

# 100% Finance for Approved Projects

General:

1. This is available for all types of approved projects
2. 100% project finance can be obtained through the investor.
3. Promoter/owner must be 'ready, willing and able' to BLOCK 10% of the project cost in cash. [THE MONEY WILL ALWAYS STAY WITH THE CLIENT'S BANK A/C]
4. Beneficiary will be the investor
5. The cash thus blocked by the promoter should be for 1 year 1 month.
6. The Promoter / owner should be able to send MT799 /MT760 messages through their bank via SWIFT
7. If the Promoter / owner's banker is not TOP 20 banks, then their correspondence bank should provide confirmation
8. Certified Business Plan and Project Report with all necessary approval must be made available to the investor

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## Financial Terms:

1. Finance will be provided against the “project itself” as collateral. The promoter to pledge 90% equity share to the investor until the end of the term.
2. It is a 10 years term at flat 2.75% interest per annum
3. First 50% of the loan amount will be disbursed in 12 weeks
4. Next 25% of the loan amount will be released in the next 12 weeks.
5. Final 25% including the 10% BLOCKED funds by the promoter will be released at the end of 1 year
6. The shares will be diluted (returned back) in proportionate to the loan repayment at the end of each year
7. Holiday period to pay Principle – 3 years.
8. Interest calculated from the 1<sup>st</sup> disbursement.
9. At the end of the term, once the Principle + interest is fully paid, the investor will hold 10% shares which can be brought back (Exit clause).
10. Intermediary service fees – 5%

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## Alternate Initial Investment:

1. Instead of blocking cash the promoter / owner can provide Bank Guarantee in lieu of MT799/MT760
2. The BG should be valid for 1 year 1 month – Beneficiary ‘investor’
3. The text of the BG will be provided by the investor

## Steps to be followed:

1. Lol from client to IGI as per given format
2. Submit Executive Summary of the Project, Feasibility Report, Certified Business Plan etc.
3. Client’s bank confirmation on the verbiage MT799 and MT760 and stating that the bank is RWA to send such Swift Messages directly to the nominated Receiving Bank which will be one of the top 20 western banks
4. Signing of JVA / LOAN Agreement between the Client and IGI on 90-10 basis in favor of IGI
5. IGI to provide receiving bank details via Asset / Fund Managers directly to the Client’s Bank where the funds will be blocked in favor of IGI in order to proceed with the project funding
6. Official MT799 Message (Proof of Fund (PoF)) from Client’s Bank to Receiving Bank
7. CIS documents submission by Client to IGI
8. IGI to instruct the Receiving Bank to provide and confirm MT760 message to Client’s Bank
9. IGI to receive the funds confirmation
10. IGI is RWA and to confirm via MT799 Message from its banker directly to Client’s Bank that the funds are in place for the project (week 6-8)
11. IGI will instruct its banker for disbursement of the Loan Amount to the Client according to the LVA / LOAN Agreement and confirmed via MT799