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Hello Members,

SIDBI keeps its words

Rate of Interests “Dropped” to 10.50% only, for FSIA members, (including all existing cases)

<p><u>Case 1</u></p> <p>Loan of Rs. 50 Lakhs,</p>	<p><u>ZERO Collateral,</u> Rate of just 10.5% p.a. reducing Full help of FSIA</p>	 भारतीय लघु उद्योग विकास बैंक SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA
<p><u>Case 2</u></p> <p>Loan for members, no limits, .. even Rs 10 crores</p>	<p><u>Under regular schemes</u> Full help of FSIA</p>	 भारतीय लघु उद्योग विकास बैंक SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA And other banks

The New Financial Year 2009-10 has started.

1 month is already over ...

Funds requirement for this year is to be planned.

Need money ?

Come to FSIA – Credit Consultation Cell

**“Collateral Free Loans” – arranged by FSIA → in Times of
“Recession”, → for your benefit**

- ✓ The SIDBI is a Government’s Agency set up for Credit needs care especially for the MSME businesses. When the scheme of MOU was signed with FSIA (first time in India) rate of interest was 12%.
- ✓ Now, further **interest has been Further dropped** across the board for all FSIA cases to **just 10.5%**.
- ✓ Congrats to all cases already sanctioned
- ✓ Congrats to all cases already Disbursed. (You save more money)

The Core idea is

If you are Planning to follow up with Private Banks for an Unsecured Loan carrying high rate of interest (18% to 24%).

If, you **want a Industrial Loan** from SIDBI, (or any bank), We at FSIA, CCC (Credit Consultation Cell) can help manage the same.

FSIA can now help you with CC limits and other Loans also

We at FSIA, are at your service.

Meltdown in the World Economy

The world economy is/(was) undergoing a (temporary) “Recession”, “Meltdown”, “Depression”, for many sectors , like Auto, Textile exports etc.

Indian Businessmen are facing the heat too.

Funds are getting scarce


Private Banks are getting giddy, on giving loans.

Customers are delaying payments .

→ Liquidity Crunch is there.
A Reality, most of us are facing.

FSIA in the service of the Businesses

For the first Time in India
SIDBI has selected an Industrial Association as a Front-Desk, for selection of
businesses for grant of quick Collateral Free Loans.

<p>For the first Time in India, a Large Bank(S.I.D.B.I.) has selected an Industrial Association(FSIA) <u>as a Front-Desk</u>, for <u>selection of businesses</u> for</p> <p><u>Grant of quick Collateral Free Loans.</u></p>	
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FSIA has entered into an MOU with the SIDBI for grant of quick Collateral Free Loans.

A Quick look at the Features of this Quick “SIDBI-FSIA-Loan”

- ✓ **There is no Collateral.**
 - The Strength for proposal shall be your Balance Sheet + FSIA recommendation.
 - And moral pressure for Timely repayment is also that on the FSIA.
- ✓ **Nodal Bank is SIDBI and Front Desk is FSIA office**
 - That is the faith of SIDBI on your association
- ✓ **Moratorium is possible**
 - Usually, there is no moratorium on EMI-based unsecured Loans.
 - Here you can take upto 3 to 6 months (on merits)
- ✓ **Ballooning option**
 - Usually EMI's are Equal Monthly instalments during the tenure
 - Here you can plan your own. You may repay Rs. 20K p.m. in First year, Rs. 30K p.m. in second year, and Rs. 50K p.m in 5th year.
- ✓ **Rate of Interest**
 - Rate of Intt on unsecured Pvt Bank Loans is about 18%-24%.

- Here it will be SIDBI's PLR , minus 0.5%.
- Just an Example, the current PLR of ICICI Bank is 17.5%
- And the Current PLR of SIDBI is just 11.00%
- And in this scheme, you will get at 10.50%
- ✓ **Rate of interest shall be Floating**
 - We at FSIA editorial board, feel that the Rate of interests may go down in near future.
 - Our President, Mr Rajive Chawla was in Hong-Kong Last week, attending the World SME Conference, as part of Indian delegation.
 - The News he has brought on Interest front is that, in USA, the rate of interest is currently nearly ZERO %. In Japan, also around ZERO %. In Europe, between 1-2%. So, Indian Banks cannot and will not continue at 12 to 15% Rate of interest.
 - So, FSIA has organized Floating interest for this scheme.
 - To your benefit.
- ✓ **NOC of the Existing Bank ?**
 - No, it is not required.
 - SIDBI will just intimate the existing banker, if any.
- ✓ **Charge registration in the ROC ?**
 - Yes, it will be done.



- ✓ **Who will be carrying out financial due diligence and preliminary scrutiny** of the loan eligibility. ? -- FSIA (However SIDBI 's decision shall be final and binding)
- ✓ **Disbursement Request** → via the FSIA help-desk
- ✓ **Who is eligible ?** →
 - Micro, Small & medium enterprises who (or their Associate concern or any unit in the group or under same management) are members of FSIA for atleast past one year as on date of application.
 - in existence for a minimum period of 3 years.
 - having Net Profit for last 2 years
 - having Minimum Credit Rating as per SIDBI's norms.
 - having Maximum limit : not more than 15% of the turnover in case of manufacturing / service sector units and 35% of turnover in case of units engaged only in job work subject to a maximum of Rs. 50 lakh.
 - having No default/ overdues.and have good credit track record
 - not in RBI/CIBIL defaulter/ caution list
 - KYC norms compliant
 - Having No statutory dues. Cases under protest/ litigation shall be considered on merit
 - having maximum overall DER (including proposed Loan) of 2.5 : 1 for the concern
 - having factory in its name or the promoter should have residence in his own or spouse name in NCR.
 - **FSIA Notes**
 - The above ready reference is quite transparent
 - If you meet the above, the loan would be transparently available
 - If you don't, you might not.
 - Having a Good Balance Sheet is a must, as seen above.
 - You may take the counsel of FSIA help desk for your eligibility review before you file the case.
- ✓ Terms and conditions apply
- ✓ All loans at sole discretion of SIDBI
- ✓ Available only for FSIA Members

✓ **What are the Other Important Features of this Scheme**

Details are as under :

Eligible assets for financing	<ul style="list-style-type: none"> • Capital assets mainly plant, machinery and other equipments bought by the MSMEs. The cost inclusive of all taxes. • It may include Delivery vehicles etc required for business • HSIIDC Flatted Sheds , or such others Fixed Assets
Individual limit	<ul style="list-style-type: none"> • Upto Rs 50 lakh (Rupees Fifty Lakhs only)
Tenure of loans	<ul style="list-style-type: none"> • Upto 60(sixty) months from disbursement based on revenue projections of the MSME. The repayment schedule could be on EMI basis and staggered/ ballooned to match the projected cash flow of the MSME with three months moratorium for loan. • Overall tenure for the EMI's of future tranches, shall remain within the sanctioned tenure
Security from borrowers	<ul style="list-style-type: none"> • 1st charge on assets financed. • Personal guarantee of all the promoters. • PDCs from borrowers
Sanction process	<ul style="list-style-type: none"> • MSMEs would submit application forms (in CART format) through FSIA along with all documents as per SIDBI check list. • FSIA shall forward the same to SIDBI along with the Forwarding letter, document checklist, and eligibility compliance. • SIDBI may seek additional information as may be required from the units either directly or through the FSIA • SIDBI official may visit the units premises before sanction of assistance FSIA would facilitate such visits and coordinate them • A limit based on internal credit criterion of SIDBI would be set on each member applicant MSME • The sanction would be communicated to the borrowers and a copy of the sanction note would be provided to the FSIA
Disbursement Amount	<ul style="list-style-type: none"> • SIDBI's disbursement will be released in the name of the asset supplier, wherever possible. Otherwise it would be disbursed in their WC/Current account of the units under advise to their bankers.

Some Quick Questions & Answers

- ✓ When is this scheme starting ? = Already Started . 21 cases processed.
- ✓ Whom to Contact ? = SIDBI-Faridabad, or FSIA office
- ✓ Email = fsia_india@yahoo.co.in, (or) fsiaindia@gmail.com
- ✓ Phone no = 9313760217 (Mr Santosh Rai)
- ✓ What if I am not a FSIA member ? = No problems, Join us. New Members are welcome.
- ✓ Repayment by = PDC Cheques .

For queries, suggestions and feedback , you can e-mail us at :

	<p><i>Sangeet Kumar Gupta</i> FCA, ICWA, PGDMM, B.Com(Hons) Honorary Consultant, Faridabad Small Industries Association 93126-08426 groupmlg@eth.net Camp Off : SCF-70, 2nd Floor, Opp Nehru College, Sector-16A, Faridabad FSIA Off : FSIA Park, Opp. Plot No.23, Sector- 24, Faridabad- 121005</p>	
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Subscription

Please send your details, and request by e-mail to groupmlg@eth.net, or FSIA4u@rediffmail.com, or Rajivchawlaindia@yahoo.com, My personal email id is skgupta@mlginfotech.com

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Notes & disclaimer

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Advt. : Many Successful businesses are controlling their Business operations, Accounts, Purchase, Sales, Complaints, Collections, Taxation, Production, ISO-9000/ ISO-14001 and TS-16949 systems on the Finsys ERP packages © MLG Infotech P Ltd 1992-2009.

<p style="text-align: center;">Sales Volume For the month of April 2009</p> <p>Rs.80K Rs.64K Rs.48K Rs.32K Rs.16K Rs.0</p> <p>2009/04/01 2009/04/02 2009/04/03 2009/04/04 2009/04/05 2009/04/06 2009/04/07 2009/04/08 2009/04/09 2009/04/10 2009/04/11 2009/04/12 2009/04/13 2009/04/14 2009/04/15 2009/04/16 2009/04/17 2009/04/18 2009/04/19 2009/04/20 2009/04/21 2009/04/22 2009/04/23 2009/04/24 2009/04/25 2009/04/26 2009/04/27 2009/04/28 2009/04/29 2009/04/30</p> <p>● Auto Components ● Consumer Durables</p>	<p style="text-align: center;"><u>This Finsys ERP Graph,</u></p> <p>Shows the sales as per daily schedules for two family of products – for a Sheet metal parts manufacturer. (a) Auto Component supplies, (to Lumax, Krishna Maruti, Mindarika etc and (b) Consumer Durable Component Supplies (example to Samsung, LG, etc)</p>
<p style="text-align: center;">Marketing Dept, 50</p> <p>Complaints, 13</p> <p>Purchase, 32</p> <p>Accounts, 16</p> <p>H.R., 8</p> <p>I.T., 4</p> <p>Production, 15</p>	<p style="text-align: center;"><u>This Finsys ERP Graph – “Doughnut Format”,</u></p> <p>This Graph shows the break – up of Travelling + Conveyance Expenses done by various Cost Centres (Departments)</p>

Using your Finsys ERP, you can see Graphically, Which Direction(?) ...your company is moving to ?
See Your Company Graphically.....

For information about how to use the Finsys ERP, access the manuals on www.finsys.co.in,
Home page of “Finsys”-(The ERP Software Solutions) # 93500-18744 (Puneet Gupta)