



*Investor Perspectives on the SME
Sector*

November 24, 2018

About Me

- In Markets since 1999
- Full Time Independent Investor since 2009
- Run a forecast free blog called Alpha Ideas
- Believe an Investor should have multiple tools in his tool kit

Disclaimer

- The Presentation is meant for Information purposes only
- No part of this presentation should be considered as investment advice
- Please consult your Investment Advisor before acting in any manner

What is SME?

- Platforms started by BSE & NSE for Small & Medium Sized Companies
- NSE Platform – 186 Companies
- BSE Platform – 215 Companies
- # of Companies in the SME space expected to cross 1000+ in next few years.

Why Companies List?

- Fund Raising
- Brand Building
- Currency for M&A
- Global Tie-Ups
- Tax Reasons
- Easy Listing Norms
- Minimal Compliance

SME Investor



Case Study # 1

Particulars	As at August 31, 2018	As at March 31, 2018
Total Tangible Assets	39.30	2.10
Total Depreciation charged during the period	0.72	0.08
Total Opening Accumulated Depreciation on Tangible Assets	0.08	-

Case Study # 2

4. *Our company has limited number of employees in its payroll and the labours are casual and temporary in nature.*

As on March 31, 2018 our Company has eight employees on its payroll. The number of employee in our payroll is limited and the labours are casual and temporary in nature. With small base of employees, we may not be able to achieve a scalable business operation in future. Our Company understands that human resource is an important arena for growth of an organisation and we keep on hiring new resource for fostering the growth of the Company, however, given our current human resource record, we cannot assure that we may be able to hire and retain the best talent.

Case Study # 3

- a. A company came out with an IPO in December 2012 and allotted 30,24,000 shares. The company and its promoters/ directors and 14 other entities belonging to funding group employed a scheme to get the minimum IPO subscription leading to successful listing of the scrip at SME Exchange platform. 85.71 per cent out of the total allotted shares were not genuinely subscribed. Further, from the bank accounts of the company, it was observed that out of ₹ 756 lacs received through IPO, ₹ 385 lacs was transferred to the funding group entities through various layers. The remaining money was transferred to unknown entities and not utilized for the objects stated in the prospectus.
- b. A company came out with an IPO in January 2013 and allotted 45, 18,000 shares. The company and its promoters/ directors and 12 other entities belonging to funding group employed a fraudulent scheme to get the minimum IPO subscription leading to successful listing of the scrip at SME Exchange platform of BSE. 51.66 per cent out of the total allotted shares were not genuinely subscribed. Further, from the bank accounts of the company, it was observed that out of ₹ 1129.50 lacs received through IPO, ₹ 946.10 lacs was transferred to the funding group entities through various layers. The remaining money was transferred to unknown entities and not utilized for the objects stated in the prospectus.

Case Study # 4

Overview of Our Business

Our Company was originally incorporated as S. M. Gold Private Limited on July 26, 2017 under the Companies Act, 2013 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Thereafter, Our Company was converted in to a public limited company pursuant to a special resolution passed by our shareholders at the EGM held on August 12, 2017 and consequently name was changed to “S. M. Gold Limited” (SMGL) vide fresh certificate of incorporation dated August 24, 2017 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company has acquired the business of Proprietorship Concern of one of our Promoter- Mr. Priyank S. Shah viz, M/s S.M. Gold through the Business Succession Agreement dated August 03, 2018. The CIN of the Company is U74999GJ2017PLC098438. Consequently, the business of the proprietorship firm was merged into S. M. Gold Limited.

Case Study # 5

Hyderabad, July 20, 2018: Silly Monks Entertainment and two other angel investors Sai Korrapati and SS Karthikeya have invested Rs one crore in the city-based Thinkwide, a hostels and PG accommodation finding tech start-up. The trio now holds 35 per cent equity in the start-up, Thinkwide, founder and CEO, Hari Krishna said at a press conference.

Thinkwide, developer of PGO mobile and web application platform which currently lists 40 per cent of the Hyderabad hostel and PG properties and over 20,000 users has announced plans to venture into three new cities this year, he said.

Case Study # 6

	Fixed Assets	Gross Block			Accumulated Depreciation					Net Block		
		Balance as at 1 April 2018	Additions	Disposal/Adjustment	Balance as at 30th June, 2018	Balance as at 1 April 2018	Depreciation charge for the period	Amount Charged to Reserves (refer Note below)	Deductions/Adjustments	Balance as at 30th June, 2018	Balance as at 30th June, 2018	Balance as at 31 March 2018
a	Tangible Assets	-	-	-	-	-	-	-	-	-	-	-
	Furniture & Fixture	1.20	-	-	1.20	0.23	0.03	-	-	0.26	0.94	0.96
	Computers & Peripherals	5.83	1.87	-	7.71	3.65	0.46	-	-	4.11	3.60	2.19
	Vehicles	-	1.39	-	1.39	-	0.02	-	-	0.02	1.37	-
	Office Equipments	2.36	-	-	2.36	0.23	0.04	-	-	0.26	2.10	2.14
	Electrification	-	0.45	-	0.45	-	0.01	-	-	0.01	0.44	-
	Telephone Equipment	0.26	1.11	-	1.38	0.01	0.01	-	-	0.02	1.36	-
	Total	9.66	4.83	-	14.49	4.11	0.56	-	-	4.67	9.82	5.29
b	Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
	Software	19.95	-	-	19.95	5.09	0.81	-	-	5.90	14.05	14.86
	Total	19.95	-	-	19.95	5.09	0.81	-	-	5.90	14.05	14.86
	Total	29.60467	4.82985	0	34.43452	9.20296	1.36574	0	0	10.5687	23.86582	20.1448

Case Study # 7

Our Company "Ganesh Films India Limited" was incorporated as Public Limited Company under the provisions of Companies Act, 2013 vide Certificate of Incorporation dated April 06, 2018, issued by Registrar of Companies, Maharashtra, Mumbai to purchase the film distribution business of "M/s Ganesh Films" and an agreement for transfer of film distribution business was entered between the Company and M/s Ganesh Films on May 09, 2018. The Corporate Identification Number is U74994MH2018PLC307613.

Our Company's total revenue as restated for the period ending May 8, 2018 to May 20, 2018 was Rs. 9.18 Lakhs and profit/loss after tax as restated for the period ending May 8, 2018 to May 20, 2018 was Rs. 0.53 Lakhs.

Additional Risk: Illiquidity



Additional Risk: Information



"Have you tried Googling that?"

Still Interested?



Case Study # 1

*It may please further be noted that in terms of the **Article No. 164A** the Members have rights to waive off their rights to receive the Interim Dividend, subject to their consent in writing for unconditional waiver of their rights to receive their dividend. The Company has approved & informed to Exchange regarding the Rules & Form on 12th November, 2018 for exercising their rights for waiver of dividend in writing to the Company, if any.

Therefore the Interim dividend for the year 2018-19 is likely to be paid as under:

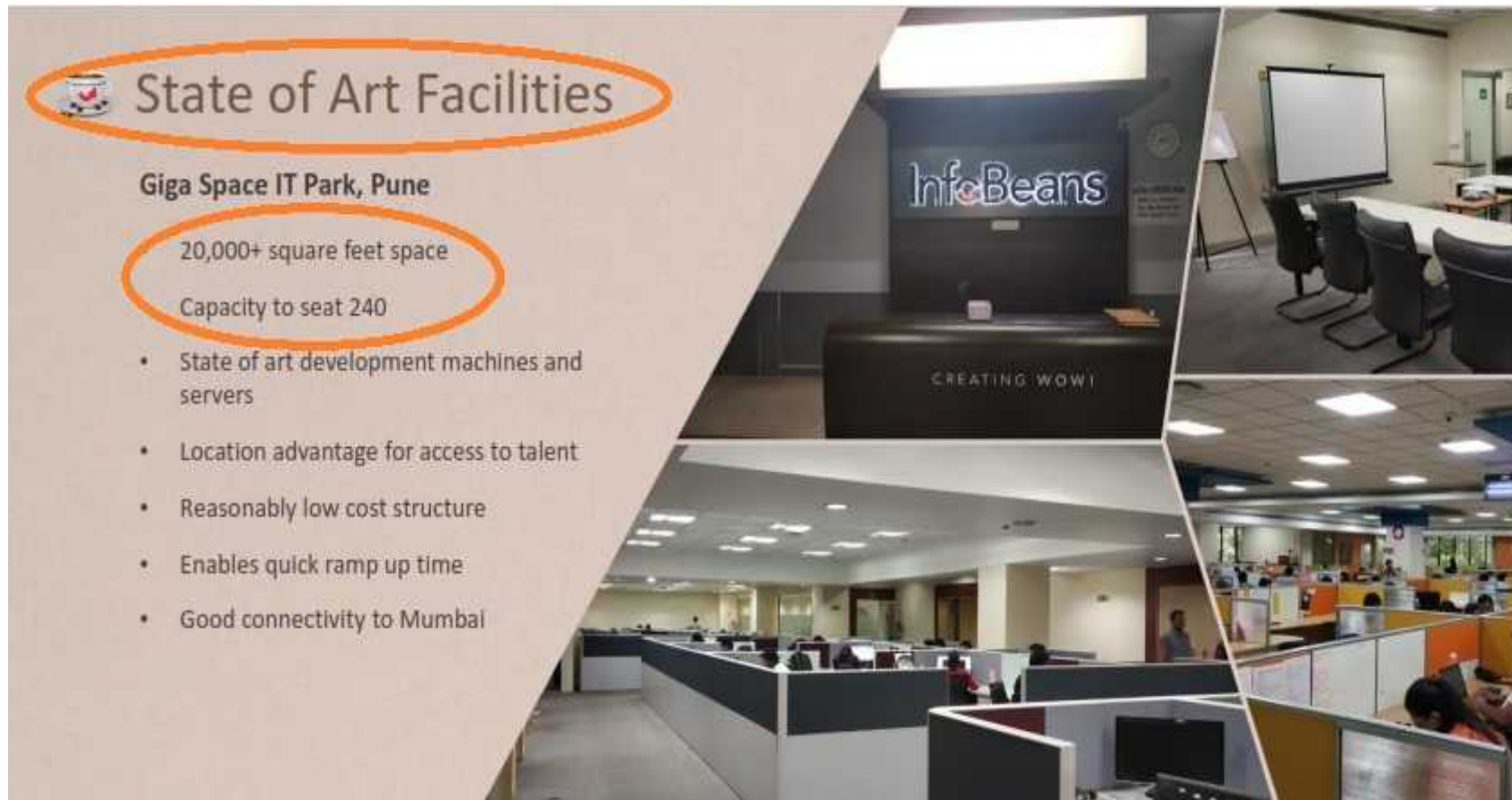
S. No.	Particulars	No. of Shares	Amount (Rs.)	Remarks
1.	Dividend @ 6% ie. Rs. 0.60 per Equity Share	1,57,51,000	94,50,600	Total Shares outstanding
2.	Less: Required documents and Form for waiver of right to receive the dividend received from the Promoters & Promoter Group of the Company and others after intimation to Exchange and before the commencement of the Board Meeting on 20.11.2018	(1,17,12,500)	(70,27,500)	Waiver of Dividend Form received in Writing from the Promoters & Promoter Group of the Company and others.


Case Study # 2

MARKET POSITIONING

Explosives	AAC	Alphas	Pastes	Conductors
				
<p>MMPIL has a market share of 60% and above in all these segments and is expected to grow the share of business further with the new project commencement at MIDC Umred (Nagpur), as per our management's estimates.</p>			<p>MMPIL is preferred supplier to major Paint companies for leafing grades this capacity is being transferred to our TOYO JV Steadily.</p>	<p>Selling 3500 MTPA and expecting good growth due to the government focus on extensive electrification and registration of MMPIL with PGCIL.</p>

Case Study # 3



 **State of Art Facilities**

Giga Space IT Park, Pune

20,000+ square feet space

Capacity to seat 240

- State of art development machines and servers
- Location advantage for access to talent
- Reasonably low cost structure
- Enables quick ramp up time
- Good connectivity to Mumbai

InfoBeans
CREATING WOW!

Case Study # 4



[Corporate Overview](#) [Management Report](#) [Financial Statement](#)

		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
				DELETED				
2	SIRCA S.p.A	-	-	ALLOTMENT 22.02.2018	7,00,000	5.22	7,00,000	5.22

Case Study # 5

CLIENTELE



Case Study # 6



Case Study # 7



Parting Thought



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Following 

Don't invest where the big money is, invest where it is going to go. All great companies started as small companies. Find them early.
[#microcap](#)

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Thank
you



For any queries,

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