

SME Roundup

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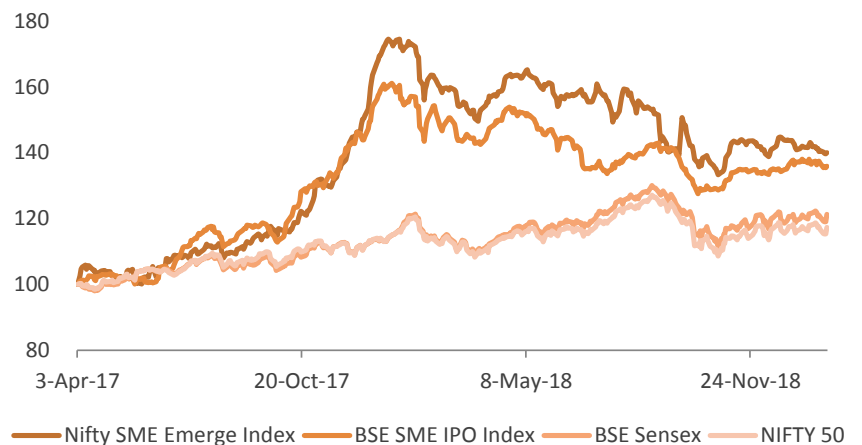
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Highlights

- Ahead of the budget, with the stock markets remaining volatile, both broad market indices as well as the SME indices logged gains over yesterday but closed down for the fortnight.
- MSMEs look for easier access to loans in Budget 2019.
- RBI constitutes committee to understand MSME issues and suggest measures.
- Several MSME outreach events held across states to increase business opportunities and access to credit.
- MSME Ministry has issued norms for implementing the Interest Subvention Scheme

1. Capital Market Movement

SME Index Movement



Source: NSE, BSE

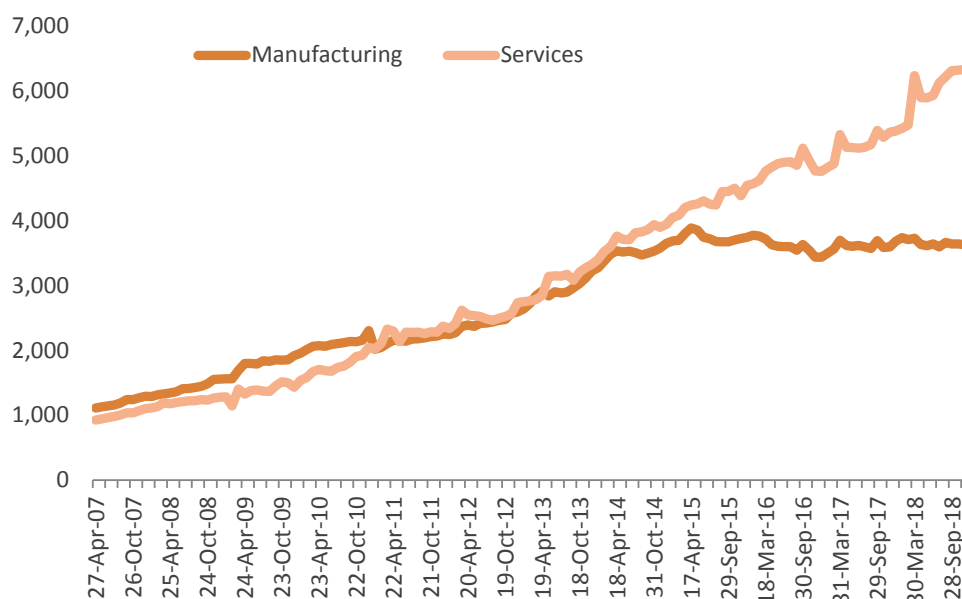
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Index	15/01/19	31/01/19	% change
Nifty SME Emerge	1,528.19	1,502.52	-1.7%
BSE SME IPO	1,796.00	1,768.60	-1.5%
BSE Sensex	36,318.33	36,256.69	-0.2%
Nifty 50	10,886.80	10,830.95	-0.5%

Source: NSE Emerge, BSE SME Platform

2. Sectoral Deployment of Credit

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



Source: RBI

Item	Outstanding as on (Rs. Bn)				Growth (%)	
	Mar. 30, 2018	Nov. 24, 2017	Oct. 26, 2018	Nov. 23, 2018	FY so far 2018-19	Y-o-Y 2018
Micro & Small Enterprises	9,964	8,953	9,961	9,957	-0.1%	11.2%
Manufacturing	3,730	3,592	3,642	3,630	-2.7%	1.1%
Services	6,234	5,361	6,319	6,327	1.5%	18.0%

Source: RBI

3. Key Developments

[Vietnam seeks to promote trade with MSMEs of Odisha](#)

Mr. Phan Sansh Chau, ambassador of Vietnam, while discussing 'Credit and Marketing Linkage to MSMEs and Exporters' during Odisha MSME International Trade Fair-2019 invited MSMEs to trade with Vietnam in sectors such as food processing, travel, tourism, pharma, health care, handloom and handicrafts.

[MSME Ministry issues norms for implementing Interest Subvention Scheme](#)

The MSME Ministry announced that the interest relief will be calculated at 2% points per annum. The interest relief will be calculated on incremental amount of working capital credit or incremental/new term loan disbursed by eligible institutions to eligible MSMEs from the date of disbursal/drawl or the date of notification of this scheme whichever is later computed on outstanding balance and received/recovered by the lending institution. The 'Interest Subvention Scheme for Incremental credit to MSMEs 2018' to be implemented over 2018-19 and 2019-20 with an allocation of Rs 975 crore.

[Top of the list: MSMEs look for easier access to loans in Budget 2019](#)

Amongst other aspects, MSMEs are expecting easy availability of loans, enhancement of digital lending sector, tax sops and tax holidays from the government.

[MSME outreach meet held](#)

Coimbatore District lead bank organised an entrepreneurs' meet as part of the 100-day, 100 district MSME support and outreach programme. About 200 entrepreneurs, mainly in electrical and agricultural implements industry, took part, while 76 loans worth Rs. 40.15 crore under MUDRA, Stand Up India, and MSME schemes were extended by 16 banks.

[Companies told to disclose dues to MSMEs](#)

The government is expected to mandate disclosure for all companies that have arrears to MSMEs for over 45 days in its recent attempt to increase transparency and improve the liquidity crunch faced by the sector. Every company with unpaid bills to MSME units would have to disclose half-yearly at end of the specified period.

[MSME signs 21,100 MoUs on day 2 of Vibrant Gujarat Summit](#)

On the second day of the Vibrant Gujarat Global Summit, the MSME sector signed over 21,000 MoUs primarily for strategic partnership. The MoUs signed between MSMEs and ancillary services were alone worth Rs 3,228 crores.

[Fin Min asks state-run banks to step up lending to MSMEs](#)

Union Finance Minister Piyush Goyal has asked the state run lenders to increase lending to the MSME, agriculture and housing sectors.

[RBI's expert committee on MSMEs seeks suggestions from MSMEs on various issues](#)

RBI has constituted an Expert Committee on MSMEs to suggest long term solutions for the growth of MSME sector. The suggestions have been sought for issues with regard to the MSMED Act, 2006, Infrastructure, access to technology, credit rating, restructuring, stressed accounts, insolvency and TReDS.

CARE Ratings’ presence in SME related activities



Mr. Saikat Roy, Director and Head SME, was a speaker in the plenary session on “Access to Affordable Credit & Risk Management” at FICCI MSME Summit held on January 18, 2019 at Jaipur.

Mr. Nikhil Soni (Branch Head – Jaipur) presented on Perspective on Credit Rating at a session at Oriental Bank of Commerce, Regional Office, Sri Ganganagar on December 21, 2018.



Ms. Jhumur Roy Chowdhury, Senior Manager – Business Development, along with Mr. Ranit Kumar Pal, Executive, spoke on the benefits and process of SME rating and Bank Loan rating in a SME meet organized by Bank of Baroda SME Loan Factory Kolkata on January 17, 2019.