

REQUIREMENT OF EXTERNAL CREDIT RATING

As part of upgrading credit origination systems in IREDA, it has been decided to introduce the requirement of credit rating for seeking / availing credit facilities from IREDA, from independent external credit rating agencies. An “**IREDA Credit Rating Model for Renewable Energy Financing**” has, accordingly, been developed specifically for the purpose, in co-ordination with credit rating agencies, viz. CRISIL, Credit Analysis & Research Ltd. (CARE), India Ratings & Research (Fitch), ICRA Ltd. and Brickwork Ratings. The model incorporates standardized parameters and criteria aimed at ensuring consistency and objectivity in evaluation.

2. Those prospective borrowers / customers who are required to obtain the external credit rating would be free to obtain the rating in terms of the above “**IREDA Credit Rating Model for Renewable Energy Financing**”, from any of the external credit rating agencies and shall make payment of the fees to the credit rating agencies directly. The fee structure for rating by the credit rating agencies as indicated by them under the Credit Rating Model for Renewable Energy Financing is as under:

Amount applied for	Up to 40 crs	Over Rs.40 crs – Rs.80 crs	Above 80 crs
Fee	Rs.4 lakhs	Rs.7 lakhs	Rs.10lakhs
Commissioned take-over cases	Rs.3 lakhs	Rs.6 lakhs	Rs.8 lakhs
Re-valuation without break	Rs.2 lakhs	Rs.3 lakhs	Rs.4.50 lakhs
Re-valuation with break of one year	75% of initial fee	75% of initial fee	100% of initial fee
Re-valuation with break of over one year	100% of initial fee	100% of initial fee	100% of initial fee

Service Tax and Out of Pocket expenses would be extra.

Out of Pocket expenses would be subject to a ceiling of Rs.50,000 (Rs.1 lakh for the North-East).