

# Green Finance Schemes

**Green Climate Finance Vertical**

**November 16, 2022**



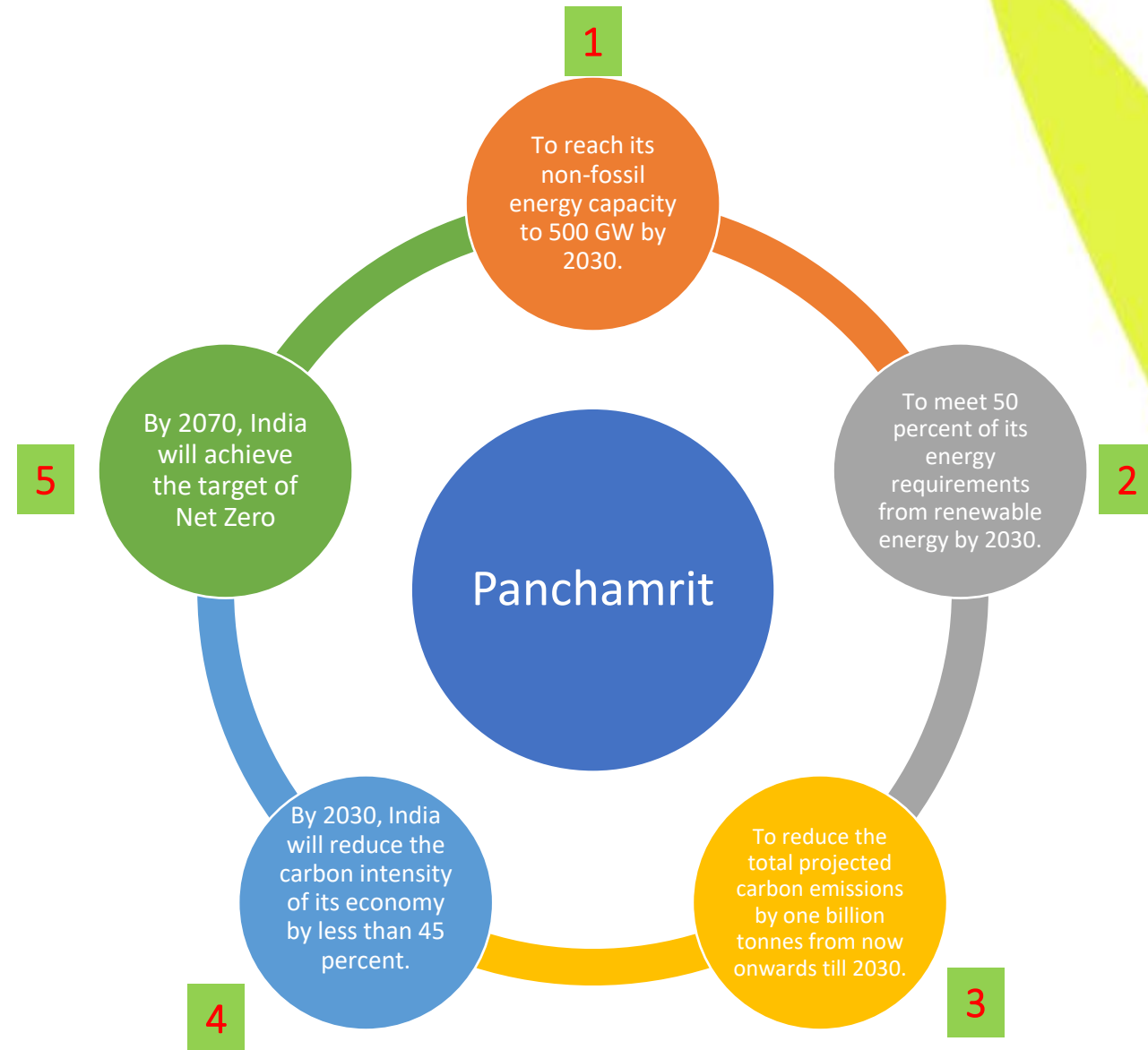
## About SIDBI- Serving the MSME Mandate

**Established under an Act of the Parliament in 1990, SIDBI is the Principal Financial Institution engaged in promotion, financing & development of the MSME sector and coordination of the functions of the various institutions engaged in similar activities.**



# Panchamrit

India has set up ambitious targets to meet the adverse impacts of the climate change. Hon'ble PM Modi has made five announcements in CoP 26. Four of these goals are to be achieved by 2030.



# SIDBI's efforts towards Greening of MSMEs

MSME  
Financing &  
Development

2005

Credit+ approach  
Technology advisory  
with Financing  
Energy Efficiency at  
MSME (FEEM)  
project

2007

Evolution of  
EE/CP LoC -  
JICA, AFD,  
KFW etc.

2010

2014

End to End  
Energy  
Efficiency  
(4E) scheme  
(Revolving  
Fund)

2015

Partial Risk  
Sharing Facility

2016

Resource  
Efficiency services  
- Additional  
Finance – FEEMP

2021

Dedicated Vertical –  
'Green Climate &  
Energy Efficiency  
Center'

2022

Green Loan Scheme, Solar Rooftop  
scheme, Cluster level green  
activities already started in Bihar  
and West Bengal,  
Up-scaling through Green Climate  
Fund

Green Loan Amt. : > USD 1.5 Billion

No. of MSMEs : ~ 15,000 Nos.

Industrial clusters : > 100 Nos.

Electricity Saved : > 1 Billion units/Yr

Thermal energy saved : 650,000 Mn kCal/Yr

Emission Reduction : 1 Mn tCO<sub>2</sub> eq./Yr



# Focus Areas: Mitigation & Adaptation



Energy Efficiency



Climate Change



Renewable Energy



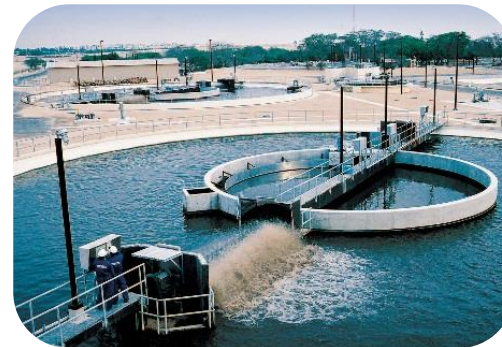
Green Building



Waste- Management



E- Mobility



Water Treatment



Any type of Green & Sustainable Solution.

# Some of the Important Schemes/initiatives of SIDBI for Green Financing



Green Financing Scheme (GFS)



End to End Energy Efficiency (4E)



Partial Risk Sharing Facility ( PRSF)



TIFAC-SIDBI Technology Innovation  
Programme (Srijan)

# Green Finance Scheme

**Launched** – March 2022

**Quantum of assistance** – MSME - Rs. 20 Cr. and Service provider / aggregator – Rs. 50 Cr.

**Promoter's contribution** – Min. 10% of the Project Cost.

**Debt to Equity Ratio** – 3:1 for company as whole

**Min. Avg. Debt Service Coverage Ratio** – 1.35

**Max. Repayment** – 10 Years

**Interest Rates** – Repo linked (at present 7.60% - 9.40%)

**Eligible Borrowers** – RESCOs , ESCOs, EPC companies and vendors or any MSME on either Supply or Demand side of Green Value Chain. Risk sharing support is available.

# Activities covered under Green Finance Scheme

Energy Efficiency

Renewable Energy

Cleaner Production

Resource efficiency

Circular Economy

Water Management efficiency and Wastewater treatment

Carbon Capture and storage

Environment protection

Green Building, Products and Materials and project related to them.

Any other activity which ensures a better environmental outcome



# End-to-End Energy Efficiency (4E) Scheme

**Launched** – June 2014

**Quantum of assistance** –Rs. 5 Cr.

**Max. Repayment** – 5 Years

**Interest Rates** – Floating Repo linked (6.4% - 7.5%)

**Types of Projects** – Energy Efficiency & Solar rooftop / ground mounted PV projects for captive consumption.

**Eligible Borrowers** – MSME in manufacturing or service sector.

**Promoter's contribution** – (i) Simpler dispensation:100% Financing with cash collateral (units with 3 years profitable track record) and (ii) Detailed appraisal for units in existence for less than 3 years and having at least one full year operations, Promoter contribution- Min. 10% of the Project Cost.

# 4E Financing Scheme for Solar Rooftop

- MSMEs planning to reduce their Power bill
- Across the segment coverage with Rs.10 lakh to Rs.500 lakh loan size.
- 25 KW to 1 MW plants covered (indicative)

**Target Segment**

**Other aspects**

- Vintage : New / Existing Customer : 3 years
- Satisfactory repayment track record

- Solar Panels / Equipments (Including accessories) from established suppliers, manufacturers, aggregators, etc./ Installation cost/ Reimbursement to the extent of advance paid to the supplier.
- Implementing energy efficiency measures from end to end basis.

**What can be funded?**

**Key Attraction**

- 100%/ part finance
- Very low collateral option
- FD of 20% - 35% of Loan (interest bearing) -
- Attractive Interest rates-REPO Based (6.40% onwards)

# Partial Risk Sharing Facility (PRSF)

**Objective** - To improve energy efficiency in various sectors through energy service companies ("ESCOs").

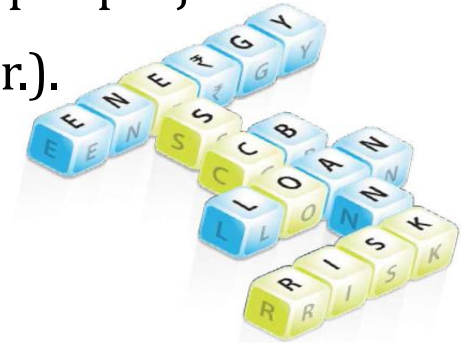
**Host entities** - MSMEs, Large Industries, Municipalities, Buildings, DISCOMs

**Extent of guarantee** - Up to 75% of the loan amount.

- Minimum loan amount ₹ 10 Lakh and maximum loan amount of ₹ 15 Crore per project.
- Max. Guarantee exposure to a single Host / ESCO – ₹ 45 cr. (Grade 5 – ₹ 40 cr.).
- Guarantee Tenure - 5 Years or loan tenure, whichever is lower.

## Eligibility

- Borrower (either ESCO or Host) should be MSMEs Enterprises.
- 75% of the Project Cost should be towards EE Project.
- Non-BEE empanelled ESCOs allowed subject to grading



# Projects Covered In PRSF–

Large industries (excluding thermal power plants)	Municipalities	Buildings	MSMEs	Discoms
Cement Plants, Steel Plants, Papers, Chemicals, etc.	Street Lighting / LED Project	Hotels (7 Star / 5 Star / 4 Star / 3 Star)	Retrofits	Smart Meters
	Water / Sewerage Pumping Projects	Hospitals;	Projects Expansion (Sp Energy Consumption should come)	Capacitor Banks
		BPO Office Buildings; Large Office Buildings		

# Srijan

TIFAC-SIDBI Technology Innovation Programme



**Catalyzing the scaling up of sector-agnostic indigenous innovations contributing to AtmaNirbhar Bharat**

Providing financial assistance up to 80% of project cost as term loan @5% simple rate of interest

Softer terms & conditions towards security and repayment

Technology Assessment by TIFAC & handholding by domain experts

**Applications invited all year round**

Startups, MSMEs, Young Entrepreneurs submit your innovation-based project proposals primarily for setting up of manufacturing facility



Nurturing and supporting your technical aspirations

Submit enquiries/proposals:  
[tifac.sidbi@gmail.com](mailto:tifac.sidbi@gmail.com)

**Objective** - To promote innovation, up-scaling, demonstration and commercialization of new and innovative technologies.

**Executing entities** - SIDBI and TIFAC

**Quantum of assistance** - Assistance up to 80% of the total project cost, which would normally be not more than 200.00 lakhs. Higher assistance could be considered selectively based on innovation content in the projects.

**Promoter's contribution** - Minimum 20% of the total project cost

**Interest rates** – 3% - 5%

**Project cost** - Capital expenditure e.g. factory shed for the project, plants & machinery, utilities, testing & quality control equipment etc., Intangibles e.g. patents/ copy rights / R&D / technology transfer fee / licensing / Marketing / brand building expenses, Working capital margin, Pre-operative expenses, Manpower cost, Contingencies / Any other heads required for the project.

**Eligibility** - New / existing Indian MSME units.





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