



Green Loan Scheme



Objective

To provide assistance to MSMEs to meet capital expenditure, non operational and intangible expenditure for improving energy efficiency / adopting cleaner production, measures / waste recycling, waste treatment and disposal, ISO certification, green rating, etc.

Eligibility

SIDBI's existing borrowers would be eligible for assistance under the Scheme, who satisfy the following criteria -

1. One year satisfactory principal repayment track record with SIDBI.
2. Should have earned cash profit in last two years of operation and should not be in default to any bank/Fl.
3. Having an internal credit rating of not below CR3 or its equivalent. The rating should not be more than 6 months old.

Eligible expenditure

1. Equipments / machinery / MFA / civil construction eligible as per JICA / KfW Energy Efficiency / KfW Cleaner Production Options / AFD Energy Saving Schemes' equipment list.
2. Investment in renewable energy for captive consumption.

3. Expenditure on energy audit / environment compliance audit / pollution control & management consultancy services.
4. Expenditure on green rating, BEE star rating of its product, etc.
5. ISO 14000 or other accredited environmental certification.
6. CDM registration related expenditure [i.e. hiring consultant for development of PDD, obtaining approval of designated authority, validation, registration of the project, etc.].
7. Second hand/refurbished machinery/equipment are not eligible.

Quantum of Assistance

50% of the average net cash accruals for the last two years, subject to a maximum of ₹25 lakh per financial year. The assistance should not be more than the maximum previous loan sanctioned to the borrower.

Repayment

The loan shall be repaid within 36 months including moratorium.

Terms of assistance

1. Process/upfront fee : Upto 0.5% of the loan amount plus service tax, as applicable.
2. Interest rate : Lower interest rate linked to SIDBI's PLR.

Other conditions as applicable under Direct Finance Scheme.

Security

1. Extension of charge on existing assets charged to SIDBI and creation of charge on proposed assets to be acquired by the borrower.
2. Proposals may be covered under CGTMSE credit guarantee cover, if applicable.
3. Overall asset coverage should be as per the extant Loan Policy.

For enquiries, please contact the nearest SIDBI office