

**SIDBI MAKE IN  
INDIA SOFT LOAN  
FUND FOR MSMEs**

**S M I L E**



# OBJECTIVE

- A major new National program designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best-in-class manufacturing infrastructure for MSMEs
- To support new/existing MSMEs for pursuing growth opportunities

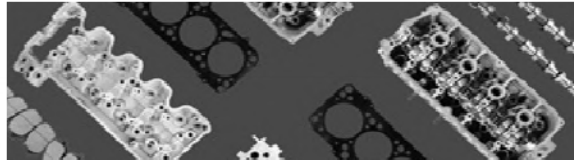
# Target Sectors

## 25 Identified sectors under Make in India



### **AUTOMOBILES**

- Two-wheelers
- Three-wheelers
- Commercial vehicles
- Electric vehicles



### **AUTOMOBILE COMPONENTS**

- Manufacturers of parts, body & chassis, fan belts, pressure die castings, hydraulic pneumatic instruments supplying to the automobile segment

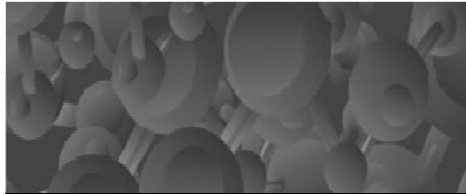


### **AVIATION**

- Aircraft engines and parts thereof
- Servicing, repair or maintenance of aircraft, etc.

# Target Sectors

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### BIO TECHNOLOGY

- Bio-pharma
- Bio-services
- Bio-agri
- Bio-industrial
- Bio-informatics



### CHEMICALS

- Dyes, Pigments & Intermediates
- Inorganic Chemical Industry
- Organic Chemical Industry

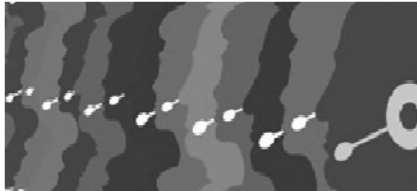


### CONSTRUCTIONS

- Infrastructure, involves construction projects in sub-sectors like roads, rails, ports, irrigation, power, telecom etc
- Industrial construction
- Real estate

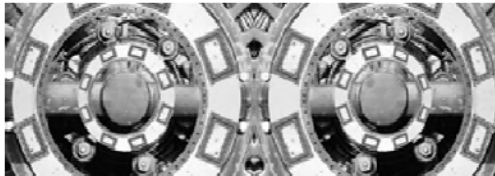
# Target Sectors

25 Identified sectors under Make in India



## IT and BPM

- Hardware & software
- Financial research,
- Animation, Engineering design, Analytics



## ELECTRICAL MACHINERY

- Machinery used in production of cables and wire, switches and switchgears, lights and fittings etc.

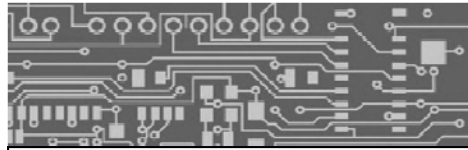


## DEFENCE MANUFACTURING

- Defence products manufacturing
- Supply chain sourcing opportunity
- Defence offsets

# Target Sectors

## 25 Identified sectors under Make in India



### **ELECTRONIC SYSTEMS**

- Semiconductor Wafer Fabrication
- Electronic Components
- Semiconductor Design
- Electronics Manufacturing Services (EMS)
- Telecom products.
- Industrial/ Consumer electronics



### **FOOD PROCESSING**

- Milk based products
- Packaged foods, etc.



### **LEATHER**

- Tanning & finishing, footwear & footwear component, leather garments, leather goods incl saddlery and harness etc.



### **MINING**

- Fuel minerals,
- Metallic & non-metallic minerals
- Atomic and
- Minor minerals

# Target Sectors

25 Identified sectors under Make in India



## MEDIA & ENTERTAINMENT

- Films
- Television
- Radio
- Print



## OIL & GAS

- Coal gasification
- Pipeline Transportation



## PHARMACEUTICALS

- Bulk drugs
- Active Pharmaceutical Ingredients (APIs)
- contract research & manufacturing services



## RAILWAYS

- Manufacture of components
- Infrastructure projects (High speed train projects, electrification, high-speed tracks and suburban corridors)
- Dedicated freight corridors
- Setting up of wagon, coaches and locomotive units,

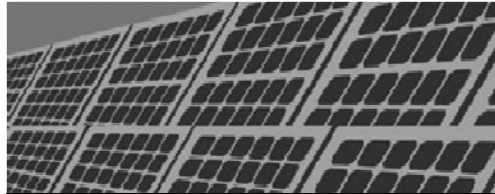
# Target Sectors

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## PORTS & SHIPPING

- Wet Bulk carriers
- Dry Bulk carriers
- Containerships
- Specialised vessels



## RENEWABLE ENERGY

- Wind Mill Projects
- Solar Power Projects
- Biomass Projects



## ROADS & HIGHWAYS

- Road Development
- Expressway



# Target Sectors

25 Identified sectors under Make in India



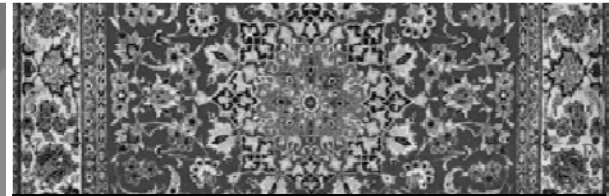
## SPACE

- Launch Vehicles
- Space Science Programme



## THERMAL POWER

- Power Generation
- Transmission & Distribution
- Power Trading
- Power Exchanges



## TEXTILES & GARMENTS

- Ready made garments (menswear, womens wear, kidswear, unisex and uniforms)
- Textile fabric (cotton fabric, blended fabric, 100% non-cotton and others which include khadi, wool and silk)

# Target Sectors

## 25 Identified sectors under Make in India



### **TOURISM & HOSPITALITY**

- Timeshare resorts,
- Convention centres,
- Motels,
- Heritage hotels



### **WELLNESS**

- Ayurveda drug manufacturing (nutraceuticals, food supplements, cosmetics and rejuvenatives)
- Setting up of specialised treatment centres
- Medical tourism for curative and rejuvenation treatments

# ELIGIBLE ENTERPRISES

- All MSMEs as per MSMED Act 2006.
- Emphasis on financing smaller enterprises within MSMEs and also new enterprises in manufacturing as well as service sectors
- Existing enterprises undertaking expansion / modernization / technology upgradation / other projects for growing their business
- Loans extended under the scheme cannot be used for repayment of earlier loans.
- Focus on all the identified 25 sectors. In addition, to help MSMEs across other sectors, deserving proposals from any other sector can also be assisted on merits.



# **TYPES OF ASSISTANCE**

- **SOFT LOAN – IN THE NATURE OF QUASI – EQUITY**
- **TERM LOAN – ON RELATIVELY SOFT TERMS**

# Terms of assistance – Soft Loan

<b>AMOUNT</b>	<ul style="list-style-type: none"><li>➤ 10% of the project cost subject to maximum RS.20 lakh</li><li>➤ 15% of the project cost subject to maximum RS.30 lakh for enterprises promoted by SC / ST / Persons with disability / Women (controlling stake of at least 51%)</li></ul>
<b>UPFRONT FEE</b>	0.50% of the loan amount
<b>RATE OF INTEREST</b>	<ul style="list-style-type: none"><li>➤ First 3 years : 9.15% to 9.35% p.a. (fixed)</li><li>➤ From 4<sup>th</sup> year onwards : 11.70% - 12.70% p.a. - Based on Bank's PLR / Internal Rating (rate can be both fixed or floating)</li></ul>

# Terms of assistance – Soft Loan

<b>REPAYMENT PERIOD</b>	Upto 10 years inclusive of moratorium upto 3 years.
<b>SECURITY</b>	<ul style="list-style-type: none"><li>➤ Residual charge over the entire assets</li><li>➤ Personal guarantee of the Promoter(s)</li></ul>
<b>PREPAYMENT</b>	<b>No premium shall be levied</b>
<b>Other</b>	On expiry of 3 years from the date of first disbursement, the outstanding soft loan together with any dues thereon shall be converted into secured term loan and the entire loan shall carry applicable rate of interest as per internal rating of the borrower.

# Terms of assistance – Term Loan

<b>AMOUNT</b>	<ul style="list-style-type: none"><li>➤ Minimum RS.50 lakh for new enterprises</li><li>➤ Minimum RS.25 lakh for existing enterprises</li></ul>
<b>UPFRONT FEE</b>	0.50% of the loan amount
<b>RATE OF INTEREST</b>	<ul style="list-style-type: none"><li>➤ First 3 years : 9.45% to 9.95% p.a. (fixed) - Based on Rating</li><li>➤ From 4<sup>th</sup> year onwards : 11.70% - 12.70% p.a. - Based on Bank's PLR / Internal Rating</li></ul>

# Terms of assistance – term loan

<b>TERM LOAN</b>	<ul style="list-style-type: none"><li>➤ 75% of Project Cost upto Rs.100 lakh, and</li><li>➤ 2/3<sup>rd</sup> for the rest subject to promoters contribution and DER norms.</li></ul>
<b>PROMOTERS' CONTRIBUTION</b>	<ul style="list-style-type: none"><li>➤ Minimum 15% of Project Cost upto Rs.100 lakh</li><li>➤ 20% for the rest subject to DER norms.</li></ul>
<b>REPAYMENT PERIOD</b>	Upto 10 years inclusive of moratorium upto 3 years.
<b>SECURITY</b>	<ul style="list-style-type: none"><li>➤ First charge over all assets created under the project</li><li>➤ Personal guarantee of the Promoter(s)</li><li>➤ Fixed Asset Coverage of at least 1.40 times including collateral security</li></ul>
<b>PREPAYMENT</b>	No premium shall be levied



# Terms of assistance – example

Parameter			<i>Rs. lakh</i>	
	Project 1		Project 2	
Project Cost	<b>100</b>		<b>200</b>	
Means of Finance	General	SC/ST / PWD / Women	General	SC/ST / PWD / Women
Promoter Contribution	15	10	48	38
Term Loan	75	75	132	132
Soft Loan	10	15	20	30
<b>Total</b>	<b>100</b>	<b>100</b>	<b>200</b>	<b>200</b>

# MAKE IN INDIA FUND

## Objective

- To help MSMEs engaged in selected sectors get financial assistance at competitive rates as part of “Make in India” campaign of Govt. of India.
- Timely and adequate financial resource for the 25 identified sectors

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Counseling



Entrepreneurship Orientation



Hands on Training



Updation through emails & wats app group



Guidance towards Finance and Govt. scheme



Interaction with Industrial Experts



Placement Assistance



**Thank you**