

SME Roundup

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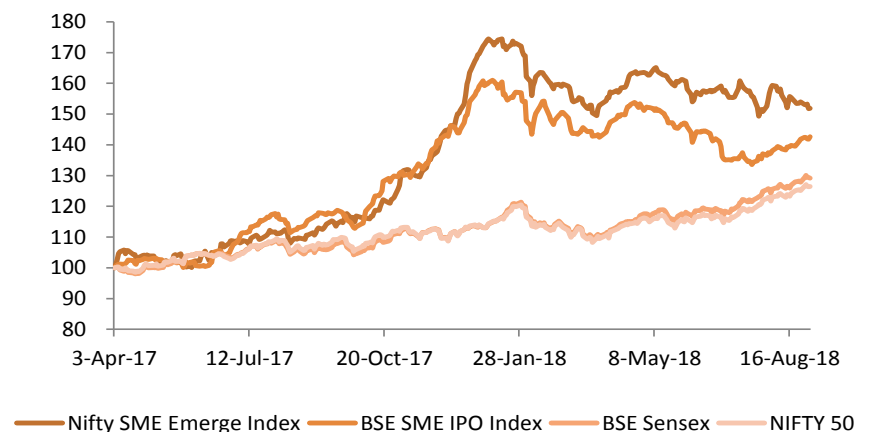
Highlights

- Over the last fortnight, the NSE SME Emerge index fell marginally, while the BSE SME IPO index tracked the broad market indices and rose higher.
- Various states are exploring options to increase capital availability and improve policy support to SMEs

1. Capital Market Movement

Index Movement

SME Index Movement



Source: NSE, BSE

Index	14/08/18	31/08/18	% change
Nifty SME Emerge	1,631.83	1,629.59	-0.1%
BSE SME IPO	1,813.31	1,857.16	2.4%
BSE Sensex	37,852.00	38,645.07	2.1%
Nifty 50	11,435.10	11,680.5	2.1%

Source: NSE Emerge, BSE SME Platform

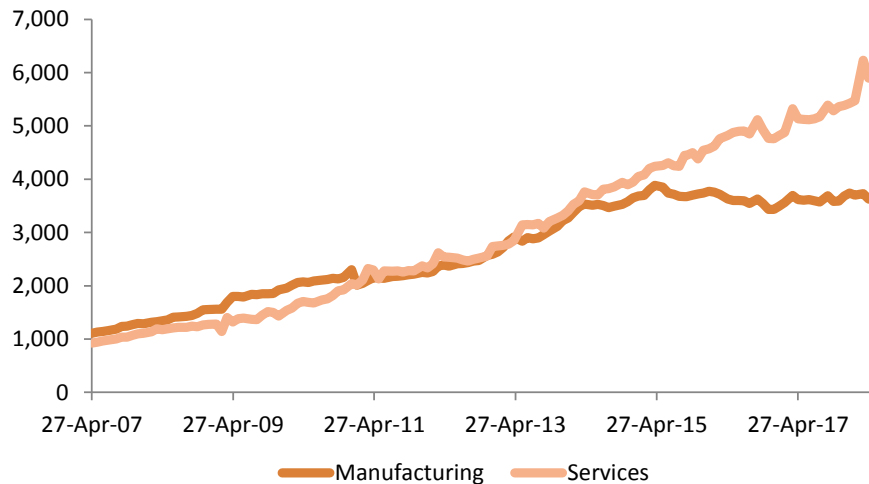
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Upcoming IPOs

No	Company Name	Start Date	End Date	Issue Size	Issue Price	Lot Size	Platform
1	Synergy Green Industries	4-Sep-18	7-Sep-18	26.46	70	2000	BSE SME
2	Lagnam Spintex Limited	4-Sep-18	7-Sep-18	24.6	41	3000	NSE Emerge
3	Rajshree Polypack	10-Sep-18	12-Sep-18	35.22	119-121	1000	NSE Emerge

2. Sectoral Deployment of Credit

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



Source: RBI

Sector	Outstanding as on (Rs bn)			% Change	
	23-Jun-17	May. 25, 2018	22-Jun-18	FY19 till date	Y-o-Y 2018
Micro & Small Enterprises	8,733	9,503	9,572	-3.9	9.6
Manufacturing	3,616	3,613	3,641	-2.4	0.7
Services	5,117	5,890	5,930	-4.9	15.9

Source: RBI

3. Key Developments

[SMEs in Trichy seek Rs 1,500 crore bailout package](#)

The Tamil Nadu Boilers Association has sought a bailout package from RBI to avert the auction of the regional SMEs' plant and machinery after they defaulted on loans. These SMEs rely primarily on BHEL Trichy for business and have received minimal orders from BHEL. The association has sought support to enable these companies to survive and diversify their business.

Impact: This is a second order impact of distress in the power sector and BHEL not securing sufficient orders from power companies. Some element of support could be offered to select companies such as debt restricting, extension of tenor as auction of plant and machinery would generally not be enough to repay the outstanding debt.

[Bengal ties up with bourses to help SMEs tap capital market](#)

The West Bengal government has signed pacts with BSE and NSE to raise awareness among the State's MSMEs to tap the capital market as an alternative funding source. This initiative is part of the government's plans to expand their fund base and improve visibility.

[Demonetization led to further decline in MSME credit growth, GST implementation didn't impact overall MSME credit much: RBI Study](#)

According to a study conducted by RBI, even as GST implementation did not have a significant impact on overall credit, demonetisation led to a further decline in credit growth of the SME sector. The study further noted that SMEs face constraints in accessing credit through formal channel. Additionally the study also observed that a significant share of the SMEs operates in the informal sector.

[As Uttarakhand Govt set to launch 6 new policies, MSMEs feel this will bring huge opportunities for the sector](#)

Mr. Utpal Kumar Singh, Chief Secretary Uttarakhand, stated that the state is expected to launch six more policies to promote investment in the state. They include policies on Electric Vehicles, Anchor unit, Ayush, Tourism, Food processing and New IT. These policies are expected to benefit the SME sector as they would provide employment and investment opportunities for companies operating in the state.

[GST: Group of Ministers for MSMEs constituted; to submit report to GST Council within 2 months](#)

A Group of Minister (GoM) for MSMEs with six members has been constituted for studying recommendations of the Law Committee, the Fitment Committee and the IT Committee on the representations and suggestions relating to MSMEs received from stakeholders prior to 29th GST Council Meet for providing a conducive environment for the growth of SMEs under the GST regime. The GoM for MSMEs will submit its final report to the GST Council within two months.

CARE Ratings’ presence in SME related activities

CARE Ratings was associated as a Knowledge Partner for the Franchise India (FRO 2018) & Entrepreneur Start-up Summit 2018 held at Bangalore on August 25 and 26. Mr. Aakash Jain, Associate Director, was the moderator of the session on Alternative Lending Mechanism/ emerging debt lending regime for SMEs. Mr. Abhishek Shukla (Area Sales Manager), Ms. Namrata Jain (Business Development Manager), Sunil, Ravi and Dhiraj coordinated the event.



Mr. Rajeev Ranjan, Sr. Business Development Officer conducted a presentation on Credit rating and other products on August 29, 2018 at the Ahmedabad Industrial MSME Branch of Indian Bank.



Mr. Manish Kumar, Senior Manager, Mr. Chandragupta, Manager and Mr. Tousif Basha, BD Executive arranged a discussion on Credit Rating Methodology on August 7, 2018 at Andhra Bank, Kurnool Regional Office, Andhra Pradesh.

Mr. Manish Kumar, Senior Manager, Mr. Chandragupta, Manager and Mr. Ramani Ranjan BD Executive arranged a discussion on Credit Rating Methodology on August 14, 2018 at Andhra Bank, Kakinada Regional Office, Andhra Pradesh.

