

Capacity Building of Ministry of MSME & Department of Financial Services

New Delhi || Jan17, 2024

What a golden opportunity to address at the Joint Capacity Building Workshop for Ministry of Micro, Small and Medium Enterprises, Government of India and Department of Financial Services, Ministry of Finance hosted by Capacity Building Commission

After the three Breakout Sessions on "Access to Credit for MSMEs", "Delayed Payment and Receivables" and "Exports from MSMEs: e-Commerce and Atmanirbhar Bharat", I was nominated to present the suggestions on Access to Credit for MSMEs to a power packed panel chaired by Hon'ble Minister of State Ministry of Micro, Small and Medium Enterprises, Government of India Sh Bhanu Pratap Singh Verma ji, Secretary Ministry of Micro, Small and Medium Enterprises, Government of India Sh S C L Das ji, Member Capacity Building Commission

Sh Praveen Pardeshi ji, Chief General Manager Reserve Bank of India (RBI) Sh R GIRIDHARAN ji.

Other key dignitaries were Secretary Department of Financial Services Sh Vivek Joshi ji, Chief Economic Advisor Sh V Anantha Nageswaran ji, Chairman and Managing Director, SIDBI(Small Industries Development Bank of India) Sh S Ramann ji, Joint Director Ministry of Micro, Small and Medium Enterprises, Government of India, Heads of all three TReDS Platforms Receivables Exchange of India Ltd (RXIL), Invoicemart and M1xchange.

Senior Executives from Union Bank of India Bank of Maharashtra Bank of Baroda State Bank of India Canara Bank and many more also attended the workshop.

The workshop was also attended by major Industrial Associations and Large number of MSMEs.

I suggested many practical suggestions for easy access of credit to MSMEs based on the Breakout Session.

Some of the suggestions were related to Credit Rating, TransUnion CIBIL Limited reporting with law of limitation, No Pre Payment charges, Online Loan Application than any offline application, CGTMSE cover and charges, Stand-up India coverage etc.

A large yellow and white banner for a workshop. At the top left is the Reserve Bank of India logo. To its right is the '75 Azadi Ka Amrit Mahotsav' logo. Below these are three logos in a white rounded rectangle: the Ministry of MSME logo, the Reserve Bank of India logo, and the Department of Financial Services logo. In the center is a portrait of Narendra Modi. Below the portrait is the title 'Workshop on Capacity Building of Ministry of MSME & Department of Financial Services'. At the bottom, a blue rounded rectangle contains the text 'Jan 2024' and 'New Delhi, Delhi'. The background of the banner features faint circular patterns with the Indian Rupee symbol (₹).

Reserve Bank of India

75 Azadi Ka Amrit Mahotsav

Ministry of MSME

Reserve Bank of India

Department of Financial Services

**Workshop on
Capacity Building of
Ministry of MSME
&
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Services**

Jan 2024
New Delhi, Delhi





75
Azadi Ka
Amrit Mahotsav



विद्यया ऽपि युक्तौ ज्ञानेन
संस्कृतौ च
सर्वेषु कर्मसु कौशलम्



CAPACITY
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DEPARTMENT OF
FINANCIAL SERVICES



**Workshop on
Capacity Building of
Ministry of MSME
&
Department of Financial
Services**

17 January, 2024
Venue: Kaushal Bhawan, Delhi



Bottlenecks for credit access and financing choices (supply side):

- 1) Awareness
- 2) decoupled from risk
- 3) different credit scoring model
- 4) problem of interoperability related to lack of common rating standards and matrix
- 5) rationalise standards in availing schemes- CGTMSE, Stand-up India, etc

- Move to cash flow modelling , rather than balance sheet fu analysis)
- Single window system to track bank loans
- Ticket model (with feedback): for processing acceptance a

Banking HR: Re-appraisal, use digital methods, streaming Ms Bajaj: EDP Skill courses to apply for MSME loans and ce smoothen information asymmetry by sharing a compendium

Capacity Building in domain and behavioural trainings to enh proactive decision making, and reduce risk aversion



