

Guidelines for Funding Grid Connected Solar PV Private Sector Power Generation Projects

PFC may consider providing financial assistance in case of Grid Connected Solar PV Private Sector Power Generation Projects, subject to following minimum eligibility conditions:

1. Project Criteria
 - a) Projects having firm PPA for the entire generation with Discoms for tenure not less than the loan repayment period plus 24 months.
 - b) Other projects to be considered on case to case basis based on appraisal and with suitable conditions to ensure payment of lenders dues.
 - c) Projects for Captive consumption being set up through SPV route or on end consumer balance sheet subject to certain conditions.
2. Debt Equity (D/E) ratio of the project shall not exceed 75:25. However, a D/E ratio of 80:20 may be considered subject to certain conditions.
3. PFC may fund the project as a sole lender i.e. fund full debt component (upto Rs. 300 crore) of the project, subject to certain conditions.
4. PFC shall appoint LE and LFA in all cases where it funds the project as a sole lender. Further, PFC shall have a right to appoint LE, LFA, etc. wherever felt necessary.
5. Guarantees/Warrantees should be available under EPC Contract / Suppliers of panels, to the satisfaction of PFC.
6. Security
 - a) Charge on assets subject to a minimum Asset Coverage Ratio (ACR).
 - b) Collateral security like personal/corporate guarantee, pledge of shares, etc. shall be obtained as per PFC's extant policy for the same, based on Integrated Rating of the project.
 - c) Adequate risk mitigation (including alternate security) shall be brought out, based on appraisal of the project, in case of projects being funded under any policy/scheme, which have the provision of termination of PPA.
7. The minimum size of the project shall be 1 (one) MW.
8. Maximum moratorium period for repayment of principal shall be 1 Year, but the actual shall be determined based on appraisal of the project.