

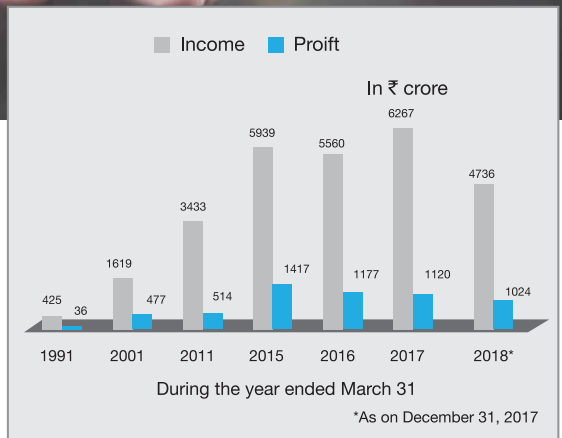
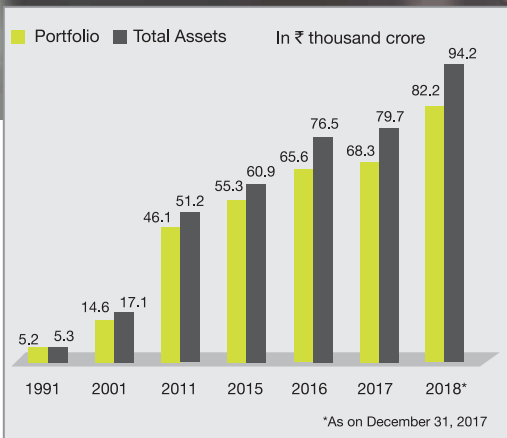


**HELPING**  
**MSEs**  
**PROFILE**



# MISSION

To facilitate and strengthen credit flow to MSMEs and address both financial and developmental gaps in the MSME ecosystem.



## RATING OF SIDBI INSTRUMENTS

CRISIL and CARE have assigned/ reaffirmed rating of long-term and short-term debt instruments of SIDBI as AAA and A1+, respectively.

## FOREWORD



SIDBI was created to help resolve the difficulties faced by small scale industries aka MSEs, both financial and non-financial. SIDBI has been doing many things in that space which inter-alia include development of Micro Finance Institutions, rural enterprises promotion, direct assistance and the most important of all i.e., increase and support money supply for MSE sector through its refinance programme.

We at SIDBI have conceptualised SIDBI Vision 2.0 which underpins continued and renewed focus on the sector. [www.udyamimitra.in](http://www.udyamimitra.in) has been created as a promotion venture, which is a loan market place where anyone can apply and any lender can pick up those applications without any costs involved. We are also building a contactless platform for the MSE space.

We also have a set of structural initiatives planned to help the sector. The launch CriSidEx in partnership with CRISIL is one such initiative, it was not there. We are aware that data come with lag and it may be too late for early warning signals for policy makers and bankers. This is the gap we are trying to bridge. We are also planning another intervention under which we will publish a quarterly report on MSME credit which will include both banks and NBFCs, there is no such data available in public space now.

A handwritten signature in dark ink, appearing to be 'M. Mustafa', written over a thin diagonal line.

(Mohammad Mustafa)  
Chairman & Managing Director

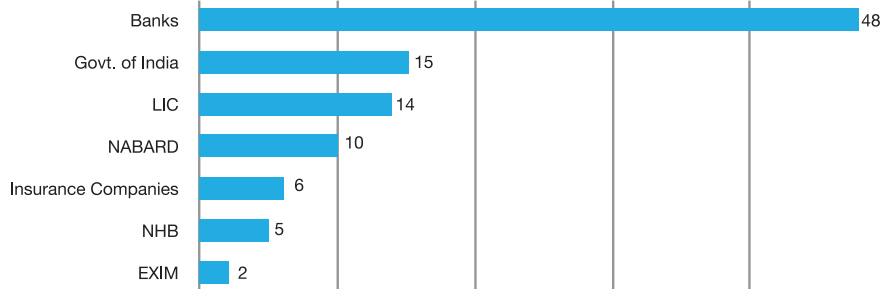
# ABOUT US

Small Industries Development Bank of India (SIDBI) set up on April 2, 1990 under an Act of Indian Parliament, acts as the Principal Financial Institution for the Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector and for co-ordination of functions of institutions engaged in similar activities.

The shares of SIDBI are held by the Govt. of India and 29 other institutions / public sector banks / insurance companies owned or controlled by the Central Government. The share of major shareholders are as under:



**Major Shareholders (%)**



\*Rounded off



## **SIDBI's Interventions**

Financial support to MSMEs is provided by way of

(a) Indirect finance to eligible Primary Lending Institutions (PLIs), such as banks, Non-Banking Financial Corporations (NBFCs) and Micro Finance Institutions (MFIs) for onward lending to MSMEs and

(b) Direct finance with focus on 'Make in India'.

The Bank having its head office at Lucknow, operates through a network of 9 Regional Offices, 72 Branch Offices, 6 Extension Branch Offices and 1 Resident Representative Office all over India. During the current year, the reorganization of the offices was undertaken for optimal distribution of human resources apart from improvement of productivity.

(c) Promotion and Development of Micro finance institutions in general and MSEs in particular making the sector strong, vibrant & competitive.

## SIDBI Vision 2.0

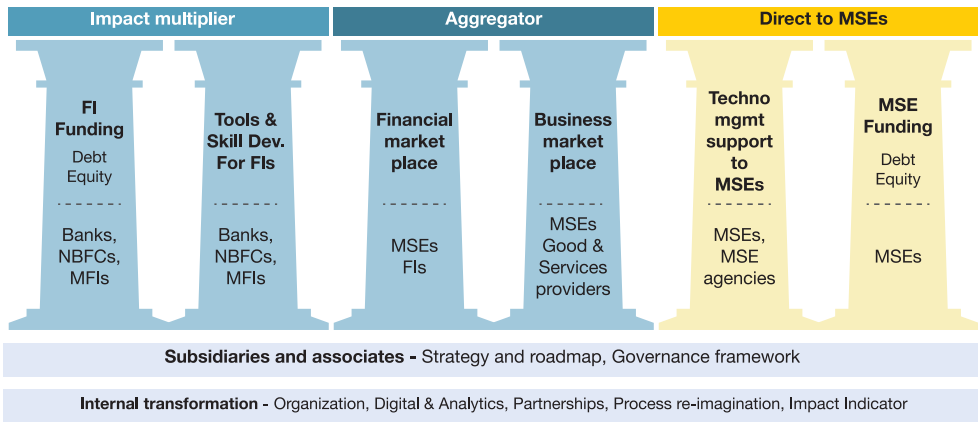
In order to address the credit and developmental needs of the MSEs to promote inclusive growth or “Sabka Saath, Sabka Vikas – Participation of All and Development of All”, SIDBI has formulated SIDBI Vision 2.0 which primarily aims at transformation of SIDBI as an All India Financial Institution to meet both the credit and non-credit needs of MSEs, so that they become globally competitive. The broad pillars of the Vision are shown in pages ahead.



Shaping the landscape

Government Regulators  
Associations

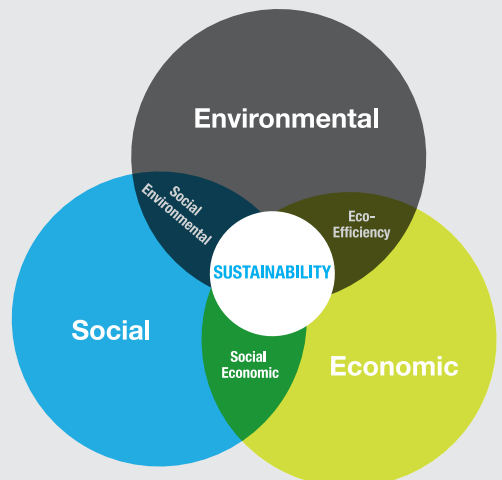
**Integrated Approach for MSEs - Credit Plus approach**



- These initiatives would help in sustainable development of MSE sector on Triple Ps' fronts – Profit (economic), People (Social) & Planet (Environment).
- SIDBI Make in India Soft Loan Fund for Micro, Small & Medium Enterprises (SMILE): SIDBI, during FY 2015-16, had launched a ₹10,000 crore 'SIDBI Make in India Soft Loan Fund for Micro, Small & Medium Enterprises (SMILE)' in line with 'Make in India' initiative of Govt of India, to offer soft loans in the nature of quasi-equity in order to meet the required debt-equity ratio and term loan on relatively soft terms for manufacturing sector. Till end of December 2017, aggregate loans of ₹4,508 crore were sanctioned under the scheme benefitting 1,765 MSEs.
- MoUs with banks/FIs: In order to enhance the credit flow to MSE sector, SIDBI entered into a Memorandum of Understanding (MoU) with Vijaya Bank with the objective of working together in the area of financing/refinancing under Refinance Scheme for Micro & Small Enterprises (RMSE), Start-up Assistance Scheme (SAS) and SIDBI Make in India Soft Loan Fund for Micro, Small and Medium Enterprises (SMILE) Scheme. Similarly, an MoU was signed with Capital Small Finance Bank Ltd. for collaboration / partnerships in various areas of financial and non-financial support as also development of MSEs.

## Economic Impact

SIDBI's financial assistance has impacted different strata of society - ranging from bottom-of-the-pyramid to medium enterprises, from traditional industries to high-end knowledge-based industries and from domestic production to export promotion. SIDBI has touched the lives of more than 360 lakh people in the MSE sector, directly and indirectly, through various credit measures.





- MoU with SFBs for extending of MSE credit: Building on the association with the MFI (major ones of whom recently converted to SFBs), SIDBI has provided equity support to the new entities to enable them strengthen the credit flows. These SFBs concentrate more on lower ticket size loans (up to ₹25 lakh) to MSEs as per their mandate. SIDBI has already tied up (entered into with them MoU) with 2 of them viz. Suryoday and AU SFB to provide joint lending to the MSEs. Apart from providing term loan assistance, SIDBI may also refinance a part of the funding under the MoU. Under the MoU with AU Small Finance Bank, a ₹200 crore fund has been earmarked for providing loans between ₹25 lakh to ₹2 crore to the MSEs. More such MoUs in these budding entities in the interest of MSE growth and development are proposed in times to come.
- Sustainable Funding - World Bank LoC: SIDBI has contracted a World Bank LoC for 'MSME Growth Innovation and Inclusive Finance Project' (MSME-IIF) which would focus on financial intermediation to the MSME sector in India. The objective of the line is (i) to improve access

to finance for MSMEs from early to growth stage firms, including through innovative financial products for inclusive growth of MSMEs, (ii) fostering inclusive economic growth and (iii) employment creation. As on December 31, 2017, 1,061 MSMEs were assisted with aggregated term loans of ₹1,945 crore under the LoC.

- Faster Realisation of Receivables: SIDBI, along with NSE Strategic Investment Corporation Limited (NSICL) - a subsidiary of NSE, set up Receivables Exchange of India Limited (RXIL) which operationalised 'Trade Receivables Discounting System (TReDS)' on January 09, 2017 which would facilitate financing of trade receivables of MSMEs on an electronic platform through a transparent bidding process in which multiple financiers participate. RXIL became the first entity to launch India's first TReDS Exchange.

In an endeavour to simplify the operational processes and keeping in view the market requirements for an Electronic Discounting Module, an in-house e-Discounting Module has been rolled out by the Bank on pilot basis.

# MICRO FINANCE

- SIDBI has been a pioneer financial institution in the micro finance space by providing financial assistance, in the form of equity, quasi-equity and term loans to MFIs while advocating and implementing various responsible lending practices. Till date, the Bank has developed the capacity of more than 100 MFIs and provided loans and grants of ₹13,689 crore which benefitted more than 356 lakh people. Many of these MFIs have grown to become Small Finance Banks (SFBs).
- SIDBI has been playing the role of a market-maker to enhance the corporate governance and operational efficiency of MFIs and enabling smooth flow of adequate credit to the micro finance sector through measures like capacity assessment ratings, portfolio audits, code of conduct assessment (COCA), etc. Promoting responsible lending and adherence to a laid-down Code of Conduct (COC) are major interventions by SIDBI. COCAs of 37 MFIs is presently underway. Further, to upgrade the tool, SIDBI developed, piloted and rolled out a Harmonized COCA Tool (HCT) in consultation with other stakeholders. The final HCT has since been rolled out.

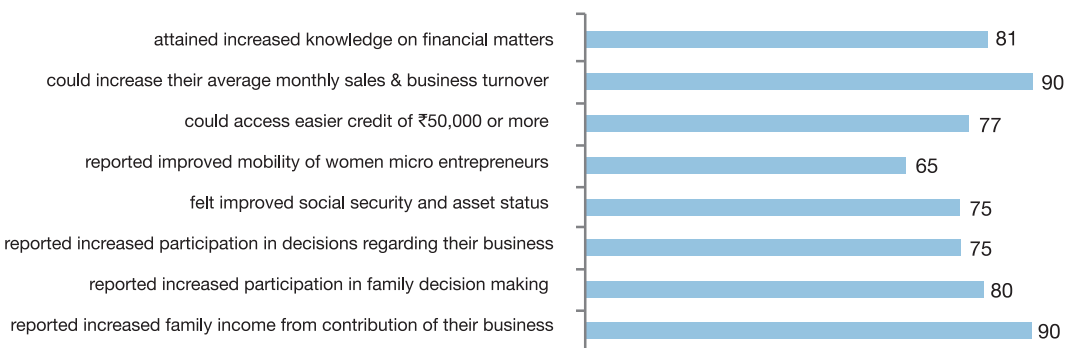


## Micro Finance Impact

Under the ADB- JFPR Project Supporting Micro Entrepreneurship for Women's Empowerment, Insight Development Consulting Group (IDCG) conducted end-line survey after training of women micro-entrepreneurs who reported the following changes:



### The percentage of women entrepreneurs who



The women micro-entrepreneurs also presented a vibrant social-economic profile.

- 95 % are married and nearly 72 % live in nuclear families.
- 11 % are illiterate while 26 % have completed high-school.
- 69 % own their businesses and 23 % contribute all the household income.

# SUSTAINABLE FINANCE & DEVELOPMENT



- SIDBI has been promoting sustainable development of the MSE sector in India by not only providing adequate and affordable energy efficiency / green finance, but also enhancing awareness of benefits of climate control amongst MSE clusters. SIDBI has been operating focused lending schemes for promoting investment in clean production and energy efficient technologies / production processes under bilateral lines of credit from international agencies such as JICA, AFD and KfW. The main objective of these schemes is to enhance energy efficiency, reduce CO<sub>2</sub> emissions and improve the profitability of the Indian MSEs in the long run.
- The Bank has launched the End-to-End-Energy-Efficiency Solutions (4E solutions) product to help the MSE units in cutting down on the power & fuel cost and also to help them upgrade existing technologies and to install Solar roof top photo voltaic or Solar thermal systems.
- SIDBI has been nominated as “National Implementing Entity” for accreditation with Green Climate Fund (GCF) by Ministry of Environment, Forest & Climate Change, Govt. of India. GCF is a fund set up by United Nations to support climate change mitigation and adaptation actions in developing countries.



# DIGITAL INITIATIVES FOR ACCESS TO CREDIT

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In order to create institutional solutions to problems of access to credit being faced by MSEs in India, SIDBI set up the biggest loan portal [www.udyamimitra.in](http://www.udyamimitra.in) to facilitate anywhere anytime (net and mobile enabled) access to MUDRA loans upto ₹10 lakh, Stand-up India loans of more than ₹10 lakh and upto ₹100 lakh and MSE loans upto ₹200 lakh. The portal has on-boarded 17,000+ handholding agencies, more than 500 credit counselors, 145 lenders to cater to credit demand of micro and small industries.

The portal has recorded 91,000+ registrations, 20,000+ online applications (for ₹3,100 crore) and 3,250 + online sanctions (₹710 crore - from every nook and corner of the country), reflecting the deepening outreach potential of the portal. The reduced Turn Around Time (TAT), small size of average loans indicates that MSEs have started feeling the delight and entrepreneurial dreams are set to be realized at much lower cost. Out of 32,000 handholding requests (primarily for setting up), 23,000 have been responded/ attended (areas like application filling, Entrepreneurship Development Programme (EDP), skill development


and training, mentoring, subsidy / working capital related help etc.). This is resolving the non- financial challenges faced by MSEs. [www.udyamimitra.in](http://www.udyamimitra.in) takes forward the avowed credit++ (connect, converge, consolidate) mantle of SIDBI which looks beyond financing and enriches the MSE ecosystem.



## Digital Initiatives for Access to Credit

- **SUI Clinics:** A performance linked initiative to enable ease of access by facilitating on-the-spot applications of aspirants with support of expert agencies.
- **Champion Agencies (ChAs):** ChAs are the ones who can be relied upon to attend the Handholding (HH) request unable to be tackled by identified Hand Holding (HH) agency.
- **Integration with Guarantee Companies:** Any loan applied on the portal (on or after March 31, 2017) would be analysed by the NCGTC rule engine to provide better understanding to the Banker on the tentative eligibility of guarantee coverage.
- **Audio Visual Movies:** In order to deepen the outreach, the audio visuals enabling navigation of portal with ease have been expanded further to include 10 vernaculars.
- **Ease of Access Kit** has been made available on the dashboard of the bank branches for ready reckoning.





SIDBI Startup Mitra portal: As part of upscaling its initiatives to address gaps in the start-up ecosystem, SIDBI created an online platform “www.sidbistartupmitra.in”, which was launched by the Hon’ble President of India on March 17, 2016. The objective was to bring all stakeholders, startup entrepreneurs, incubators, investors (Angel networks / Venture Capital Funds), industry bodies, mentors /advisors, banks on this electronic platform in order to meet the financing and other needs

of the early stage and start-up enterprises. The platform facilitates entrepreneurs to engage with incubators, investors, mentors and government schemes for start-ups in India by becoming the knowledge partner for State and Central Governments. The portal is also supported by the Department of Science and Technology [DST], Govt. of India. More than 10,245 start-ups, 118 incubators and 90 investors have registered on this platform.

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## Impact of Digital Initiatives of SIDBI

### **Differentiator:**

The analytical data on portals indicate that under Stand-up India, MUDRA and MSEs, the outreach of 38,000 + sanctions (1,962 online and rest offline i.e. directly received at branches which are uploaded on portal) has been recorded. Similarly, 32,000 handholding requests (in eight expertise areas of Application Filling/ Project Report Preparation, Entrepreneurship Development Programme / Digital Literacy, Financial Training, Margin money or Subsidy, Mentoring, Skilling Vocational, Workshed Requirement, Energy Efficiency - Hand- holding for Solar Projects and Energy Audits) with top three requests types being Entrepreneurship Development Program/Digital Litera-

cy, Application filling/Project Report Preparation and Margin money or subsidy) have been lodged and 23,000 responded.

### **Virtual loan market:**

A loan application is being picked by multiple banks. Also, banks are picking cases which have been marked as not interested by other banks and aspirants are receiving responsive calls and so on.

### **Ease of doing business:**

One thousand nine hundred sixty two online cases have been sanctioned. The numbers have increased from 20 cases a week to 40 indicating traction of digital access. Majority of the cases are being done in the loan



bracket of ₹25 lakh registering average Turn Around Time (TAT) of upto one week.

**Volunteers as changemakers:**

ME4WE (Mentor Enablers for Women Entrepreneurs), a voluntary offering from 22 lady officers of SIDBI have, in a span of just three months, attended to 67 handholding requests out of 110. A pool of volunteers- women entrepreneurs assisted by SIDBI has also been firmed up to handhold / mentor women entrepreneurs at post disbursement stage to help them resolve problems related to the setting up of an enterprise.

**Breaking Barriers:**

By enhancing access to Women and SCs/STs under Standup India ( thus breaking gender and underserved / unserved barriers), the portals are breaking barriers of language

(through Audio Visuals (AVs) in 10 languages capturing estimated 65%+ population), educational and age barriers also. About 357 districts (310 under Stand-Up India) have been covered through online sanctions (districts like Unakoti of Tripura, Ganderbal and Kupwara Districts of Jammu & Kashmir have been accessed online only), thus breaking geographical barriers. Aspirants including transgenders in the age group of 40-50 years as also 60 years and above have become entrepreneurs thus indicating that those employed are opting for vocational avenues. In the over 60 years age group, the number of women entrepreneurs are more compared to men. In terms of education, 42% of online sanctions have been for Class XII and below and illiterates.



# PROMOTIONAL AND DEVELOPMENTAL (P&D) SUPPORT



In its endeavour towards holistic development of the MSE sector, SIDBI adopts a 'Credit Plus' approach wherein, besides credit, the Bank also provides grant support for the promotion and development of the sector to make it strong, vibrant and competitive.

The P & D interventions of the Bank has so far benefitted more than 2.3 lakh persons in MSE sector, created more than 1.5 lakh employments, helped in setting up more than 80,000 units, mostly rural enterprises. Some of the important initiatives are discussed in the pages ahead.

## Cluster Development

Cluster development support remains one of the key thrust areas of SIDBI which include skill development, enterprise development, creation of market linkages, various specialised services, etc. The Bank also focuses on rural clusters through its Micro Enterprise Promotion Programme (MEPP) which aims at promoting viable micro enterprises leading to employment generation in rural India.

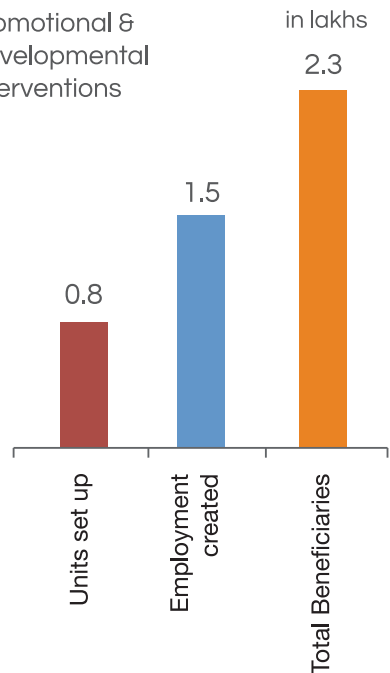
**MEPP has so far been implemented in 126 districts in 26 states. Cumulatively, about 42,500 rural enterprises have been set up.**

## Skill & Entrepreneurship Development

With a view to strengthen the technical and managerial capacities of the MSE entrepreneurs, the Bank supports reputed management/ technology institutions to offer certain structured management/ skill development programmes, viz. “Skill-cum-Technology Up-gradation Programme” (STUP) and “Small Industries Management Programme” (SIMAP).

**Since its inception, SIDBI has supported 1,563 STUPs benefitting about 32,810 participants and 302 SIMAPs benefitting about 9,100 participants.**

Promotional & Developmental Interventions



## Social Impact

The Promotional & developmental interventions of the Bank have benefitted more than 2.3 lakh people in the MSE sector. SIDBI has helped create more than 1.5 lakh jobs and set up more than 80,000 units, mostly rural enterprises.

## Financial Literacy

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SIDBI is implementing the Poorest States Inclusive Growth (PSIG) Programme with support of Department for International Development (DFID), Government of United Kingdom to mainly women in four states, viz. Uttar Pradesh, Madhya Pradesh, Bihar and Odisha. The PSIG programme has adopted a two-pronged strategy of working both at the community and institutional level to support women empowerment. At the community level, the programme has so far directly trained 2.17 lakh women on financial literacy, gender issues and raised awareness of 89,000 community

members through Mass Awareness Camps. Apart from enhancing their financial literacy, the PSIG programme enhanced their confidence level and instilled a positive mental attitude towards life. Perhaps the most dramatic result was weaning away the rural women from their subscription to ponzy schemes and chit funds which registered a dramatic fall from 32% to 2%. Another noticeable impact was the improvement of sanitary conditions. Subsequent to the training programmes, many women constructed toilets.

## Digital Financial Literacy

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In order to provide the much-needed impetus to the micro-business, the Bank conducted 112 digital Financial Literacy Programmes (DFLP) across

seven states covering 107 micro business clusters and trained nearly 6,500 artisans. Out of these, 40% were female artisans.

## Promoting Innovation and Incubation

- SIDBI had supported the National Innovation Foundation, Ahmedabad by way of corpus support for setting up Micro Venture Innovation Fund (MVIF) to the extent of ₹850 lakh which benefitted more than 200 innovations.
- Further, with a view to foster successful entrepreneurs and develop industry in the knowledge and technology based areas in the small enterprises, SIDBI had supported setting up of SIDBI Innovation and Incubation Centre (SIIC) at Indian Institute of Technology, Kanpur.
- **SIIC has so far incubated 69 start-ups in diverse areas of state-of-the-art technologies, out of which 42 have graduated.**
- The Bank has supported Indian Institute of Management (IIM), Lucknow in setting up the SIDBI Centre for Innovation in Financial Inclusion (SCI-FI) at IIM, Lucknow under the Poorest States Inclusive Growth (PSIG) Programme.



# CriSidEx SENTIMENT INDEX FOR MSMEs

SIDBI and CRISIL on November 13, 2017 signed a Memorandum of Understanding (MoU) to launch CriSidEx, India's first Sentiment Index for Micro, Small and Medium Enterprises (MSMEs) that will indicate the current state and expected outlook on the MSME sector every quarter.

The index will allow stakeholders, especially policy makers, to take timely, even proactive steps, including those based on early warnings thrown up by the survey. Given the significance of the MSME sector to India's economy, the survey and CriSidEx will help in various policy inputs in future. CriSidEx is expected to become the benchmark for assessing activity levels and progress in the MSME sector.

Honourable Finance Minister unveiled the first edition on February 03, 2018.



STRUCTURAL INITIATIVES

# SIDBI AS NODAL AGENCY FOR GOVERNMENT OF INDIA SCHEMES

The Bank has been assigned the nodal agency role by the Govt. of India for implementing various Govt. subsidy schemes, namely, Credit Linked Capital Subsidy Scheme (CLCSS), Technology Up-gradation Fund Scheme (TUFS) for Textile Industry, Integrated Development of Leather Sector Scheme (IDLSS), Scheme of Technology Up-gradation/Setting up/Modernization/Expansion of Food Processing Industries (FPTUFS) and Technology and Quality Upgradation (TEQUP) Scheme. During FY 2016-17, SIDBI facilitated total subsidy disbursements of ₹275 crore which benefitted around 7,000 MSMEs. Cumulatively, the Bank has facilitated total subsidy of ₹ 2,637 crore benefitting around 29,489 MSMEs.

The Bank is also providing nodal agency services for Portfolio Risk Fund and India Micro Finance Equity Fund (IMEF) of Govt. of India, to augment resource base of smaller MFIs as also enabling MFIs to serve the underserved regions. Cumulatively, the disbursement under PRF stood at ₹2,898.25 crore. The Bank has committed a cumulative amount of ₹195.5 crore to 65 MFIs under IMEF so far.

## Impact of IMEF

An impact assessment study was commissioned by SIDBI to evaluate the impact of IMEF funding on the MFI sector and the sustainability of the funded MFIs. The key findings of the study are as under:

- **Institutional Sustainability:**  
IMEF funding can be attributed for a high and positive impact on the MFIs in terms of building their overall sustainability in a large proportion of MFIs. The fund had the highest impact in the area of institutional sustainability.
- **Outreach, Lending Practices and Operational Efficiency:**  
There was a remarkable improvement in performance of the MFIs in the area of outreach and lending practices and operational efficiency.
- **Overall Impact Based on Regulatory Status:**  
It has been found that the impact of IMEF funding was uniform across MFIs irrespective of their regulatory status (NBFCs vs. Non-NBFCs). Around 32% of NBFC MFIs and 24% of Non-NBFC MFIs in the immediate term and around 75% of MFIs (for both NBFCs and Non-NBFCs) in the medium term demonstrated a medium to high level of impact of funding.
- **Overall Impact Based on Geography:**  
The impact of IMEF funding was found to be the most significant in north-based MFIs with all MFIs showing a medium to high level impact of funding in the medium term.
- A significant number of the investee entities can already be called “success stories” in terms of growth and other financial parameters achieved post investment.

# INSTITUTION BUILDING BY SIDBI - A SIDBI PLUS APPROACH





# SUBSIDIARIES & ASSOCIATES

1

## SIDBI Venture Capital Limited (SVCL)

SIDBI Venture Capital Limited (SVCL) was established in 1999 as an Investment Management Company for managing Venture Capital Funds (VCFs). Since inception, SVCL has continued to provide growth capital to high-quality, growth oriented MSEs across diversified sectors. SVCL, at present, is acting as the Investment Manager for seven funds with a total corpus of ₹1,927 crore.

### IMPACT OF SVCL

- SVCL managed funds have assisted MSEs in various sectors like manufacturing, technology, services, etc.
- SVCL has typically been the first investor in most of its investee companies or a sector. Other funds have followed SVCL into the successful investees and also into the sector.
- National Venture Fund for Software and Information Technology Industry (NFSIT) helped build momentum for IT sector growth when there were few operational VC funds.
- Most of SVCL funds have significant focus on manufacturing businesses which are generally starved for equity capital.
- Samridhi fund was the first social impact fund under the new AIF guidelines. It has assisted companies in diverse sectors like financial inclusion, healthcare, drinking water, organic food, etc.
- Several companies in which SVCL's Funds have invested have grown to respectable sizes and provided employment to more than 10,000 persons.
- Through Samridhi Fund, SVCL has invested in 4 MFIs. One of them has transformed into a Small Finance Bank (SFB) and another MFI is in the process of transforming into a SFB. These entities have helped financial inclusion, especially of rural poor women in multiple geographies.
- SVCL has built an impressive track record of investing in more than 100 investments and getting 49 exits.



## 2

### Micro Units Development & Refinance Agency (MUDRA)

MUDRA has been set up on April 8, 2015 as a wholly owned subsidiary of SIDBI for 'funding the unfunded' micro enterprises in the country. MUDRA refinances banks, Micro-finance Institutions (MFIs), NBFCs and other lending institutions, for onward lending to micro / small business entities, engaged in manufacturing, trading, services activities and activities allied to agriculture. MUDRA also extends funding support to NBFCs and MFIs by way of securitization of their loan assets, which helps them access debt funds from capital market for their operations. MUDRA has disbursed ₹8014.78 crore till September 30, 2017 to various MFIs across the country and extended refinance to Scheduled Commercial Banks including Regional Rural Banks, Small Finance Banks, etc.

The refinance support extended by MUDRA has helped the Lending Institutions to avail of cheaper funds for expanding their lending in MUDRA segment i.e upto ₹10 lakh. This has also helped in bringing down the cost to ultimate borrower. The closer monitoring of lending at the ground level through PMMY has also resulted in lending ₹4,16,780.53 crore to 9.74 crore borrowers in last two and half years. Of these, 75% borrowers were women, 28 % were new loan accounts and 56 % SC/ST/OBC category.

Under Pradhan Mantri Mudra Yojana (PMMY), a target of ₹2.44 lakh crore was set for FY 2017-18, as against which ₹1.17 lakh crore has been sanctioned till November 30, 2017.

### 3

## Receivables Exchange of India Limited (RXIL)

Based on Reserve Bank of India's (RBI) approval under the Payment and Settlement System (PSS) Act, 2007, Receivables Exchange of India Limited (RXIL) was set up on February 25, 2016 to operate the TReDS Exchange. RXIL is a joint venture promoted by SIDBI and NSE Strategic Investment Corporation Limited (NSICL), a subsidiary of National Stock Exchange (NSE) of India Limited. RXIL is the first entity to receive approval from Reserve Bank of India (RBI) on December 01, 2016 to launch TReDS Exchange. Accordingly, RXIL launched India's first TReDS Exchange on January 09, 2017. Further, it has successfully executed financing of trade receivables of MSMEs and also successfully settled both financing and repayment legs through NPCI NACH Debit and Credit Settlement System as mandated by RBI. As on November 25, 2017, 31 Buyers, 52 MSME Vendors and 12 Financiers were registered on the TReDS platform & 834 invoices aggregating ₹4252.34 lakh have been factored.

### 4

## Credit Guarantee Fund Trust for MSEs (CGTMSE)

CGTMSE was set up in 2000 by Government of India and SIDBI to operate the Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) which guarantees credit facilities upto ₹200 lakh extended by Member Lending Institutions (MLIs) to those MSE loans, which are not backed by collateral security and / or third-party guarantees. Cumulatively, CGTMSE facilitated 29.17 lakh MSE loans of about ₹1.38 lakh crore under its credit guarantee scheme till September 30, 2017. Out of these loans, the unserved and underserved beneficiaries (SCs, STs, minorities and women) constituted almost 34% of total loans. The estimated employment generation out of CGTMSE operations is 90.61 lakh as on March 31, 2017.

### IMPACT OF CGTMSE

- Estimated turnover of guarantee units - ₹10,18,285 crore
- Estimated export by guarantee units - ₹7,762 crore
- Estimated employment generation - 90.61 lakh
- Guarantees to SC/ST, Women, minority entrepreneurs (% to total guarantee amount) - 23.8

## 5

### SMERA Ratings Ltd. (SMERA)

SIDBI, alongwith Dun & Bradstreet (D&B) and several Public and Private Sector banks, set up the SME Rating Agency of India (SMERA) Ltd. in September 2005, as an MSME-focused third-party rating agency to provide comprehensive, transparent ratings to MSMEs. Cumulatively, since its incorporation, SMERA has assigned ratings to more than 48,500 MSME units up to September 30, 2017, out of which MSEs accounted for 98%.

#### Major Highlights of SMERA

SMERA received the Certificate of Permanent Registration as a Credit Rating Agency from the Securities and Exchange Board of India (SEBI) on May 03, 2016. SMERA has become India's sixth rating agency to get permanent registration, a major achievement in the history of SMERA.

SMERA was a part of the Committee set up by the Ministry of MSME, Govt. of India to review the guidelines for Performance & Credit Rating (PCR) Scheme (implemented through NSIC) to increase its credibility and effectiveness for both borrowers and bankers. The Ministry accepted all suggestions of the Committee and notified the new scheme guidelines in May 2016.

SMERA took a significant step in ensuring that Valuable Certificates issued by SME Rating & Grading Division to its clients were highly secure. Thus, each Certificate as well as the Report now has the QR code (a security feature) to verify the genuineness and validity of the Certificate – a first of its kind in the industry.

**6****India SME Asset Reconstruction Company Ltd. (ISARC)**

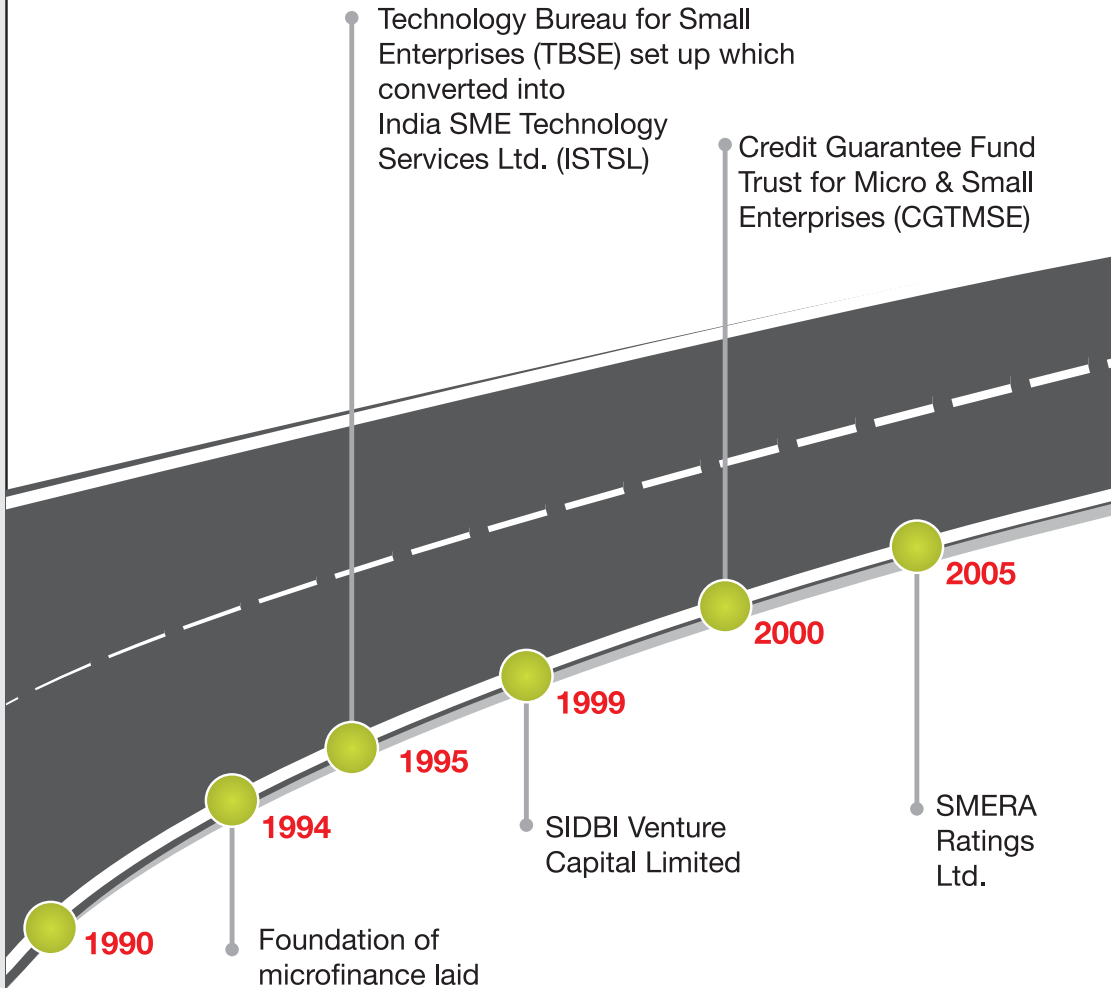
India SME Asset Reconstruction Company Limited (ISARC) was incorporated on April 11, 2008 and commenced its business operations on April 15, 2009 with the principal objective to acquire non-performing assets (NPAs) and to resolve them with a special focus on the NPAs of MSMEs. As of March 31, 2017, ISARC had assets under management (AUM) of ₹378 crore.

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**7****India SME Technology Services Ltd. (ISTSL)**

India SME Technology Services Limited (ISTSL) incorporated in 2005, offers technology advisory and consultancy services for projects related to energy efficiency, cluster development and evaluation studies, capacity building, awareness creation and skill development. It also provides services such as providing information on technology options, match-making, finance syndication and business collaborations and organising seminars/meets and providing market support. ISTSL is empanelled with Bureau of Energy of Efficiency (BEE), Ministry of Power, Government of India as a Grade-2 Energy Service Company (ESCO).

# MILESTONES ON SIDBI's Historical Journey





Launch of MSME Credit Data Report

CriSidEx

2018

2017

Launched Certified Credit Counsellor (CCC)

2016

Trade Receivables Discounting Systems (TReDS)  
[www.udyamimitra.in](http://www.udyamimitra.in)  
[www.standupmitra.in](http://www.standupmitra.in)

2015

Setup MUDRA

2008

India SME Asset Reconstruction Company Ltd. (ISARC)





**Toll Free No.: 1800 22 6753**

[www.sidbi.in](http://www.sidbi.in) | [www.sidbistartupmitra.in](http://www.sidbistartupmitra.in) | [www.udyamimitra.in](http://www.udyamimitra.in)

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