

RBI proposes IBA led committee to monitor MSME credit issues

An IBA led committee under the chairmanship of Mr K R Kamath is proposed to be set up in order to examine and evolve a structured mechanism in banks to monitor and follow-up the entire gamut of credit related issues pertaining to the MSEs. The Committee may comprise of 5-6 domestic banks as its members.

The decision was taken during RBI's Standing Advisory Committee (SAC) on flow of credit to MSME sector which was held on November 21, 2012 in New Delhi under the Chairmanship of Dr KC Chakrabarty, Deputy Governor. Mr Vivek Rae, Secretary, ministry of MSME, Mr Amarendra Sinha, Additional Secretary & Development Commissioner MSME and other officials of Public Sector Banks, SIDBI and NSIC were also present.

While making the presentation, Mr VK Agarwal, President, FISME, emphasized that it is critical to look into the different needs of the three distinct segments: Micro, Small and Medium Enterprises. He also drew attention of regulator towards the need for creation of bond market through securitization of MSMEs' trade receivables.