
 <p>Bee Management Consultancy Pvt. Ltd. Web: www.beemanagement.com Email: bee@beemanagement.com</p>	 <p>Advanced Strategies Create Value & Accelerate Business Web: www.astrategies.com Email: info@astrategies.com</p>
--	--

IDENTIFICATION & CLASSIFICATION OF SOURCES OF FUNDS IN INDIA FOR SME DEVELOPMENT

India has nearly 3 million SMEs, which account for almost 50 percent industrial output and 42 percent of India's total export. They constitute the most important employment generating sector and an effective tool for balanced regional development. They account for 50 percent of private sector employment and 30-40 percent of value addition in manufacturing. They produce a diverse range of products (about 8000) including consumer items, and capital and intermediate goods. As the nations integrate into a global village, these SMEs will have to respond accordingly, and thus deserves special attention. To enable SMEs to overcome their technological backwardness and to have easier access to new technologies, they need to be given an environment where they have easier access to funds.

This **report identifies** the various sources of funds available for SME development (scale up, innovation or R&D, diversification or new initiatives, start ups) and their applicability: -

1. Equity funds
2. Venture capital
3. Strategic investors
4. Financial Institutions
5. Non-Banking financial companies

A **detailed report** on the Institutions providing the funds **consists of**:-

1. Client / opportunities the institution be suited to :
 - a. Size of investment/s pool
 - b. Current exposure
 - c. Mode of financing
2. Size of investments per deal (range):
3. Payback
 - a. Tenure
 - b. Rates of return
4. Collateral expected
5. Investee selection criterion
6. SWOT analysis of the entity – external and internal issues

A grid has been prepared which differentiates between institutes (investors) on the basis of investee selection criteria, average size & range of investments, pool of funds, recommendations and opportunities offered

Disclaimer: While we have made every attempt to ensure that the information contained in this document has been obtained from reliable sources, our companies, its management or employees are not responsible for any errors or omissions, or for the results obtained from the use of this information. All information in this document is provided "as is", with no guarantee of completeness, accuracy, timeliness or of the results obtained from the use of this information, and without warranty of any kind, express or implied, including, but not limited to warranties of performance, merchantability and fitness for a particular purpose. In no event will our companies, their related partnerships or corporations, or the partners, agents or employees thereof be liable to you or anyone else for any decision made or action taken in reliance on the information in this document or for any consequential, special or similar damages, even if advised of the possibility of such damages.