sidbi

Swavalamban
बेचैन सपनों को पंख..

Info Series
Vol - VII

Unlocking the Swavalambi in You!

PREFACE

Dear Swavalambi,

Swavalamban Greetings from SIDBI!

SIDBI Vision 2.0 aims at innovative and wider impact programme to benefit the MSEs both in "setting up" and "stepping up", which will in turn generate more employment and overall economic growth in the country. The Bank had launched Mission Swavalamban in 2018 to spread entrepreneurship culture and turn youth from "Job seekers" to "Job creators", restrict rural migration to urban areas and promote sustainable livelihood opportunities with thrust on bottom of pyramid, unserved/underserved pockets/segments and overall MSEs.

Swavalamban Info Series is one such attempt to connect with the aspirants, present and potential Swavalambis and help them in their voyage of shaping their dream entrepreneurial ventures.

It brings the basic as well as advanced knowledge of entrepreneurship to your doorstep as well as keeps you up to date with the latest happenings/schemes/initiatives which you can utilize for your and others' benefit.

We keep evolving with readers' feedback. Kindly send your feedbacks/queries/suggestions to us at p&d_ndo@sidbi.in so that we can improve with each volume. We hope you will enjoy reading the series as much as we enjoy writing it.

Happy Reading!

Team Swavalamban, SIDBI

In our previous volumes…

You may have gone through our previous volumes wherein we discussed about the what, why and how to be a Swavalambi. In our second volume, we talked about women micropreneurs. Our third volume gave you a glimpse of the schemes and initiatives available in the country for stepping up of MSEs. The next one spoke about good governance for micro and small enterprises. The fifth edition emphasized on the digital enablers for MSMEs. By the time we reached our sixth edition, our country was grappling with the COVID-19 pandemic and so we focused on Access in the times of crisis… Path beyond crisis. To access these info series, kindly visit:

https://www.sidbi.in/en/be-an-entrepreneur-knowledge-series

After having covered all these themes in our previous issues, this time we thought of delving deeper on the "How" aspect of being a Swavalambi. The financial inclusion space in India has seen a paradigm shift over the last decade. The Government of India has been bringing novel interventions in financial inclusion, making it accessible and affordable for all. Schemes like Pradhan Mantri Suraksha Yojana, Atal Pension Yojana, Sukanya Samridhi Yojana to name a few, have aimed to provide quality insurance to the last mile at minimal cost. These schemes have been agnostic of the socio-economic profile of the citizens and have ensured access and affordability for all. The focus on ascertaining the dynamics related to last mile outreach has been something out-of-the-box and has led to increased inclusion of underprivileged and unreached section of the society.

Increased access to financial services opened doors for families, allowing them to smooth out consumption and invest in their futures through education and health. Increased access to credit enabled businesses to expand, creating jobs and reducing inequality. Indeed, access to finance helped in inclusive growth and reduction in poverty by facilitating smart investment decisions.

Adopting resilient strategies and moving towards resilient processes

The business environment during post pandemic will be totally different from today's business environment, especially for MSMEs. The following changes are expected in the MSME sector.

i. *Digitisation of MSMEs:*

- India has 63 million MSMEs but only around 32% are digitally engaged and 68% are too far to adopt digital practices. The untapped portion of MSMEs must change their strategy and digitize their business processes to survive in long run.
- Technology is the new backbone of MSMEs who want to succeed in the post-COVID world. Digitisation is no longer optional; it has become a critical need in a scenario where physical interactions will continue to be extremely limited and remote access to everything will be the order of the day.
- Trade fairs, for eg, will not be possible for a long time, so holistic e-marketplaces will become an important way for MSME manufacturers to reach out to potential customers, suppliers and lenders to grow their business.
- Going forward, an accelerated pace of digitisation and progressive policies to support marketplaces promoting MSMEs in the domestic market as well as globally will be a crucial element in fast-tracking the revival of manufacturing MSMEs.

ii. *Adopting more sustainability practice which leads to environment consciousness:*

- While Credit Guarantee Scheme (CGS) will stabilize MSMEs during the crisis, efforts on the path of reforms should be continued. The focus should be on "Vocal for Local" to replace imports by attending to aspects such as ─ safety, governance, environmental and social issues.
- Embracing and cultivating sustainable and green practices helps organizations become more efficient, competitive and profitable. There are many practical short-term and long-term financial benefits to implementing environmentally conscious improvements to business practices. In addition to helping company's profitability, by implementing sustainable changes, businesses can achieve a smaller carbon footprint and reduce the number of toxins released into the atmosphere. Future generations ultimately benefit from improved air and water quality, fewer landfills and more renewable energy sources.

iii. *MSMEs should give more emphasis on innovation:*

- Bringing in innovation is a key to drive MSMEs' growth. It is central for sustainability, growth & competitiveness in the context of ever-changing market dynamics.
- Access to and use of modern techniques and environmentally friendly inclusive innovations will help to create new economic opportunities for the MSME sector. Information and Communication Technology (ICT) plays the role of enforcing cost and process efficiencies and enabling new business development.
- However, for MSMEs, they play an even more pivotal role. A strong technology-enabled sector levels the playing field, to a great extent, between MSMEs and their established counterparts. This would help them lead in the market place to stand as a large employer or producer of the country and contribute to the GDP or exports.

iv. *Cross train staffs:*

- Cross train staff practice will be helpful to some extent in the business premises, so that they will be able to perform variety of roles in business.
- Cross-training employees can provide a major boost to workforce's productivity. Cross-training simply aims to build the skills of everyone in the company so everyone better understands exactly what it takes to run the business.
- The idea is to empower employees to provide support from within the company instead of outsourcing or overloading one group of employees during hectic times. The benefits of cross-training in business are numerous. It results in great return on investment, better collaboration, increase employee motivation, increase workforce sustainability, improve efficiency and increases agility.

v. *High credit support and availability of working capital:*

- Giving more emphasis on working capital management and quick collection from receivable will be helpful to meet wage and salary expenses. A prerequisite for robust cash management is disciplined cash-flow forecasting, facilitating visibility and cash focus across the group.
- This can be ascertained through daily monitoring of cash balances, optimizing internal cash transfers and recognizing the levers to release pressure from working capital by way of managing receivables, payables and inventory.

Tool Kit for an MSME Entrepreneur: Know how to avail various Non-Financial as well as Financial Facilities

A. Non-Financial Services: Aim to upgrade Self and the Team:

B. Financial Services:

C. Others:

CHAPTER-1; MSME SAKक्षम:-

As a Swavalambi, you must have felt or may feel the need to know about:

- ➢ the strategies that will help you to start and grow your business;
- ➢ the best practices that can be followed to manage your finances better;
- ➢ the benefits of staying updated with the latest news, government initiatives, business insights for the MSME sector;
- ➢ Udyam registration, GST, CIBIL rank/score & the factors that affect the same;
- ➢ And, about those Swavalambis who have overcome their challenges and can inspire you with their success stories…

Answers to all the best possible queries, SIDBI has been trying to provide you in useful ways and you will find them on **Digital Platforms** within a moment of a click. Among all, let's look at the '**MSME SAKक्षम**' first **-**

MSME SAKक्षम:

- With the emerging opportunities and challenges in the MSME sector in general and COVID-19 pandemic in particular, an urgent need was felt for creating credit awareness to facilitate easy access to credit for the MSME Sector. Towards this, SIDBI and TU-CIBIL have launched a developmental initiative **"MSME SAKक्षम"** www.msmesaksham.com to enable MSMEs to be loan-ready. The main objective of this initiative is to empower MSMEs with the power of knowledge so that they get faster and cheaper access to credit. It is a digital multi-channel content platform which has various touch points for educating, interacting and engaging with MSMEs.
- The portal has a link through which MSMEs would be able to access their CIBIL rank and credit report as well as access a credit view dashboard free of cost. In addition, the portal has a platform which encompasses all financial information and education in order to create credit awareness and facilitate easy access to credit for the MSME sector to equip them with the right knowledge and confidence to expand and grow with the right credit options.

How and what to access on the Portal:

- The MSME SAKक्षम portal can be accessed by anyone on www.msmesaksham.com
- The portal gives access to the user for checking their CIBIL Score, CIBIL MSME Rank of the company, loan eligibility and option to apply for loan.

- CIBIL Score of an individual can be checked by giving personal information such as Name of the Individual, KYC Details (KYC ID Type and ID Number), Date of Birth and Mobile Number.
- After giving the above details, the portal will send an OTP to the mobile number after providing which the account will be verified and the CIBIL Score will be displayed.
- The user can also view, compare and apply for various offers such as Credit Card, Personal Loan, Business Loan, Home Loan, Loan against Property, Auto Loan etc. by providing few details like City Name, Type of Income (Salaried/Non-Salaried) and Monthly Income.
- Any business person may also check the CIBIL MSME Rank (CMR) of his/her company/unit by following few steps like entering the details of the company/unit owned, uploading KYC Documents of the

company/unit. Then the CMR will be displayed.
- Anyone can check his/her loan eligibility by clicking on MSME Loan Eligibility Calculator. The user has to give few details such as type of loan required (Term Loan/Working Capital), Nature of Business (Manufacturing/Services/Trading), Type of Entity (Micro/Small/Medium), Gross Fixed Assets of last FY, Cash profit of last FY, Outstanding amount on Existing loan, Monthly EMI Paid and new loan amount required. After entering these details, the user will know whether he/she is eligible for loan.
- "Apply for Loan" tab on the portal leads to the site of psbloansin59minutes.com where the user can apply for Business Loan/Home Loan/Personal Loan/ Auto Loan/MUDRA Loan etc.
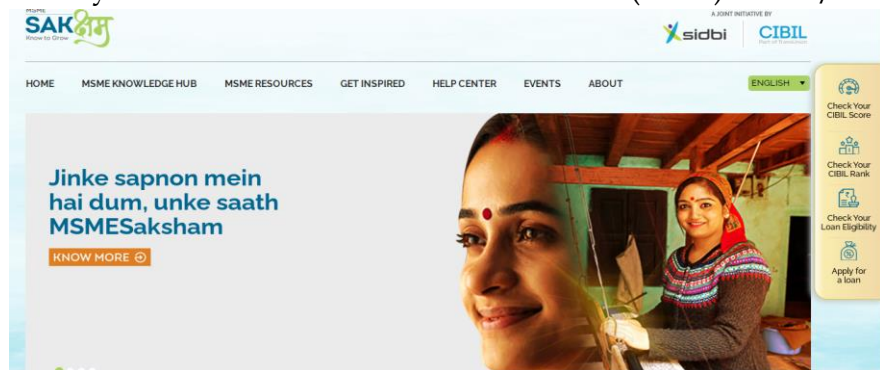
Key features of the portal are as under:
1) **Knowledge Hub** consists of informative articles, how-to info-graphics and videos, and business insights to help entrepreneurs and business owners learn more about their loan-eligibility and kick start or grow their businesses.
2) **Business Insights and MSME Resources** showcase credit trends, loan applications; types of loans accessed by industry counterparts or across locations and help their own credit-readiness.

3) **All government schemes** (both Central and State) launched to help MSMEs have been showcased on the portal to enable MSMEs overcome problem of information asymmetry and avail benefit of government sponsored schemes
4) **Help Centre** with frequently-asked questions about the CIBIL Score, the CIBIL Rank, MSME news snippets and the latest SIDBI announcements.
5) **The Events Calendar** includes all the upcoming MSME-related events
6) A **seamless credit journey** with all the necessary tools:
    a. **CIBIL Score** to assess an individual's loan-eligibility and credit-consciousness
    b. **CIBIL Rank** to help MSME owners understand their company's credit profile
    c. Link to **PSBloansin59minutes Portal** for one-stop shop for all their credit requirements

CHAPTER-2; MSME Samadhaan:-

The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 contains provisions of:

- Delayed Payment to Micro and Small Enterprise (MSEs) (Section 15- 24)
- State Governments to establish Micro and Small Enterprise Facilitation Council (MSEFC) for settlement of disputes on getting references/filing on Delayed payments. (Section 20 and 21)
- The buyer is liable to pay compound interest with the monthly rests to the supplier on the amount at the three times of the bank rate notified by RBI in case he does not make payment to the supplier for his supplies of goods or services within 45 days of the acceptance of the goods/service rendered. (Section 16)

MSEFC of the State after examining the case filed by MSE unit will issue directions to the buyer unit for payment of due amount along with interest as per the provisions under the MSMED Act 2006. MSME Samadhaan is a portal (www.samadhaan.msme.gov.in) created by Office of DC (MSME), Ministry of Micro, Small and Medium Enterprises (MSME) where the supplier MSE unit can file their applications online against the buyer of goods/services before the concerned MSEFC of his/her State/UT regarding delayed payments. These will be viewed by MSEFC Council for their actions. These will be also visible to Concerned Central Ministries, Departments, CPSEs, State Government, etc. for pro-active actions. Any Micro or Small enterprise having valid Udyog Aadhar (UAM) can apply on the portal.

Flow of Scheme
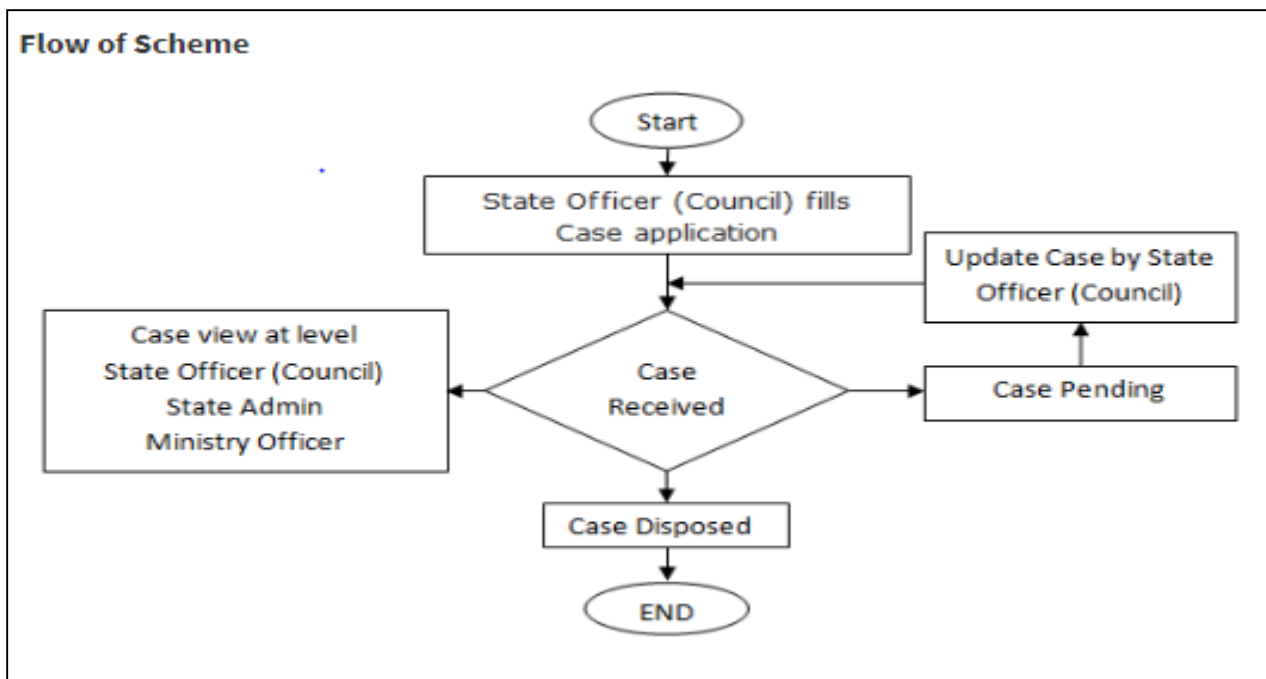
Steps of filling applications on Samadhaan Portal;

1. Enter Your Udyog Aadhaar Number
2. Enter Your Aadhaar Number or Mobile Number as in Udyog Aadhaar (Only For Assisted filing cases)
3. Enter verification code as displayed
4. Click on Validate Udyog Aadhaar button to receive your OTP on email registered during Udyog Aadhaar registration.

Application status can be tracked as per the status below;

1. Entrepreneur files the application online to respective Council
2. After 15 days Council will take action on application.
3. Online intimation will be sent to both Entrepreneur and Respondent by Email.
4. Mutual Settlement option for Entrepreneur (MSEs can mutually settle the application before convert to cases)
5. Council can approve the Entrepreneur application and convert in to cases
6. Council can also reject the application
7. SMS and Email are being sent to the Entrepreneur and Respondent if application is converted into cases.
8. Council can enter the details in online portal if received offline application.
9. Council will update case hearing status or hearing date.
10. Entrepreneur can view the application/case status by Udyog Aadhar Number or Application No/Case No.

CHAPTER-3; MSME Sampark:-

Skill Development is only one half of the challenges, finding the right employment opportunity for the skilled youth, is yet another. While major corporates have well-defined their recruitment processes with a national reach, the challenge remains for small businesses and entrepreneurs to find the right person for the job with relevant experience and skill-set. On the other hand, the job seekers struggle to match their skill sets with the role, position, required experience, monetary expectation, location & industry verticals leaves with too many parameters to be matched in a limited opportunity map. To bridge the gap between the recruiters and job seekers, the Ministry of MSME has launched the portal - **MSME SAMPARK**.

The MSME Sampark portal http://sampark.msme.gov.in/ is a digital platform, wherein, jobseekers (passed out trainees / students of 18 MSME Technology Centres) and recruiters (various reputed national & multinational companies) register themselves for getting employment and getting right kind of manpower respectively.

MSME Technology Centres have been one of the key contributors to the Make in India initiative by contributing in various verticals such as Aerospace, Automobile, Electronics, Glass, Footwear, Sports goods, Fragrance & Flavour, etc. These centres are providing training to around 1.5 lakh students annually and most of them are being absorbed by industry within the country as well as abroad.

How the portal works:

For Recruiters:

- One has to register in the portal with basic minimal information and need to update profile post registration, which will help them to have better reach to trainees of MSME TCs (Job seekers).
- In case of any issue, they may contact the centre to expedite registration. The existing recruiters of TCs and contact centre will exchange their user credentials

to their contact person. You will be asked to change your password after your first login.

- Recruiters may approach contact centre for their job postings without self-registration and necessary assistance will be provided in registration and job posting
- Recruiters can do a candidate search without registration also, however to contact the candidate registration is must.

For Candidates:

- One has to register in the portal with basic minimal information and need to update profile post registration which will help the candidate to have better reach to recruiters.
- Candidate need to provide name, institute name & date of birth for registration.
- Candidates with incorrect credentials / data feeding would not be allowed to further register themselves on the portal and access will be denied.
- Candidates may carry out job search without registration, however, cannot contact the employer without registration in portal.

<h1 align="center">CHAPTER-4; MSME Registration Portal:-</h1>

For the ease of business of MSMEs, Ministry's portal for new registration of MSMEs (https://udyamregistration.gov.in/Government-India/Ministry-MSME-registration.htm) is being integrated with TReDS and GeM in a seamless manner. Therefore, it would be just enough and useful to register as MSME on the portal. Registration as MSME/Udyam is online and totally free of cost. It is also paperless and fully based on self-declaration, no proof or documents are required. As on 1st September, 2020 close to 4.00 lakh registrations have already taken place since the new system was launched in July,2020.

Who can apply for Udyam Registration?

Any person who intends to establish a micro, small, medium enterprise may file online udyam registration.

Documents Required for Udyam Registration

The online application process of Udyam Registration is based on self-declaration, and there is no further requirement to upload any documents, certificates, papers, or proofs.

The user will only need to provide their 12-digit Aadhaar Number, Pan Card and Bank Account details of Business for the registration process.

Further Highlights of this process:

- The MSME registration process is fully online, paperless and based on self-declaration. No documents or proof are required to be uploaded for registering an MSME
- Aadhaar Number will be required for registration
- A Registration number will be given after registration
- After completion of the process of registration, an Udyam Registration Certificate will be issued.
- This certificate will have a dynamic QR Code from which the web page on the Portal and details about the enterprise can be accessed
- There will be no need for renewal of Registration
- PAN & GST linked details on investment and turnover of enterprises will be taken automatically from the respective Government databases
- MSME Ministry's online system will be fully integrated with Income Tax and GSTIN systems.
- Those who have EM-II or UAM registration or any other registration issued by any authority under the Ministry of MSME, will also have to re-register themselves.
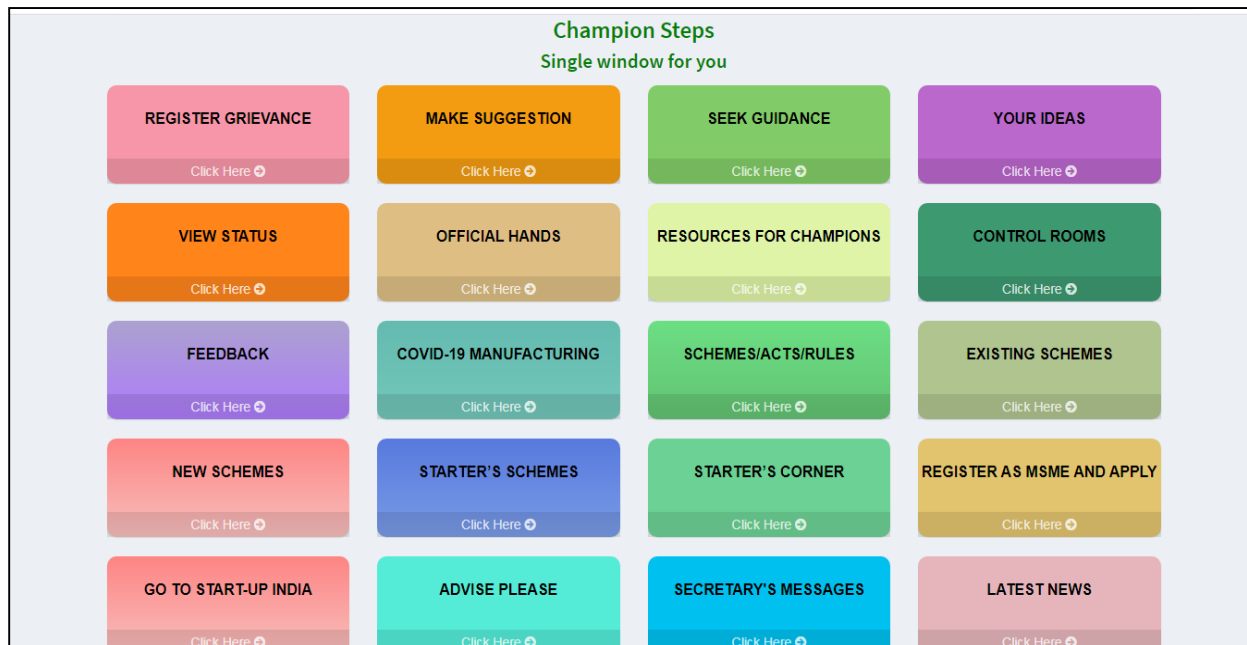
- No enterprise is supposed to file more than one Udyam Registration. However, any number of activities including manufacturing or service, or both may be specified or added in one Registration
- Government's Facilitation mechanism in the name of single window systems at Champions Control Rooms and at DICs will help people in this process
- Registration Process is totally free. No Costs or Fees are to be paid in this regard.

CHAPTER-5; CHAMPIONS: Technology Platform to empower MSMEs:-

Hope you are aware that honorable Prime Minister has launched the technology platform CHAMPIONS (www.champions.gov.in) which stands for **Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength**. As the name suggests, the portal is basically for making the smaller units big by solving their grievances, encouraging, supporting, helping and handholding them. It is a real one-stop-shop solution of MSME Ministry. This ICT based system is set up to help the MSMEs in present difficult situation and also to handhold them to become national and international champions.

Detailed objectives of **CHAMPIONS**:

- **Grievance Redressal**: To resolve the problems of MSMEs including those of finance, raw materials, labor, regulatory permissions etc particularly in the Covid created difficult situation;
- **To help them capture new opportunities**: including manufacturing of medical equipments and accessories like PPEs, masks, etc and supply them in National and International markets;
- **To identify and encourage the sparks**: i.e. the potential MSMEs who are able to withstand the current situation and can become national and international champions.

Champion Steps
Single window for you

REGISTER GRIEVANCE Click Here ➔	**MAKE SUGGESTION** Click Here ➔	**SEEK GUIDANCE** Click Here ➔	**YOUR IDEAS** Click Here ➔
VIEW STATUS Click Here ➔	**OFFICIAL HANDS** Click Here ➔	**RESOURCES FOR CHAMPIONS** Click Here ➔	**CONTROL ROOMS** Click Here ➔
FEEDBACK Click Here ➔	**COVID-19 MANUFACTURING** Click Here ➔	**SCHEMES/ACTS/RULES** Click Here ➔	**EXISTING SCHEMES** Click Here ➔
NEW SCHEMES Click Here ➔	**STARTER'S SCHEMES** Click Here ➔	**STARTER'S CORNER** Click Here ➔	**REGISTER AS MSME AND APPLY** Click Here ➔
GO TO START-UP INDIA Click Here ➔	**ADVISE PLEASE** Click Here ➔	**SECRETARY'S MESSAGES** Click Here ➔	**LATEST NEWS** Click Here ➔

It is a technology packed control room-cum-management information system. In addition to ICT tools including telephone, internet and video conference, the system is enabled by Artificial Intelligence, Data Analytics and Machine Learning. It is also fully integrated on real time basis with GOI's main grievances portal CPGRAMS and MSME Ministry's own other web based mechanisms. As part of the system a network of control rooms is created in a Hub & Spoke Model. The Hub is situated in New Delhi in the Secretary MSME's office. The spokes are in the States in various offices and institutions of MSME Ministry. As of now, 66 state level control rooms are created and made functional. They are connected through video conference also in addition to the portal of Champions. A detailed standard operating procedure (SOP) has been issued to the officers and staffs have been deployed and training has been conducted for them.

The 5 Focus Areas of the portal:
- Grievances of the MSME Units and stakeholders will be invited and enlisted only on the Champions platform and dealt with through the system made herein for the purpose. They will be given an auto generated unique ID number starting with GR;
- Grievances being registered on GOI's CPGRAMS portal as well as any other portal of the Ministry of MSME will also be directly fetched by the Champions platform. They will be given an auto generated unique ID number starting with CP;
- This Portal will also capture and encourage ideas and collaborative, supportive ecosystem of experts and technocrats who can guide in the technical, managerial and financial issues faced by the MSMEs. They will be given an auto generated unique ID number starting with CO;
- Champions platform will also capture the self pro-active administrative interventions by the functionaries of the Ministry of MSME. They will be given an auto generated unique ID number starting with IN.

It will also capture the VIP References coming from Hon. Ministers and other dignitaries. They will be given an auto generated unique ID number starting with VI.

CHAPTER-6; Know about MITRA Portals: StandUp Mitra and Udyami Mitra: -

To ease access to credit and handholding challenges of MSMEs, SIDBI took the lead to setup a digital portal www.standupmitra.in for the Standup India Scheme which was launched by Hon'ble PM of India. It targeted at ensuring access to un-served/underserved segments of Women and Scheduled Caste & Tribes (under Standup India mission) on pan India basis. Based on the feedback of stakeholders and realizing that demographic dividend & democratizing entrepreneurship can be achieved through further deepening access, SIDBI had positioned a universal & interactive web portal www.udyamimitra.in. It leverages the IT architecture of Standup Mitra portal and facilitates access to all MSME borrowers for setting up and stepping up loan requirements up to ₹10 Crore.

The digital solutions unleashed through StandUp Mitra and Udyami Mitra, have started inducing key changes into the system which are as follows:

- Serving the un-served or those at the bottom of pyramid- inducing anyone/anywhere/anytime access with thrust on Micro and small enterprises
- Central – State – Local Agencies/Institutions (ex. RSETIs, DICs) are active in responding to handholding requests. Industry Associations, developmental organizations, skill centers are active through portal
- Guarantee companies (NCGTC), Credit Bureaus are integrated.
- Credible Connect- holistic offering through access to credit along with access to non-financial services is crucial. Handholding/finger holding through active 8000+ hand holding agencies is bound to scale up.
- Empowerment is happening - Multiple sanction offers from lenders are empowering particularly those who were unable to access credit.

Creating value –

- To aspirants as also bankers – various tools like auto-estimation of working capital, HAVE (Handholding in Virtual Environment), hosting of profiles and event calendars for aggregation.
- Addressing Information Asymmetry- access to right and trusted information for ex. Bankability kit handholds aspirants to know banker, know banking as also know self-enterprising self at https://www.udyamimitra.in/page/Be-Bankable.
- Knowledge Bouquet – info series on "Being Swavalambi", "Rural Centric Women Micropreneurs – From Livelihood to Micro Entrepreneurship", "Stepping up – Schemes and initiatives for the benefit of MSMEs", "Go for Good Governance for MSMEs", " Digital Enablers of MSMEs", "Access in Times of Crisis – Path Beyond Crisis" at https://www.udyamimitra.in/page/Swavalamban-Info-Series. MSME

Guide Books (MSME Fight Covid-19), MSME Pulse, CRISIDEX, Micro Finance Pulse, GEM 4.0: Procurement Reimagined, Swavalamban Srijan, Fintech Pulse at https://www.udyamimitra.in/page/Knowledge-Center.

Mainstreaming builds confidence-

- Curative approach – those whose applications have been rejected, or are unable to submit are helped through Enterprise clinics and on boarded again.
- Standardization of application forms for MUDRA, Standup India and MSMEs up to loan requirement of ₹10 Crore.
- Convergence to derive value for money- Besides deepening outreach and Impact the convergence with different missions is important.

CHAPTER-7; Meet Samriddhi: The Virtual Mentor

- You can click on https://www.udyamimitra.in/

  to visit Udyamimitra website.

- Icon of Samriddhi is visible on bottom right corner of the home page. Upon clicking on the icon, the chat screen will open with option to choose language between English and Hindi for asking queries to Samriddhi.

- Virtual assistance Samriddhi helps applicants with their various queries related to Scheme, online loan applying process, availing handholding facilities etc.

CHAPTER-8; Access Project Profiles

- Many first-time entrepreneurs are not aware about product/services which they intend to pursue. So, they seek help from Handholding Agencies for preparation of project report. They also look for mentors to guide them in preparing a project report. More than 50% of applicants ask for help to prepare Project Report.
- For loan amount above ₹25 lakh, a detailed project report is expected to be prepared by the applicant.
- The applicant may visit the website www.udyamimitra.in and go through the sample project profile available on the portal related to his/her sector and prepare a project report accordingly.
- There are about 325 sample project profiles available on the Portal, Applicants can go through the Project Profile Page and may have an idea about which business to start, how much fund they may require, what can be the project cost etc.
- On the home page of Udyamimitra, a tab of "Knowledge Centre" is visible upon clicking which Project Profiles can be accessed at https://www.udyamimitra.in/page/project-reports

Udyamimitra portal powering PM SVANidhi and AHIDF Sections:

Positioning as a Universal Loan Aggregator portal, also powering key central govt. schemes including Prime Minister Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi) Scheme and Animal Husbandry Infrastructure Development Fund (AHIDF). To apply for "PM SVANidhi" Scheme and "AHIDF" scheme, one can visit www.udyamimira.in

There are dedicated sections available on the portal for "PM SVANidhi" and "AHIDF".

One can click on "Apply Now" button on either of the scheme section and it will lead to the respective page of the scheme where one can apply for the loan as under

CHAPTER-9; PM SVANidhi Portal: -

Do you belong to the category of urban street vendors, hawkers, thelewala, rehriwala, theliphadwala…???

who sells vegetables, fruits, street food, tea & snacks, textile, apparel, footwear, artisan products, books/stationary and daily needs at affordable rates at the door-step of the city dwellers.…???

or runs a barber shop, cobbler shop, pan shop, laundry service…but the COVID-19 pandemic and consequent lockdowns have adversely impacted you and now you are facing working capital crunch!!!

PM SVANidhi helps you get out of the crisis…

Urban street vendors are eligible to avail a Working Capital (WC) loan of up to ₹10,000 with tenure of 1 year and repaid in monthly installments. For this loan, no collateral will be taken by the lending institutions. On timely or early repayment, the vendors will be eligible for the next cycle of working capital loan with an enhanced limit. No prepayment penalty will be charged from the vendors for repayment before the scheduled date. Read more about the Scheme by clicking on this link: https://pmsvanidhi.mohua.gov.in/Home/Schemes

And, follow a step by step guide for applying of a working capital loan for street vendors on PM SVANidhi portal.

On PM SVANidhi Portal, follow the below 3 steps before starting the online application process;

1. **Understand loan application requirements:** Properly understand the information & documents required to fill the Loan application form (LAF) for the Scheme. Keep all the information ready before you start the application process.

2. **Make sure your mobile number is linked to your Aadhaar:** You are requested to make sure that your mobile phone is linked to your aadhaar number. This will be required for your e KYC/Aadhaar validation during online application process. It will also help you to get letter of Recommendation from ULB (in case required). It will also help you avail future benefits under Government welfare schemes. It is understood from UIDAI officials that for updating mobile numbers, only a form has to be filled and no additional document is required. A link to UIDAI portal where you can find details of the nearest Aadhaar centre is provided below.

3. **Check your eligibility status:** You will fall in one of the following 4 categories of Street vendors. Check your status and the documents/ information which you need to keep ready.

Category	Vendor Status	Action required by Vendor
A.	Vendor has been covered in the survey of Urban Local Body (ULB) and have been issued Certificate of Vending (CoV) or Identity card (ID Card) by ULB or the Town Vending Committee	• Check your name in the survey list on the portal and note your Survey reference Number (SRN). • Keep a copy of your CoV or ID card ready for uploading during application process
B.	Vendor has been covered in the survey of Urban Local Body (ULB) and has not been issued Certificate of Vending or Identity card by the ULB or the Town Vending Committee	• Check your name in the survey list on the portal and note your Survey reference Number (SRN). • A Provisional CoV shall be generated for you by the system while making online application

Category	Vendor Status	Action required by Vendor
C.	Street vendors, left out of the ULB-led identification survey or who have started vending after completion of the survey. 2 sub categories will be there :	
	C1: Vendor has been issued Letter of Recommendation by ULB/ TVC	• Keep a copy of LoR ready for uploading
	C2: Vendor has not been issued LoR	• Vendor to declare one of the followings: i. Vendor has received One Time assistance during Covid lockdown ii. Vendor is a member of the vending/ Hawkers association.
D.	Street vendors of surrounding development/ peri-urban / rural areas vending in the geographical limits of the ULBs (not covered in Survey). 2 sub categories will be there:	
	D1: Vendor has been issued Letter of Recommendation by ULB/ TVC	• Keep a copy of LoR ready for uploading
	D2: Vendor has not been issued LoR	• Vendor to declare one of the followings: i. Vendor has received One Time assistance during Covid lockdown ii. Vendor is a member of the vending/ Hawkers association.

Once you have followed the above 3 steps you are ready to start the application process on the portal. You can apply directly yourself and through a Common Service Centre (CSC) near your locality.

CHAPTER-10; Animal Husbandry Infrastructure Development Fund (AHIDF):

A Special Credit Facility for Animal Husbandry Infrastructure Development.

The Animal Husbandry Infrastructure Development (AHIDF) is a central sector scheme under the Prime Minister's Atma Nirbhar Bharat Abhiyan stimulus package for incentivizing investments (i) the dairy processing and value addition infrastructure, (ii) meat processing and value addition infrastructure and (iii) animal feed plant with budget allocation of Rs.15000 crore.

The following entities will be eligible under AHIDF:
a) Farmer Producer Organization (FPO)
b) Private companies
c) Individual entrepreneurs
d) Section 8 companies
e) Micro Small and Medium Enterprises

Application Steps:

- **Online Loan Application: -** Properly understand information & documents required to fill Loan application form (LAF) under the Scheme. Keep all the information & documents ready before you start the application process.
- **Loan Approval by Lender:** After successful submission of LAF, lender will pick the LAF from portal. Then Lender will approve the loan after examining the

project/documents submitted by applicant and completing their internal diligent process. Lender will upload sanction letter on the portal.

- **Approval of Interest Subvention by ministry: -** Ministry will approve Interest subvention based on the sanction letter provided by lenders and ministry will mark approval of the same on portal.
- **Disbursement of loan:** After compliance of terms and conditions mentioned in the sanction letter, lender will disburse the loan amount to the beneficiary. Further, lender will centrally make request to ministry for interest subvention.

CHAPTER: 11; Free On boarding on Trade Receivables Discounting System (TReDS):- *Why TReDS?*

- MSMEs are the back bone of Indian Economy and despite the important role played by them in country's overall economic growth, continue to face constraints in obtaining adequate finance, particularly in terms of their ability to convert their trade receivables into liquid funds. The Concept for setting up of electronic bill factoring Exchange was recommended by Financial Sector Reforms (FSR) Committee in 2008 in their report "Hundred Small Steps".

- Based on the FSR Committee recommendations, SIDBI in collaboration with NSE, had taken the initiative to set up an E-discounting platform to support financing of MSME receivables. The platform was named as NTREES (Trade Receivables Engine for E-discounting, Prefix 'N' stands for NSE and Suffix 'S' stands for SIDBI). The NTRESS platform was based on the reverse factoring model, where credit exposure was taken by large Purchaser / Corporate, who offered the invoices drawn by its MSME suppliers for discounting and SIDBI as the Financier discounted the same and credited the proceeds to MSME bank accounts through RTGS. The platform was based on the Mexican model (National Financiers – NAFIN) for bidding of MSME receivables.

- RBI on December 3, 2014 issued guidelines on Trade Receivable e-Discounting System (TReDS). Pursuant to the TReDS guidelines, RBI, on December 2, 2015 granted in-principle approval to SIDBI and NSICL for setting and operating TReDS as per the said guidelines issued under the Payment and Settlement System (PSS) Act, 2007. Adhering to the conditions given in the in-principle letter, separate entity - Receivables Exchange of India Ltd (RXIL) was incorporated as a joint venture by SIDBI and NSE. The platform was named as "TREDS".

- The MSME sector has been adversely affected due to the ongoing Covid-19 pandemic. In continuation of the various interventions (schematic/non-schematic) undertaken by the Bank towards quick response to the emerging situation, the Bank has since set-up **Swavalamban Crisis Responsive Fund (SCRF)** to support free on boarding of the MSMEs on the Trade Receivables Discounting System (TReDS) Platform.

- Receivables Exchange of India Ltd (RXIL), M1xchange and Invoicemart are the three TReDS companies. The fund waives off MSMEs joining/registration fees such that they derive benefits on the TReDS platforms. Since the launch of the fund in July 2020 and upto September 30, 2020, more than 4100 MSMEs have been on boarded under the initiative.

Following are the Salient Features of TReDS.

➢ *Unified platform for Sellers, Buyers and Financiers*
➢ *Eliminates Paper*
➢ *Easy Access to Funds*
➢ *Transact Online*
➢ *Competitive Discount Rates*
➢ *Seamless Data Flow*
➢ *Standardized Practices*

How does TReDS work? Broadly, following steps take place during financing/ discounting through TReDS:

- Creation of a Factoring Unit (FU) - standard nomenclature used in TReDS for invoice(s) or bill(s) of exchange - containing details of invoices/ bills of exchange (evidencing sale of goods/ services by the MSME sellers to the buyers) on TReDS platform by the MSME seller (in case of factoring) or the buyer (in case of reverse factoring);
- Acceptance of the FU by the counterparty - buyer or the seller, as the case may be;
- Bidding by financiers;
- Selection of best bid by the seller or the buyer, as the case may be
- Payment made by the financier (of the selected bid) to the MSME seller at the agreed rate of financing/ discounting;
- Payment by the buyer to the financier on the due date.

The free on boarding of MSMEs is available till March 31, 2021. The fund, Swavalamban Crisis Responsive Fund, is an open-ended fund and the target is to onboard 10,000 MSMEs during the period. Usually, an MSME has to pay a fee of ₹5,000 to ₹10,000 for getting registered on a TReDS platform.
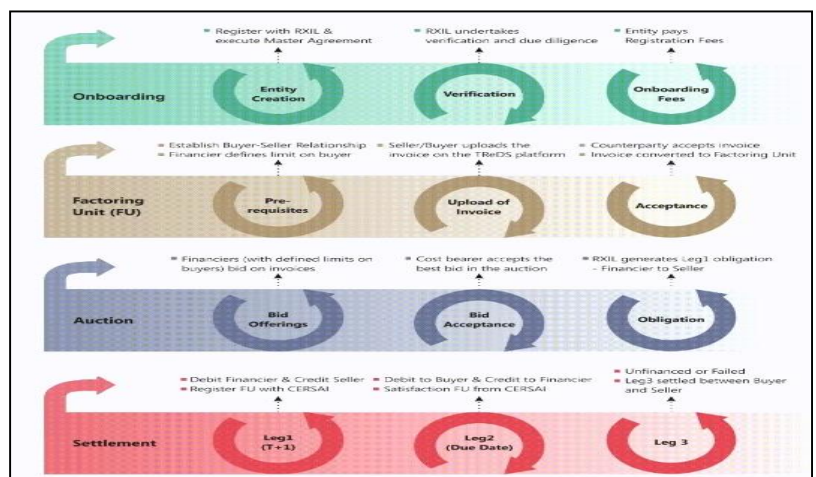
CHAPTER-12; Know about Online PSB Loans:-

Psbloansin59minutes.com is an online platform for MSMEs to apply loan from banks and get in-principal sanction in just 59 minutes! The algorithm developed by the platform uses existing data points created through the increasing use of GST, Income Tax Return (ITR) and Bank Statements for evaluating eligibility and quantum of assistance. Conceptualized and implemented by SIDBI, the portal is the largest Fintech Platform in the country.

Salient features of the platform are as follows:
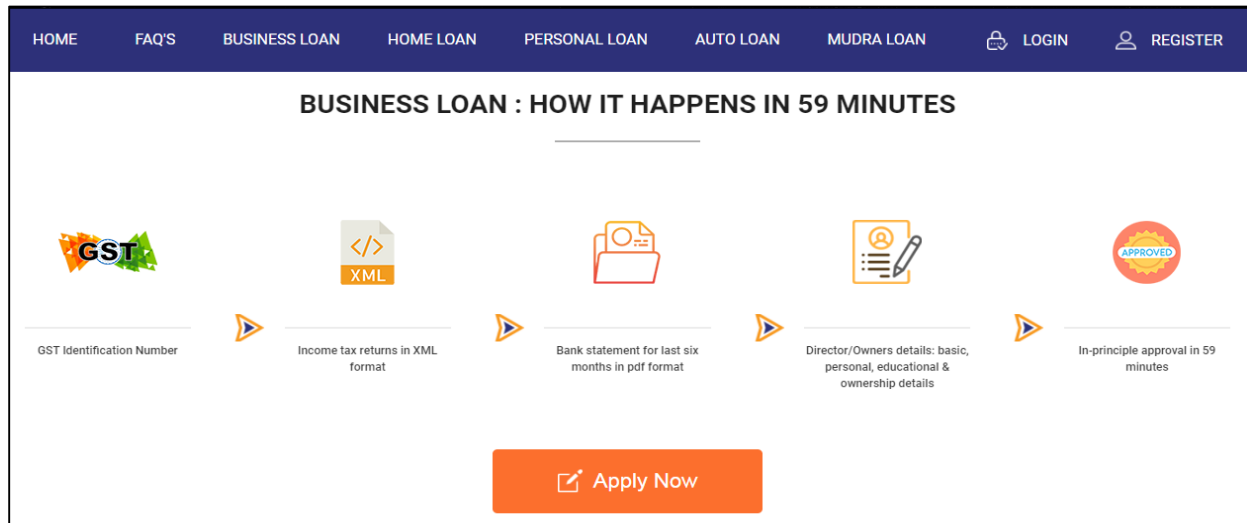
- Fintech platform conceptualized to leverage lending from PSBs.
- The algorithm developed uses existing data points created through increasing use of GST, Income Tax Return (ITR) and Bank Statements.
- The portal eliminates the requirement of an individual MSME owner to visit multiple bank branches at different locations.
- It enables Banks to get access to MSME customers with the required vintage who qualify with their credit parameters.
- This common portal allows MSMEs to submit information through a digital journey and obtain in-principle approval from Banks for their credit requirements
- Total cumulative sanctions through the portal is ₹64,723 crore to 206,058 units as on March 2020
- The portal extends retail, consumer, personal & MUDRA loans (https://www.psbloansin59minutes.com/home)
- Those who are new to credit can apply for MUDRA in principle through portal. Those having one year IT returns can go for MUDRA loans. Those with income of less than ₹1 lakh can make self-declaration and can also go for MUDRA loans.

Overall Business Loan Process Flow - Borrower:
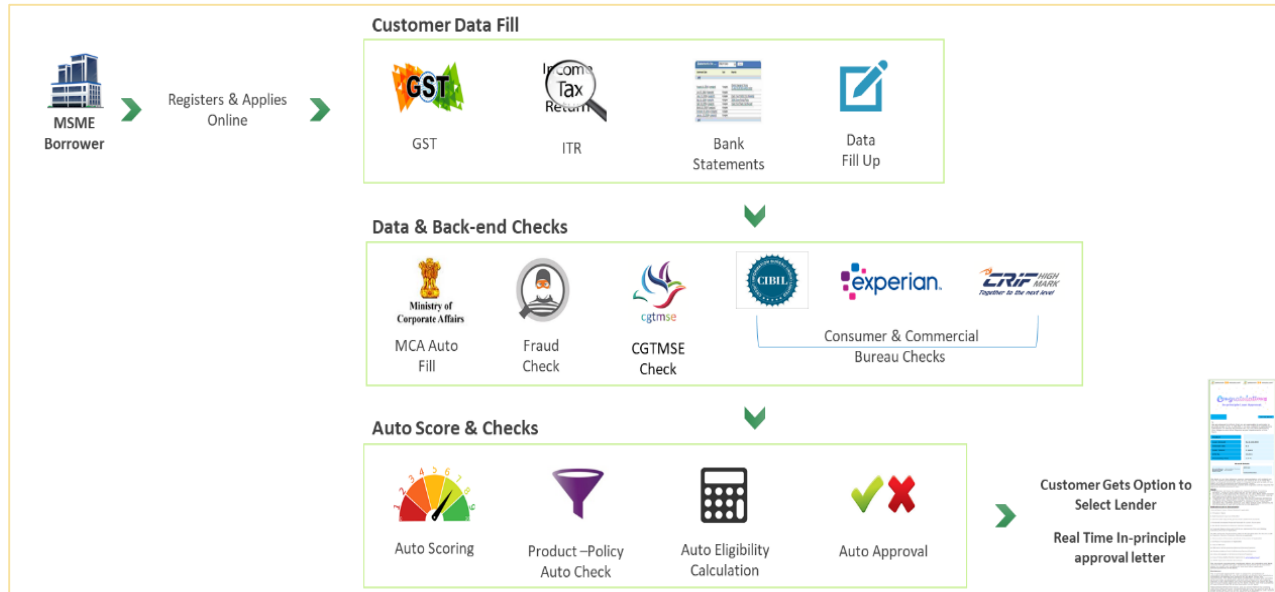
MSME Loan In-principle Approval in 59 Minutes:
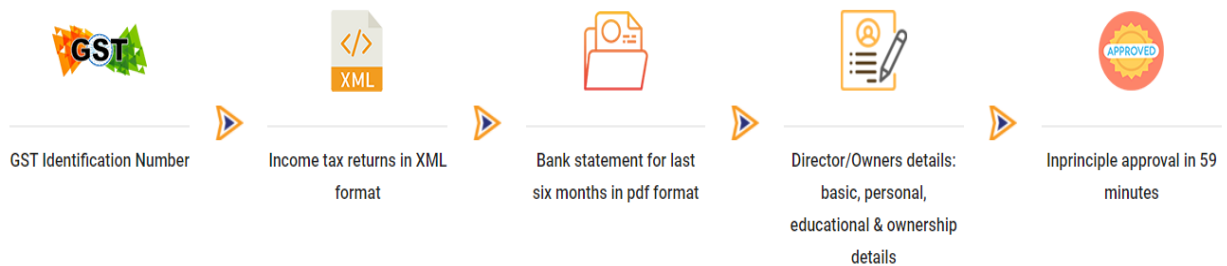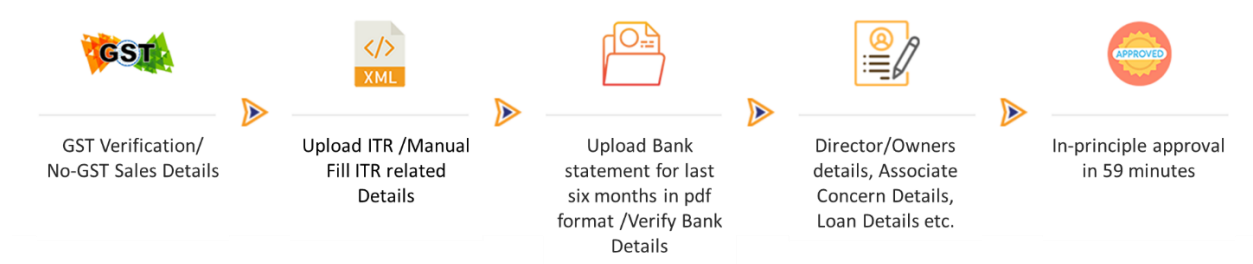

Eligibility & Documentation:

Any existing business or entity can apply for a Business (MSME) Loan for In-principle approval for up to Rs. 5 Crores.

Mentioned below are the required documents to apply online for 59 minutes Business (MSME) Loan In-principle Approval:

1. GST Registration Details of business – Apply through Single GST or Multiple GST registrations using GSTIN & GST username, as applicable to the business.
    A. For business not-registered with GST, may self-declare business and sales related details by filling-up manually.
2. Income Tax Returns Details – Latest ITRs of at least 1 year or maximum 3 years
    A. ITR 3/5/6 in XML format
    B. Presumptive taxpayers can apply with ITR 4 in PDF or XML format

3. Bank Statement(s) - Latest 6 months in PDF format as downloaded from the bank's website.
    A. Maximum 3 Bank Statements can be uploaded
4. Other Details - Business details, loan requirement details etc.

Mudra Loan In-principle Approval in 59 Minutes:

GST Verification/ No-GST Sales Details ▸ Upload ITR /Manual Fill ITR related Details ▸ Upload Bank statement for last six months in pdf format /Verify Bank Details ▸ Director/Owners details, Associate Concern Details, Loan Details etc. ▸ In-principle approval in 59 minutes

Eligibility & Documentation:

Any small-scale business, non-corporate etc. can apply for a Mudra Loan In-principle Approval for upto Rs. 10 lakhs.

Mentioned below are the required documents required to apply online for 59 minutes Mudra Loan In-principle Approval:

- GST/ Sales Details:
    o Can apply through Single GST or Multiple GST registrations using GSTIN & GST username, as applicable to business.
    o For business not-registered with GST, may self-declare sales related details by filling-up manually.
- Income Tax Returns – Latest ITRs for at least 1 and maximum 3 years
    o ITR 3/5/6 in XML format
    o Presumptive taxpayers can apply with ITR 4 (either in PDF or XML format).
    o In case the applicant is exempted to file ITR, then borrower can still apply by manually filling income/sales details.
- Bank Statement(s) - Latest 6 months in PDF format as downloaded from the bank's website.
    o Maximum 3 Bank Statements can be uploaded
    o In case, borrower does not have bank statement in PDF format, he/she may verify bank details.
- Other Details - Business details, personal details, loan requirement details, etc.

__Do you want to be a first-generation entrepreneur and a role model in your family?__

__Well, you have waited for the right opportunity to start a venture of your choice but you may find difficulties to avail a business loan from a bank...__

First generation entrepreneurs in MSE sector find it difficult to access credit from the organized banking sector. The banks on their part are concerned about bankability of initiative and the likely defaults in small loans and hence try to collateralize their exposure to the small borrowers. Keeping this in mind, it was thought fit to create the instrument of Credit Guarantee to enhance the comfort level of the banks for financing loans, as well as a new gateway for MSE entrepreneurs to get funding without collateral security and/or third party guarantee. The scheme is being operated by the **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)** set up jointly by the Government of India and SIDBI.

CHAPTER-13; Credit Guarantee: -

- Any collateral / third party guarantee free credit facility (both fund as well as non-fund based) extended by eligible institutions, to new as well as existing Micro and Small Enterprise, including Service Enterprises, with a maximum credit cap of ₹200 lakh (Rupees Two Hundred lakh only) are eligible to be covered. Recently, guarantee coverage made eligible to select NBFCs and Small Finance banks.

- The guarantee cover available under the scheme is to the extent of 50%/ 75% / 80% & 85% of the sanctioned amount of the credit facility. The extent of guarantee cover is 85% for micro enterprises for credit up to ₹5 lakh. The extent of guarantee cover is 50% of the sanctioned amount of the credit facility for credit from ₹10 lakh to ₹100 lakh per MSE borrower for retail trade activity.

- The extent of guarantee cover is 80%(i) Micro and Small Enterprises operated and/or owned by women; and (ii) all credits/loans in the North East Region (NER) for credit facilities up to ₹50 lakh. In case of default, Trust settles the claim up to 75% of the amount in default of the credit facility extended by the lending institution for credit facilities up to ₹200 lakh.

Category	Maximum extent of Guarantee where credit facility is		
	Upto ₹5 lakh	Above ₹5 lakh upto ₹50 lakh	Above ₹50 lakh upto ₹200 lakh
Micro Enterprises	85% of the amount in default subject to a maximum of ₹4.25 lakh	75% of the amount in default subject to a maximum of ₹37.50 lakh	75% of the amount in default subject to a maximum of ₹150 lakh
Women entrepreneurs/ Units located in North East Region (incl. Sikkim) (other than credit facility up to ₹5 lakh to micro enterprises)	80% of the amount in default subject to a maximum of ₹40 lakh		
All other category of borrowers	75% of the amount in default subject to a maximum of ₹37.50 lakh		
Activity	From ₹10 lakh up to ₹100 lakh		
MSE Retail Trade	50% of the amount in default subject to a maximum of ₹50 lakh		

The lender should cover the eligible credit facilities as soon as they are sanctioned. In any case, the lender should apply for guarantee cover in respect of eligible credits sanctioned in one calendar quarter latest by end of subsequent calendar quarter. Guarantee will

commence from the date of payment of guarantee fee and shall run through the agreed tenure of the term credit in case of term loans / composite loans and for a period of 5 years where working capital facilities alone are extended to borrowers, or for such period as may be specified by the Guarantee Trust in this behalf.

The credit guarantee fund trust for micro and small enterprises (CGTMSE), which operates credit guarantee scheme for MSEs, is looking to enhance impetus towards credit availability for small businesses. The trust, which was set-up by the government and SIDBI, has launched an online portal called '**Udaan for MSE'** to get provisional guarantee certificate to avail collateral-free loans from SIDBI's member lending institutions (MLIs) including banks and non-banking financial companies.

Through the portal, MSEs would be able to check their "sustainability for guarantee-based loan products" from MLIs while CGTMSE will help in "selection of eligible borrowers". The eligible MSEs could then approach MLIs of their choice for securing credit with the provisional guarantee.

How to get CGTMSE coverage:
Follow the simple steps:
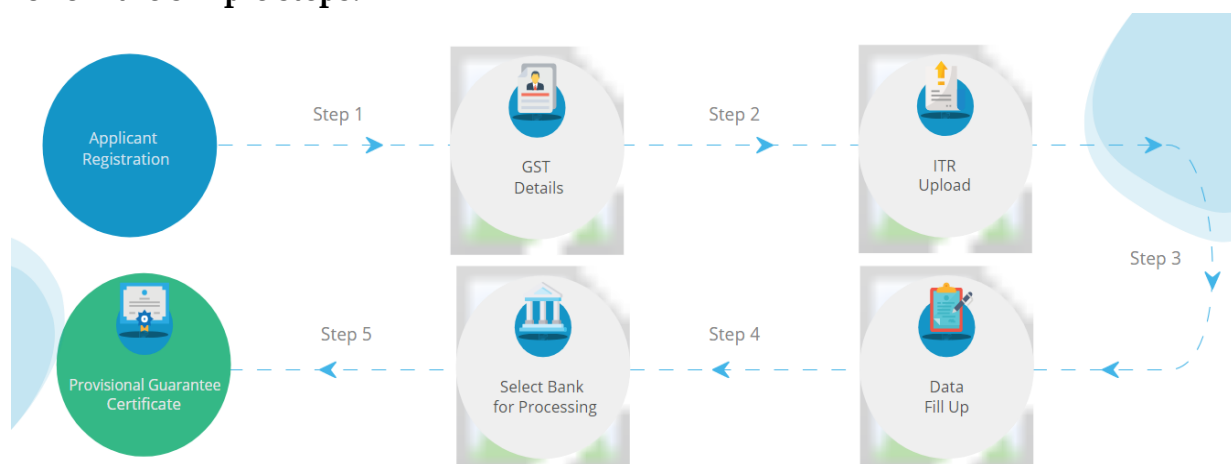
I.   The applicant needs to visit https://www.udaanformse.in/udaan/home and click on Register option and register himself/herself by providing

his/her mobile number and email id.

II. The applicant will get a One Time Password after providing the requisite details as above and then he/she needs to validate the same after which an account will be created on the Portal.

III. Then upon login to his/her account on the portal, the applicant may select between whether he/she has an Existing business or New Business.

IV. The applicant may then have to click on the declarations that his/her unit falls under MSME Category and he/she has not defaulted to any bank/financial institutions.

V. The applicant then has to provide his/her GST details to enable the API Access. The steps to enable API with GST Account have been provided on the Portal.

VI. If the GST No. has not been registered, the applicant can also provide declarations regarding the sales of last 12 months.

VII. The applicant then has to provide his/her ITR Details in XML Format, steps of which have been provided on the portal.

VIII. If the applicant chooses new business, then he/she has to update his personal ITR on the portal followed by filling up requisite data like required business loan, details of the business etc. along with giving declarations.

IX. Then the applicant has to provide his/her alternate phone number and verify his/her email address by putting up the OTP. On this email id, the applicant will get the provisional guarantee certificate.

X. The applicant will be shown a list of lenders with whose loan product his/her profile matches.
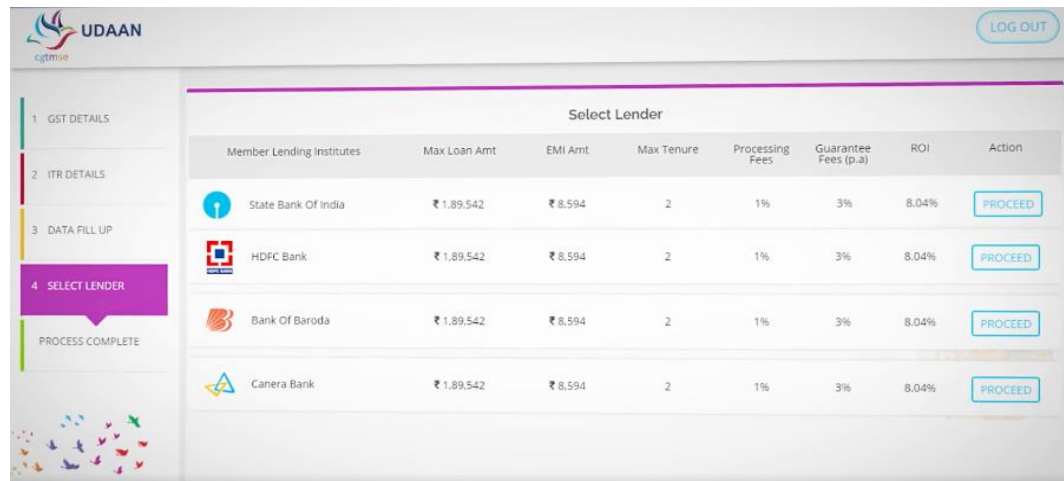
XI. Then the applicant will select one lender along with his preferred city/state.

XII. After this the applicant will get the provisional guarantee certificate with loan amount, guarantee coverage details etc. on his registered email id.

XIII. The applicant can view his/her profile, dashboard, application form etc. on his/her dashboard.

XIV. In case the selected lender does not proceed with the application submitted within the turn-around time, the applicant can choose another lender.

XV. The applicant can also go through various questions and answers on the Portal's FAQ Section.

The applicant can view the details of all the above steps by clicking on **https://www.udaanformse.in/udaan/watch-video**

CHAPTER-14; National Credit Guarantee Trustee Company Ltd (NCGTC):-

National Credit Guarantee Trustee Company Ltd (NCGTC) is a private limited company incorporated under the Companies Act 1956 on March 28, 2014, established by the Department of Financial Services, Ministry of Finance, as a wholly owned company of the Government of India, to act as a common trustee company for multiple credit guarantee funds.

Credit guarantee programmes are designed to share the lending risk of the lenders and in turn, facilitate access to finance for the prospective borrowers.

The common architecture of NCGTC has been designed to handle multiple guarantee programmes under a single umbrella organization. This is with a view to achieve operational efficiencies and economies of scale through sharing of resources such as Technology, premises, manpower, risk management solutions and other support services. The intent of NCGTC is therefore, to manage multiple guarantee schemes as part of a larger financial inclusion programme of the government covering different cross-sections and segments of the economy like students, micro entrepreneurs, women entrepreneurs, SMEs, skill and vocational training needs, etc.

5 windows presently under the Management of NCGTC:

1) Credit Guarantee Fund for Skill Development (CGFSD)

Guarantees for Skill Development Loans by the member banks of IBA up to ₹1.5 lakh extended without collateral or third-party guarantee and the fund has a Target of 10-20 lakh loans to be guaranteed in a year.

### 2) Credit Guarantee Fund for Education loans (CGFEL)

Guarantees for Education Loans by the member banks of IBA up to ₹7.5 lakh extended without collateral or third-party guarantee and the fund has a Target of 10 lakh loans to be guaranteed in a year.

3) Credit Guarantee Fund for Factoring (CGFF)

Guarantees for domestic factored debts of MSMEs.

4) Credit Guarantee Fund for Micro Units (CGFMU)

Guarantees for loans up to the specified limit (currently ₹10Lakh) sanctioned by Banks/ NBFCs / MFIs / other financial intermediaries engaged in providing credit facilities to eligible micro units. Further, Overdraft loan amount of ₹5,000/- sanctioned under PMJDY accounts shall also be eligible to be covered under Credit guarantee Fund.

5 Trusts are presently under the Management of NCGTC

- Credit Guarantee Fund for Micro Units (CGFMU)
- Credit Guarantee Fund for Factoring (CGFF)
- Credit Guarantee Fund for Skill Development Loans (CGFSD)
- Credit Guarantee Fund for Education Loans (CGFEL)
- Credit Guarantee Fund for Stand Up India (CGFSI)
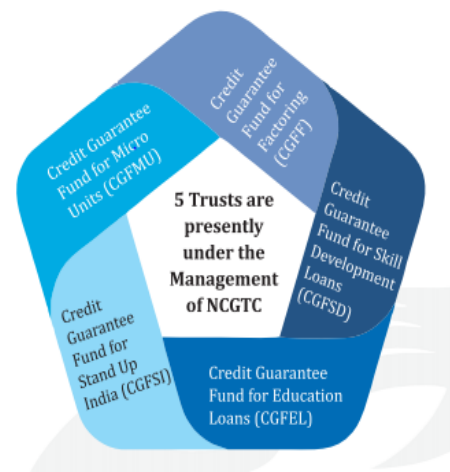
**5) Credit Guarantee Fund for Standup India (CGFSI)**

Guarantees for credit facilities of over ₹10 lakh & upto ₹100 lakh sanctioned by the eligible lending institutions, under the Stand Up India Scheme (SC/ST/Women for setting up Greenfield enterprises).

Emergency Credit Line Guarantee Scheme (ECLGS):

Restarting the business post lock down has never been a cake-walk for MSMEs. Paying salaries to the employees/workers, settling the bills to the suppliers and a huge burden of losses must have made them to boil down. But, the government tried to help them cope with the situation and has announced financial packages to keep MSMEs' business afloat and retain their employees/workers to a great extent.

In order to ameliorate the credit crunch and reduce the cost of funds for MSMEs, so that they can tide over the Covid-19 crisis, the GOI introduced the **Emergency Credit Line Guarantee Scheme (ECLGS)** under Atmanirbhar Bharat package on 13th May 2020.

The Loan is referred to as Guaranteed Emergency Credit Line (GECL). The ELGS provides 100% guarantee coverage by NCGTC to Member Lending Institutions (MLIs) on GECL of up to ₹3 lakh crore to eligible MSMEs. An offer will go out from the MLI to the eligible borrowers for a pre-approved loan which the borrower may choose to accept. If the MSME accepts the offer, it will be required to complete requisite documentation. Thus, an 'opt-out' option will be provided to eligible borrowers under the Scheme, i.e., if the borrower is not interested in availing the loan, he/she may indicate accordingly.
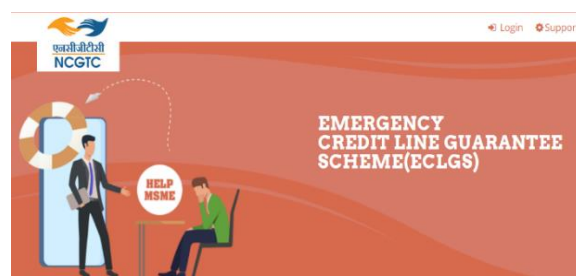
As per Atmanirbhar Bharat Package 3.0 dated 12th November, 2020:

Rs. 3 lakh crore existing Emergency Credit Line Guarantee Scheme (ECLGS 1.0) (1/2)
- Announced as part of the Atmanirbhar Bharat Abhiyaan.
- The scheme is **extended till 31st March, 2021.**
- Fully guaranteed and collateral free.
- Additional credit up to 20 % of outstanding loans as on 29.02.2020 for entities with outstanding credit up to Rs. 50 Crore as on 29.02.2020 and annual turnover up to Rs. 250 crore, which were up to 60 days past due as on 29.02.2020.
- Eligible entities – MSME units, business enterprises, individual loans for business purposes and MUDRA borrowers.

The salient features and objectives of the scheme can be viewed at https://www.eclgs.com/.

New Announcement: Launch of ECLGS 2.0:

Guaranteed credit for supporting stressed sectors (2/2)
- To be utilized for 100% guaranteed collateral free additional credit at capped interest rates to -
  - ✓ Entities in **26 stressed sectors** identified by **Kamath Committee plus health care sector** with credit outstanding of above Rs. 50 crore and up to Rs. 500 crore as on 29.02.2020.
  - ✓ Entities with outstanding up to Rs. 50 crore previously covered under existing scheme.
  - ✓ No upper ceiling on annual turnover.
  - ✓ Entities to be up to 30 days past due (**SMA 0**) as on 29.02.2020.
  - ✓ Additional credit up to **20% of outstanding** as on 29.02.2020.
- Tenor of additional credit under ECLGS 2.0 to be **5 years**, including **one year moratorium on principal repayment.**
- Scheme available till 31.03.2021.
- ECLGS 2.0 to provide much needed relief to stressed sectors by helping entities sustain employment and meet liabilities. Will also benefit MSME Sector which provides goods and services to eligible entities.

CHAPTER-15; Are you aware about the Stand-Up India Scheme?

The Stand-Up India scheme facilitates bank loans between ₹10 lakh and ₹1 crore to at least one SC/ST borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise. This enterprise may be in manufacturing, services or the trading sector. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or woman entrepreneur.

Eligibility

- SC/ST and/or woman entrepreneurs, above 18 years of age.
- Loan under the scheme is available for only green field project. Green field signifies, in this context, the first time venture of the beneficiary in the manufacturing or services or trading sector.
- In case of non-individual enterprises, 51% of the shareholding and controlling stake should be held by either SC/ST and/or Women Entrepreneur.
- Borrower should not be in default to any bank/financial institution.

Loan details

- Nature of Loan - Composite loan (inclusive of term loan and working capital) between ₹10 lakh and up to ₹100 lakh.
- Purpose of Loan - For setting up a new enterprise in manufacturing, trading or services sector by SC/ST/Women entrepreneur.
- Size of Loan - Composite loan of 75% of the project cost inclusive of term loan and working capital. The stipulation of the loan being expected to cover 75% of the project cost would not apply if the borrower's contribution along with convergence support from any other schemes exceeds 25% of the project cost.
- Interest Rate - The rate of interest would be lowest applicable rate of the bank for that category (rating category) not to exceed (base rate (MCLR) + 3% + tenor premium).
- Security - Besides primary security, the loan may be secured by collateral security or guarantee of Credit Guarantee Fund Scheme for Stand-Up India Loans (CGFSIL) as decided by the banks.
- Repayment - The loan is repayable in 7 years with a maximum moratorium period of 18 months.
- Working Capital - For drawal of working capital up to ₹10 lakh, the same may be sanctioned by way of overdraft. Rupay debit card to be issued for convenience of the borrower. Working capital limit above ₹10 lakh to be sanctioned by way of Cash Credit limit.
- Margin Money - The Scheme envisages 25% margin money which can be provided in convergence with eligible Central / State schemes. While such schemes can be drawn upon for availing admissible subsidies or for meeting

margin money requirements, in all cases, the borrower shall be required to bring in minimum of 10% of the project cost as own contribution.

So, Standup to Standout & know how simple is to apply for loans in this scheme:

➢ The scheme, which covers all branches of Scheduled Commercial Banks, will be accessed in following potential ways.
➢ Directly visiting any bank branch or online through www.standupmitra.in / www.udyamimitra.in

Checklist - Stand-Up India loan Application

- Proof of Identity: Voter's ID Card / Passport / Driving License / PAN Card / Signature identification from present bankers of proprietor, partner of director (if a company)
- Proof of residence: Recent telephone bills, electricity bill, property tax receipt /Passport / voter's ID Card of Proprietor, partner of Director (if a company)
- Proof of business Address
- Applicant should not be defaulter in any Bank/F.I.
- Memorandum and articles of association of the Company / Partnership Deed of partners etc.
- Assets and liabilities statement of promoters and guarantors along with latest income tax returns.
- Rent Agreement (if business premises on rent) and clearance from pollution control board if applicable.
- SSI / MSME registration if applicable.
- Projected balance sheets for the next two years in case of working capital limits and for the period of the loan in case of term loan
- Photocopies of lease deeds/ title deeds of all the properties being offered as primary and collateral securities.
- Documents to establish whether the applicant belongs to SC/ST Category, wherever applicable.
- Certificate of incorporation from ROC to establish whether majority stake holding in the company is in the hands of a person who belongs to SC/ST/Woman category.
- For Cases With Exposure above ₹25 Lakhs
  o Profile of the unit (includes names of promoters, other directors in the company, the activity being undertaken addresses of all offices and plants, shareholding pattern etc.
  o Last three years balance sheets of the Associate / Group Companies (if any).
  o Project report (for the proposed project if term funding is required) containing details of the machinery to be acquired, from whom to be

acquired, price, names of suppliers, financial details like capacity of machines, capacity of utilization assumed, production, sales, projected profit and loss and balance sheets for the tenor of the loan, the details of labour, staff to be hired, basis of assumption of such financial details etc.

o Manufacturing process if applicable, major profile of executives in the company, any tie-ups, details about raw material used and their suppliers, details about the buyers, details about major-competitors and the company's strength and weaknesses as compared to their competitors etc.

The check list is only indicative and not exhaustive and depending upon the local requirements at different places addition could be made as per (necessity).

STEPS to apply for the loan:

1. Go to www.udyamimitra.in/ www.standupmitra.in and Click on "Apply for Loan".
2. Choose your category. To apply for Stand-Up India Loan, you have to be a "New Entrepreneur", and accordingly, you have to choose the Category option as "New Entrepreneur". If you are an existing entrepreneur or a self-employed professional like CA, CS, Lawyer, etc., you may choose the other options available accordingly.

3. After selecting your Entrepreneur Category, enter your Name, Email id and Mobile No. and generate OTP.
4. Enter OTP and proceed for profile updation as per the following screen. Enter your Personal Details and Professional Details, submit the information and proceed.

5. After submission of information on the profile section, you will reach to your "Dashboard" where you will be able to access the pool of Handholding agencies, loan application center where you can apply for the loan.

6. To apply for a loan, you can click on "Apply Now" of "Loan Application Center" and can apply for the loan online.
7. To avail the handholding support from the Hand Holding Agencies (HHA), you can click on "Enquire Now" of "Handholding Agencies" section. Choose the area of expertise for which you are looking for handholding support and search the

HHA to avail the services.

Enquire Now | Past Enquiries

Why HHA ?

Select Area of Expertise

Energy Efficiency - Handholding for Solar Projects and Energy Audits | Entrepreneurship Development Program/Digital Literacy

Application filling/Project Report Preparation

Handholding in a Virtual environment | Credit Counsellor (CCC) | Margin money or subsidy | Skilling (Vocational) | Workshed Requirement

Financial Training | Mentoring

Hide All

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PART- A: UDAAN Related

1. *How do I apply to receive CGTMSE Guarantee Coverage?*
   i.   Register on UDAAN Portal by accepting T&C and OTP Validation.
   ii.   Select type of business- Existing/New
   iii.   Enter GST Details along with GST Validation
   iv.   Upload Income Tax Return
   v.   Fill a short form
   vi.   If credentials match MLI Product, select Lender
   vii.   Receive Provisional Guarantee

2. *Do I need to make any payment for the provisional guarantee certificate?*
   As of now, you don't have to pay anything for the provisional guarantee certificate.

3. *Am I eligible for loan after receiving provisional guarantee certificate?*
   Provisional Guarantee Certificate is a certificate providing in-principle CGTMSE Guarantee Coverage applicant may be eligible for. After receiving the certificate, you must contact your lender for further loan processing. Provisional Guarantee Certificate does not commit final guarantee to MLI/Lender.

4. *What documents are required to get the Provisional Guarantee Certificate?*
   For existing business, GST Details will be required (Optional), ITR in XML Format for a minimum of 1 year and a maximum of 3 years. For new business, personal ITR will be required.

5. *Can any business Constitution apply?*
   As of now, UDAAN Portal only caters to Sole Proprietorship Concerns.

6. *What are the eligibility criteria for borrowers?*
   Any existing business wants to apply for business loan should be IT Compliant. The portal caters to financial requirement of GST Registered as well as non-registered business. Eligibility is mainly determined by the following;
   i.   Income/Revenue
   ii.   Repayment Capacity
   iii.   Existing Credit facility
   iv.   Any other factors as set by lenders
   v.   Past default history, if any

7. *What is the maximum coverage available?*
   For existing business, maximum of ₹2 Crore coverage is available. For new business, maximum of ₹20 Lakh is available on the portal as of now.

Part B- TReDS Related

1. *What is TReDS?*

   TReDS refers to Trade Receivable Discounting System. TReDS is setup as per the RBI guideline issued on December 3, 2014. It is an online electronic platform and an institutional mechanism for financing / factoring of trade receivables of MSME Sellers against Corporate Buyers, Govt. Departments and PSUs. RXIL, a joint venture between National Stock Exchange of India Limited (NSE) and Small Industries Development Bank of India (SIDBI) has been authorized by Reserve Bank of India (RBI) to operate the TReDS platform. The main objective of the TReDS platform is to address the financing needs of MSMEs as well as the delayed payments issue.

2. *Who can participate on the TReDS platform of RXIL?*
   The following categories of participants can join the TReDS platform.

Participants	Eligibility
Sellers	MSME entities as per the definition of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")
Buyers	Corporate including companies and other buyers including Government Departments and Public Sector Undertakings and such other entities as may be permitted by the Reserve Bank of India (RBI)
Financiers	Banks, NBFC Factors, Financial Institutions and such other institutions as may be permitted by RBI from time to time

3. *What is the eligibility criterion for MSMEs to participate in TReDS?*

Classification	Micro	Small	Medium
Manufacturing Enterprises and Enterprises rendering Services	Investment in Plant and Machinery or Equipment: Not more than ₹1 crore and Annual Turnover: not more than ₹5 crore	Investment in Plant and Machinery or Equipment: Not more than ₹10 crore and Annual Turnover: not more than ₹50 crore	Investment in Plant and Machinery or Equipment: Not more than ₹50 crore and Annual Turnover: not more than ₹250 crore

4. *How Do I register as a participant on TReDS Platform?*

- Creation of new User ID (For online filling and submitting the application)
- Online submission of Application and requisite documents
- Execution of Master Agreement
- Submission of printed signed application and self-attested / attested documents to RXIL.
- Verification of information provided in the application and documents by RXIL and confirmation to the Participant.
- Payment of Registration Fee by the Participant
- After satisfactory completion of the process RXIL to initiate activation process for the Participant to use the TReDS platform.

5. *How do I create a new User Id for registration on the TReDS Platform?*

Any person can create a User Id for registration to participate on the TReDS platform. To create a user id, user needs to follow the steps given below:

- Go to https://www.treds.in/
- Select New User Registration
- Enter the following details
  - ❖ Name
  - ❖ Entity Name
  - ❖ Entity Constitution
  - ❖ Buyer / Seller
  - ❖ Mobile Number
  - ❖ Email Id
  - ❖ PAN Number

Once the details are submitted, the user is activated to fill the online application. The new user id is valid for a period of 30 days currently.

6. *What is Swavalamban Crisis Responsive Fund?*

MSME sector has been adversely affected due to the ongoing Covid-19 pandemic. SIDBI has since set-up the Swavalamban Crisis Responsive fund to support free on boarding of the MSMEs on the Trade Receivables Discounting System (TReDS) Platform. MSMEs were supposed to pay on-boarding charge of ₹10,000/- to the concerned exchanges who are part of the TReDS mechanism. The fund waives off MSMEs joining/registration fees such that they derive benefits on the TReDS Platform.

7. *What is the last date for free on boarding on TReDS Platform?*

SCRF funds are valid upto March 31, 2021 which means MSMEs can on-board onto TReDS Platform for free till March 31, 2021.

8. *How MSMEs will be benefitted by this?*

- ❖ Enables MSME suppliers to get quick access to low-cost finance
- ❖ Without Recourse
- ❖ Collateral Free
- ❖ Quick Payments
- ❖ Lower Cost of Funds
- ❖ MSME Sellers receive funds against approved invoices within 48 hours.
- ❖ MSMEs are not restricted to single bank. Have the option to choose the lowest bids among the multiple financiers.
- ❖ No obligation on the seller to repay the financier .The buyers account is debited automatically through a pre-approved NACH Mandate.
- ❖ Transparent bidding process to discover the most suitable price. Seller can access financing at competitive terms as it is based on the credit rating of the buyer.

9. *How do I register myself as an MSME?*

For the ease of business of MSMEs, Ministry's portal for new registration of Udyam (https://udyamregistration.gov.in/Government-India/Ministry-MSME-registration.htm) is being integrated with TReDS and GeM in a seamless manner. Therefore, it would be just enough and useful to register as MSME on the Government portal. Registration as MSME/Udyam is online and totally free of cost. It is also paperless and fully based on self-declaration, No proof or documents are required. As on 1st September, close to 4.00 lakh registrations have already taken place since the new system was launched in July.

Part C- UdyamiMitra/Standup Mitra

1. ### How do I apply for loan on Mitra Portal?
   Before applying for any loan, applicant has to register himself/herself on the portal first. To apply for any loan under Standup India, MUDRA and other MSME Loan scheme, applicant may visit (www.udyamimitra.in).

2. ### What are the documents required while applying for loan?
The documents required while applying for loan on Udyamimitra are as below;

   - Proof of Identity - Aadhar card/ PAN Card/Voter ID Card/Driving License
   - Proof of SC/ST/OBC status (as the case may be)
   - Individual IT Returns/ Net worth Statement of promoters / guarantors
   - Bio-data of Promoters/guarantors with details of experience of business
   - Latest Passport size photos of Proprietor/ Partners/ Directors
   - Proof of Residence - Latest Electricity Bills/ Telephone Bill/Aadhar Card of Partners/ Directors/ Guarantors/Third party security provider.
   - UAM – Udyog Aadhar Memorandum
   - Business Registration – GST Registration / Vat registration / PAN Card / CIN/Shops and Establishment Certificate
   - Memorandum and Article of association, if the entity is a private/public limited company.
   - Quotation of Machinery suppliers/other assets
   - Bank Statement of latest 6 Months, if the unit is in existence. If not, keep your personal bank statement ready.
   - Last 3 years Balance sheet of unit along with income tax return (ITR) and audit report (if the unit is in existence)
   - Details of Collateral Security offered

3. ### How can I get online Handholding Support?
   - Portal is designed to help potential/existing entrepreneurs to apply for loan and help them choose appropriate scheme, seek handholding support (at https://site.udyamimitra.in/SUHCs) online with an option to choose preferred lender.
   - Broadly handholding support has been segregated in 7 areas of Expertise i.e., Skilling or Vocational, Financial Literacy, Training, Entrepreneurship Development Programme, Mentoring, Project report preparation, Loan

Application Filling, Work Sheds from DICs and Margin Money for subsidy support.

- Those aspirants whose applications have not been entertained due to some gaps or are unable to complete their applications online, facilitation is rendered through Enterprise Clinics (on spot handholding and online lodgment facilitated for those who are 'registered', 'saved their applications but not submitted' as also those 'rejected' and need to be mainstreamed). HAVE (Hand-holding in a Virtual Environment) is also enabled on the portal to extend Handholding services without physical contact. Aspirant can fill what he can and request handholding support through portal which is resolved on digital handholding mode.

4. *What is the Interest Rate charged while apply for SME Loan?*
Interest rate varies from banks to banks and applicants are always advised to visit the respective website of the lenders from which they want to avail the loan.

5. *What happens after I submit the application?*
The applicant has to first register himself/herself on the portal. In case the applicant needs any help for filling up application or any other handholding, he/she may choose Handholding Support, then fill up the application form and apply to his/her preferred lender. In case the applicant does not need any hand holding support, he/she can apply for the loan directly. After applicant successfully submits the application, Application number is generated using which applicant can track the status of his/her application at various stages like when the application is picked up by any lender, when the application is processed by any lender, whether the application is approved by any lender or sanctioned by any lender etc. Processing or rejecting any application depends upon the code of commitment of each individual bank. The applicant is informed regarding his/her application via registered email id and SMS.

6. *Can I avail Collateral Free Loan?*
   - Collateral is a property or other asset that a borrower offers as a way for a lender to secure the loan. If the borrower stops making the promised loan payments, the lender can seize the collateral to recoup its losses. So, the aspirants always prefer to get a collateral free loan. But availing collateral free loan always depends on the eligibility.
   - There are organizations set up by Government of India i.e. National Credit Guarantee Trust Company (NCGTC) and Credit Guarantee Fund Trust for Micro and Small enterprises (CGTMSE) who provide credit guarantee

cover to collateral / third party guarantee free MSE loans sanctioned by its Member lending Institutions. The applicants may visit the respective websites to know more about collateral free loans.

7. *Can a graduate apply for SME loan?*
    It is seen from the Portal, many college pass-out aspirants (about 65%) without having any experience, want to apply for loan. It depends on the loan provider who will review economical details to make their lending decision. The lender assesses your feasibility and suitability whether you are ready enough to earn your livelihood properly and if you are taking a loan you should be capable enough to repay it on time.

8. *Can I get some information on Subsidy?*
    A subsidy is a form of financial aid or support extended to an economic sector (or institution, business, or individual) generally with the aim of promoting economic and social policy. As the aspirants (about 60%) mostly run small and medium enterprises, they ask for help to avail subsidized loan. For more information on subsidy, applicants may visit (https://www.udyamimitra.in/SubsidySchemes) on Udyamimitra Portal.

CHAPTER-17; Common Problems faced by Loan Aspirants

- *Banks are refusing to sanction credit facility under MUDRA and CGTMSE coverage.*
  - ➢ Some Banks refuse to sanction credit facility under MUDRA and CGTMSE Coverage if applicants don't fall under the eligibility criteria or go for any activity for which CGTMSE coverage is not available. These aspirants are advised to go through the eligibility criteria required to avail MUDRA loan or CGTMSE coverage.

- *Banks are refusing to sanction loans to the first-time entrepreneur due to their lack of experience.*
  - ➢ In such cases the aspirants can apply for loan under Standup India Scheme, if eligible, which is for SC/ST/Women Entrepreneurs starting from ₹10 Lakh to ₹1 Crore online on Udyamimitra Portal without the need of visiting the bank branch.

- *Lack of awareness about the different schemes of GoI viz. MUDRA, CGTMSE to the aspirants.*
  - ➢ In such cases the aspirants can visit the respective website of MUDRA, CGTMSE, Standup India and gather more information about the scheme, its details and the eligibility criteria and various other information.

- *Fear in the mind of the aspirants that credit facility will not be granted by the bank, hence they don't apply.*
  - ➢ Here the loan aspirants need to understand that they need to try before giving up. They can check their eligibility criteria online before applying for loan and then approach any bank branch for loan.

- *Few aspirants want to start the business but were not sure that which business they should start.*
  - ➢ There are 325 sample project profiles hosted on Udyamimitra Portal, Applicants can go through the Project Profile Page and may have an idea about which business to start.

- *Lack of information to start the business like how to do marketing, current industry scenario etc.*
  - ➢ In such cases the loan aspirants can visit the Udyamimitra Portal and register himself/herself as an applicant and apply for handholding support. There are

8000+ active handholding agencies on the Portal who can help in giving required training and advising the loan aspirants in such areas like Marketing and all.

- *Need help for preparation of documents for loan:*
  - ➢ We have mentioned about important documents required for KYC Process. The applicant can get in touch with his/her lender to have more information if required.

- *Lack of awareness about Projects and business:*
  - ➢ There are 325 sample project profiles available on Udyamimitra Portal where the applicants can know more about various projects/business which they may find suitable to start their entrepreneurial journey with.

- *Training about specific business ideas:*
  - ➢ The applicants in such cases may take the help of the Handholding agencies who can provide them required skill training. The applicants may visit the Udyamimitra Portal and tick on Yes if require any Handholding Support.

- *Not able to finalize the project cost and fund requirements etc.:*
  - ➢ *In* such cases, the applicants can visit the Udyamimitra Portal where 325 sample project profiles are available on the Portal, Applicants can go through the Project Profile Page and may have an idea about which business to start, how much fund they may require, what can be the project cost etc.

- *Approval required from Govt. Authorities and its Processes:*
  - ➢ The applicants may visit the site of Department of Industrial Policy and Promotion (DIPP) to know more about the required approvals required for starting any new project.

CHAPTER-18; Access all the portals with just one click

Name of Online Portals	Link Address
MSME SAKक्षम	www.msmesaksham.com
MSME Samadhan- Delayed Payment Monitoring System	https://samadhaan.msme.gov.in/MyMsme/MSEFC/COM_MSEFC_EntLogin.aspx
MSME Sampark- Placement Portal for MSME Technology Centre Trainees	http://sampark.msme.gov.in/
MSME Registration Portal: Udyam Registration	https://udyamregistration.gov.in/Government-India/Ministry-MSME-registration.htm
MSME Champions	www.champions.gov.in
Apply for Standup India Loan (Available for SC/ST and Women Entrepreneurs)_ Rs.10 Lakh to Rs.1 Crore	https://www.standupmitra.in/
Access Handholding facilities along with credit access.	https://www.udyamimitra.in/
Meet Samriddhi: The Virtual Mentor on Udyamimitra	https://www.udyamimitra.in/
Access Project Profiles	https://www.udyamimitra.in/page/project-reports
PM SVANidhi_ A special micro credit facility for Street Vendors for Working Capital loan upto Rs.10,000	https://pmsvanidhi.mohua.gov.in/Login
Animal husbandry infrastructure development (AHIDF): A stimulus package for incentivizing investments (i) the dairy processing and value addition infrastructure, (ii) meat processing and value addition infrastructure and (iii) animal feed plant	https://ahidf.udyamimitra.in/Login
TReDS: An electronic platform for facilitating the financing / discounting of trade receivables of Micro, Small and Medium Enterprises (MSMEs) through multiple financiers.	https://www.invoicemart.com/ https://www.m1xchange.com/ https://www.rxil.in/
Online platform for MSMEs to apply loan from banks and get in-principal sanction in just 59 minutes!	https://www.psbloansin59minutes.com/home
Register on UDAAN Portal	https://www.udaanformse.in/udaan/register
National Credit Guarantee Trustee Company Ltd for ECLGS	https://www.ncgtc.in/ https://www.eclgs.com/

CHAPTER-19; Grievance Redressal and Query Response:

Site	Link Address
Queries related to Standup India Scheme	standupindia@sidbi.in
Queries related to Udyamimitra Portal	udyamimitra@sidbi.in
Queries related to PSB Loans in 59 Minutes	support@psbloansin59minutes.com
Queries related to PM SVANidhi	For Portal/Technical related queries, portal.pmsvanidhi@sidbi.in For Login Credentials and Password Reset, pmsvanidhi.support@sidbi.in
Queries related to Animal husbandry infrastructure development (AHIDF)	jspf-dadf@nic.in sk.dutta@nic.in
Queries related to TReDS:	helpdesk@invoicemart.com helpdesk@m1xchange.com info@rxil.in
Queries related to Udyam Registration Portal	champions@gov.in
Queries related to MSME Sampark	sampark-msme@gov.in

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