



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ

1951ರ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳ ಕಾಯಿದೆ ಅನ್ವಯ ಸ್ಥಾಪಿತ

KARNATAKA STATE FINANCIAL CORPORATION

Established under the State Financial Corporations' Act, 1951



ಸಂಖ್ಯೆ : ಕ.ರಾ.ಹ.ಸಂ./ಪ್ರ.ಕ./

Ref. No. KSFC/H.O./MU/ED-I/2015-16/26 C-329

CIRCULAR No. 912

ದಿನಾಂಕ :

Date.....28.05.2015

Sub : Scheme for financing Solar Power Generation Projects.

-:o:0:o:-

The Government of Karnataka has formulated Solar Policy 2014-2021 with an objective to generate solar power of minimum 2000 MW by 2021 in phased manner by encouraging public participation in this sector. Accordingly, there are various categories of developer for solar energy projects. KREDL is the nodal agency for facilitating implementation of this solar policy.

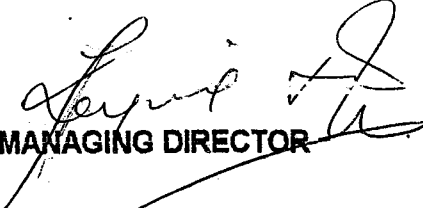
Considering the vast potential for extending financial assistance for establishing solar power generation projects, a scheme was prepared and placed before the Board in its meeting held on 15.05.2015. The Board approved the scheme in principle. However, the Board desired that the total corporate exposure to the sector be restricted to ₹200 crore and the services of consultants with expertise in the field may be explored for vetting the proposals and monitor implementation of the projects. The details of the scheme are enclosed as annexure to this circular.

All the Branch Managers are hereby advised to give publicity to the scheme and mobilise substantial proposals under this scheme. The contents of this circular shall be brought to the notice of all the concerned in your office / department.

Encl: As above.

To:
All BMs / AGMs / DGMs of Branches
All IA cells
All Department Heads in HO
All General Managers
Library

cc:
Executive Directors - for information
EA to MD


MANAGING DIRECTOR

ಪ್ರಧಾನ ಕಛೇರಿ : ಕೆ.ಎಸ್.ಎಫ್.ಸಿ. ಭವನ, ನಂ. 1/1, ತಿಮ್ಮಯ್ಯ ರಸ್ತೆ, ಕಂಟೋನ್‌ಮೆಂಟ್ ರೈಲ್ವೆ ನಿಲ್ದಾಣದ ಹತ್ತಿರ, ಬೆಂಗಳೂರು-560 052
ದೂರವಾಣಿ ಸಂಖ್ಯೆ ಸಾಮಾನ್ಯ : 22263322 ಫ್ಯಾಕ್ಸ್ : 080-22250126 ಇ-ಮೇಲ್ : info@ksfc.in ವೆಬ್ : www.ksfc.in
HEAD OFFICE : KSFC Bhavan, No. 1/1, Thimmaiah Road, Near Cantonment Railway Station, Bangalore-560 052.
Telephone : Gen : 22263322, Fax : 080-22250126, e-mail : info@ksfc.in Website : www.ksfc.in

**KARNATAKA STATE FINANCIAL CORPORATION
HEAD OFFICE : BENGALURU**

SCHEME FOR FINANCING SOLAR POWER GENERATION PROJECTS

01. Objective:

To extend financial assistance in the form of term loans to Solar Power Generation Projects.

02. Eligible Borrowers:

a) Constitution:

Proprietary concerns, Partnership firms, Private and Public Limited companies.

b) Technical Knowhow:

Technical endorsement for the project and site will be decided on the basis of guidelines issued by MNRE (Ministry of New & Renewable Energy) / KREDL.

03. LOAN AMOUNT :

a) 75% on the cost of project. Cost of transmission lines may be considered for financing upto 75% subject to viability and offering 100% collateral security.

b) The maximum exposure should not exceed ₹20.00 Crore in respect of companies and ₹8.00 Crore in respect of others with the prior approval of SIDBI. However loans upto ₹10.00 crores in respect of companies and ₹4.00 Crores in respect of proprietary/partnership firms can be sanctioned by KSFC independently.

04. Rate of Interest:

Applicable rate of interest will be 14.00% p.a. subject to rebate of 0.50% p.a. for prompt payment. In case of SC/ST entrepreneurs, 4.00% interest will be charged upto loan of ₹5.00 Crores. Penal interest of 2.00% p.a will be charged in case of default in payment of principal/interest.

05. Repayment period:

The repayment period shall be fixed based on DSCR worked out for the Project. However, the maximum repayment period shall not exceed 8 Years from the date of disbursement including moratorium period of 06 months to 1 year.

06. Financial parameters:

DER : 3.00 : 1.00

DSCR : 1.25 : 1.00

07. Security:

(i) Mortgage of freehold (if available)/ leasehold rights of the land (with right of entry) where the Solar Power Generation Plant is installed and Hypothecation of the Block assets.

(ii) Personal guarantee of the promoters.

(iii) Collateral security to an extent of 25% of the loan amount earmarked towards investments made on mortgaged land and 100% on the loan amount earmarked towards assets on other than mortgaged land.

08. Legal Documentation:

The financed assets along with the freehold/leasehold rights of the land together with the collateral securities shall be secured to the Corporation by way of a registered simple mortgage.

09. Special Conditions:

- a) The promoter should furnish copy of Power Purchase Agreement (PPA).
- b) The unit should open an ESCROW account with its Bank into which all the receivables from concerned ESCOMs are remitted and the proceeds of the ESCROW account should be remitted to the Corporation. Money received through the ESCROW account will be adjusted to the installments of interest and principal of the loan account. Any surplus after such adjustment shall be refunded to the borrower. For this purpose a tripartite agreement will have to be signed.
- c) The borrower shall pay his/it's entire contribution to the turnkey supplier before seeking any disbursement from the Corporation. After arrival of the equipment at the site / work completed and after inspection of the same by the officers of the Corporation, the Corporation shall disburse up-to 90% of the term loan sanctioned. The balance 10% of the amount sanctioned will be released after erection and commissioning of the plant.
- d) Locational map/ surveyor's sketch issued by the concerned statutory authorities should be collected and recorded.
- e) The project site should be inspected by the concerned Branch Head or Head of the department at the HO along with a technical officer, before effecting the release of loan amount.
- f) The Borrower shall execute a Power of Attorney authorizing the Corporation to receive any incentives/grants/subsidies from the Government/Non-Government agencies for the project and adjust the same towards the loan amount.

10. Delegation of sanctioning powers:

Loan amount upto ₹5.00 crore	- Managing Director.
Loan amount between ₹5.00 crore & ₹10.00 crore	- Executive Committee.
Loan amount above ₹10.00 crores	- Board.