

Banks Offering Loans for Grid Connected Solar Rooftop Systems*

Sr. No.	Parameter	State Bank of India	Canara Bank - Housing cum Solar Loan	Indian Renewable Energy Development Agency Limited (IREDA)
1	Target Group			
2	Eligibility Criteria	<p>Sole proprietorship, partnership firms including LLP and Company/SPV/NBFC borrower or their parent company/sponsor should have:</p> <ol style="list-style-type: none"> 1. At least one year experience/past track record in power sector. 2. Credit Rating Agency (CRA) of SB-10 rating and better and/or External Credit Rating (ECR) of investment grade. 	<ol style="list-style-type: none"> 1. Individual Housing Loan borrowers as per Housing Finance Scheme who are having free rooftop to install the Solar Equipments. 	<p>As per “General Eligibility Conditions” mentioned in Chapter 3 of IREDA — “Financing Norms and Schemes” document.</p>
3	Loan Amount	Up to 75 percent of project cost.	<p>Housing Loan Component:</p> <ol style="list-style-type: none"> 1. General Housing Finance Scheme: Six times of gross annual income 2. Housing Loan Scheme for NRIs: Four times of gross annual income 3. Housing Loan to Agriculturists: Six times of gross annual income 4. Canara Home Loan Super Gain – Minimum of 20 lakhs. Maximum – No upper limit. <p>Solar Loan Component: 20 percent of eligible quantum under housing loan component or 80 percent of the cost of solar system or INR 10 lakh, whichever is less.</p>	<p>Shall be 70 percent of the project cost with minimum promoter’s contribution of 30 percent. However, IREDA may extend loan up to 75 percent depending on the creditworthiness.</p> <p>The minimum loan eligibility from IREDA will be Rs.50 Lakh unless specifically exempted under any scheme/ programme</p>
4	Type of Facility	<ol style="list-style-type: none"> 1. Term loan 2. Need based Working Capital against receivables 3. Need based Non Fund Based (NFB) (Letter of Credit [LC]/Bank Guarantee [BG]) facility 		
5.	Margin		<p>New House/Flat and Old House/Flat (Upto 10 Years Old):</p> <p>Upto INR 30 Lacs: 10 percent Above INR 30 Lacs and upto INR 75 Lacs: 20 percent Above INR 75 Lacs: 25 percent</p> <p>Old House/Flat (>10 years old): Upto INR 30 Lacs: 25 percent</p>	

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			Above INR 30 Lacs and upto INR 75 Lacs: 25 percent Above INR 75 Lacs: 25 percent Solar Loan Component: 20 percent of the Project Cost	
6	Pricing (Rate of Interest)	<ol style="list-style-type: none"> 6 months Marginal Cost of Funds Based Lending Rate (MCLR) plus spread in the range of 120 bps to 190 bps based on risk rating of the Customer. Loan extended to MSMEs will be linked to external benchmark rate as per bank's extant guidelines plus spread in the range of 120 bps to 190 bps based on risk rating of the customer. 	<p>For Women borrowers: For risk grade: CS:1 –6.90 (RLLR)+0.00(Credit risk premium) CS:2 – 6.90 (RLLR)+0.05(Credit risk premium) CS:3 – 6.90 (RLLR)+0.45(Credit risk premium) CS:4 – 6.90 (RLLR)+1.95(Credit risk premium) *RLLR- Repo Linked Lending Rate</p> <p>For Other Borrowers: CS:1 – 6.90 (RLLR)+0.05Credit risk premium) CS:2 – 6.90(RLLR)+0.10(Credit risk premium) CS:3 – 6.90 (RLLR)+0.50(Credit risk premium) CS:4 – 6.90 (RLLR)+2.00(Credit risk premium) For Housing loans under Commercial Real Estate (3rd and subsequent dwelling unit) the applicable rate shall be the above rate + 0.50 percent</p>	<ol style="list-style-type: none"> Projects are graded in five grades based on risk assessment. Grade 1 – 9.20%, Grade 2 – 9.45%, Grade 3 – 9.65%, Grade 4 – 9.90%, Grade 5 – 10.15 %,
7	Fixed Asset Coverage Ratio (FACR) in a Year	1.10 (minimum) throughout the tenure of the loan.		
8	Debt Service Coverage Ratio (DSCR)	Average Gross DSCR at P90 : 1.20		
9	Interest Coverage Ratio (at Borrower and Individual Project Level)	Minimum 1.5		
10	Net Long-Term Debt /Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) - Maximum (at Borrower and Also at	<ol style="list-style-type: none"> 6.2:1 for initial 3 years Below 6 from 4th year onwards 		

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	Individual Sub-Project Level)			
11	Loan Repayment Period (Maximum)	Door to door tenor up to 15 years	Maximum 20 years in Equated Monthly Instalments (EMIs) or the repayment period stipulated under housing loan, whichever is earlier.	The repayment periods shall be maximum upto 25 years or 80% of the balance PPA period, whichever is lower, depending on the project cash flows, DSCR of the project etc., and it shall be after the construction & moratorium, with a condition that IREDA shall have the right to call option after 15 years of repayment
12	Moratorium	Up to 12 months post Date of Commencement of Commercial Operation (DCCO)		The moratorium would be upto 6 months to 1.5 years from the date of COD of the project.
13	Primary Security	<ol style="list-style-type: none"> 1. Exclusive first charge on all fixed assets, movable assets and current assets, lease hold rights, cash flows and project related accounts and rights therein, current as well as future relating to the project (Terms and Conditions [T&C] applicable). 2. Assignment of project documents. 	<ol style="list-style-type: none"> 1. Mortgage of house. 2. Hypothecation of assets created out of loan, i.e., solar equipment. 	
14	Collateral Security	The Bank may seek additional security (Collateral) if FACR falls below 1.10 .		Company shall provide collateral security of immovable non-agricultural properties in urban and rural areas (minimum 10-20 percent of loan amount) and/or BG/fixed deposit (FD) depending on the viability of the project and creditworthiness.
15	Guarantee	<ol style="list-style-type: none"> 1. In case of Sole Proprietorship /Partnership Firm/ Company, personal guarantee of proprietor/ partners/ directors. 2. In case of Special Purpose Vehicles (SPVs)/ Associates/ Subsidiaries, Corporate Guarantee of sponsor can be further explored 		
16	Debt Service Reserve Account (DSRA)	Minimum Level :Equivalent to 6 months principal and interest		
17	Statutory Clearances and Power Purchase Agreement (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.		

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18	Others	Mandatory compliance of World Bank guidelines on procurement and Environment, Health, Safety and Social (EHSS) related to rooftop solar projects.		Registration fee payable along with application: 1. Up to 20 crore – INR 1,00,000 plus taxes 2. 20 crore to 125 crore – INR 2,50,000 3. Above 125 crore to 250 crore - INR 5,00,000 4. Above 250 crore – INR 10,00,000
19	Financing Mode			Applications can be submitted in aggregator or direct category.
20	Purpose		<ol style="list-style-type: none"> 1. Loan to individuals for installation of rooftop solar photovoltaic system along with our housing loan. 2. Housing loan : As applicable to our Housing Finance Scheme. However, loans for purchase/construction of flats shall not be permitted under this scheme. 3. Solar Loan : For the purchase and installation of Rooftop Solar Photovoltaic (PV) System on the rooftop of house as a part of Home Loan or without Housing Loan. The Solar Loan : <ul style="list-style-type: none"> • Can be sanctioned along with fresh Housing Loan on the same eligibility conditions. • Can be sanctioned to applicants who are having subsisting Housing Loans. 	
21	Size/Capacity of Solar Rooftop System			
22	Project Cost			
23	Processing/ Documentation Charges		Nominal processing fee of 0.50 percent (minimum INR 1,500 and maximum INR 10,000).	
24	Link of Website	https://www.sbi.co.in/	http://www.canarabank.com/english/	https://ireda.in

* This document is prepared by compiling the data available as an open source. Please check the schemes of individual banks for updated information.