

*Small Industries
Development Bank of India
(SIDBI)*

*Implementation of Udyami Mitra 2.0
on Opex Model*

Pre-Bid Meeting, 11-Oct-2017



SIDBI – One of the Top Development Bank of the World (1/2)*



Introduction

*Small Industries Development Bank of India, acts as a Principal Financial Institution for the **Promotion, Financing and Development** of the Micro, Small and Medium Enterprise (**MSME**) sector and for **Co-ordination** of the functions of the institutions engaged in similar activities.*

To facilitate and strengthen credit flow to MSMEs and address both financial and developmental gaps in the MSME eco-system

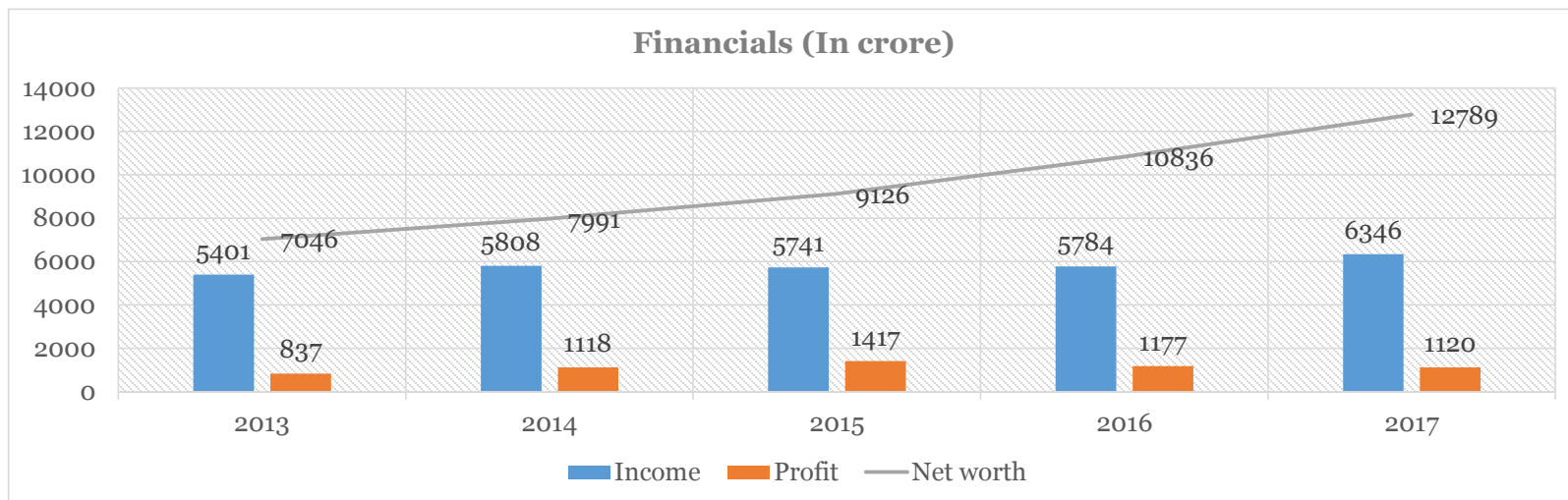
Range of Services

- ***Indirect finance/ refinance***
 - *Refinance Support*
 - *Micro Finance*
 - *Resource Support to Institutions*
 - *Investment to venture funds*
- ***Direct assistance*** *with focus on the niche areas like*
 - *Sustainable finance (Green Financing)*
 - *Receivable financing (TREDs, RXIL)*
 - *SMILE*
 - *Equity Assistance*
 - *Funding for MSME infrastructure and marketing activities*

SIDBI – One of the Top Development Bank of the World* (2/2)

About SIDBI

- Pan India presence with **80 offices**
- Financially strong Public Sector DFI with
 - ₹ 80,000 Cr balance sheet
 - ₹ 10,000 Cr Retail Finance
 - ₹ 70,000 Cr Wholesale finance to SIDBI and MUDRA
- Nodal agency for several **Government initiatives**
- **SMERA** – Credit Rating Initiative
- **Guarantee program** managed through NCGTC & CGTMSE
- **MUDRA** is wholly owned subsidiary of SIDBI
- **SIDBI Venture Capital** is wholly owned subsidiary of SIDBI



The Opportunity to create a Mega Platform

Value Proposition

*SIDBI's Value Proposition is to develop not just a portal but a "Mega Platform". This platform will engage players including **MSMEs, Banks, NBFCs, MFIs, FINTECHs and Facilitators** who will come together to build a "Revolution" in Digital India supporting the vision of our Hon. Prime Minister.*

Mega Platform

The Mega platform will support MSME sector by bringing in value leading propositions for MSMEs such as :

- *Promotion of Entrepreneurship Culture*
- *Creation of Jobs*
- *Increase in financing to MSME sector*
- *Enhancing "Wholesale Capital Market" for refinancing*
- *Enhancing reach and adoption across India*
- *Strong, self sustainable and profitable business model for the Partner*
- *Increase contribution to economy by MSME sector*

What SIDBI will offer to Business Partner

- *SIDBI's Brand name and policy advocacy*
- *More than 1L Bank Branches already on-boarded*
- *Wholesale capital and guarantees*
- *Government backed programs complimenting ecosystem*
- *Experience in MSME lending*

Growth Opportunity

MSME Market

Number of the MSMEs is estimated to be more than **513 Lacs**

MSME has shown a growth of around **18%** from 2015

Private banks have grown their MSME credit book by **20%+** in the last two years

Gap of around **₹17 lakh crore** between demand and supply of funds for MSMEs

MSME contribution to GDP was **37.54%** in 2012-13

NBFCs' MSME credit has grown at **30%+** taking share from **~9%** to **~13%** since FY14

Gap of around **50%** between demand and supply of formal credit for MSMEs

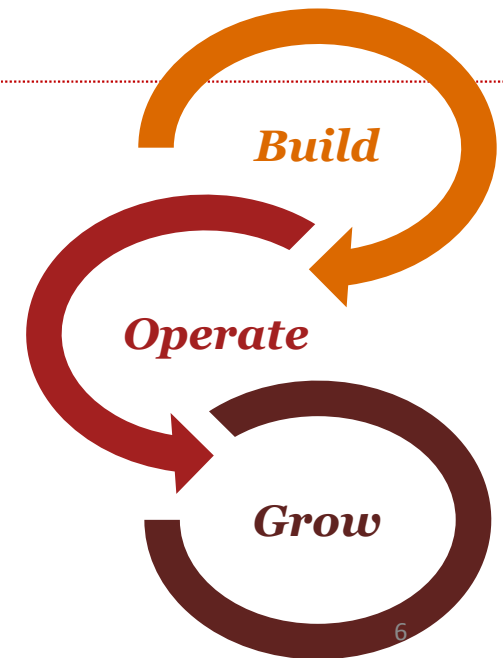
Objective & Ask of the Platform

Objective

- To build a ecosystem where **MSMEs, Banks, NBFCs, MFIs, FINTECHs and Facilitators** can participate and transform the entire MSME lending marketplace by using business and technology to the optimum.
- To **revolutionize** the entire MSME market and reach out to the underprivileged & unserved sector by offering easy credit facilities
- To be a constituent for the **digital India** initiative of **Hon Prime Minister**

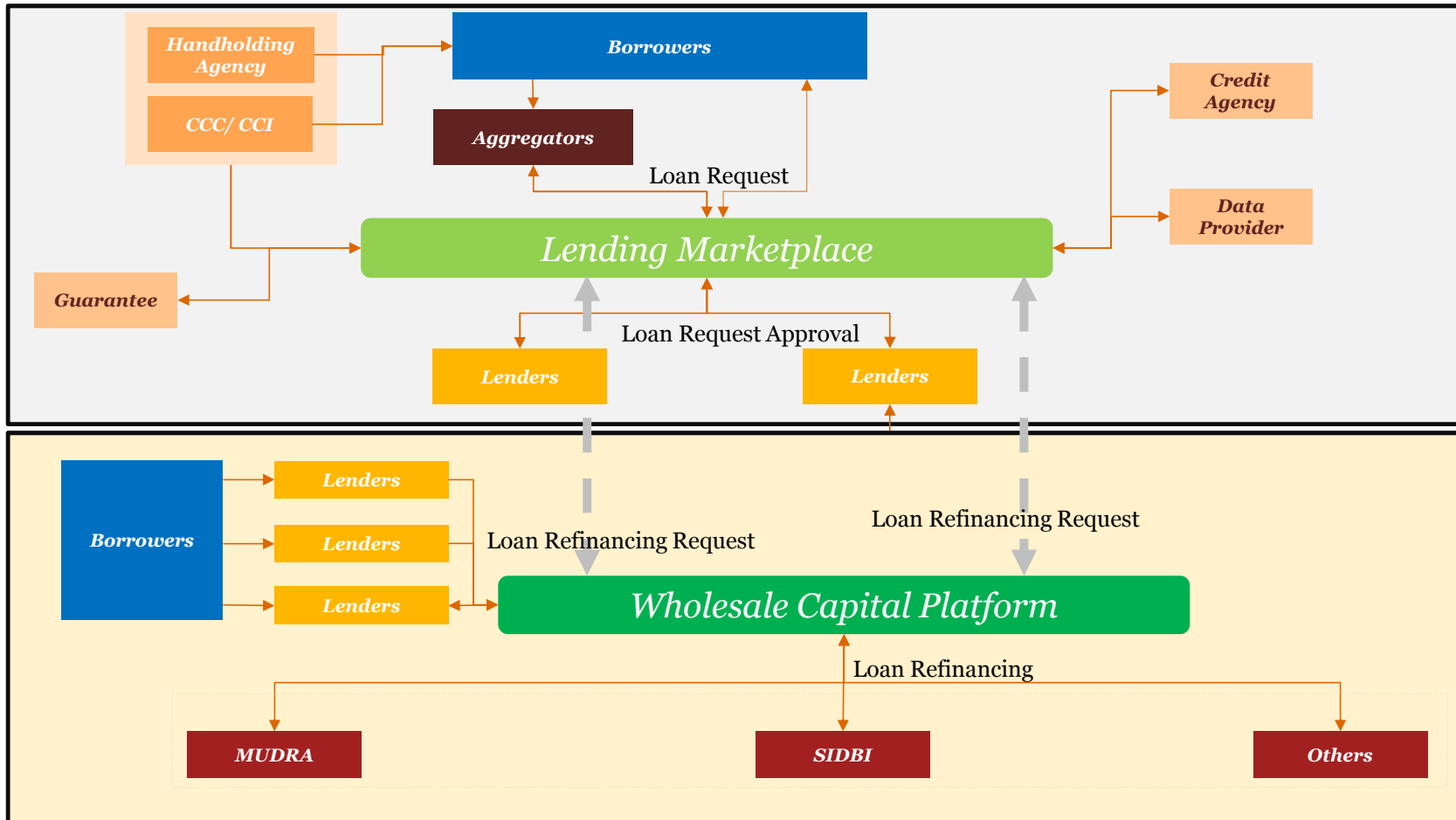
Ask from the Business Partner

- **Build:** To implement the ecosystem and take complete ownership
- **Operate:** To operationalize the ecosystem in conjunction with SIDBI
- **Grow:** To strategize & market in an effective way and grow the business significantly



Envisaged Ecosystem

Udyami Mitra 2.0



Legends

- Borrowers
- Lenders
- Facilitators
- Intermediaries

Frequently Asked Queries

Size of the Opportunity

- Current size of the underserved & unserved market: ₹20-30 Lac Cr
- Large number of associates like Banks, NBFC, MFIs, FinTechs: 1.35 Lacs
- Digital lending promises tremendous growth opportunities

Timelines

Partner could adopt one of the below mentioned options to meet the proposed timelines:

- Leverage existing Udyami Mitra platform and scale it up to meet all the requirements
- Build a marketplace platform using a COTS/ open source product and offer proposed services
- Develop and offer proposed services on the white label marketplace platform

IP Rights

- SIDBI will own the IP rights for the source code, object code and any other relevant material specific for this project
- In case of White label/ COTS solution, EULA licenses will be transferred to SIDBI/ SIDBI nominated party at the end of the contract

Conflict of Interest

Expectation from the partner having similar Marketplace platform/ business:

- Non-competing business will be allowed, but partner must indicate the same as part of bid submission
- Partner will not be allowed to develop/ enhance any other lending marketplace for MSME segment

Value for the Partner



Value from the Partnership

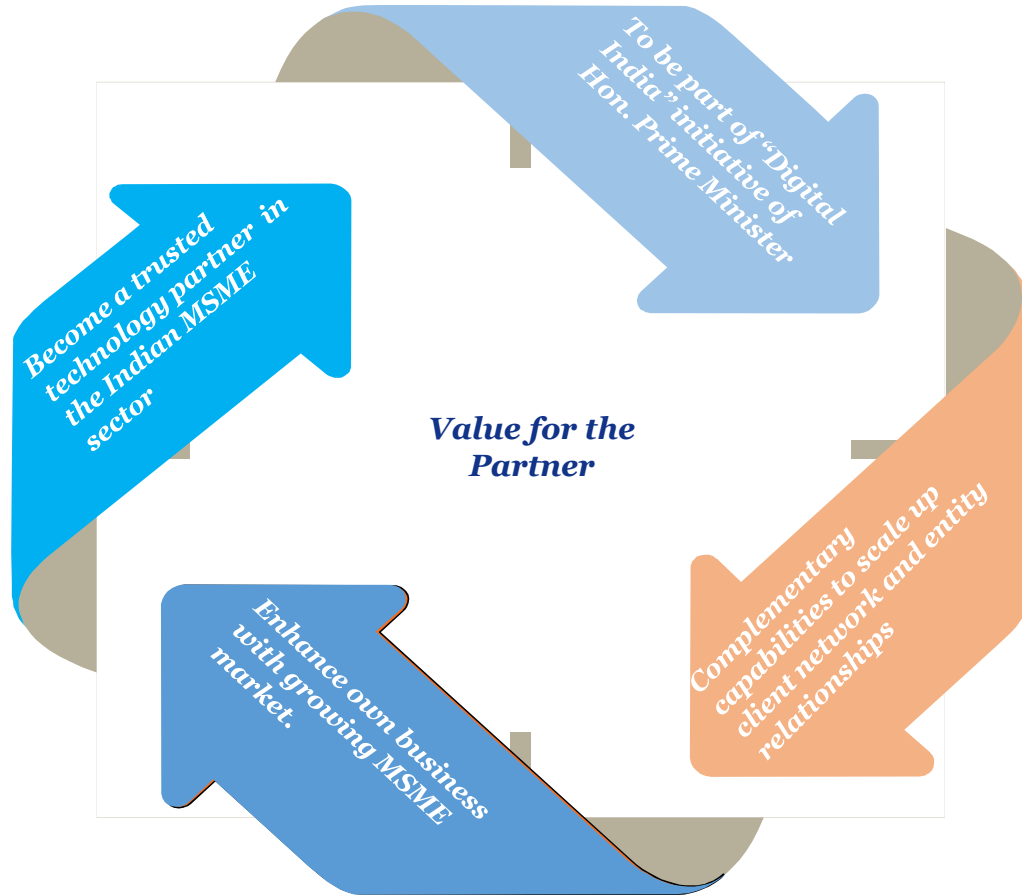
Going forward, SIDBI's goal is to fuel the delivery of all the MSME focused schemes through *greater technological integration*.

We want to *offer a unique value proposition* to the bidder to *build and operate Udyami Mitra 2.0* portal on an *Opex Model*. The bidder will *operate* the facility *independently* supported by *our brand name and relationship*.

With this partnership, *we aim to achieve a paradigm shift in Indian MSME industry*.

This business alliance *will benefit both of us with the quantum of knowledge, innovation with analytical capabilities, financial growth, sustainability and stability*.

This opportunity will allow you to *grow your business* vertical and *enhance your market reach*, thus triggering *growth in your business*.





Thank You