

SBI – WORLD BANK: GRID CONNECTED ROOFTOP SOLAR PV PROGRAM

The Government of India has set an ambitious target of installation of Grid Connected Rooftop Solar Photovoltaic (GC-RSPV) projects with capacity aggregating 40 GW out of total incremental target of 175 GW of Renewable Energy capacity over the next five years by 2022. With a view to giving a fillip to this segment, SBI has availed a line of credit from World Bank specifically, for financing GC-RSPV projects across the country through its identified branches. A Customized financial product has been developed by SBI and benchmark parameters for the purpose drawn up. The benchmark parameters and terms & conditions under the program are as under:

Sr.No.	Parameter	Details
1.	Eligibility Criteria	Sole Proprietorship, Partnership Firm/ including LLP and Company/ Special Purpose Vehicle (SPV)/NBFC Borrower or their parent company/ sponsor should have: (i) at least 1 year experience/ past track record in power sector, and (ii) CRA rating of SB-10 & better and/or ECR of Investment grade. [Note: ECR is mandatory for exposure of Rs.10 crore and above].
2.	Branches identified for handling this business	All Corporate Account Group Branches (Project debt component above Rs 500 cr.), Mid- Corporate Group branches (Project debt component above Rs 50 cr and upto Rs 500 cr.), and SME Branches (loan upto Rs 50 cr).
3.	Loan amount	Upto 75% of project cost.
4.	Type of Facility	i) Term Loan ii) Need based Working Capital against receivables iii) Need based NFB (LC/BG) facility
5.	Pricing	One year Marginal Cost of Funds Based Lending Rate (MCLR) plus spread in the range of 20 bps to 50 bps based on risk rating of the customer.
6.	Fixed Asset Coverage Ratio (FACR) in a year	Above 1.25
7.	DSCR (at Borrower and also at Individual projects level under line of credit – for multiple projects)	Avg Gross DSCR at P75 : 1.35 Avg Gross DSCR at P90 – 1.15
8.	Interest Coverage Ratio (at Borrower and also at Individual project level)	Min - 2
9.	Net Long Term Debt /EBITDA)-Maximum	4 : 1

	(at borrower and also at Individual sub-project level)	
10.	Loan Repayment Period (Maximum)	Door to Door tenor upto 15 years.
11.	Moratorium	Upto 12 months post Date of Commencement of Commercial Operations (DCCO).
12.	Primary Security	<ul style="list-style-type: none"> ➤ Exclusive first charge on all fixed assets, movable assets, and current assets, lease hold rights, cash flows and project related accounts & rights therein , current as well as future relating to the project (T&C applicable). ➤ Assignment of Project documents.
13.	Collateral Security	<ul style="list-style-type: none"> ➤ The Bank may seek additional security (Collateral) if FACR falls below 1.25.
14.	Guarantee	<ul style="list-style-type: none"> i) In case of Sole Proprietorship /Partnership Firm/ Company, personal guarantee of proprietor/ partners/directors. ii) In case of Special Purpose Vehicles (SPVs)/Associates/ Subsidiaries, Corporate Guarantee of sponsor can be further explored.
15.	Debt Service Reserve Account (DSRA)	Equivalent to 6 months principal and interest.
16.	Statutory Clearances & PPA	The required project agreements (including PPA) /clearances/ approvals (as applicable) should be in place, before disbursement of 1st tranche for each individual loan under the overall sanctioned credit facility.
17.	Others	Mandatory compliance of World Bank guidelines on procurement and Environment, Health, Safety and Social (EHSS) related to rooftop solar projects.

Note: Benchmarks parameters and terms and conditions as mentioned above are indicative and not exhaustive. The Bank always reserves the right to modify/ change as and when deemed necessary.

Illustrative list of information require to be furnished by the applicant:

- ID and address proof of the applicant and guarantors, if any. E.g. voter ID, PAN no. voter ID, Aadhar No, MOA, AOA etc).
- Income tax return, Wealth Tax Returns of the applicant and guarantors for the past three financial years.
- Annual Report consisting Audited balance Sheets with Trading & Profit & Loss Account, for the last three years of the applicant and associates of the applicant.
- Memorandum and Articles of Association, Certificate of Commencement of Business in case applicant is a Company.
- Sales Tax Returns for the last three years.
- Copy of DPR (Detailed Project Report) along with Projected Balance Sheet, Profit & Loss Account and Cash Flow Statement with assumptions made /TEV (Technical Evaluation) study of the projects.
- Copy of Resources Study done.