



SIDBI's New and Innovative Financial Products

DFS vide its mail dated January 27, 2025, sought information of SIDBI's 'New and Innovative Financial Products launched from January 2023 till date'. In this regard, SIDBI's comments/ inputs are furnished below:

<u>List of New and Innovative Financial Products</u>											
Sr. No.	Name of Bank	Product Name	Product Details								
1	SIDBI	GST Sahay – Invoice based Financing to Industrial customers	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Aim:</td> <td>To provide cash flow based financing to industrial customers for purchase of Raw material/credit sales.</td> </tr> <tr> <td>Salient Features:</td> <td> <ul style="list-style-type: none"> Developed using the OCEN (Open Credit Enablement Network) and Account Aggregator frameworks for providing 'on tap' invoice-based financing. GST Sahay credit assessment is cash flow based, dispensation is "on tap" "purpose based" (against a sale or purchase invoice). Uses Digital Public Infrastructure (DPI) like India Stack with enablers like Aadhaar, UPI payment system, GST, open API system, Regulatory Sandbox framework, etc. End to end Digital Straight-through-process Embedded in supply chain ecosystem </td> </tr> <tr> <td>Target Customer</td> <td>SIDBI's Existing Proprietorship & Partnership firms</td> </tr> <tr> <td>For more details click here:</td> <td>https://www.sidbi.in/en/other-loan-products</td> </tr> </table>	Aim:	To provide cash flow based financing to industrial customers for purchase of Raw material/credit sales.	Salient Features:	<ul style="list-style-type: none"> Developed using the OCEN (Open Credit Enablement Network) and Account Aggregator frameworks for providing 'on tap' invoice-based financing. GST Sahay credit assessment is cash flow based, dispensation is "on tap" "purpose based" (against a sale or purchase invoice). Uses Digital Public Infrastructure (DPI) like India Stack with enablers like Aadhaar, UPI payment system, GST, open API system, Regulatory Sandbox framework, etc. End to end Digital Straight-through-process Embedded in supply chain ecosystem 	Target Customer	SIDBI's Existing Proprietorship & Partnership firms	For more details click here:	https://www.sidbi.in/en/other-loan-products
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2	SIDBI	GST Sahay – Jan Aushadhi Kendras	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Aim:</td> <td><i>Gol's Pradhan Mantri Janaushadhi Pariyojana Scheme supports Jan Aushadhi Kendras (JAKs) to provide generic medicines at affordable prices to the public.</i></td> </tr> </table>	Aim:	<i>Gol's Pradhan Mantri Janaushadhi Pariyojana Scheme supports Jan Aushadhi Kendras (JAKs) to provide generic medicines at affordable prices to the public.</i>						
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			Target Customer	Proprietorship/Partnership firms under Micro Enterprises category (Jan Aushadhi Kendras)
			For more details click here:	https://www.sidbi.in/en/other-loan-products
3	SIDBI	Fair Price Shops (FPSs) Sahay	Aim:	The program aims to transform the existing more than 5 lakh Fair Price Shops (FPSs) in the country into Jan Poshan Kendras for selling non-PDS nutrition dense commodities to increase their financial viability and provide nutritious food items to general public.
			Salient Features:	<ul style="list-style-type: none"> • Uses Digital Public Infrastructure (DPI) like India Stack with enablers like Aadhaar, UPI payment system, GST, open API system, Regulatory Sandbox framework, Open Credit Enablement Network (OCEN), Account Aggregator (AA) framework etc. • End to end Digital • Straight-through-process • Cashflow based financing • Embedded in supply chain ecosystem
			Target Customer	Proprietorship/Partnership firms under Micro enterprises category (Fair Price Shops)
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4	SIDBI	Gig Workers Platform	Aim:	The Scheme aims to support <i>gig workers</i> with timely liquidity at affordable rates against their accrued earnings by providing short term credit repayable in 30 to 60 days.
			Salient Features:	<ul style="list-style-type: none"> • Fully digitized operations • Offered through Platform Aggregators
			Target Customer	Gig workers
			For more details click here:	https://www.sidbi.in/en/other-loan-products
5	SIDBI	EXPRESS - (Expeditious process to deliver Rapid Loan through automated evaluation and Swift Sanction by SIDBI)	Aim:	To provide term loan to manufacturing/ service sector entities for purchase of machine/ equipment through automated Straight Through Process. The product uses FIT(Financial Income and Trade) Rank which triangulates information from multiple sources to provide a unified view of financial, income and trade data for an MSME, enabling improved risk differentiation and sharpened credit underwriting for MSME loans.
			Salient Features:	<ul style="list-style-type: none"> • Immediate in-principle decision after completion of loan journey. • Automated processing till in-principle sanction stage. • Loans upto ₹3 crore for new customers and ₹5 crore for existing customers.
			Target Customer	All manufacturing/ service sector entities with valid Udyam Registration, GST registration and 3 years of operations.
			For more details click here:	https://www.sidbi.in/en/machinery-loan

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6	SIDBI	CASH Defence - (Cashflow based Assistance to MSMEs in Defence and related sectors to Honour/ execute work orders)	Aim:	To provide Cashflow based Assistance to MSMEs in Defence and related sectors to honour/ execute work orders
			Salient Features:	<ul style="list-style-type: none"> • Provide short / medium term financial assistance to eligible MSME units by way of purchase order finance for executing urgent confirmed work orders with financial assistance upto ₹2,000 lakh.
			Target Customer	MSMEs supplying / intending to supply products / services to defence / armed forces sector/ Defence Public Sector Undertakings (DPSUs) / Defence Research & Development Organisation (DRDO) under the control of Ministry of Defence or related sectors such as space, telecom, IT security, Defence, etc. wherein end user would be Defence / armed forces. MSMEs which are supplying to Tier 1 vendors more specifically of DPSUs.
			For more details click here:	https://www.sidbi.in/en/other-loan-products
7	SIDBI	CASH RXIL - (Cashflow based Assistance to MSMEs registered on RXIL platform to Honour / execute work orders)	Aim:	To provide cashflow based assistance to MSMEs vendors/suppliers registered on RXIL platform.
			Salient Features:	<ul style="list-style-type: none"> • To provide short-term working capital loan to eligible MSME units by way of purchase order finance for executing work orders received from buyers registered on RXIL platform The expected time frame for execution of such work order shall generally be considered upto 6 months. Assistance upto ₹500 lakh.
			Target Customer	MSME suppliers having minimum 2 years of operations and 1 year of Vintage on RXIL TREDS platform.
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8	SIDBI	Venture Debt	Aim:	As part of SIDBI's sector building initiatives and to support impactful companies working on innovations leading to employment generation, value creation as well as products/ IP of strategic importance to the nation, SIDBI has devised a differentiated framework for providing venture debt to these companies. A special dispensation under this framework is exclusively for defence sector MSMEs/startups.
			Salient Features:	<ul style="list-style-type: none"> • Moving away from conventional lending processes, a differentiated framework has been designed for assessment and lending to target MSMEs/startups by weaving in inputs from their AIF investors, formulation of alternative assessment parameters (financial/ operational) as well as inputs/screening by industry experts. • The product design is founder friendly, being non-dilutive and involving lower cost but has yield commensurate with risk profile. Risk mitigation through creation of buffer for meeting cash flow mismatches and coverage under CGTMSE/CGSS has been built in.
			Target Customer	Sector agnostic VC funded/ innovation led MSMEs/Startups with Special dispensation having relaxed criteria for MSMEs/startups in defence and related sector.
			For more details click here:	https://www.sidbi.in/en/other-loan-products
9	SIDBI	Seed funding of MSMEs/ startups in partnership with incubators	Aim:	To support seed stage IP driven/product startups important for India@2047 which are unable to attract commercial VC investment due to longer gestation for product innovation / refinement/ market acceptance and hence are at risk of succumbing to so called "valley of death" after grant funding is exhausted.
			Salient Features:	<ul style="list-style-type: none"> • Partnership with leading incubators for channelising SIDBI assistance to startups through a pre decided structured evaluation process.

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				<ul style="list-style-type: none"> • Funding by patient but commercial investment capital and not grant (grant having lower accountability in terms of milestones/ progress which incubators/ startups were accustomed to). • Sharing of investment gains with incubators/ co-investment by incubators for their buy-in and capacity building.
			Target Customer	Startups working in deep tech, medical devices, semiconductors, sustainability, energy storage solutions, etc.
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10	SIDBI	Individual Enterprise Scheme for SHG members	Aim:	To facilitate access to low-cost borrowings for micro-entrepreneurs/ microenterprises for their livelihood/ enterprise promotion with special focus on Women Entrepreneurs under SVEP programme and for Entrepreneurs graduating out of SHGs financed under Bank linkage program
			Salient Features:	<ul style="list-style-type: none"> • Loan amounts: ₹50,000 to ₹2,00,000 per borrower • Flexible repayment schedules (weekly/fortnightly/monthly) • Interest rate: 12-13% p.a. • Up to 1% processing fee retained by CLFs
			Target Customer	<ul style="list-style-type: none"> • Must be having good track record and financial credibility, No default on SHG loan. • Must be an active member of SHG. • Entrepreneurs should have completed orientation and EDP training under livelihood promotion program. • The business plan for the enterprise for which the loan is applied must be prepared by Community Resource Person for Enterprise Promotion (CRP-EP). • Application should be recommended by CRP-EP and CLF.
			For more details click here:	https://www.sidbi.in/en/other-loan-products