



**IIFCL Products**

**A. Direct Lending Product for extending financial assistance to Under construction Projects**

IIFCL can extend only Term Loans (LOC as sublimit of Term Loan) to Under Construction projects implemented by entities classified under the Infrastructure Sectors as per Harmonized Master List of Infrastructure sub-sectors as amended from time to time.

**Debt Participation for Direct Lending in Under Construction projects as per Harmonized Master List of Infrastructure sub-sectors:**

**Under Construction Projects** – Under Construction project means a project which is in construction phase and has not achieved the actual Commercial Operation Date i.e. COD/PCOD.

Promoter/ Sponsor Rating	Project Category as per Revenue Contract	Debt Participation  (As applicable)	Exposure Limit on Case to Case Basis
AA- and above	Regulated Income Projects	IIFCL may participate with or without underwriting. Act as Lead/Non-Lead in the Consortium.	IIFCL may also act as Sole Lender up to Rs 1000.00 Cr where IIFCL is not acting as Sole Lender, maximum hold exposure shall be Up to 90% debt of the project.
	Non-Regulated Income Projects	IIFCL may participate with or without underwriting. Act as Lead/Non-Lead in the Consortium.	IIFCL may also act as Sole Lender up to Rs 500.00 Cr where IIFCL is not acting as Sole Lender, maximum hold exposure shall be Up to 45% of the Total Project Cost.
A-/A/A+	Regulated Income Projects	IIFCL may participate with or without underwriting. Act as Lead/Non-Lead in the Consortium.	IIFCL may also act as Sole Lender up to Rs 500.00 Cr where IIFCL is not acting as Sole Lender, maximum hold exposure shall be Up to 45% of the Total Project Cost.
	Non-Regulated Income Projects	IIFCL may participate with or without underwriting Act as Lead/Non-Lead in the Consortium.	IIFCL may also act as Sole Lender up to Rs 250.00 Cr where IIFCL is not acting as Sole Lender, maximum hold exposure shall be Up to 40% of the Total Project Cost.
	Regulated Income Projects	IIFCL may participate as Lead/ Non- Lead in Consortium.	IIFCL may also act as Sole Lender up to Rs 250.00 Cr where IIFCL is not acting as Sole Lender, maximum hold exposure shall be Up



BBB- /BBB/BBB+			to 35% of the Total Project Cost.
	Non- Regulated Income Projects	IIFCL may participate as Lead/ Non- Lead in Consortium of Lenders	Maximum hold Exposure shall be 30% of the Total Project Cost
A and above Unrated with Guarantee from Central Govt.	PSUs with majority (i.e. 51%) shareholding by Central or State Government or JV of only PSU's or 100% owned subsidiaries of PSU or JV of Central & State Govt.	IIFCL may participate with or without underwriting Act as Lead/Non-Lead in the Consortium.	IIFCL may also act as Sole Lender where IIFCL is not acting as Sole Lender, maximum hold exposure shall be Up to 90% debt of the project.
Unrated Promoter in Social Infrastructure Sector	Regulated Income Projects & Non-Regulated Income Projects	IIFCL may participate as Lead/ Non- Lead in Consortium.	IIFCL may also act as Sole Lender up to Rs 250.00 Cr where IIFCL is not acting as Sole Lender, maximum exposure shall be Up to 20% of the Total Project Cost.

Further any Grant or VGF or any other Grant like support from the Government/authority shall be netted off from the project cost to determine the exposure

**Sub Debt in Under construction Projects:**

Subordinate debt as a debt which ranks lower in security than the project debt carrying a pari-passu charge (i.e., second charge on project assets and pari-passu with all sub-debt lenders).

IIFCL can provide subordinate debt subject to following conditions:

- a) Infrastructure projects being implemented under a Concession Agreement/off taker agreement by Government/PSU/Quasi Govt. entity/Regulatory authority for the Economic Life of the Project or till the tenor of Loan repayment
- b) Concession Agreement/offtaker Agreement should capture subordinate debt in the termination payment clause.
- c) Subordinate debt shall not exceed 10% of the total project cost or 50% of Promoter/Sponsor Contribution whichever is lower. The same shall be over and above the maximum term loan limit as applicable.
- d) The Rate of Interest on the Sub Debt shall be at least 2 percent higher than the Senior Debt of Project.
- e) Subordinate debt lenders shall have second charge on all assets (including receivables) of the Borrower, both present and future, to secure the subordinate debt as mentioned in the loan agreement. The said second charge to secure subordinate debt shall rank pari passu with all lenders for their subordinate debts. The above mentioned second charge of subordinate debt



lenders shall be subordinate to the first pari passu charge of the senior lenders for their senior debts; and

- f) Subordinate debt shall not be converted into equity or similar instrument.
- g) IIFCL shall take exposure in sub debt only along with senior debt. The maximum debt equity ratio allowed in such cases i.e. sub debt along with senior debt shall be 85:15.

The facility may be structured in such a way that interest on Subordinate debt shall be capitalized till COD of the Project and principal repayment along with such capitalized interest shall commence along with senior debt or after the commencement of repayment of senior debt based on the cash flows available.

**Debt Participation for Under construction projects in Allied Infrastructure Sector:**

<b>Project category based on Promoter/Sponsor Rating</b>	<b>Debt Participation</b>	<b>Exposure Limit</b>
A- and above rated Promoters	IIFCL may participate as Lead/ Non- Lead in the Consortium with or without underwriting	IIFCL may also act as Sole Lender up to Rs 250.00 Cr where IIFCL is not acting as Sole Lender, maximum hold exposure shall be Up to 30% of the Total Project Cost.
BBB-/BBB/BBB+	IIFCL may participate as Lead/ Non- Lead in the Consortium.	Maximum Exposure is 20% of the Total Project Cost

**Definition of Promoter/Sponsor:** Promoter shall mean the majority owner/shareholder of the project Company which is implementing the Infrastructure Project. Sponsor shall mean the majority owner/shareholder in the promoter company. The rating of Sponsor entity shall be considered if Sponsor is infusing the equity/contribution in the Project and/or is providing Corporate Guarantee/sponsor undertaking(s) to the satisfaction of IIFCL on Case to Case basis.

**Entities:** The project shall be implemented only by any of the following:

- a) A Public Sector Company
- b) A Private Sector Company
- c) InVIT
- d) LLP/Trust/Society

**Regulated Income Projects** entail those projects with regulated tariff with reasonable certainty of revenue/tariff approved by Government/PSU/Quasi Govt. entity/Regulatory authority for the Economic Life of the Project or till the tenor of Loan repayment & in compliance of applicable financial covenants.

**Non- Regulated Income Projects** entail those projects with Non-regulated tariff/revenue in the project in compliance of applicable financial covenants.



**Tenor**

The Term Loans shall be structured with a minimum tenor of 5 years with an amortization schedule matching the cash flows of the project extended for a tenor not exceeding 85% of the Economic Life of the project.



**B) Takeover-cum-Enhancement of Term Debt Exposure for Projects under Operational Phase**

**Operational Project** – Those projects which starts with commencement of commercial operation on the day of the actual DCCO i.e. COD/PCOD and ends with full repayment of the project finance exposure.

IIFCL may extend financial assistance to projects under operational phase & for debt resizing.

<b>Project/SPV Rating</b>	<b>Project Category as per Revenue Contract</b>	<b>Debt Participation</b>	<b>Exposure Limit</b>
AA- and above	Regulated Income Projects	IIFCL may participate with or without underwriting and/or debt resizing. Act as Lead/Non-Lead Lender in the consortium.	IIFCL may also act as Sole Lender up to Rs 1500.00 Cr where IIFCL is not acting as Sole Lender, maximum hold exposure shall be Up to 90% debt outstanding of the project.
	Non-Regulated Income Projects	IIFCL may participate with or without underwriting and/or debt resizing. Act as Lead/Non-Lead in the Consortium.	IIFCL may also act as Sole Lender up to Rs 750.00 Cr where IIFCL is not acting as Sole Lender, maximum hold exposure shall be Up to 70% debt outstanding of the project.
A-/A/A+	Regulated Income Projects	IIFCL may participate with or without underwriting and/or debt resizing. Act as Lead/Non-Lead in the Consortium.	IIFCL may also act as Sole Lender up to Rs 750.00 Cr where IIFCL is not acting as Sole Lender, maximum hold exposure shall be Up to 80% debt outstanding of the project.
	Non-Regulated Income Projects	IIFCL may participate with or without underwriting and/or debt resizing. Act as Lead/Non-Lead in the Consortium.	IIFCL may also act as Sole Lender up to Rs 350.00 Cr where IIFCL is not acting as Sole Lender, maximum hold exposure shall be Up to 60% debt outstanding of the project.
*BBB- /BBB/BBB+	Regulated Income Projects	IIFCL may participate as Lead/ Non- Lead Lender in Consortium and/or debt resizing.	Maximum Exposure is 65% of the debt outstanding of the Project.
	Non- Regulated Income Projects	IIFCL may participate as Lead/ Non- Lead Lender in Consortium.	Maximum Exposure is 50% of the debt outstanding of the Project.



A and above Unrated with Guarantee from Central Govt.	PSUs with majority (i.e. 51%) shareholding by Central or State Government or JV of only PSU's or 100% owned subsidiaries of PSU or JV of Central & State Govt.	IIFCL may participate with or without underwriting and/or debt resizing.  Act as Lead/Non-Lead Lender in the consortium.	IIFCL may also act as Sole Lender where IIFCL is not acting as Sole Lender, maximum hold exposure shall be Up to 90% debt outstanding of the project.
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**\*Project/SPV Rating with BBB-/BBB/BBB+**

Promoter/Sponsor Rating	**Annuity Project	Maximum Exposure
AA- and above	Upon COD/PCOD	100% of the Debt O/s in the Project
A-/A/A+	Receipt of First Annuity	80% of the Debt O/s in the Project

**Debt Participation for Takeover-cum-Enhancement of Term Debt Exposure for Projects under Operational Phase in Allied Infrastructure Sector:**

Project/SPV Rating	Debt Participation	Exposure Limit
A- and above	IIFCL may participate as Lead/ Non-Lead in the Consortium with or without debt resizing.	60% of the Outstanding Debt in the Project
BBB-/BBB/BBB+	IIFCL may participate as Lead/ Non-Lead in the Consortium	50% of the Outstanding Debt in the Project

In cases where IIFCL has exposure in existing Under construction projects, the same shall be netted off while calculating the exposure limit in Operational Projects.

**Entities:** The project shall be implemented only by the following:

- a) A Public Sector Company
- b) A Private Sector Company
- c) InVIT
- d) LLP/Trust/Society

**Regulated Income Projects** entail those projects with regulated tariff with reasonability of revenue/tariff approved by Government/PSU/Quasi Govt. entity/Regulatory authority for the Economic Life of the Project or till the tenor of Loan repayment & in compliance of applicable financial covenant.

**Non- Regulated Income Projects** entail those projects with Non-regulated tariff/revenue in the project & in compliance of applicable financial covenant.

**Outstanding Debt** is the term loan as appraised by Lender(s) from which IIFCL is taking out the Loan. In cases with top up loan being taken over, then the same shall have been utilized by the promoter/sponsor for General Corporate Purpose.



**Tenor**

The Term Loans shall be structured with a amortization/ tenor matching the cash flows of the project extended for a tenor not exceeding 85% of the economic life of the project.

**\*\*\*Annuity Projects** entails those projects with fixed revenue as per the underlying concession agreement as in the case of annuity project (including HAM) across various sectors and/or Transmission projects with off Take agreement with Government/PSU/Quasi Govt. entity/Regulatory authority for the Economic Life of the Project or till the tenor of Loan repayment. Further in such Operational projects only, IIFCL may lend under Multiple Banking Arrangement.



**Updated Harmonized Master List of Infrastructure Sub-sectors**

(As amended from time to time by DEA/RBI)

Sr No	Category	Infrastructure sub-sectors
1	Transport and Logistics	<ul style="list-style-type: none"> <li>• Roads and bridges</li> <li>• Ports<sup>1</sup></li> <li>• Shipyards<sup>2</sup></li> <li>• Large Ships<sup>3</sup></li> <li>• Inland Waterways</li> <li>• Airport</li> <li>• Railway track including electrical &amp; signalling system, tunnels, viaducts, bridges</li> <li>• Railway rolling stock along with workshop and associated maintenance facilities</li> <li>• Railway terminal infrastructure including stations and adjoining commercial infrastructure</li> <li>• Urban Public Transport (except rolling stock in case of urban road transport)</li> <li>• Logistics Infrastructure<sup>4</sup></li> <li>• Bulk Material Transportation Pipelines<sup>5</sup></li> </ul>
2	Energy	<ul style="list-style-type: none"> <li>• Electricity Generation</li> <li>• Electricity Transmission</li> <li>• Electricity Distribution</li> <li>• Oil/Gas/Liquefied Natural Gas (LNG) storage facility<sup>6</sup></li> <li>• Energy Storage Systems (ESS)<sup>7</sup></li> </ul>
3	Water and Sanitation	<ul style="list-style-type: none"> <li>• Solid Waste Management</li> <li>• Water treatment plants</li> <li>• Sewage collection, treatment and disposal system</li> <li>• Irrigation (dams, channels, embankments, etc.)</li> <li>• Storm Water Drainage System</li> </ul>
4	Communication	<ul style="list-style-type: none"> <li>• Telecommunication (fixed network)<sup>8</sup></li> <li>• Telecommunication towers</li> <li>• Telecommunication &amp; Telecom Services</li> <li>• Data Centres<sup>9</sup></li> </ul>
5	Social and Commercial Infrastructure	<ul style="list-style-type: none"> <li>• Education Institutions (capital stock)</li> <li>• Sports Infrastructure<sup>10</sup></li> <li>• Hospitals (capital stock)<sup>11</sup></li> <li>• Tourism infrastructure viz. (i) three-star or higher category classified hotels located outside cities with population of more than 1 million, (ii) rope ways and cable cars</li> <li>• Common infrastructure for Industrial Parks and other parks with</li> </ul>



		<p>industrial activity such as food parks, textile parks, Special Economic Zones, tourism facilities and agriculture markets</p> <ul style="list-style-type: none"><li>• Post-harvest storage infrastructure for agriculture and horticultural produce including cold storage</li><li>• Terminal markets</li><li>• Soil-testing laboratories</li><li>• Cold Chain<sup>12</sup></li><li>• Affordable Housing<sup>13</sup></li><li>• Affordable Rental Housing Complex<sup>14</sup></li><li>• Exhibition-cum-Convention Centre<sup>15</sup></li></ul>
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<sup>1</sup> Includes Capital Dredging

<sup>2</sup> “Shipyard” is defined as a floating or land-based facility with the essential features of waterfront, turning basin, berthing and docking facility, slipways and/or ship lifts, and which is self-sufficient for carrying on shipbuilding/repair/breaking activities.

<sup>3</sup> “Large Ships” means Commercial Vessels having a gross tonnage of ten thousand or more, which are under Indian ownership and flag, OR

Commercial vessels having a gross tonnage of one thousand five hundred or more, which are built in India and are under Indian ownership and flag.

<sup>4</sup> "Logistics Infrastructure" means and includes Multimodal Logistics Park comprising Inland Container Depot (ICD) with minimum investment of Rs 50 crore and minimum area of 10 acres, Cold Chain Facility with minimum investment of Rs 15 crore and minimum area of 20,000 sft, and/or Warehousing Facility with investment of minimum Rs 25 crore and minimum area of 1 lakh sq ft.

<sup>5</sup> Includes Oil, Gas, Slurry, Water supply and Iron Ore Pipelines

<sup>6</sup> Includes strategic storage of crude oil.

<sup>7</sup> Includes dense charging infrastructure and grid scale Energy Storage Systems (ESS) with a minimum qualifying capacity of 200 MW-Hr, provided that ESS is not being established on merchant basis.

<sup>8</sup> Includes optic fibre/wire/cable networks which provide broadband / Internet.

<sup>9</sup> Data Centre housed in a dedicated/centralized building for storage and processing of digital data applications with a minimum capacity of 5 MW of IT load.

<sup>10</sup> Includes the provision of Sports Stadia and Infrastructure for Academies for Training/Research in Sports and Sports-related activities.

<sup>11</sup> Includes Medical Colleges, Para Medical Training Institutes and Diagnostics Centres.

<sup>12</sup> Includes cold room facility for farm level pre-cooling, for preservation or storage of agriculture and allied produce, marine products and meat.

<sup>13</sup> “Affordable Housing” is defined as a housing project using at least 50% of the Floor Area Ratio

(FAR)/Floor Space Index (FSI) for dwelling units with carpet area<sup>@</sup> of not more than 60 square meters.

<sup>14</sup> “Affordable Rental Housing Complex” means a project to be used for rental purpose only for urban migrant/poor (EWS/LIG categories) for a minimum period of 25 years with basic civic infrastructure facilities such as water, sanitation, sewerage/ septage, road, electricity along with necessary social/commercial infrastructure and the initial rent fixed by Local Authority/ Entities based on local survey of surrounding area wherein the project is situated.

Project means a listed project having at least 40 Dwelling Units of double room or single room or equivalent Dormitory Units or a mix of all three in any ratio but not more than one third of total built up area under double bedrooms units.

Dwelling Units (DUs) means a unit comprising of double bed room with living area, kitchen, toilet and bathroom of up to 60 square meters carpet area<sup>@</sup> or single bed room with living area, kitchen, toilet and bathroom of up to 30 square meters carpet area<sup>@</sup>.



Dormitory Units means a set of 3 Dormitory Bed with common kitchen, toilet and bathroom in 30 square meters carpet area<sup>@</sup> meaning 10 square meters carpet area<sup>@</sup> per Dormitory Bed.

<sup>@</sup> “Carpet Area” shall have the same meaning as assigned to it in clause (k) of section 2 of the Real Estate (Regulation and Development) Act, 2016.

<sup>15</sup> “Exhibition-cum-Convention Centre” is defined as Exhibition and Convention Centre Projects with minimum built-up floor area\* of 100,000 square metres of exclusively exhibition space or convention space or both combined.

\* Built up floor area includes primary facilities such as exhibition centres, convention halls, auditoriums, plenary halls, business centres, meeting halls etc.



**ALLIED INFRASTRUCTURE SUB-SECTORS**

1. Electric vehicles including commercial vehicles and buses.
2. Entities owning rolling stock of electric vehicles providing services to public consequent to bids invited by various government authorities\*
3. Batteries/ Allied infrastructure for electric vehicles involving setting up of battery charging network
4. Solar Cells, Panels and Modules
5. Installation of smart meters awarded pursuant to bids invited by State/Central Government Authorities
6. Green hydrogen/Amonia and related ancillary facilities including pipeline and electrolyzers
7. Windmill and related Equipment
8. Solar Irrigation
9. Biofuel
10. Three Star or higher category classified hotel located inside cities with population of more than one million.
11. Any Other Activity promoted by the GOI through MNRE/Gati Shakti/National Development Plans/Any Other Government Department in relation to Infrastructure Sectors and/or National Infrastructure Pipeline/National Monetization Pipeline
12. Any projects classified under Harmonized master list of Infrastructure Sub Sectors and/or as detailed above under Allied Infrastructure sub sector being set up outside India by Indian Developers.

\* Project Cost will include purchasing and deployment cost of EV Buses/Commercial Vehicles and allied charging infrastructure