



**Presentation**  
**on**  
**IREDA's Role for Commercialization of**  
**Solar Water Heating System**

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*Indian Renewable Energy Development Agency Limited*  
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**Presentation:**

- ☞ **About IREDA**
- ☞ **Commercialization Role for Solar Water Heating System**



***About IREDA***



**The Company**

**Public Sector Undertaking established in 1987 to promote, develop and extend financial assistance for Renewable Energy and Energy Efficiency / Conservation projects with the motto**

**“ENERGY FOREVER”**



## IREDA's Achievements

- ❖ Consistently Profit making and Dividend Paying
- ❖ Received international assistance of 18 Million Dutch Guilders from the Government of Netherlands
- ❖ Received first line of credit in Renewable Energy globally from the World Bank (US\$ 195 Million) and from the Asian Development Bank (US\$ 100 Million)
- ❖ Received 15 Million USD from Danida and 5 million USD from the GEF
- ❖ KfW, Germany provided 120 Million DM Loan
- ❖ Received 2nd line of credit in Renewable Energy from the World Bank (US\$ 130 Million)
- ❖ First DFI to get ISO 9001:2000 in India for total operations



## Sectors for Financing

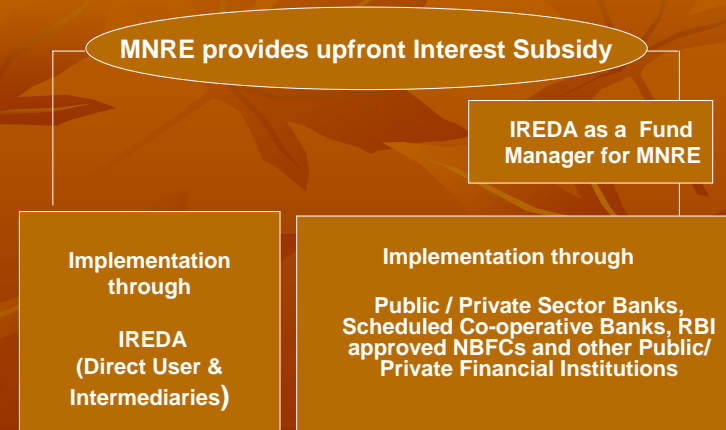
- ❖ Wind Energy
- ❖ Small Hydro Energy
- ❖ Biomass Power
- ❖ Cogeneration
- ❖ Energy Efficiency & Conservation
- ❖ Solar Energy
- ❖ Bio Fuels, Waste to Energy etc.
- ❖ New & Emerging Technologies



## *Commercialization Role for Solar Water Heating System*



## Different Operating Route of Soft Loan for Solar Water Heating System





## Scheme in Brief

- Cost of System** : As fixed by MNRE under the Scheme for various capacities (prices are different for both FPC & ETC Systems)
- Product Standard** : ▶ BIS Standard for FPC Systems  
▶ MNRE approval for ETC Systems
- Loan Amount** : Up to 85% of the MNRE cost of SWHS
- Interest Rate** : ▶ 2% for domestic users  
▶ 3% for Institutional Users  
▶ 5% for Industrial / Commercial Users
- Loan Repayment Period** : Maximum 5 years



## Scheme in Brief

Contd..

- Service Charges** : ▶ Rs.200/ per beneficiary to Banks/FIs  
▶ Rs.100/ per sq.mtr. Collector area as Motivator fee  
▶ Rs.50 sq.mtr. Collector area to SNAs for monitoring
- Eligible Institution** : Public Sector Banks, Private Sector Banks, RBI Approved NBFCs, Scheduled Co-operative Banks, Public & Private Financial Institutions
- Scheme Duration** : Up to 31<sup>st</sup> March 2008



## Role of IREDA as Fund Manager

- ❖ MOU signing with Bank
- ❖ Processing of Interest Subsidy
- ❖ Release of Interest Subsidy
- ❖ Maintenance of Databank



## Banks who have executed MOU with IREDA

### Public Sector Banks

- 1) Punjab & Sind Bank
- 2) Canara Bank
- 3) Bank of Maharashtra
- 4) Vijaya Bank
- 5) Punjab National Bank
- 6) Syndicate Bank
- 7) Andhra Bank
- 8) Dena Bank
- 9) Union Bank of India
- 10) Bank of India
- 11) Oriental Bank of Commerce



## Banks/FIs who have executed MOU with IREDA

### Scheduled Co-operative Banks

- 1) Nagpur Nagarik Sahakari Bank Ltd.
- 2) Jalgaon Janta Sahakari Bank Ltd.
- 3) Kalyan Janta Sahakari Bank Ltd.
- 4) The Akola Janata Commercial Co-operative Bank Ltd.
- 5) Pravara Sahakari Bank Ltd.
- 6) Ichalkaranji Sahakari Bank Ltd.
- 7) The Cosmos Co-operative Bank Ltd.
- 8) Solapur Janata Sahakari Bank Ltd.
- 9) Shikshak Sahakari Bank Ltd.



## Banks/FIs who have executed MOU with IREDA

### RBI Approved NBFCs / Financial Institutions

- 1) Nagarjuna Credits & Capitals Ltd.
- 2) Bhonsale Leasing & Finance Co. Ltd.
- 3) SREI Infrastructure Finance Ltd.

### Private Sector Banks

- 1) The Ratnakar Bank Ltd.

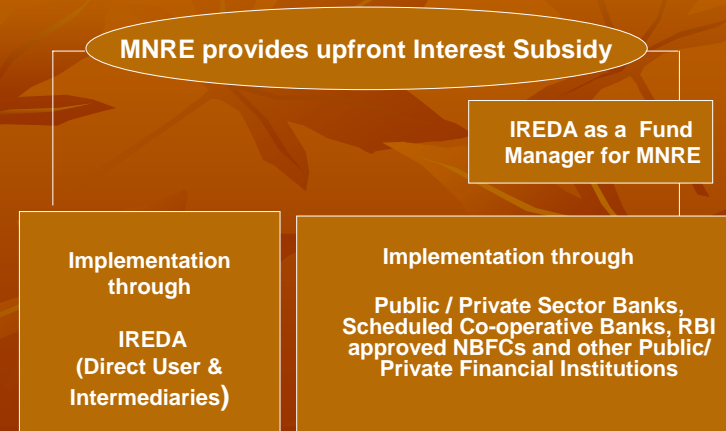


## Performance of IREDA

- ❖ Released amount of approximately Rs.10.00 crores in one year
- ❖ Settlement within 15 – 20 days
- ❖ No dispute with any Bank



## Different Operating Route of Soft Loan for Solar Water Heating System





## Direct User Financing Norms (Applicant can directly apply to IREDA)

Min. Loan (Rs.)	: 5.0 Lakh
Min. Prom. Cont.	: 15%
IREDA's Loan	: Upto 85% of the project cost.
Interest Rate	: 12.5% p.a. (Effective rate will be 2.0%p.a. for domestic category, 3.0% p.a. for Institutional category & 5.0% p.a. for industrial/commercial category subject to availability of MNRE Interest Subsidy)
Moratorium	: 1 Year
Repayment (max.)	: 5 Years



## Intermediary Scheme

- ❖ Intermediary means one who avails loan from IREDA such as Financial Institutions, Banks, Corporate Bodies, Manufacturers, NBFCs, State Nodal Agencies, State Electricity Boards, reputed NGOs for on-lending to the users.
- ❖ To cater small domestic customers
- ❖ To provide easy access of soft loan at doorstep



## Intermediary Financing Norms

Min. Loan (Rs.)	: 10 Lakh
Min. Prom. Cont.	: 15%
IREDA's Loan	: Up to 85% of the project cost.
Interest Rate	: 12.5% p.a. (Effective rate will be 2.0%p.a. for domestic category, 3.0% p.a. for Institutional category & 5.0% p.a. for industrial/commercial category subject to availability of MNES Interest Subsidy)
Interest rate spread	: 2.0 %
Moratorium	: 1 Year
Repayment (max.)	: 5 Years

## Godavari Fertilisers & Chemicals Ltd. 1,20,000 LPD SWHS Project Secunderabad, Andhra Pradesh



**Adyar Gate Hotel Ltd.  
42,000 LPD SWHS Project  
Chennai, Tamil Nadu**



IREDA financed 42000 LPD Solar Water Heating System installed on the roof of a five star hotel in

**Thank you**