SME Roundup

Highlights

- Over the last fortnight, the SME indices tracked the broad market indices and fell reflecting the negative sentiments prevailing in the stock market.

- The government has increased limits on loans under the PMEGP, approved a MoU with Russia for improving market access and plans to revise the list of items reserved for purchase from MSMEs by central government agencies.

1. Capital Market Movement

Index Movement

<table>
<thead>
<tr>
<th>SME Index Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
</tr>
<tr>
<td>Nifty SME Emerge Index</td>
</tr>
<tr>
<td>BSE SME IPO Index</td>
</tr>
<tr>
<td>BSE Sensex</td>
</tr>
<tr>
<td>Nifty 50</td>
</tr>
</tbody>
</table>

Source: NSE, BSE

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Upcoming IPOs

<table>
<thead>
<tr>
<th>No</th>
<th>Company Name</th>
<th>Start Date</th>
<th>End Date</th>
<th>Issue Size</th>
<th>Issue Price</th>
<th>Lot Size</th>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ultra Wiring Connectivity System Limited</td>
<td>12-Oct</td>
<td>17-Oct</td>
<td>4.82</td>
<td>35</td>
<td>4000</td>
<td>NSE Emerge</td>
</tr>
<tr>
<td>2</td>
<td>BCPL Railway Infrastructure Ltd</td>
<td>5-Oct</td>
<td>16-Oct</td>
<td>17.01</td>
<td>35</td>
<td>4000</td>
<td>BSE SME</td>
</tr>
</tbody>
</table>

2. Sectoral Deployment of Credit

Priority Sector Bank Credit to the SME Sector (in Rs. bn)

![Graph showing sectoral deployment of credit]

Source: RBI

<table>
<thead>
<tr>
<th>Sector</th>
<th>Outstanding as on (Rs bn)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro &amp; Small Enterprises</td>
<td>8,741</td>
<td>9,964</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3,571</td>
<td>3,730</td>
</tr>
<tr>
<td>Services</td>
<td>5,170</td>
<td>6,234</td>
</tr>
</tbody>
</table>

Source: RBI
3. Key Developments

**Cabinet approves MoU between India and Russian cooperation in the field of Micro, Small and Medium Enterprises**

The Union Cabinet approved a Memorandum of Understanding between National Small Industries Corporation Ltd. (NSIC) and JSC-Russian Small & Medium Business Corporation (RSMB Corporation), Russia to promote cooperation between the Small & Medium Enterprises (SMEs) of the two countries. This cooperation aims to improve access by way of new markets, joint ventures, sharing of best practices and technology collaboration.

**857 Start-ups and 1234 MSMEs registered on GeM in the ongoing National Mission**

The MSME ministry stated that in September 2018 as a part of a national mission, 857 Start-ups and 1234 MSME sellers registered on GeM, while 834 new organizations have also been on-boarded. Additionally, MSME sellers have received 40,000 orders worth Rs. 551 crore and that the transaction volumes in 6 months of FY19 have exceeded the volumes achieved in the FY18. Further, the ongoing National Mission has reportedly led to an average saving of 25% across categories.

**MSME Ministry to concentrate on re-orientation of existing schemes to support small businesses**

Mr. Ram Mohan Mishra, Additional Secretary in the MSME Ministry, while speaking at an Assocham conference stated that the MSME ministry is reorienting several schemes for supporting small businesses and that details of the same would be released shortly.

**List of items reserved for purchase from MSEs to be revised; suggestions invited**

As per a MSME ministry official, the Ministry is revising the list of 358 items that have been reserved for purchase from MSMEs by central government agencies. The current list contains low tech mass produced items from a variety of sectors such as engineering, electrical, chemical and food. The list is being revised to eliminate redundant items and include additional relevant especially labour intensive items.

**Govt enhances loan limit for MSMEs to over Rs 1 crore under PMEGP**

The MSME Minister, Mr. Giriraj Singh stated that the central government has enhanced the loan limit to over Rs. 1 crore for MSMEs under the Prime Minister Employment Generation Program (PMEGP) to strengthen MSME credit growth.
CARE Ratings’ presence in SME related activities

Mr. Pankaj Ojha (Manager, Business Development) presented on Importance of Credit Ratings, while Ms. Darshini Kansara (Deputy Manager, Industry Research) commented on the Textile Industry at Mumbai Zonal Office, Indian Bank on October 04, 2018.

Ms. S. Uma (Manager) and Mr. N.Anand Kumar (Deputy Manager) presented on the importance of credit rating at the CII Seminar On SME Financing held on October 12, 2018 at Coimbatore.