IIFCL's Scheme for Financing to RBI Regulated Entities & Public Financial Institutions (PFIs) Consequent to Withdrawal of SIFTI

1. Objective:

The primary objective of IIFCL's scheme for Financing RBI regulated Entities & PFIs is to augment increased flow of funds for the development of infrastructure in the country.

Under the scheme, IIFCL will provide term loans/line of Credit to specific financial institutions for financing infrastructure projects meeting specified criteria for finance in respect of their lending to infrastructure projects & its sub sectors as defined under Harmonized list issued by DEA, Ministry of Finance, Govt. of India.

2. Eligibility, Tenor & Security:

Sr. No.	Category	Min. Long Term Standalone External Rating @	Tenor & Security#
1	NBFCs with minimum 51% shareholding with Govt. of India	AA-	1 to 5 Years for Unsecured Facility 1 to 7 years for Secured facility with minimum asset cover of 1.10 times >7 to 15 years for Secured facility with minimum asset cover of 1.25 times
2	NBFCs set up by State Governments	AA-	1 to 7 years (only on Secured basis with minimum asset cover of 1.1 times)
3	Other Public Financial Institutions (PFIs) notified under Section 2(72) of the Companies Act, 2013	AA-	1 to 5 years (only on Secured basis with minimum asset cover of 1.2 times)
4	RBI/NHB regulated Housing Finance Companies (HFCs) and NBFC-ICC (Upper Layer) lending to affordable housing , with minimum 3 years of operational track record & having minimum AUM of Rs 2000 Cr.	AA-	1 to 7 years (only on Secured basis with minimum asset cover of 1.1 times) >7 to 10 years for Secured facility with minimum asset cover of 1.25 times
5	Private Sector NBFC-IFCs with minimum 3 years of operational track record	AA-	1 to 5 years (only on Secured basis with minimum asset cover of 1.1 times)

@ In case of multiple external ratings, lowest external rating will be considered. In case external

rating for the proposed RTL is not available but external rating of already availed term loans are available, then such existing rating shall be considered with a condition that external rating of RTL from IIFCL as per rating eligibility criteria shall be arranged within 3 months of drawal of first tranche and if such external rating is not arranged or is lower than the eligibility criteria, then the applicable ROI shall increase by 2% payable monthly from the date of expiry of permitted timeline or from the date of release of external rating.

Security shall be obtained by way of hypothecation of first pari passu charge on receivables & current assets of the borrowers or by way of obtaining exclusive charge on identified assets.

3. Rate of Interest:

The applicable Rate of Interest for proposals sanctioned under this scheme shall be governed by latest Board approved Credit Risk Management Policy.
The Rate of Interest may be reset on periodic basis viz quarterly, semiannually, annually etc.

4. Expected Minimum Financial Benchmarks as per latest audited/ limited reviewed quarterly financials:

Benchmarks	**NBFCs having Min. 51% shareholding with GoI**	**NBFCs set up by State Governments**	**Other PFIs**	**RBI/NHB regulated HFCs & ICCs (Upper Layer)**	**Private Sector NBFC-IFCs**
CRAR	15% or as per RBI guidelines, whichever is higher				
PAT	Positive during the last 3 years on financial year end basis				
Gross NPA	Less than 3% if facility is unsecured & 5% if secured	Less than 5%	Less than 3%		
Net NPA	Less than 2% if facility is unsecured & 3% if secured	Less than 3%	Less than 2%		
TOL/NOF	Upto 10		Upto 5		
ROA	Minimum 2% if facility is unsecured	Minimum 1.5%			

5. End Use of Funds:

The end use of such loans will be for on-lending to the infrastructure sub sector or reimbursement of existing deployment made in infrastructure sub-sector during the last 9 months as per the harmonized list of infrastructure sub sectors or for on-lending for individual housing loans for funding Dwelling Units (Dwelling Units shall mean as defined in the harmonized list of infrastructure sub-sectors).

6. Repayment of Finance:

Repayment of principal may be structured to include equated instalments, structured repayments, bullet repayments, etc. Interest to be serviced on monthly basis.

7. Other conditions applicable to the Scheme for financing RBI regulated entities and PFI's:

a) Failure to service debt obligations would attract a penal charge of 2% p.a. Breach of financial covenants shall also attract penal charges at 2% p.a.

b) Downward in external rating by any credit rating agency shall attract higher Rate of Interest as per the interest rate guidelines.

c) Prepayment of finance shall attract prepayment penalty of 2% of the pre-paid amount except in events where prepayment without prepayment penalty is permitted.

d) Security shall be by way of hypothecation of first pari passu charge on receivables & current assets of the borrowers or by way of obtaining exclusive charge on identified assets. In case of charge on exclusive asset, the charge can be modified for those assets where DPD is equal to or more than 1 day.

e) Validity of sanction shall be as per this Credit policy of IIFCL.

f) Other terms & conditions as per IIFCL's policy.