

Headline: Yogi govt to encourage start-ups, SMEs to access capital market

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The Yogi Adityanath government in Uttar Pradesh has signed a memorandum of understanding (MoU) with the National Stock Exchange for listing small and medium enterprises on NSE Emerge, the exchange's SME platform. The move, according to the government, will encourage SMEs and start-ups to access capital market for growth and meet challenges of rising competition and technology upgrade. Traditionally, UP SMEs have preferred to be privately-owned entities rather than going public to raise funds from the capital market.

Uttar Pradesh has a large base of micro, small & medium enterprises (MSMEs), estimated at over 5 million, contributing 60 per cent to the state's annual industrial output. The sector employs around 40 million people, generating direct economic activity worth nearly ₹1.50 trillion annually. The sector is the second largest employment generator after agriculture.

Currently, NSE Emerge platform has 123 companies, including three entities from Uttar Pradesh -- Reliable Data Services Limited (Noida), Jalan Tran Solutions (Ghaziabad) and Jet Knitwears (Kanpur). Recently, another Kanpur-based company, Tasty Dairy Specialities, had raised capital for listing on the NSE's SME platform.

Under the MoU, the exchange would nurture Uttar Pradesh's start-ups and SMEs by creating awareness regard-

ing opportunities to raise capital, SME exchange guidelines, listing processes and compliances with listing agreement. Start-ups seeking the state government help in this regard would be mentored by the NSE.

Besides, the state would explore the possibility of providing one-time financial assistance/subsidy to SMEs for public issue expenses. The government would also explore the possibility of setting up a government-sponsored SME equity participation fund in partnership with nationalised banks.

SMEs in Uttar Pradesh would be enrolled in the NSE's Capital Markets Programme comprising physical and virtual participation in the scheme. "The NSE and the state government have agreed on the importance of the development of SME sector and improving financing opportunities by listing on NSE Emerge," said Anup Chandra, UP Infrastructure & Industrial Development Commissioner (IIDC) commissioner.

"MSMEs need to adopt new-age financing routes. The state has flourishing handicraft & handloom industries, leather industry, tourism industry and agro-industry. We are confident that the MoU would facilitate SMEs meet their funding needs by listing," said Anil Kumar, state MSME & export promotion principal secretary.

"We would provide access to capital to SMEs and look forward to supporting the sector in their growth and capital-raising initiatives," NSE MD & CEO Vikram Limaye said.