

GLOSSARY OF TECHNICAL TERMS

Sl. No.	Term	Description
1	Case- 1 bidding	Procurement of power through competitive bidding where the location, technology, or fuel is not specified by the Procurer.
2	Coal Supply or Fuel Supply Agreement	An agreement entered / to be entered into by the borrower for the supply of coal as the primary fuel for the running and operation of the plant.
3	Concession Management Agreement	A negotiated contract between a company and a government that gives the company the right to operate a specific business within the government's jurisdiction, subject to certain conditions.
4	Debt Service Coverage Ratio	It indicates a company's ability to service its obligations both principal and interest, through earnings generated from operations.
5	Down selling	Portion of the loan initially sanctioned by a lender, to be passed on to prospective other lenders for funding.
6	Entity appraisal	Detail analysis of the promoters' technical and financial ability to execute the project along-with status of its debts defaults.
7	Hold portion	It refers to the portion of the loan to be funded by the lender concerned as per the pro-rata share in the consortium for funding the total debt required for a project.
8	Independent Power Producer	An independent power producer or non-utility generator is an entity, which is not a public utility, but which owns facilities to generate electric power for sale to utilities and end users.
9	Internal Rate of Return	The interest rate at which the net present value of all the cash flows (both positive and negative) from a project equal zero. It evaluates the attractiveness of a project.
10	Interest during construction	It refers to the financing charges incurred during the execution of the project or acquisition of assets such as property, plant, and equipment.
11	Last mile equity	Last Mile Equity means equity to be infused at last in the project after complete disbursement of loans.
12	Lender's Engineer	An independent engineer to be appointed by the lender's agent on behalf of the lenders.

13	Lender's Financial Advisor	A firm of chartered accountants appointed or to be appointed by the lender's agent on behalf of the lenders.
14	Lending Confirmation Notice	A notice issued by lenders agent, after ensuring the compliance of drawdown conditions mentioned in loan agreement, to all lenders of consortium for disbursement of loan.
15	Levelised tariff	The average tariff for sale of electricity over the entire term of power purchase agreement after adjustment of permitted inflation.
16	Loan life ratio	A ratio commonly used in project finance. It is defined as: Net Present Value of Cash flow available for Debt Service / Outstanding Debt in the period.
17	Mega power	A thermal plant of capacity of (i) 1000 MW or more and (ii) 700 MW or more in NER or J&K. is called mega power plant.
18	Merchant tariff	Merchant Tariff means price of short-term transactions of electricity
19	Non-Banking Financial Company	A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority. When a company's financial assets constitute more than 50 per cent of the total assets and income from financial assets constitute more than 50 per cent of the gross income will be registered as NBFC by RBI.
20	Non-Performing Asset	A loan asset in respect of which interest or instalment remained overdue for two quarters or more is an NPA,
21	Plant Load Factor	A measure of the output of a power plant compared to the maximum output it could produce.
22	Power Purchase Agreement	PPA shall mean the power purchase agreement(s), entered/ to be entered into between the borrower and the off takers, as amended from time to time, for the sale of the power generated from the project.
23	Pre commitment condition	The obligation of the Lenders to make available the loan pursuant to loan agreement shall become effective upon the borrower by fulfilling conditions of loan agreement.

24	Refinancing	Banks/FIs may refinance existing infrastructure and project loans by way of full or partial take-out financing, even without a pre-determined agreement with other banks / FIs, and fix a longer repayment period.
25	Restructuring	Restructuring involve modification of terms of the advances / securities, which would generally include, among others, alteration of repayment period / repayable amount/ the amount of instalments / rate of interest (due to reasons other than competitive reasons).
26	Scheduled Commercial Operation Date	Scheduled Commercial Operation Date shall mean the date(s) of commercial operation of a generating station or generating unit or block thereof as indicated in the Investment Approval.
27	Share Purchase Agreement	It is the definitive agreement that finalizes all terms and conditions related to the purchase and sale of the shares of a Company.
28	Special Mention Account	The account created to identify incipient stress in the account before a loan account turns into a non performing asset.
29	Station Heat Rate	Station Heat Rate means the heat energy input in k.Cal required to generate one kWh of electrical energy at generator terminals of a thermal generating station. The heat rate is the inverse of the efficiency: a lower heat rate is better.
30	Stratified Random Sampling Method	A method of sampling that involves the division of a population into smaller groups known as strata. In stratified random sampling, the strata are formed based on members' shared attributes or characteristics. These subsets of the strata are then pooled to form a random sample.
31	Trust and Retention Account	A payment mechanism in the form of an account which shall be opened in the designated bank to ensure all the cash flows of the project are routed through strictly as per the mandate drawn between the lender and the borrower.
32	Upfront equity	Upfront equity means equity to be infused by the promoters before any disbursement of Loan.
33	Zero Coupon Bonds	A bond that is issued at a deep discount to its face value but pays no interest.