

SMERA Receives SEBI Registration

Mumbai, March 3, 2011: SME Rating Agency of India Ltd., the dedicated rating agency for the MSME sector in India, has been registered under Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999. **SMERA** is the 1st and only rating agency in the MSME space that is dedicated to increase the credit flow to the MSME sector. The Mumbai-based agency was incorporated in August 2005 and is promoted by SIDBI, Dun & Bradstreet and other leading banks in India.

The SEBI registration makes SMERA, only the sixth rating agency in India to rate issues related to capital market. SEBI registration has paved way for SMERA to rate the capital market instruments, such as, IPO, Bonds, Commercial Papers, Security Receipts and others. The SEBI registration bestows higher credibility and acceptance for SMERA in the market.

Speaking on this development, Mr. Parag Patki, CEO, SMERA said, “Considering the high level of consistent GDP growth expected from the economy to provide sustenance to its expanding needs, it is natural that part of this responsibility will fall on the MSME sector. However, there are fears that the MSME sector will not be capable to fulfill this role due to limited access to capital for investing in capacity expansion or diversification. Keeping in view this limitation and capacity constrain within the rating industry, SEBI registration to SMERA is timely and opportune”.

“SMERA is committed to improve the rating penetration in the country for the systematic development of the capital market. SMERA Ratings would assist the Indian investors make suitable investment decisions for their risk profile”, he added.

About SME Rating Agency of India Ltd:

SME Rating Agency of India Ltd (SMERA), the dedicated rating agency for MSME sector in India was formally launched at the hands of the then Union Finance Minister, Shri P. Chidambaram, at a ceremony at Coimbatore on 5th September 2005. SMERA has been set up by Small Industries Development Bank of India (SIDBI) in association with Dun & Bradstreet (D&B) and leading public and private sector banks. SMERA is the country’s first rating agency that focuses primarily on the Indian MSME segment. SMERA’s primary objective is to provide ratings that are comprehensive, transparent and reliable. This would facilitate greater and easier flow of credit from the banking sector to MSMEs.

SMERA is driven by institutions that are leaders in their respective spheres of activity.

- SIDBI is the principal financial institution for the promotion, financing and development of industry in the MSME sector in the country. Over the last 15 years of its existence, it has developed a suite of products and services for the MSME sector. SMERA will be able to draw upon SIDBI's longstanding experience in dealing with Indian MSMEs and its strong relationships with public & private sector banks.
- Dun & Bradstreet (D&B) is the world's leading provider of business information and Risk Management Solutions with a database covering over 120 million business entities. Over the past 164 years, D&B has built up an impressive track record in SME Risk Evaluation & Rating and has over 70 million MSMEs in its global database.
- SMERA is also supported by several leading public and private sector banks that are active in the MSME space. The recognition and acceptance of SMERA's ratings within the banking sector would help MSMEs save time, effort and money while approaching different banks for credit. It would also simplify and quicken the process of lending to MSMEs, while simultaneously reducing lending costs to the sector as a whole.
- SMERA is a beneficiary under The World Bank led multi institutional "MSME Financing & Development Project" implemented by PMD-SIDBI
- SMERA has also undertaken Risk Profiling of 13 MSME Clusters as mandated by Indian Bank Association
- SMERA has completed 10,000 MSME ratings since its inception and have made significant impact in increasing lending to the MSME sector, besides providing other tangible as well in-tangible benefits to the rated MSME units. SMERA Ratings provide comfort to the lenders based on the structured, standardized, and thoroughly analyzed rating report on a unit. The confidence in SMERA Ratings is evident from the MOUs entered by 32 banks, financial institutions and trade associations with SMERA.
- SMERA offers ratings/grading services for MSMEs, such as: "SMERA Ratings under the Performance & Credit Rating Scheme" of NSIC, Green Ratings, Grading of Greenfield and Brownfield Projects, Rating of Educational Institutions, Microfinance Institutions and Maritime Training Institutes.