

The Presidents/ Chief Executives,  
All Banks and DFIs

**SBP Financing Scheme for Renewable Energy**

Dear Sir/Madam,

Reference may be made to Revised SBP Financing Scheme for Renewable Energy launched through IH&SMEFD Circular No. 03 dated June 20, 2016. The objective of the Scheme is to lend support in addressing dual challenge of energy shortage and climate change through promotion of renewable energy. The Scheme has expired on June 30, 2019.

2. State Bank has recently sought feedback of stakeholders on demand as well as scope and features of the Scheme. Based on this feedback, the expiry period of the Scheme has been extended to June 30, 2022. The scope and features of the Scheme have also been aligned with recommendations of the stakeholders. The Scheme is now available under three categories, as given below:

**Category I:** Prospective sponsors, desirous of setting up renewable energy power projects with a capacity ranging from more than 1 MW and up-to 50 MW for their own use, selling of electricity to the national grid (including distribution companies) or combination of both.

**Category II:** Prospective sponsors, desirous of installing renewable energy source based projects/ solutions for generation of electricity up-to 1 MW.

**Category III:** Vendors and suppliers certified under AEDB Certification Regulation 2018 for installation of wind and solar systems on lease basis or selling of electricity to ultimate owners/users.

3. The salient features of financing facility under these categories are as under:

**i. Maximum Loan Amount:**

<b>Category I</b>	Rs. 06 billion for a single project
<b>Category II</b>	Rs. 400 million for a single borrower
<b>Category III</b>	Rs. 01 billion for a single vendor / supplier

**ii. SBP Refinance:**

<b>Category I</b>	SBP Refinance shall be up-to 100% of total financing (debt) of an eligible RE project of upto 20 MW and up-to 50% of financing (debt) of an eligible RE Project of more than 20 MW.
<b>Category II</b>	SBP Refinance shall be up-to 100% of financing to the eligible borrowers.
<b>Category III</b>	SBP Refinance shall be up-to 100% of financing to the eligible borrowers.

**iii. Service charges and rates for end users:**

<b>Scheme Category</b>	<b>SBP Service Charges/ Refinance Rate</b>	<b>Maximum bank/ DFI's Spread</b>	<b>Maximum End User Rate</b>
<b>Category I</b>	3.00%	3.00%	6.00%
<b>Category II</b>	2.00%	4.00%	6.00%
<b>Category III</b>	3.00%	3.00%	6.00%

**iv. Tenor of Financing:**

<b>Category I</b>	Maximum twelve (12) years, including maximum grace period of two (02) years.
<b>Category II</b>	Maximum ten (10) years, including maximum grace period of three (03) months.
<b>Category III</b>	Maximum ten (10) years

**v. Repayment of Financing:**

<b>Category I</b>	<ul style="list-style-type: none"><li>• Principal repayable in quarterly or half yearly installments</li><li>• Mark-up repayable on quarterly basis.</li></ul>
<b>Category II</b>	<ul style="list-style-type: none"><li>• Principal repayable in monthly, quarterly or half yearly installments.</li><li>• Mark-up repayable on monthly or quarterly basis.</li></ul>
<b>Category III</b>	<ul style="list-style-type: none"><li>• Principal repayable in monthly, quarterly or half yearly installments.</li><li>• Mark-up repayable on monthly or quarterly basis.</li></ul>

**4.** Details of the Scheme and its documents are attached herewith at Annexure I and II respectively.

**5.** State Bank will allocate annual limits (financial year basis) to the banks/ DFIs under the Scheme against their applications submitted latest by 15th May each year. The application for sanction of limit shall accompany a duly filled-in requisition form (attached herewith as Annexure III) detailing pipeline of projects for which financing is expected to be disbursed during the year. For the financial year 2019-20, requests for sanction of limits may be submitted within 30 days from the date of issuance of this Circular.

**Encl:**

1. [Annex-I: SBP Financing Scheme for Renewable Energy](#)
2. [Annex-II: Documents for SBP Financing Scheme for Renewable Energy](#)
3. [Annex-III: Requisition form for sanction of limit](#)

Yours sincerely,

Sd/-

**(Ghulam Muhammad)**  
Director