

Minutes of the meeting held at Industries Department Conference Hall, Udyog Sadan on 2nd March 2023

A meeting was held to discuss State Level CGTMSE, startup venture capital fund, SCDF and SIDBI PMU activities under the chairmanship of Additional Chief Secretary (Industries) at 11.30am on 2nd March 2023 in the Conference Hall at 4th Floor, Udyog Sadan, Patparganj Industrial Area, Delhi.

List of Participants-

- Shri Manish Kumar Gupta, IAS, Additional Chief Secretary (Industries)
- Shri Sanjeev Mittal, IAS, Managing Director, DSIIDC
- Shri Ranjeet Singh, DANICS, Special Commissioner-II, Industries Department
- Shri Chandra Sekhar, DCI, Industries Department
- Shri Ankur Meshram, DANICS, DCI, Industries Department
- Shri Sunil Tyagi, Engineering-in-Chief, DSIIDC
- Shri Shobhit Gupta, Chief Manager, DSIIDC
- Shri Mahesh Arora, Div. Manager, DSIIDC
- Shri Vijay Kumar, OSD, DSIIDC
- Shri S. R. Meena, General Manager, SIDBI RO Delhi
- Shri Javed A. Siddique, Deputy General Manager, SIDBI RO Delhi
- Shri Dhiraj Kumar, Assistant General Manager, CGTMSE
- Shri Dev Kumar, Director, Grant Thornton
- Shri Anijit Bhattacharya, SIDBI PMU (Grant Thornton)
- Shri Sandeep Sharma, SIDBI PMU (Grant Thornton)
- Shri Prajwal Sharma, SIDBI PMU (Grant Thornton)

Discussion Points:

1. The meeting started with permission of the Chair. The industries department is creating policies to support new businesses, knowledge-based entrepreneurship, and highly employable people resources, which would facilitate the establishment of environmentally friendly, pollution-free industries. The department is concentrating on creating high-value employment with increased state per capita income.

2. SIDBI officials presented the CGTMSE offtakes data for NCT Delhi and discussed perception of the existing member lending institutions (MLIs) about high risk on their part and lower salvage value of security which leads them to disinclination to provide collateral free loans up to Rs. 2 Cr. SIDBI shared that CGTMSE extends guarantee coverage benefits on 75% - 85% of the individual loans given by the lending institutions.

3. In order to provide more comfort to lending institutions by way of credit enhancement, CGTMSE may explore to participate with GNCT of Delhi to set up a corpus fund. CGTMSE will manage the corpus fund on behalf of the GNCT of Delhi with no additional cost. CGTMSE will design a scheme in consultation with GNCT of Delhi where 75% - 85% of the guarantee coverage for a loan will be provided by CGTMSE and balance 10% - 20% coverage may come from the special Scheme to be supported by the corpus fund to be placed by the Govt. NCT of Delhi with CGTMSE. CGTMSE has already such arrangement with four states and are in advanced stage of discussion with a few more to launch a similar scheme.

4. CGTMSE official informed that Govt. of NCT Delhi can have multipronged approach where a special emphasis to specific industry, cluster, geographical area can be prioritized basis the Govt. prerogative.

5. To complement the focus of the State Govt. in promoting knowledge-based entrepreneurship and support aspirants in establishing start-up enterprises in the State, it was discussed to explore the option for setting up of Venture Capital Fund (VCF)/ supporting in existing fund. VCF can provide financial assistance during the initial incubation phase for the start-ups and cushion their new, innovative ideas for transforming into commercial ventures. The official had discussed that the Government of NCT of Delhi may contribute in proportionate to SIDBI Venture Capital Ltd to set up the Start-up Venture Capital Fund/ in the existing fund. The corpus shall be utilized for the seed capital funding to the start-ups.

6. In order to bridge critical hard infrastructure gap for industries/ MSMEs in NCT of Delhi, SIDBI offered a soft loan which is 150 bps lower than bank rate i.e. 5% (as on date) in the form of SIDBI Cluster Development Fund (SCDF). Up to 95% of project cost could be financed under SCDF subject to state borrowing exposure limit. The loan should be repaid by the State Government in equal instalments within 7 years inclusive of a moratorium period up to 3 years. There is no processing fee. Mobilization advance up to 20% of the sanctioned loan can be considered for upfront release. It was discussed that Finance department may consider this fund in its budgetary allocation to various departments in NCT of Delhi. The proposals are to be submitted by the department through finance department directly to SIDBI & the loans are to be sanctioned to the Finance department & disbursed accordingly.

7. SIDBI discussed that the industries department may consider ongoing industrial infrastructure redevelopment and renovation projects under SIDBI Cluster Development Fund (SCDF) at the initial phase. The department may share a list of selected projects with SIDBI for in-principle approval and SIDBI's budgetary allocation for next financial year. The department may also consider SIDBI Cluster Development Fund (SCDF) for redevelopment project at Baprola and Kanjhawala.

8. SIDBI PMU (Grant Thornton) submitted four concept notes/proposals and activity plans on enhancing exports from NCT of Delhi, identification of new areas for development of MSMEs, growth of services sector in NCT of Delhi, and MSME division and MSME Facilitation Centre to the ACS (Industries) for his inputs and guidance. The SIDBI PMU activities were appreciated by the chair.

9. The ACS (Industries) suggested SIDBI officials to share proposal documents for State Level CGTMSE, Start-up Venture Capital Fund and SCDF with his office through SIDBI PMU (Grant Thornton). The Industries department may consider those proposals after examining thoroughly.

10. The ACS (Industries) suggested to schedule next meeting with the PMU team (Grant Thornton) team in the third/fourth week or March.

11. The meeting was concluded by the vote of thanks to the Chair.