



# Initiatives by SIDBI on Energy Efficiency

**Presentation @ Sameeksha**

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**Mission Statement – “To facilitate and strengthen credit flow to MSMEs and address both financial and developmental gaps in the MSME eco-system.”**

- **Constitution & Shareholding pattern:**
  - Set up under an Act of Parliament (1990).
- **Mandate**
  - Promotion, financing and development of MSME Sector.
  - Co-ordinate the functions of various institutions serving the sector.
- **Operational Network**
  - Head Office at Lucknow, Uttar Pradesh, India.
  - 7 Regional offices / 80 branch offices.

## Credit

- **Indirect Finance**
  - Refinance to Banks
  - Resource Support to NBFCs
- **Direct Finance**  
Niche areas:
  - Energy Efficiency
  - Risk Capital - Fund of Funds
  - Receivable Finance
  - Service Sector
  - Micro finance

## Credit Plus (Promotion & Development)

- Enterprise Development
- Skill Development of MSMEs
- Capacity Building of Bankers
- Cluster Development
- Marketing Support
- Sustainable Development

## SIDBI Plus (Institution Building)

- MUDRA  
(Micro Loans)
- CGTMSE  
(Credit Guarantee)
- SVCL  
(Venture Capital)
- RXIL  
(Receivable Discounting)
- ISARC  
(NPA Resolution)
- SMERA  
(Credit Rating)

## SIDBI – Balance Sheet, Profits and NPAs

### Balance Sheet

- 2016-17: **Rs 79,682 Cr**
- 2017-18: **Rs 108,900 Cr**
- 2018-19 : **Rs 155,900 Cr**

### Net Profits (After Tax)

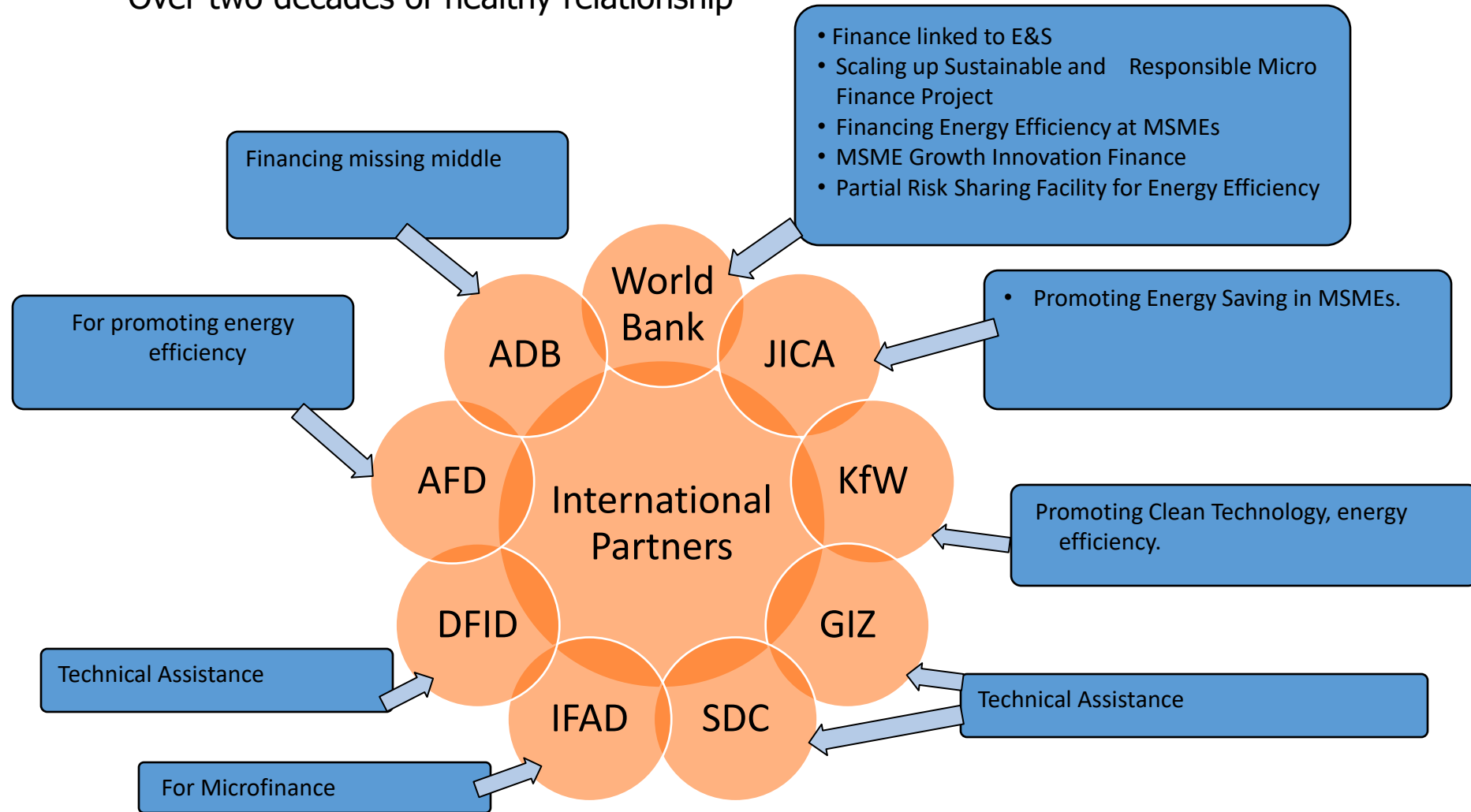
- 2016-17: **Rs 1,120 Cr**
- 2017-18: **Rs 1,429 Cr**
- 2018-19: **Rs 1,952 Cr**

### Gross NPAs

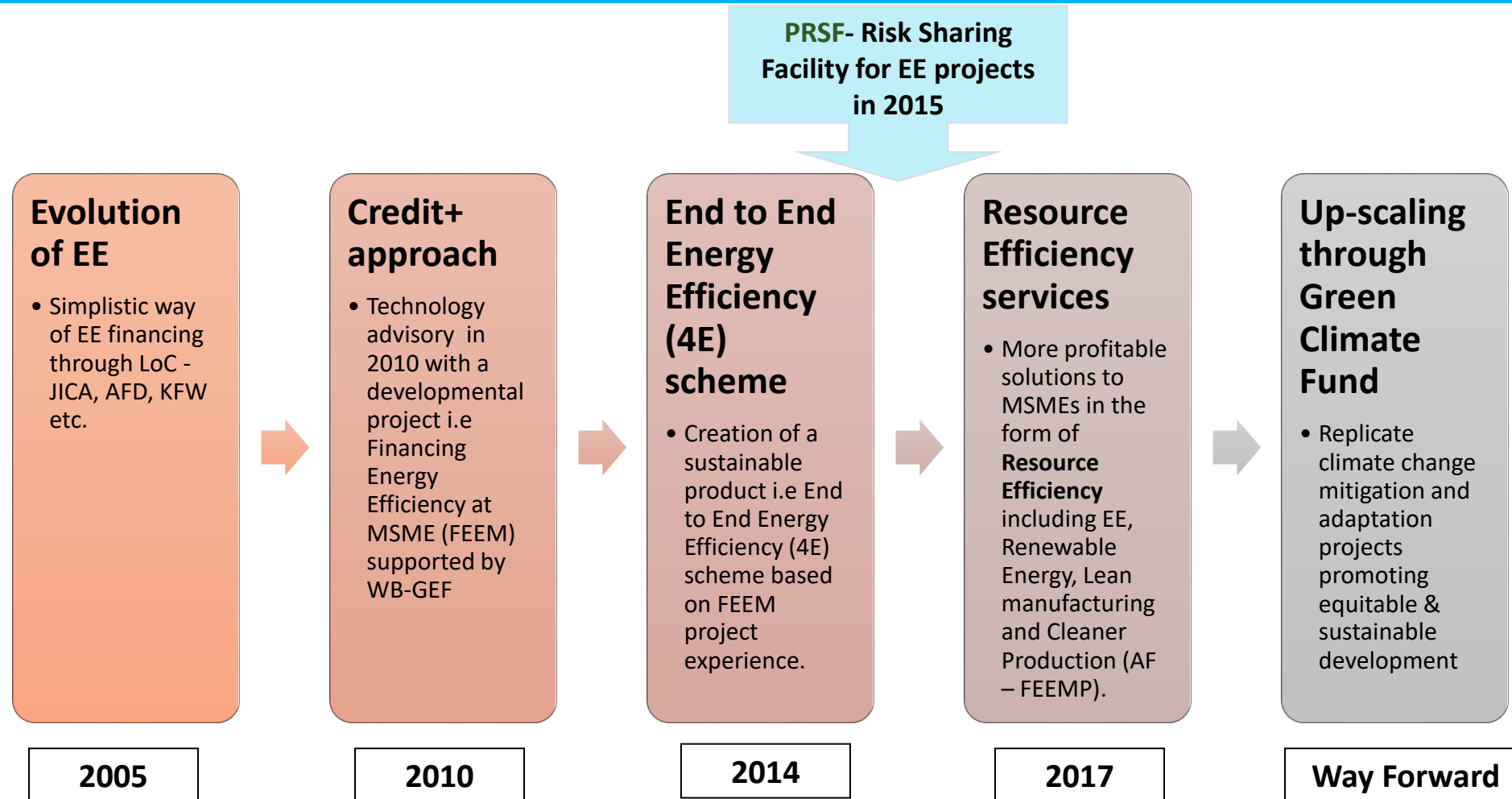
- 2016-17: **1.20%**
- 2017-18: **0.94%**
- 2018-19: **0.63%**

# International Partners- Line of Credits (LOCs)

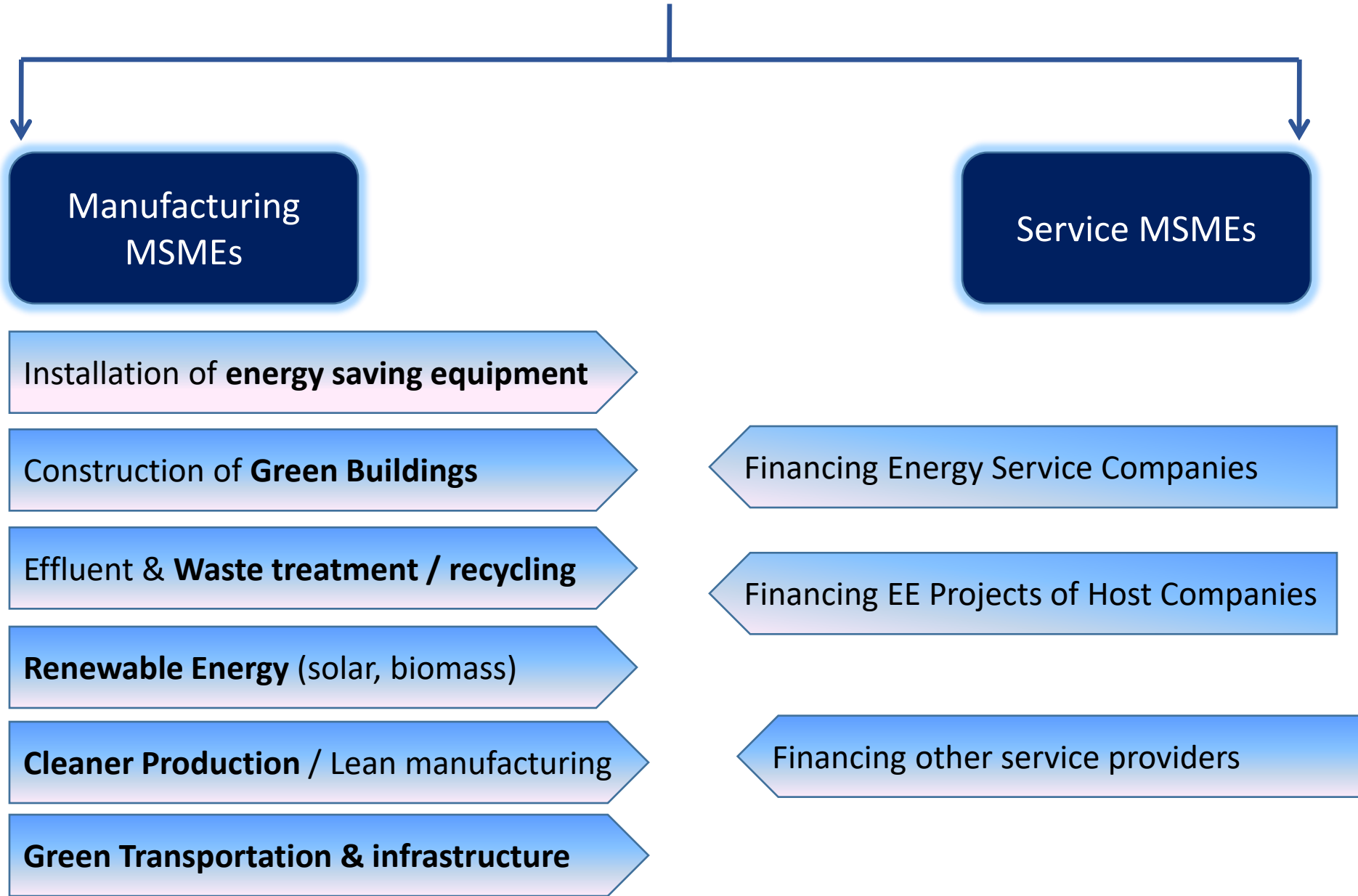
- Over two decades of healthy relationship



# EE Journey so far – Work in progress



# SIDBI's Green Financing Coverage



### 1. **KFW**

2004: Environmental LoC 1 : EUR 15.4 m (39 MSME Units)

2009: Environmental LoC 2 : EUR 38.5 m (293 MSME Units)

2009: Energy Efficiency LoC 1 : EUR 50 m (224 MSME Units)

2017: Energy Efficiency LoC 2 : EUR 110 m (On-going)

### 2. **JICA**

2008: EE LoC-1 : Yen 30 billion (INR 1,500 Cr / 3,400 MSMEs)

2011: EE LoC-2 : Yen 30 billion (INR 1,670 Cr / 3,000 MSMEs)

2014: EE LoC-3 : Yen 30 billion (INR 1,800 Cr / 3,100 MSMEs)

### 3. **AFD**

2010: EE LoC-1 : EUR 50 million (1,200 MSMEs)

### 4. **WB**

2010: WB–GEF Project Financing EE at MSMEs (FEEM): USD 9.05 m (Grant)  
(26 Cluster / 1,067 MSMEs)

2014: End to End Energy Efficiency Scheme (4E) (109 MSMEs / Rs 121 Cr Loan)

2015: Partial Risk Sharing Facility (PRSF) : USD 37 million (24 Projects; USD 13 m)

# PRSF – Overview

## **To overcome the gaps like:**

1. Generally assets involved in EE financing are not available as security or may not have any resale value.
2. Complex contractual structure – ESPC, Escrow / TRA, M&V Plan, etc
3. ESCO market was at nascent stage.

## **PRSF project started:**

1. With an objective to kick-start the market for energy efficiency projects implemented by Energy Service Companies (ESCOs) through performance contracting route with a Guarantee fund (risk sharing facility)
2. Guarantee Corpus - USD 37 million (GEF – USD 12 million and Clean Technology Fund (CTF) – USD 25 million)

## **Under the Project:**

1. Guarantee cover up to 75% of the loan (maximum up to Rs. 15 cr. per project and Rs 45 cr. per ESCO)
2. Developed standardized agreements i.e ESPC, Escrow / TRA, M&V Plan, etc.
3. Developed matchmaking platform for ESCO's and PFIs.(with a pool of ESCOs and PFIs)
4. Developing E-learning modules for Bankers, MSMEs etc and providing technical support to PFIs.

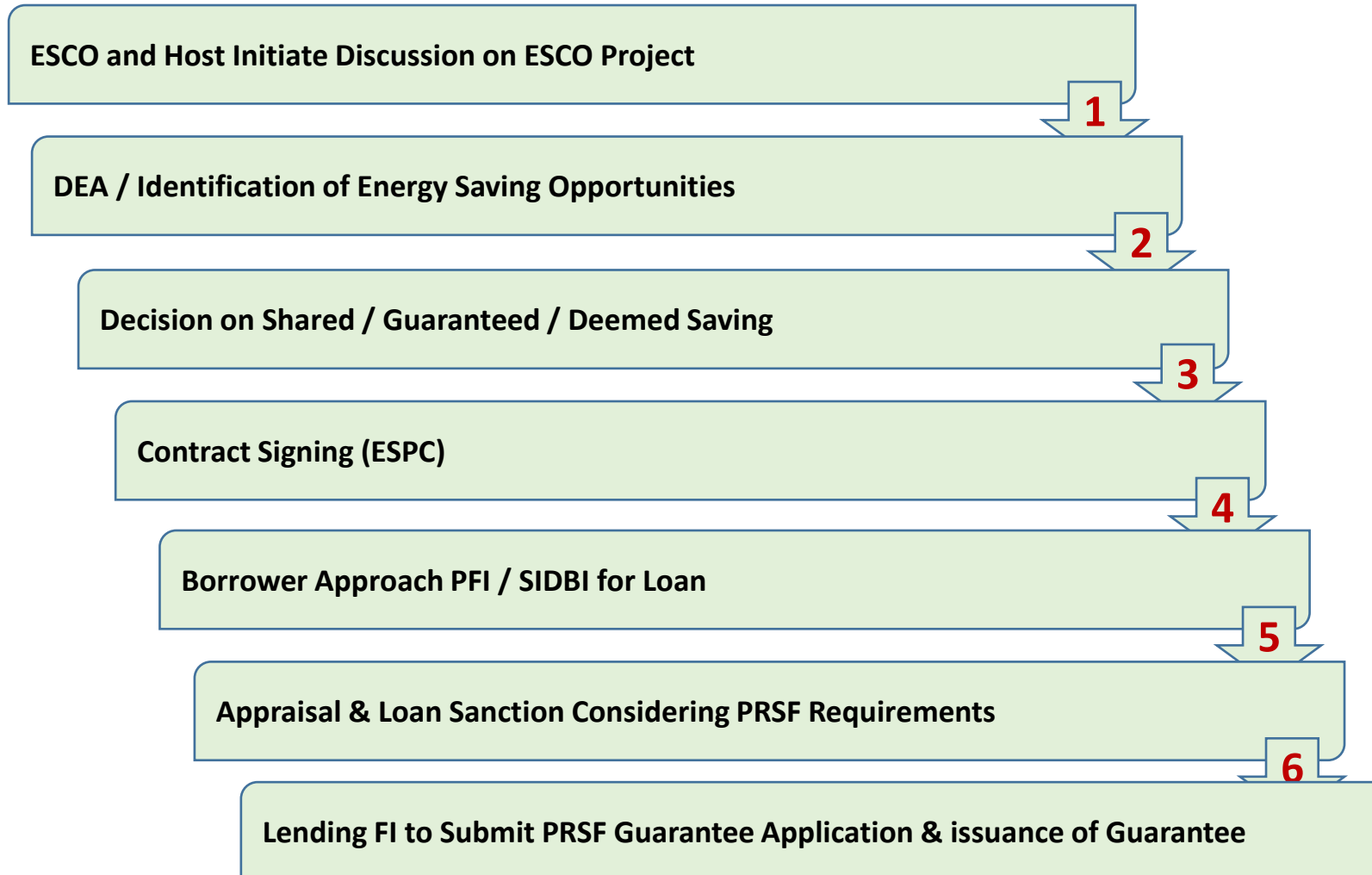
**Sectors Coverage:** Large industries (excluding thermal power plants); Municipalities; Buildings; MSME; DISCOM; Transport (E-Mobility)

- ❖ Effective date :**August 31, 2015.**
- ❖ Project Duration- **15 years.**
- ❖ Dedicated website for PRSF: [www.prsf.sidbi.in](http://www.prsf.sidbi.in)



1. **Shared Savings Model**  
(Typically ESCO Invests; and takes Performance risk; )
2. **Guaranteed Savings Model**  
(Typically Host Invests; and Guarantees the Performance)
3. **Deemed Savings Model**  
(Host/ESCO Invests; and one time check for energy savings)

## PRSF – IMPLEMENTATION MECHANISM



## Achievement of PDO Outcome Indicators till date

Total No of Projects	Nos.	24
Project cost	USD mn	47.66
Total Loan amount	USD mn	23.09
Total Guaranteed Loan amount	USD mn	17.32
Guaranteed Amount	USD mn	13.00
Annual Energy Savings	GWh	94.63
Annual Emission reduction	tCO <sub>2</sub>	83,162

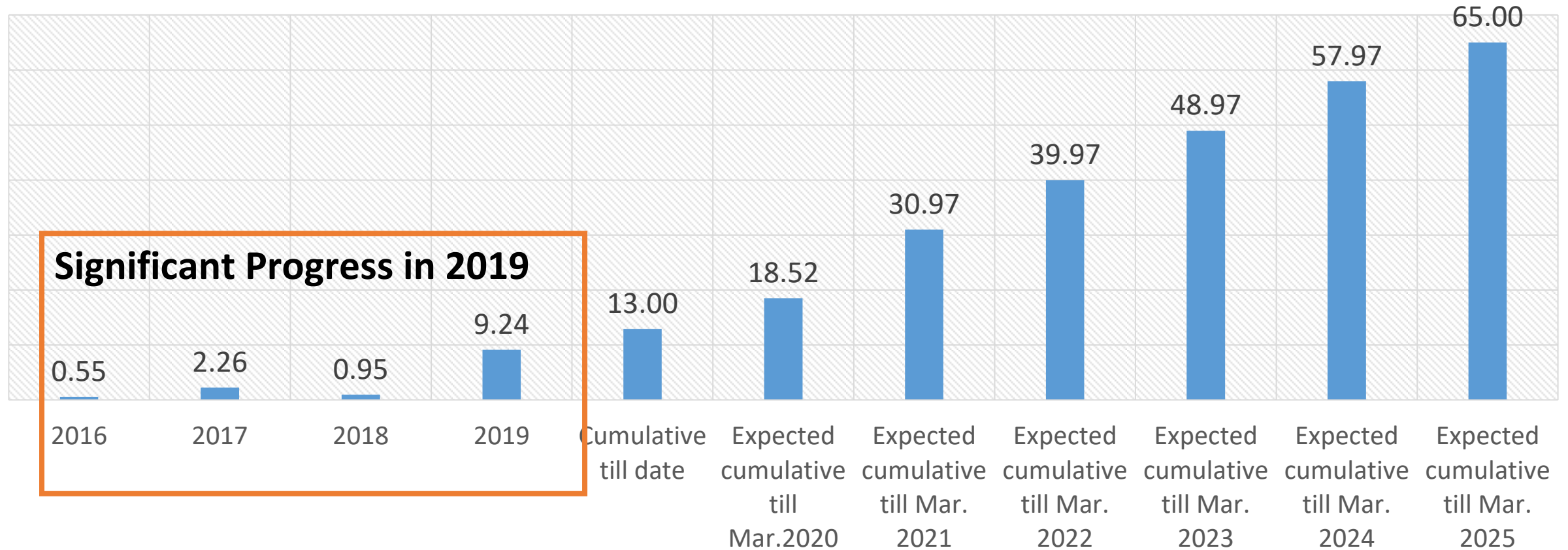
**13 projects during last one year  
(~71% of total guaranteed amount)**

Beneficiaries include diverse **types of energy efficiency projects**

- LED retro fitment and Water pumping by Municipalities
- Waste Heat Recovery in buildings, hospitals, hotels, industries
- Variable Frequency Drives (VFDs) in large industries & MSMEs
- Energy use optimization in HVAC, Pumping, Air Compressors, Motors, Buildings, Industries and Municipalities
- Energy Efficiency Machinery

# Year-wise progress from 2016 till date w.r.t. Guarantee amount and Expected Guarantee Amount Utilization till FY25

Guarantee Amount Issuance, USD Mn



**Significant Progress in 2019**

**Pipeline of at least 50 projects to be generated every year  
[@5:1 conversion ratio]  
to achieve projected PDO outcome Indicators**

Total Project

Nos

28

Guaranteed Amount

USD mn

18.00

**Guarantee of USD 18.00 mn. since inception likely by 31 March, 2020**

## Technologies

1. LED Lighting
2. Waste Heat Recovery (WHR)
3. Variable Frequency Drives (VFDs)
4. HVAC
5. Energy use optimization in other utilities like Motors, Pumping, Air Compressors etc.

## New Technologies

1. E-Bus / E-Rikshaw
2. Smart Meters

## Sectors

1. Municipality
2. Hospitals,
3. Hotels,
4. Large industries &
5. MSMEs

## New sectors

1. DISCOM (Smart Grid/Meters)
2. Transport (E-Mobility)

## 13 ESCOs

1. eSmart,
2. Energized,
3. GA Infra,
4. EIPL,
5. Yantra,
6. Smart Joules,
7. Cosmoright ,
8. Geostat,
9. Suveg,
10. Yajna Fuel,
11. Alien,
12. Briller,
13. Katyani

## PFI 10 → 14

1. Yes Bank
2. Corporation Bank
3. Andhra Bank
4. Tata Cleantech
5. HDFC Bank,
6. IndusInd Bank,
7. SREI Equipment
8. Electronica Finance
9. Religare Finvest Ltd
10. Edelweiss

## Upcoming PFIs

1. Bank of Baroda,
2. Kotak Mahindra Bank,
3. Aditya Birla NBFC
4. IREDA
5. PNB

**ESCOs : 13 → 18**

- ✓ Contacting all 150 registered ESCOs with BEE
- ✓ Encouraging new un-registered ESCOs
- ✓ Engagement of external consulting agencies for generating Pipeline.
- ✓ Training of PFIs and other stakeholders through one-to-one meetings / Telecon / workshops etc.
- ✓ Development of Marketing & Promotional Products – Video, multimedia presentation, case study booklet
- ✓ Development of online platform for ESCOs and PFIs for regular monitoring and to resolve documentation issues
- ✓ Liasoning with various Govt. departments at state level and central level e.g. SDAs, Smart City Mission, etc.
- ✓ Regular Follow-up with empanelled PFIs and discussing with other PFIs for their empanelment in the project
- ✓ Hunting of new projects through various sources e.g. Tender websites or other sources through interacting with various stakeholders (Govt./Pvt. Etc.).



- 2015 National Energy Conservation Award—*First prize under the category of financial institutions for overall contribution through EE financing*
- 2016 National Energy Conservation Award—*Certificate of merit under the category of financial institutions for overall contribution through EE financing*
- 2019-National Energy Conservation Award: Certificate of merit by BEE under the category of financial institutions

## Green Climate Fund (GCF)

2017: SIDBI has been accredited by GCF as one of “**Accredited Entity**”



Thank you

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