

Banks Offering Loans for Grid Connected Solar Rooftop Systems*

Sr. No.	Parameter	State Bank of India	Canara Bank - Housing cum Solar Loan	Punjab National Bank	Syndicate Bank - SyndSolar Scheme	Indian Renewable Energy Development Agency Limited (IREDA)
1	Target Group			Sole proprietorship firms, partnership firms including Limited Liability Partnership (LLP), Limited Companies, Private Limited Companies, Trusts, Associations, Special Purpose Vehicle (SPV), Non-Banking Finance Companies (NBFCs) and Registered Societies.	Existing/New housing loan customers availing loan for independent house construction. House owners who intend to install solar rooftop system who have not availed housing loan with any bank are also covered.	
2	Eligibility Criteria	Sole proprietorship, partnership firms including LLP and Company/SPV/NBFC borrower or their parent company/sponsor should have: <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. (Note: ECR is mandatory for exposure of INR 10 crore and above). 	<ol style="list-style-type: none"> 1. Salaried individuals confirmed in the service with a minimum service of three years. 2. Individuals engaged in business/professionals and self-employed persons. Such applicants should have been in the business/profession for a minimum period of three years. 3. The age of the borrowers should be less than 60 years at the time of availing the loan. 4. Persons 60 years and above are eligible, subject to certain stipulations. 5. Should have free rooftop to install the solar equipment. 6. Net Take Home (NTH) should be 25 percent. 		.	As per "General Eligibility Conditions" mentioned in Chapter 3 of IREDA — "Financing Norms and Schemes" document.

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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: Four times of gross annual income 2. Housing Loan Scheme for NRIs: Four times of gross annual income 3. Housing Loan to Agriculturists: Four times of average annual income 4. YUVA AWAS RIN Scheme: Six years gross salary <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>		. 75 percent of the project cost with maximum of INR 3,75,000.	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.
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 		<ol style="list-style-type: none"> 1. Term loan: Need based 2. Working Capital under receivables: Need based 3. NFB (LC/Letter of Guarantee): Need based 		
5.	Margin		<p>New House/Flat: Upto INR 30 Lacs: 10 percent Above INR 30 Lacs and upto INR 75 Lacs: 20 percent Above INR 75 Lacs: 25 percent Old House/Flat (Upto 10 years old): Upto INR 30 Lacs: 20 percent Above INR 30 Lacs and upto INR 75 Lacs: 20 percent Above INR 75 Lacs: 25 percent</p>	Minimum 30% with a suitable upfront contribution of the required margin.	25 percent of project cost. Capital subsidy, if any, provided by Ministry of New and Renewable Energy (MNRE) may be taken as a part of margin	

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			Old House/Flat (>10 years old): Upto INR 30 Lacs: 25 percent 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)	One year Marginal Cost of funds based Lending Rate (MCLR) plus spread in the range of 20 bps to 50 bps based on risk rating of the customer.	For Women borrowers: For risk grade: CS:1 – 7.30(RLLR)+0.00(Credit risk premium) CS:2 – 7.30(RLLR)+0.05(Credit risk premium) CS:3 – 7.30(RLLR)+0.45(Credit risk premium) CS:4 – 7.30(RLLR)+1.95(Credit risk premium) *RLLR- Repo Linked Lending Rate For Other Borrowers: CS:1 – 7.30(RLLR)+0.05Credit risk premium) CS:2 – 7.30(RLLR)+0.10(Credit risk premium) CS:3 – 7.30(RLLR)+0.50(Credit risk premium) CS:4 – 7.30(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	Minimum of one year MCLR up to a maximum spread of 30 to 50 bps based on risk rating of the borrowing firm/company.	One year MCLR + 0.10 percent	<ol style="list-style-type: none"> Projects are graded in four grades based on risk assessment. Present applicable rates are 9.80 to 10.70 percent.

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7	Fixed Asset Coverage Ratio (FACR) in a Year	Above 1.25		Minimum 1.25		
8	Debt Service Coverage Ratio (DSCR)	Average Gross DSCR at P75: 1.35 Average Gross DSCR at P90: 1.15				
9	Interest Coverage Ratio (at Borrower and Individual Project Level)	Minimum two				
10	Net Long-Term Debt /Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) - Maximum (at Borrower and Also at Individual Sub-Project Level)	4:1				
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.	Door to door tenor of maximum 15 years, which comprises of construction/installation, moratorium and repayment period.		Up to 10 years with moratorium period of 12 months from the Commercial Operation Date (COD). Maximum construction period shall be 12 months from the first disbursement.
12	Moratorium	Up to 12 months post the Date of Commencement of Commercial Operations (DCCO).		One year after the first disbursement or four months from COD, whichever is earlier.	<ol style="list-style-type: none"> To coincide with housing loan tenor subject to maximum of 10 years. Reasonable moratorium shall be provided required for installation of Rooftop Solar system after house construction is completed. In case of ready built house, a reasonable period of moratorium shall be given for installation and 	

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					making the unit operational.	
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. 	Exclusive first charge on fixed assets (present as well as future) relating to the project/ program.	Hypothecation of solar rooftop system for loan up to `1.00 lakh	
14	Collateral Security	The bank may seek additional security (collateral) if FACR falls below 1.25.		Loan for solar rooftop project to Micro Small and Medium Enterprises (MSME) up to INR 10 lakh shall be without collateral security as per Government guidelines. For others: Notwithstanding the security stipulated, the sanctioning authority may where it is deemed necessary, on a case to case basis may stipulate such collateral security as required.	<ol style="list-style-type: none"> 1. Loan shall be covered under existing mortgage of house, wherever solar loan exceeds `1.00 lakh. 2. In case of house owners who have not availed Home loan with any Bank/Financial Institution, and intends to install Solar Roof Top System. 3. Up to `1.00 lakh – Hypothecation of solar rooftop system. <p>Above `1.00 lakh- Besides hypothecation of solar rooftop system, financial collateral security of 100 percent of loan value(LIP surrender value, NSC, term deposit etc.).</p>	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.

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15	Guarantee	<ol style="list-style-type: none"> In case of Sole Proprietorship/Partnership Firm/Company, personal guarantee of proprietor/partners/directors. In case of SPVs/ Associates/Subsidiaries, corporate guarantee of sponsor can be further explored. 		Personal guarantee of proprietor/partner/director to be obtained. In case of SPV, corporate guarantee of promoter company shall be explored.	Guarantor: Waived	
16	Debt Service Reserve Account (DSRA)	Equivalent to six months principal and interest.		DSRA equivalent to minimum three months principal and interest to be maintained after the date of commercial operation.		
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 the first tranche for each individual loan under the overall sanctioned credit facility.		The required project agreements (including PPA)/ clearances/approvals should be in place, before disbursement of the first tranche for each individual loan under the overall sanctioned credit facility.		
18	Others	Mandatory compliance of World Bank guidelines on procurement and environment, health, safety and social (EHSS) related to solar rooftop projects.		Compliance with Asian Development Bank (ADB) guidelines on procurement and EHSS, gender and child labour.	Cutback up to 65% shall be considered	Registration fee payable along with application: <ol style="list-style-type: none"> Up to 20 crore – INR 1,00,000 plus taxes 20 crore to 125 crore – INR 2,50,000 Above 125 crore – INR 5,00,000
19	Financing Mode	Program and project modes				Applications can be submitted in aggregator or direct category.
20	Purpose		<ol style="list-style-type: none"> Loan to individuals for installation of grid connected rooftop solar photovoltaic system on the 		To install solar rooftop systems on houses.	

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			<p>rooftop of house as a part of home loan or without housing loan.</p> <p>2. Loans for Housing loan permitted for purchase/construction of flats not permitted under this scheme.</p> <p>3. Loan for the purchase of solar equipment can also be sanctioned to applicants having subsisting housing loans with Canara Bank.</p> <p>4. Loan for the purchase of solar equipment can also be sanctioned to applicants against the mortgage of residential/ house property having free rooftop to install the solar equipment even without housing loan.</p>			
21	Size/Capacity of Solar Rooftop System				1 kWp	
22	Project Cost				Approximate project cost of 1 kWp solar rooftop system is 1 lakh. However, actual estimate will be made by the agency installing the system. Higher loan amount may be considered depending upon the capacity of solar rooftop system, rooftop space available, cut back, etc.	

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23	Processing/ Documentation Charges		Nominal processing fee of 0.50 percent (minimum INR 1,500 and maximum INR 10,000).		Nil	
24	Link of Website	https://www.sbi.co.in/	http://www.canarabank.com/english/	https://www.pnbindia.in/	https://www.syndicatebank.in/english/home.aspx	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.*