



**SIDBI**

**Small Industries Development Bank of India**

**Apex Bank for SMEs**





# Vision & Mission

## Vision

**“To emerge as a single window for meeting the financial and developmental needs of the Micro, Small and Medium Enterprises (MSME) sector to make it strong, vibrant and globally competitive, to position SIDBI Brand as the preferred and customer-friendly institution and for enhancement of share-holder wealth and highest corporate values through modern technology platform”.**


## Mission

**“To empower the Micro, Small and Medium Enterprises (MSME) sector with a view to contributing to the process of economic growth, employment generation and balanced regional development”.**





## **SIDBI – The Apex bank for SSIs & SMEs**

- **Established in 1990 under an Act of Indian Parliament**
  - **Objectives: Promotion, Financing & Development of SMEs and co-ordinating functions of institutions engaged in similar activities**
  - **Ownership : Public sector banks/FIs/Insurance Cos owned or controlled by the Gol**
  - **Structural Linkage: With Ministry of Finance and Ministry of SSI;**
  - **Nodal agency: For execution of SME programmes of Govt.of India**
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# Products

- **Direct Assistance** for setting up new units, modernisation, expansion, technology upgradation, mitigating delayed payments problem of SMEs.
  - **World Bank Project on SME Financing & Development**
  - ♦ **Venture Financing**
  - ♦ **Micro finance**
  - ♦ **Infrastructure support for SMEs**
  - ♦ **Support for cleaner production technologies**
  - ♦ **Institutional Loan Products (Refinance)**
  - ♦ **Promotional and Developmental Activities**
  - ♦ **Govt. of India Schemes / Programmes**
  - ♦ **Co-branding arrangements with select financial intermediaries**
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# Alliances with multilateral agencies

## - World Bank led multi-agency project on financing and development of SMEs

- To improve SMEs access to finance and business development services
  - Flagship multiagency/multiactivity SME project
  - Partner agencies: World Bank, KfW, DFID & GTZ
  - Project has three major components
    - Credit facility
      - USD 100 million from the WB
      - Eur 43.50 million from KfW
    - Proposal for second LoC from World Bank for USD 200 Mio is underway
    - Technical Assistance from
      - DFID, UK
      - KfW, Germany
      - GTZ, Germany
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## **Role of SIDBI – Collateral free loans**

- **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) set up by Gol and SIDBI in July 2000 with a target Corpus of Rs.25,000 million. Present Corpus Rs.13,370 million.**
  - **Credit facility without collateral/third party guarantee.**
  - **Loans upto Rs.2.5 million extended by scheduled banks/select RRBs, NSIC, NEDFI and SIDBI eligible for guarantee coverage.**
  - **As at end November 2006, number of facilities guaranteed – 57004; Cumulative credit facilities covered Rs.14,612 million.**
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# **Exclusive rating agency for SMEs - SMERA**

- **In its effort to create an enabling environment for flow of quality credit to SMEs, SIDBI has set up an exclusive Rating agency for SMEs in association with D&B, CIBIL and other leading commercial banks.**
  - **Objective - to provide SME ratings that are comprehensive, reliable and transparent.**
  - **Ratings are helping SMEs to gain market credibility and helping banks as a decision support system.**
  - **About 25% of rated units have reported direct tangible benefits accruing to them.**
  - **SMERA has been taking innovative initiatives such as 'Risk Profiling' of SME clusters (4 clusters completed) towards helping banks adopt a 'Cluster based financing approach'.**
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# Major Initiatives

- **Suppliers Bills Discounting.**
  - **SIDBI Venture Capital Co. Ltd.**
  - **CGTMSE**
  - **SMERA**
  - **SME Platform at NSE**
  - **Risk Capital Funding**
  - **Start-up Funding**
  - **Special Focus on Service Sector MSMEs**
  - **Focus on Energy Efficiency Funding**
  - **smallB.in- a website**
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# PRESENT FOCUS

- Service Sector MSMEs such as IT/ITES, Hotels and Restaurants, Hospitals and Nursing homes etc.,
  - Start-up companies/Innovation Financing
  - Security backed Loans.
  - Risk Capital Funding of MSMEs-GEMS
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# FOCUS

- Scheme for facilitating payments to MSMEs in Construction Sector (CRE Exposure)
  - SCHEME FOR ASSET BACKED ASSISTANCE TO SERVICE SECTOR ENTITIES [SAB]
  - Secured Business Loan for MSMEs
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**Thank you**

