

CLARIFICATION MEETING WITH FINANCIAL INSTITUTIONS REGARDING EOI UNDER THE PARTIAL RISK GUARANTEE FUND FOR ENERGY EFFICIENCY

An Expression of Interest was floated by BEE on 30th October, 2015 regarding empanelment of Participating Financial Institutions (PFIs) under Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE). A clarification meeting was held on 9th November, 2015. List of participants attached at '**Annexure-I**'.

The meeting began with a round of introductions by the meeting participants. Following this, Ms Vineeta Kanwal, BEE initiated the meeting and welcomed the participants. She then presented the key highlights of the PRGFEE and the terms of EOI to provide a platform for discussion during the meeting. Following the presentation, the floor was left open for discussion and comments were sought from the participants.

The following are the key points from the discussion with the FIs during the meeting:

A. Application Fee and Guarantee Fee

1. Regarding Application fee most of the FIs had suggested to charge the application fee at the time of disbursement of loan as this is the standard practice followed by banks and will not become a burden for the ESCOs and encourage greater participation under the scheme.
2. Also, FIs suggested that instead of charging application fee as a % of guaranteed amount it is better to keep a fixed amount of approx. Rs.5-10k per application (i.e.0.001% to 0.002% of min loan amount eligible).
3. FIs also suggested if that the Guarantee Fee (without any interest) could be reimbursed by BEE after successful completion of the project.

B. Tenure and coverage of the Guarantee

4. FIs suggested to keep a provision for auto renewal of guarantee for the specific EE loan in case the loan extends beyond 5 years.
5. FIs also suggested to increase the guarantee coverage from Rs.3 Cr to Rs.15 Cr so that loans to industries, SMEs and private buildings could also be covered under the scheme successfully.

C. Application form and MoU to be signed between PFI and BEE

6. Most of the FIs suggested that since signing of MoU would have to be taken up with the CMD office (which could take 4-5 months), BEE could write directly to the CMDs of respective banks which could speed up the approval process significantly.

D. ADDITIONAL SUGGESTIONS

7. Most of the FIs were of the view that reimbursement of cost of TEV study undertaken by the FI would be a good way to incentivize the banks and encourage greater participation
8. It was suggested that operational rules for PRGFEE should be uploaded on the BEE website for reference of FIs. This will enable them to go through the scheme in details and apply for empanelment.

E. LEGAL ISSUES REGARDING MoU

9. The legal team of ICICI Bank which was present during this meeting to discuss the template of MoU that will be signed with BEE also proposed to BEE for giving some scope to private banks for making slight modifications in the MoU as policies of private banks differ from each other.
10. With reference to clause 12 i.e. "Dispute Resolution", a slight modification has been made so that nothing shall prohibit or shall be deemed to prohibit either Party from exercising their rights as may be available to them under applicable law. The same has been vetted by our legal counsel.
11. It was also discussed that some banks like Yes Bank, IDFC Bank, HDFC Bank, Tata Cleantech and Vijaya Bank are already in process of getting the MoU vetted before sending their applications to BEE.

Having noted the comments and suggestions of the FIs, it was proposed these would be discussed with Implementing Agency and the Supervisory Committee of the PRGFEE so that necessary changes could be made in the Operations manual for PRGFEE.

List of confirmed participants for clarification meeting at 1430 Hrs on 9th November, 2015 under PRGFEE

S.No.	Name	Organization
1.	Mr. S L Vijaya Kumar/Representative	Vijaya Bank
2.	Ms.Monika Mohanty	Indian Overseas Bank
	Mr.Abhishek Mishra	ICICI Bank
3.	Mr.Puneet Arora	ICICI Bank
4.	Mr.Shubham Saket	ICICI Bank
5.	Mr.Mohit Khatri	EESL
6.	Mr.PC Sunoj	SBI
7.	Mr.Pranav Khanna	BEE
8.	Ms.Vineeta Kanwal	BEE