
Extract of Paragraph 66

Monetary Policy 2013-2014

Micro and Small Enterprises

66. In view of the concerns emerging from the deceleration in credit growth to the MSE sector, an Indian Banking Association (IBA)-led Sub-Committee (Chairman: Shri K.R. Kamath) was set up to suggest a structured mechanism to be put in place by banks to monitor the entire gamut of credit related issues pertaining to the sector. The Committee has since submitted its report and based on its recommendations, it has been decided that banks need to:

- strengthen their existing systems of monitoring credit growth to the sector and put in place a system-driven comprehensive performance management information system (MIS) at every supervisory level (branch, region, zone, head office) which should be critically evaluated on a regular basis;
- put in place a system of e-tracking of MSE loan applications and monitor the loan application disposal process in banks, giving branch-wise, region-wise, zone-wise and State-wise positions. A format for the purpose will be provided to banks as recommended by the Sub-Committee. The position in this regard may be displayed by banks on their websites; and
- monitor timely rehabilitation of sick MSE units. A format for the purpose will be provided to banks as recommended by the Sub-Committee. The progress in rehabilitation of sick MSE units should be available on the website of banks.

Detailed guidelines are being issued separately.

<http://corporatelawreporter.com/rbi-release-monetary-policy-statement-2013-14-14090.html#axzz2Qz4kKxNF>