the proposed NCEF Refinance.
- x) **Post-disbursal Discipline:** The scheduled commercial banks / financial institutions should have proper pre and post-disbursement supervision and follow-up of loans to ensure proper end-use of funds as also timely and regular repayment of the loans.
- xi) **Maintenance of Recovery Performance:** Continuance of refinance facility from IREDA will be subject to maintenance of satisfactory recovery performance by the scheduled commercial bank /financial institution and compliance with the conditions stipulated by IREDA from time to time.
- xii) **Refinance Assistance at Discretion of IREDA:**
- Refinance assistance in terms of this scheme shall be available at the sole discretion of IREDA and cannot be claimed as a matter of right.

xiii) **In case of paucity of NCEF Funds**, preference for older projects (based on commissioning dates) may be given.

xiv) ***Recall of Refinance:***

- IREDA reserves the right to recall the refinance in the event of diversion of the relative funds for purposes other than stipulated or for suppression of any material information by the primary lending institution or the happening of any such event, which may, in the opinion of IREDA, endanger the repayment of the refinance.

- In case , If Banks/FIs does not repay the loan in any 2 subsequent quarters, during the currency of the loan, Refinance amount will be recalled, and in that case Banks/FIs will have to return the NCEF refinance amount in one go (without any penalty)

- The project should be revived/operationalized within 6 months from the date of disbursement, In case Bank / FI do not provide the confirmation on revival of the plant within 6 months, the refinance disbursed may be recalled, and the amount to be refunded to IREDA in one go. . (However, in exceptional cases, additional time period of upto 1 year, apart from above 6 months may be given for operationalization/ revival of projects, subject to submission of suitable reasons/ justifications by FIs/ Banks to the satisfaction of IREDA.)

xv) ***IREDA's Right to Modify the Scheme:*** IREDA may, at its sole discretion, modify the Scheme either in respect of all scheduled commercial banks and financial institutions or in respect of any one or group of scheduled commercial banks and financial institutions.
