

PNB's Scheme for Financing ROOFTOP PV SOLAR POWER PROJECTS

The Government of India has set an ambitious target of installation of Grid Connected Rooftop Solar Photovoltaic projects with capacity of 40 GW out of the total target of 175GW of renewable Energy Capacity over the next five years by 2022. PNB has availed a line of credit of \$ 500 Million from Asian Development Bank for financing Rooftop Photovoltaic Solar Power Projects. A customized scheme has been formulated by the bank. The benchmark parameters and terms and conditions under the scheme are given below:

S.No.	Parameter	Details
1	Target Group	Sole proprietorship firms, partnership firms including Limited Liability Partnership (LLP), Limited Companies, Private Limited companies, Trusts, Associations, Special Purpose Vehicle (SPV), Non Banking Finance Companies (NBFCs) and Registered Societies.
2	Branches identified for handling this business	All Large Corporate Branches/Mid Corporate Branches/Exceptionally Large Branches as well as identified branches by various circles
3	Margin	Minimum 30% with a suitable upfront contribution of the required margin.
4	Type of Facility	<ol style="list-style-type: none"> 1. Term Loan: Need Based 2. Working Capital under Receivables: Need Based 3. Non Fund Based (Letter of Credit/Letter of Guarantee): Need Based
5	Pricing	Minimum of One Year MCLR i.e.@8.35% p.a. at present upto a maximum spread of 30 to 50 bps based on risk rating of the borrowing firm/company.
6	Fixed Asset Coverage Ratio (FACR) in a year	Minimum 1.25
7	Loan Repayment Period	Door to Door tenor of maximum 15 years which comprises construction / installation, moratorium and repayment period.
8	Moratorium	Moratorium: 1 year after 1 st disbursement or 4 months from COD, whichever is earlier.
9	Primary Security	Exclusive first charge on fixed assets (present as well as future) relating to the project/ program.
10	Collateral Security	1. Loan for Rooftop Solar Project to MSME up

		<p>to Rs 10 lakh shall be without collateral security as per Govt. Guidelines.</p> <p>2. For others: Notwithstanding the security stipulated , the sanctioning authority may where it is deemed necessary, on a case to case basis may stipulate such collateral security as required.</p>
11	Guarantee	Personal guarantee of proprietor/ partner/ director to be obtained. In case of SPV corporate guarantee of Promoter Company shall be explored.
12	Debt Service Reserve Account (DSRA)	DSRA equivalent to minimum of 3 months' principal and interest) to be maintained after the date of commercial operations
13	Statutory Clearances and PPA	The required project agreements (including PPA)/ clearances/ approvals should be in place, before disbursement of 1 st tranche for each individual loans under the overall sanctioned credit facility.
14	Others	Compliance with ADB Guidelines on procurement and Environment, Health, Safety, Social, Gender, & Child Labour