



United Bank of India : LEAD BANK DIVISION

Convener : State Level Bankers' Committee for West Bengal

(Ref: Minutes of the SLBC Sub Committee on SHG special meeting on 11-10-2018)

In terms of the decision taken during the 142nd SLBC meeting on 10-09-2018, a special meeting as requested by SHG & SE Department, was convened by SLBC Sub-Committee on SHG. In addition to the permanent members of the Sub-Committee 5 other member banks with sizeable exposure in SHG finance participated in the meeting as special invitee. The meeting chaired by Sri Anup Kr Agarwal, Principal Secretary was well attended by executives and senior officials from RBI, NABARD, SHG & SE Deptt, WBSRLM, WBSCL, NIC also.

After the welcome address delivered by Asstt General Manager, SLBC, the proceedings of the meeting started with address to the participants by Sri Agarwal. He elaborated in details the SHG movement in the State and the role played by WBSSP through SHG & SE Department and WBSCL. It was informed that WBSSP is the single platform for Subsidy administration for SHG and Self -employment to unemployed on individual basis with convergence of the development activities relating to institutional finance undertaken by State Govt Departments (NRLM, Cooperation, Urban Development and Municipality) and implemented through Banks.

The salient points of discussion /deliberation is as appended below.

- The basic objective is to provide credit linkage to all the SHGs (irrespective of the categories) at an interest of 2% , net of Interest Subvention and Interest Subsidy/Incentive available with the State Govt bearing additional burden to promote SHG movement.
- The SHG & SE Department is in the process of creation of Master Data for all subsidy administered by the State Govt with the ambitious target to bring each families under SHG finance. It was reported that almost 90% of the population is availing of the benefit of some form of Subsidy and a centralized data base of these population with inputs from the exiting portals of sundry stake-holders and implementing agencies will provide opportunity to bring the uncovered families under the SHG movement.
- NIC is entrusted with development of a portal exclusively for SHGs under NRLM and NULM. This is in line with the existing NRLM & NULM portals and will be utilized for administration of the Interest Subsidy component provided by GoWB. This will eliminate the delay in lodgment of subsidy claim and receipt thereof by the Banks besides ruling out any mistake due to manual intervention. The Department has devised a modified Subsidy Claim Format which is to be ratified for implementation by the Department accordingly. 31st October, 2018 has been set as the date of confirmation by the banks..



(A separate discussion was held towards the later part of the meeting regarding the claim format where NIC officials elaborated on the salient points of the claim format and clarified the points raised by some of the member banks)

- Regarding NPA in SHGs, it was informed that NPA details are already available in the portal and both SRLM and SUDA are tracking the development at their end and following up with the beneficiaries through field level functionaries.
- General Manager of NABARD informed about the advantage of E-Shakti portal developed by NABARD which is presently implemented in Paschim Midnapore and opined that its purview be expanded to cater to the credit needs of the SHGs in time. The portals are to be synchronized accordingly for the desired result.
- Individual schemes like SVSKP is a credit linked subsidy scheme and aims to provide employment scope to the youths. It is reported that 40000-45000 beneficiaries are covered in a year with subsidy of Rs.375 crore provided to the beneficiaries by GoWB.
- In a number of cases prospective candidates take recourse to micro-finance in view of time taken by banks for disposal of loan proposals. The present system is a paper based process with manual as well as physical interactions at various levels. The Deptt is aiming at digitization of the scheme by Dec,18-Jan,19 and NIC is reportedly developing the portal. Thereafter Application, Subsidy Claim, Sanction details are to be reported online which will speed up the entire process. The feasibility of extending credit guarantee cover in the line of CGTSME guarantee scheme is to be explored. This may take care of recovery issues raised by the banks. However, it is opined that Banks will continue to do the due diligence and monitoring part in post disbursement phases as per their extant guidelines.

(Action Point : SHG & SE Deptt, NIC , Member banks)

- It is suggested that model schemes prepared at Block level may be ratified by NABARD to rule out the possibility of rejection of proposals sponsored by Deptt as unviable by the banks. GM of NABARD was requested to look into the matter. SLBC was also requested to prepare a check-list for screening the applicants on techno-economic viability/feasibility parameters. SHG & SE Deptt is also proposing to provide EDP training in line with RSETI/PMEGP for proper motivation of and capacity building of the beneficiaries.

(Action Point : SLBC , NABARD and SHG & SE Deptt)

- Regarding recovery, it was suggested that banks should extensively utilize the services of Motivators engaged by the Department on incentive basis for improvement in implementation of SVSKP scheme and recovery of dues through follow up measures with each beneficiaries.
(Action point : Member banks)



- As to the case of mobile seeding, some of the banks expressed concern regarding non-release of subsidy of the entire lot of SHGs lodged for a particular period due to non-availability of mobile numbers for some SHGs. It was requested that pending seeding of mobile numbers in those SHGs, interest subsidy for the SHGs with mobile numbers be released at the earliest. At the same time, banks are to furnish the list of SHGs without mobile numbers to the office of respective District Magistrates immediately for collection and onward seeding by them.

(Action point : Member banks and SHG & SE Deptt)

Smt Nilanjana Dasgupta ,ACEO of WBSRLM in her deliberation requested all the Banks to ensure disposal of all pending proposals by December,2018 so as to avoid complications regarding fresh sanctions that may arise due to code of conduct for 2019 election. She also informed about zero disbursement in a large number of SHGs and also to correct the SHG codes which has been shared with the respective banks. It is also informed that Department will also arrange for renewal of the eligible SHGs around 3.90 lakh SHGs in time so as to enable the banks to undertake the grading exercise and provide repeat dose of finance to the eligible SHGs.

(Action point : Member banks & SRLM)

Smt Dasgupta also discussed the issues regarding return of proposals by some of the banks. It was reported by SLBC Desk that the intimation was received by them on the previous day of the meeting and will be taken up with the nodal offices of the respective banks on case to case basis for sorting out the same. Regarding the proposals returned by Dena Bank, it was informed that they are unable to consider the same in view of credit restriction under PCA by RBI and as such the proposals are to be reallocated to other nearby bank branches in the proximity of their branches.

It was agreed that the banks are to dispose of the proposals in time and rejection of the proposals which are already vetted by authorities should be related to specific reasons only which is to be communicated in a transparent manner to the department.

(Action point : Member banks)

In the concluding part of the meeting , Sri Rajiv Sarkar from NIC and Sri Swapan Kr Ghosh from WBSCCL explained the process of subsidy claim for SHGs and the proposed modification in the revised claim format which is to be ratified by the Banks on or before 31-10-2018 for adoption by the Deptt.

(Action point : Member Banks & SLBC)

The meeting ended with vote of thanks from the Chair.


Mukti Ranjan Roy
General Manager & Convener, SLBC (West Bengal)

Dated, the 22nd October, 2018

