



युनाइटेड बैंक ऑफ़ इंडिया : United Bank of India
अग्रणी बैंक प्रभाग : Lead Bank Division

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Date : 30-09-2019

- 1) All Member Banks under SLBC, West Bengal
- 2) All the Lead District Managers in West Bengal

Re : Adoption of MSME Clusters & Intt Subvention Scheme for Weavers

During the 146th SLBC meeting held on 17-09-2019, Hon'ble Finance Minister of West Bengal observed that the Banks have been able to surpass the target for MSME in last 3 years, they need to focus more on development of the MSME clusters across the State as they are more labour intensive and the State is performing well in the MSME sector in comparison to other major States. He suggested for adopting 100 Clusters and advised SLBC to immediately convene a special meeting to prepare an action plan.

The special meeting was accordingly held on 27-09-2019 with participation from all the major banks, RBI, Department of MSME, Directorate of Handloom, KVIB, Institutional Finance, GoWB. The gist of the deliberations with valuable contribution from Sri M Dhar, Advisor, Institutional Finance, Sri M R Ray, Convener of SLBC, Ms D.Dutta, Director of Handloom, Sri R Middy, Director of MSME Deptt, Sri M Bandyopadhyay, Sp Secy & CEO of KVIB, Sri S Bhattacharjee, AGM, RBI under active participation of member banks is given hereunder.

Identification of the entrepreneurs being the key factor for bank linkage, it was opined that MSME & Handloom Department would assist the Banks in tracing out the left out entrepreneurs.

Block & District level officials would identify the entrepreneurs through the field level functionaries as well as existing members of the clusters in applicable areas.

Adoption of clusters would be deemed successful only when 80% or more of the the entrepreneurs in each of the clusters are linked to institutional credit.

Awareness - cum - sensitization camps should be regularly held and hand holding support should be provided to the entrepreneurs.

After sponsoring/receipt of proposals, banks should follow the prescribed timeline for disposal of the proposals followed by reporting of the progress report to LDMs/SLBC.

After a detailed discussion and as per suggestions from the dignitaries and inputs from the member banks the following course of action has been adopted by the House.

- 152 Clusters have been identified by the Departments (100 Handloom, 32 MSME & 20 KVIB) which are proposed to be adopted for finance to individuals as well as groups/societies depending on their preparedness for credit absorption and gainful deployment of fund.
- Non-loanee entrepreneurs/weavers will be identified by respective District officials. (GM, DIC, District Handloom Officer & District Khadi Officer).
- The identification process is to completed by October, 2019
- Sensitization-cum-Orientation camps will be conducted by District Officials with support from LDM and participating bank branches from November, 2019 onwards.



- Bank branches operating in & around the Clusters will be the participating banks and will be decided by LDM in consultation with the District Departmental Officials. Mapping of the branches is to be completed by mid- October,2019
- After the Sensitization - cum- Orientation camps, the loan applications will be forwarded to the respective bank branches.
- Loan applications will be attached with a Preliminary Information Sheet containing the bio data and requisite information of the beneficiary.
- Banks will dispose of the proposals within 3 weeks of receipt of complete set of loan papers.
- In case of rejection of loan proposals, it should be returned to the sponsoring Department within four (4) weeks of receipt of the proposal/s.
- For speedy disposal, it is advised that the camp mode should be followed at various stages of the process in a concerted manner by the bank branches & the sponsoring departments.
- LDMs will coordinate the process with the District Officials of the Departments as well as the DCOs of the participating banks and concerned Branch-Heads. LDMs will collect & submit the monthly /quarterly progress data to SLBC.
- Henceforth the review of the progress regarding credit linkage in the Clusters will form part of the agenda for BLBC & DCC meetings with suitable action plans at respective levels. Similar district wise review will be part of the agenda for SLBC meetings as usual.

The House also discussed the modality for the GoWB 4% Interest Subvention Scheme for the handloom weavers and the draft copy for the proposed Standard Operating Procedure as prepared by the Directorate of Handloom with inputs from SLBC has also been adopted with the following additional provisions.

- ✓ In the first phase, the beneficiaries already covered under Tanti Sathi program of GoWB will be targeted.
- ✓ The Loan Applications will be in quadruplicate. One copy incorporating the sanction details will be sent to Dist Handloom Officers by the branches after according sanction.
- ✓ Interest Subsidy claim will be lodged annually by the banks within 30 days from the end of the financial year.
- ✓ Interest Subsidy claim will be lodged centrally by RO/ZO of the participating banks as State Administrator in the web portal to be developed by the Directorate.
- ✓ Interest Subsidy will be paid by the Directorate to a Nodal Branch to be selected by each of the the participating banks.
- ✓ The Nodal Branch will arrange for remittance of the Interest Subsidy to the Base Branches for onward credit to the individual borrower accounts. The process of credit in borrowers' accounts is to be completed within 2 weeks of receipt from Directorate of Handloom.

SLBC suggests that a workshop for the State Administrators/Nodal Officers of banks be held by the Directorate of Handloom with support from the technology service provider after developing the portal. The SOP for the portal will be furnished separately by the Directorate.

It was also advised that banks should participate in District Financial Clinics and cater to broader segment of MSME entrepreneurs for facilitating technology up-gradation schemes in particular for developing the Clusters as well.

General Manager
Prisec-Agri & Convener of SLBC

