

No.8/67/2014-IF.II
Government of India
Ministry of Finance
Department of Financial Services

Jeevan Deep Building, Parliament Street
New Delhi. Dated 26th September, 2014.

Subject:- Composition and Terms of Reference of the Committee set up to examine the financial architecture of the MSME sector-reg.

1. Pursuant to the Budget Announcement for FY 2014-15 regarding setting up of a Committee to examine the financial architecture for the MSME sector and giving concrete suggestions within three months, the Department of Financial Services, Ministry of Finance hereby appoints the Committee consisting of the following:

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| (i). Shri K.V. Kamath, Chairman, ICICI Bank | -Chairperson |
| (ii). Secretary, Ministry of MSME or his nominee not below the rank of Joint Secretary | -Member |
| (iii). Secretary, DIPP or his nominee not below the rank of Joint Secretary | -Member |
| (iv). Secretary, Department of Skill Development and Entrepreneurship or his nominee not below the rank of Joint Secretary | -Member |
| (v). Shri Sushil Muhnot, CMD, Bank of Maharashtra and Ex-CMD, SIDBI | -Member |
| (vi). Representative of RBI not below the rank of CGM | -Member |
| (vii). DMD, SIDBI | -Member |
| (viii). CEO, Indian Bank Association | -Member |
| (ix). Representative of FISME | -Member |
| (x). Mrs. Rajni Bector, Cremica Food, Ludhiana | -Member |
| (xi). Shri Saurabh Srivastava, Founder, India Angel Network, | -Member |
| (xii). Shri R. Vaidyanathan, Professor, IIM Bangalore | -Member |
| (xiii). Shri Gopal Aggarwal, FCA | -Member |
| (xiv). Shri Nilesh Shah, CEO, Axis Capital | -Member |
| (xv). Joint Secretary(IF), DFS | -Member Secretary |

2. The Terms of Reference (TOR) of the Committee are as follows:

- (i) Assessing the current structure of flow of finance to MSME sector – delivery channels, products and services and policy environment.
- (ii) Comparison with financial architecture in other developed and emerging economies for strong support to MSMEs.
- (iii) Analysing the gap areas and suggesting measures for addressing the same with regard to the following to bring about significant improvement in India's position in *ease of starting business* and *ease of doing business* indices for speedy growth of the sector:
 - a) Role and scope of financial intermediaries – existing as well as proposed.

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- b) Financial products & services.
- c) Incentives and risk mitigation / credit enhancement measures; and
- d) Medium term and long term policy prescriptions and directions.

3. The Committee may also lay particular focus on the following aspects and come up with concrete suggestions-

- i) Improving the share of institutional finance to MSME from low level currently seen.
- ii) Regional disparities in credit flow to MSMEs.
- iii) Credit for self-employment based MSEs, particularly those established by SC/ST/OBC entrepreneurs.
- iv) Innovative financial products for MSMEs.
- v) To increase flow of equity support to MSMEs by targeting incubator based Funds, Angel/Seed Funds, Impact Funds and VC/PE funds.

4. The Committee may submit its final report within three months.


(Alok Tandon)


Joint Secretary to the Government of India
Tel. No.23344462

Copy to:

- (i) Principal Secretary to Prime Minister,
- (ii) PS to FM,
- (iii) Finance Secretary,
- (iv) Secretary, Ministry of MSME,
- (v) Secretary, DFS,
- (vi) Secretary, DIPPP,
- (vii) Secretary, Department of Skill Development & Entrepreneurship,
- (viii) Chairman, ICICI Bank,
- (ix) CMD, Bank of Maharashtra,
- (x) Governor, RBI,
- (xi) DMD, SIDBI,
- (xii) CEO, Indian Bank Association,
- (xiii) Mrs. Rajni Bector, Cremica Food, Ludhiana
- (xiv) Shri Saurabh Srivastava, Founder, India Angel Network,
- (xv) Shri R. Vaidyanathan, Professor, IIM Bangalore
- (xvi) Shri Gopal Aggarwal, FCA
- (xvii) Shri Nilesh Shah, CEO, Axis Capital

Copy also to:

- (i) PPS to Secretary(FS),
- (ii) PPS to AS(FS),
- (iii) PS to JS(IF),
- (iv) PS to Director(IF.II),


(Udai Bhan Singh)

Under Secretary to the Government of India