

NAME OF THE BANK		
S No.	CIMSME SUGGESTIONS	BANK's VIEW
TIMELY AND ADEQUATE FINANCE		
01.	The Loan Application form should be re-designed having the complete list of documents for sanction, Legal documentation and Disbursement separately	
02.	A pre-numbered computerized receipt should be issued to the company with date and time with Login and Password for tracking the status of the proposal.	
03.	The company should be given a Login and Password to track its loan application online to know what is the status of the application and at which desk it is parked? It will also be clear to the company if it is pending due to the non-submission of reply by the company.	
04.	A comprehensive check list for the balance documents should be issued to the company within next 7 days.	
05.	Possibility of in-house Legal and Valuation should be explored, as the outsourcing takes lot of time.	
06.	At the time of sanction/ Rejection, a Travel Sheet of the Flow of the application as per Annexure I should invariably be a part of Sanction / Rejection Letter.	
07.	Reason of Rejection should also be conveyed to the company.	
CREDIT RATING		
01.	There should be different credit rating scale for MSMEs and Large Corporate under Basel II.	
02.	The threshold limit for external credit rating should be increased from the present Rs. 5 crore to Rs. 25 crore. IBA should approach RBI with data mapping internal rating with external ratings for limits / exposure below Rs. 25 crore	
PARTICIPATION OF INDUSTRIAL ASSOCIATIONS		
01.	A representative of MSME Associations should be a member of Regional/ Zonal MSME Review Committee of all the banks. This committee should hold meeting every month at all the Regional/ Zonal offices of all the banks to review the progress of MSME loan proposals.	

02.	New channels of Credit Delivery like Industry Associations / Banking Correspondents may be developed. SIDBI has taken initiative in capacity building of select industry associations in different clusters. We recommend that the model adopted by SIDBI may be replicated with suitable modification if so required, by other banks/FIs for capacity building of Industry Association.	
SME BRANCHES		
01.	The SME branches should be headed by some senior executive preferably Asstt General Manager of the bank.	
RE- APPRAISAL		
01	It has been the practice at the banks that the proposals recommended by branches headed by AGM/ DGM are re-appraised by a junior officer at the Regional/ Zonal office. Further the proposals recommended by the Regional Managers/ Zonal Managers with the rank of DGM/ GMs are re-appraised by the lower ranked officer at the Head office of the bank. Different queries are thus raised at different levels. We recommend that at the higher office which may be Regional office/ Zonal office/ Head office, the queries should be raised only by an officer above or atleast of the same rank officer, who has recommended the proposal from Branch / Regional/ Zonal level.	
CENTRAL GRIEVANCES CELL		
01	Central Grievances cell should be formed especially for credit proposals of MSME sector, in line with Banking OMBUDSMAN Scheme.	
CONSORTIUM ARRANGEMENT		
01	It has been observed in many cases that the Lead Bank appraise and assess the total requirement of the company, still the other member banks do not sanction their required share to the company on time. There is thus no use of the Consortium funding. It should be mandatory for all the Consortium members to sanction the facilities assessed by the Lead Bank within a period of one month of the assessment.	

REHABILITATION & EXIT POLICY		
01	As there is a Board for Industrial & Financial Reconstruction (BIFR) for large public and private sectors owning industrial undertakings, similarly a separate Board could be constituted for MSMEs so that their restructuring process could be hastened. The Board would act as the nodal agency which will be authorised to examine and declare the MSME unit as sick unit on a reference by the MSME unit like BIFR. Rehabilitation proposal can then be finalised in consultation with banks and the borrowers.	
02	SIDBI has formulated Scheme for “Management / Restructuring of Stressed Assets, Rehabilitation and model OTS Scheme for MSME” and has also circulated the same with banks. An independent view on the scheme formulated by SIDBI may be taken up; thereafter the same scheme may be put up by banks to their board for their consideration.	
03	The NPA norms for MSEs should be changed from 90 days to 120 days to enable units to help company take steps to revive the company.	
INTERACTION WITH CHIEF EXECUTIVES OF BANK		
01	Most of the time the Chief Executives i.e. CMDs/ EDs of the banks are busy in their internal meetings/ meetings with the large corporates. It is very difficult for SME clients to fix up appointments with them. There should be at-least one day during a month as a public day for MSME sector, where the CMDs/ EDs should be available for meeting with MSME clients without any prior appointment.	