What is SBI Green Rupee Term Deposit (SGRTD) Scheme?

January 13, 2024 • vajiramandravi.com

About SBI Green Rupee Term Deposit (SGRTD) Scheme

- It is an initiative of the State Bank of India (SBI) with the aim of raising money to finance environment-friendly projects.
- The deposit scheme is open to resident individuals, non-individuals, and non-resident Indian (NRI) customers.
- The current framework permits green deposits to be denominated in rupees only.
- It offers investors the flexibility to choose from three distinct tenors: 1,111 days, 1,777 days, and 2,222 days.
- Interest Rate:
    - SGRTD will offer 10 basis points (bps) interest rates below the card rate for retail and bulk deposits for respective tenors.
    - Senior Citizens/ Staff/ Staff Senior Citizens are eligible for an additional interest rate over the applicable rate for the public.
    - The benefit of additional interest shall not be available to NRI Senior Citizens/NRI Staff.
- Pre-mature withdrawals are allowed under the scheme.
- Loan/ overdraft facility will be available against the deposit.

What is Green Deposit?

- A Green deposit is an interest-bearing deposit, received by the regulated entities (RE) for a fixed period, the proceeds of which are earmarked for being allocated towards green finance.
- The deposits raised under the framework are covered by the Deposit Insurance and Credit Guarantee Corporation (DICGC).

Q1) What are Term Deposits?

A term deposit is a fixed-period investment option offered by several banks and financial institution. Term deposit investments generally have short maturity period ranging from one week to five years. They also have minimum deposit requirements and earns you guaranteed returns with a fixed interest rates.

Source: SBI unveils green rupee term deposit scheme
