



## Sustainable Finance Scheme (SFS)



### Objective

Sustainable Finance Scheme has been carved out with an objective to assist the entire value chain of energy efficiency (EE) / cleaner production (CP) and sustainable development projects which lead to significant improvements in EE / CP / sustainable development in the MSMEs and which are presently not covered under the existing sustainable financing lines of credits.

### Eligibility

- New / existing MSME units, as per the definition of the MSMED Act 2006, shall be eligible for assistance under the scheme.
- Existing units should have satisfactory track record of past performance and sound financial position and should not be in default to institutions/banks.
- Units should have minimum credit rating of investment grade or its equivalent as per internal credit rating model.

### Activities eligible for assistance

- Renewable energy projects such as solar power plants, wind energy generators, mini hydel power projects, biomass gasifier power plants, etc. for captive/ non-captive use (i.e., power generated is sold/supplied to the grid/off-grid).
- Any kind of potential CP investments including waste management.
- Green micro finance (micro loans upto INR 5 lakh to

micro enterprises for green / energy efficient equipment measures)

- Expenditure on energy audit / environment compliance audit / pollution control & management consultancy services.
- Expenditure on green rating, BEE star rating, eco-friendly labeling, etc.
- ISO 50001 / 14000 or other accredited energy / environmental certification.
- CDM registration related expenditure.
- Suitable assistance by way of term loan / working capital to ESCOs implementing EE / CP / Renewable Energy project provided either the ESCO should be an MSME or the unit to which it is offering its services is an MSME.
- Suitable assistance to OEMs which manufacture energy efficient / cleaner production / green machinery / equipment. The assistance could be either in the form of Deferred Payment Guarantees, Channel Partner / Referral arrangement, etc. Either the OEM should be a MSME or it should be supplying its products to substantial number of MSMEs.

### Rate of Interest

- Normal lending rate on the basis of credit rating of MSMEs

**For enquiries, please contact the nearest SIDBI office**