

Mission 50K-EV4ECO of SIDBI

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In news— Small Industries Development Bank of India (SIDBI) recently announced Mission 50K-EV4ECO to boost the electric vehicle (EV) ecosystem in the country.

About the mission-

- The pilot phase of 'Mission 50K-EV4ECO' aims at strengthening the EV ecosystem, including uptake for two, three and four-wheelers through direct and indirect lending.
- The pilot scheme, which is the **precursor to EVOLVE scheme by SIDBI-World Bank, has two components** – direct lending(to MSME) and indirect lending(to NBFCs).
- This pilot scheme will be followed by **scaling up support to the ecosystem from multilateral support.**
- It focuses on increasing the uptake of electric two-wheelers, three-wheelers and four-wheelers through direct and indirect lending support to vehicle aggregators, fleet operators and leasing companies.
- Under Mission 50K-EV4ECO, SIDBI will directly provide loans to eligible small and medium enterprises (SME) for the purchase of EVs and developing charging infrastructure, including battery swapping.

Small Industries Development Bank of India(SIDBI)-

- SIDBI is the **apex regulatory body for overall licensing and regulation of micro, small and medium enterprise finance companies in India.**
- It is under the jurisdiction of Ministry of Finance , Government of India headquartered at Lucknow.
- The SIDBI was **established on April 2, 1990**, by Government of India, as a wholly owned subsidiary of IDBI Bank . It was delinked from IDBI w.e.f. March 27, 2000.

- Its purpose is to **provide refinance facilities to banks and financial institutions** and engage in term lending and working capital finance to industries, and serves as the principal financial institution in the Micro, Small and Medium Enterprises (MSME) sector.
- SIDBI also coordinates the functions of institutions engaged in similar activities.
- **SIDBI is one of the four All India Financial Institutions regulated and supervised by the Reserve Bank of India;** other three are India Exim Bank, NABARD and NHB.
- But **recently NHB came under government control** by taking more than 51% stake.
- They play a statutory role in the financial markets through credit extension and refinancing operation activities and cater to the long-term financing needs of the industrial sector.
- In order to increase and support money supply to the MSE sector, it operates a refinance program known as Institutional Finance program.
- Under this program, SIDBI extends Term Loan assistance to Banks, Small Finance Banks and Non-Banking Financial Companies. Besides the refinance operations, SIDBI also lends directly to MSMEs.