



MINDWISE

MANAGEMENT LLP

LLPIN : AAI-3682

CAPEX MODEL:

- Here the society invests in the Solar Asset, operates, and maintains till the life of the system
- Following are the options for Capex Investment

1. Loan against Society's Existing Fixed Deposits:

A loan can be taken from the bank where the existing FDs of the society are kept. This loan is taken against the FD at a Rate of Interest just 1% more than the rate of returns of the FD, just like an OD(Overdraft) facility. So, in principle the society ends up paying something close to the monthly electric bill amount to the bank as EMIs and repay their loans in a time period close to the breakeven point of the Solar system.

2. Unsecured Loan from a NBFC (Non-Banking Financial Corporation): The Society can take a loan from a NBFC without any collateral at something close to 12%-14% rate of Interest.

3. Own Finance:

If the society has its own finance in place, then choosing to use this finance is the best option for the society, as in this case the society will end up paying the actual cost of the solar system and nothing more in the form of interests.