

Credit & Connect through Udyamimitra Portal!



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SIDBI had put **Udyamimitra** as a common loan portal easing access to credit and handholding offerings for MSMEs, as its digital initiatives, whereas, **Standupmitra**, a portal designed and managed via SIDBI was once committed to the nation via Hon'ble Prime Minister, Shri Narendra Modi, together with Rising India scheme on April 05, 2016.

Currently, these portals have the complement of over 1.25 lakh financial institution branches connected and any MSME anywhere can practice digitally for MUDRA as good as different MSME loans up to 2 crores (standardised application suitable across). The aspirants may also seek handholding support on the portal from over 17000 Agencies.

The portal brings transparency and competition amongst lenders and eliminates the need to approach a number of banks individually. In the marketplace, any bank, instead of these requested, may also select up the application for sanction, therefore, bringing in a high-quality alternative to MSMEs.

Moving from traditional borrow, lend mechanism to a common marketplace platform.

MSMEs suffer from financial and non-financial gaps. As per 4th census, only 7% of SMEs use financing from institutional and non-institutional sources. Even today Micro Enterprises (MEs) and unorganized microfinance enterprises belonging to various sectors/ geographies/segments remain unserved or underserved on their requirements of the composite loan, cash flow based funding, collateral-free support etc.

As enterprises grow, their need for equity, funding for intangibles, energy-efficient technologies, environment aligned financing, marketing infrastructure visibility financing, short-term financing (against payment receivable from corporate/PSUs), service sector financing/infrastructure projects financing, viability gap funding etc. keeps increasing.

There exists a huge gap in awareness and financial literacy within MSME sector and thus, value chain stakeholders need capacity building to serve the same. In addition, lack of sustainable and appropriate advisory services in the field of credit and marketing, procurement of raw material, product development, technology, skilling/reskilling etc. need to be addressed to overcome the challenges of MSME sector.

Enhanced credit flow, addressing demand side issues of credit access and streamlining MSME access to qualitative financial and nonfinancial services are crucial. The government of India has been laying thrust on evolving an inclusive and entrepreneurial India. Several national missions (MUDRA, Stand-up India, Make in India, Digital India, Skill India) to connect the masses (livelihood and social security strategies) have been unleashed. These initiatives are aimed at putting the best use of available resources (both human and natural resources) and leveraging demographic dividends thereby offering opportunities to align with national growth and priorities.



The 3 year action agenda brought out by NITI Aayog indicates that the thrust on entrepreneurship is continuing, where the nation has set a vision for 500 million skilled people by 2022.

According to the Skill Development Sector Achievements Report of December 2016, NSDC partners helped 2.5 million (approx.)6 people get skills and out of which 1.2 million were placed in 2014-15. This translates to a placement rate of below 50%. While citing that demographic dividend is expected to last for 25 years, it recommends that a target of placement rate of 80% or more should be set for 2020.

The report also mentions that one of the criteria for assessing performance should be in terms of number of entrepreneurs created through vocational training ecosystem. Channels of financing in the form of FinTech companies, alternate lenders, P2P financing, small finance banks, etc. are causing disruptions in the lending market.

In order to leverage efficiencies promised by adoption of digital technologies, there is a need to develop appropriate lending network, accessible to all. This network coupled with physical infrastructure (in the form of industrial areas/estates/zones, shared office/work spaces etc.) have to be supplemented adequately by soft infrastructure (in the form of advisory and mentoring services).

SIDBI recognizes a need to enhance the existing Udyami Mitra platform, which will be known as Udyami Mitra 2.0 to build an ecosystem which can cater to the growing needs of the MSME market and provide the one-stop lending platform for participants and provide refinancing options on the eligible portfolio to the lenders.

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