Guidelines for Funding Private Sector Wind Generation Projects

PFC may consider providing financial assistance to Private Sector Wind Generation Projects, subject to following:

1. **Project Criteria**
   a) Projects having firm Power Purchase Agreement (PPA) with State/Private Discoms or any other acceptable Government/Private agency(ies). Further, where Feed-In-Tariff has already been approved by SERC but PPA is yet to be signed, may also be considered.
   b) Projects for Captive consumption being set up through SPV route or on end consumer balance sheet subject to certain conditions.

2. **Extent of Financing**
   a) PFC may generally consider funding 50% of the total project cost.
   b) However, PFC may fund the project as a sole lender i.e. fund full debt component of the project (upto debt of Rs 2000 cr), subject to certain conditions.

3. **Debt Equity (D/E) Ratio**
   Debt Equity ratio (D/E) of the project shall not exceed 75:25 (i.e. equity not lower than 25% of project cost). However, Debt Equity ratio (D/E) exceeding 75:25 and upto 80:20 (i.e. equity not lower than 20% of project cost) may be considered subject to certain conditions.

4. **Minimum Project Size**
   PFC should fund the project with an Installed capacity of >= 10 MW.

5. **Repayment Period of Loan**
   The maximum tenor of the loan (including moratorium period) shall be limited to tenor of power purchase agreement or 80% of the economic life of the project as defined by CERC/SERC, whichever is lower. PFC may allow a moratorium for repayment of principal for a period not exceeding 1 year from Commercial Operation Date (COD).

6. **Security**
   a) Charge on assets
   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.

7. PFC shall appoint LE, LFA and LIA in all cases where it funds the project as a sole lender. Further, in other cases PFC shall have a right to appoint LE, LFA, LIA etc. wherever felt necessary.

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