



Ref.No.KSFC/HO/MD/ED(F)/1898/2009-10

Date : 29.03.2010

CIRCULAR No.898

Sub: Scheme for financing of Energy Saving Projects (SESP) for MSMEs under
JICA line of credit of SIDBI
– Modification to the Collateral Security Clause.

Ref: Circular No.862 dated 03.07.2009

-:o:0:o:-

Detailed guidelines on the scheme for financing of Energy Saving Projects (SESP) for MSMEs under JICA line of credit of SIDBI have been issued vide above referred circular. As per this circular, the collateral security for the loans sanctioned under the scheme is as under:

- i. Collateral security of 30% of the loan for existing borrowers of the Corporation in standard category and who are working on profitable lines;
- ii. Collateral security of 50% of the loan for existing units (other than existing borrowers) who are working on profitable lines;
- iii. Collateral security of 100% of the loan in respect of other cases;

The said norms were set as financing under the JICA-LoC was initially limited to plant and machinery. But now that construction of building is also considered as an activity for assistance under the JICA-LoC, it is hereby clarified that the **collateral security requirements for the loans under JICA-LoC shall be as per the Lending Policy based on the line of activity and sector.**

The contents of this circular shall be brought to the notice of all the concerned in your office / department.

Sd/-
MANAGING DIRECTOR

To:
All BMs
All ZMs / DGMs of Super 'A' Branches / IA cells
All Principal Officers / Section Heads in HO
All General Managers
Library
Executive Directors - for information