



युनाइटेड बैंक ऑफ़ इंडिया : United Bank of India
अग्रणी बैंक प्रभाग : LEAD BANK DIVISION

Ref : SLBC-WB/MSME/Minutes/ 993/2019

Dated, the 29th May, 2019

Re : Minutes of the Sub-Committee Meeting on MSME on 27-05-2019

The quarterly meeting on SLBC Sub-Committee on MSME was held on 27-05-2019 to review progress in credit deployment under PMMY, PMEGP, SUI & SVSKP, credit linkage in MSME Clusters, pending proposals under PMEGP & SVSKP. The point of discussion and the action points that have emerged are given hereunder,

The meeting started with the Action Taken Report on Action Points for the last Sub-Committee meeting which are complied & summarized below :

- 15 MSME Clusters have been adopted for focussed credit linkage in 12 districts.
- Sanction of proposals pending with the banks have stepped up in PMEGP/SVSKP schemes.
- Banks have constituted internal mechanism/committees for restructuring of MSME loans.
- Demand has been raised by WBSCL for return of SVSKP subsidy lying unutilized without disbursement. Banks have started reconciling the status for reporting & return of subsidy.

Thereafter, the achievement of MSME sector in 2018-19 was taken up for deliberation. The House expressed satisfaction on attainment of the ACP target by banks with deployment of Rs.56458 crore against Rs.50000 crore. The house desired that the same momentum is to be carried forward and the target of Rs.59932 crore should be covered as well.

Sri R K Middy, Jt Director, MSME Dept requested the member banks to clear the arrear PMEGP loan proposals and highlighted the industry friendly initiatives of the Department.

The meeting was attended on special invitation by General Managers of the 12 District Industries Centres where the 15 identified MSME clusters are located. The objective was to gain insight into the activities undertaken in the clusters, facilities available and preparation of a roadmap. All the 12 GMs of the respective DICs participated actively with information on the measures undertaken by them and suggestions for better results. The GMs highlighted the facilities available in the CFCs (Common Facility Centres) for utilization by the entrepreneurs also. The gist of the deliberation as per District-wise DICs is as follows.

- 1) Purba Medinipur : Cashew processing is the main activity in the cluster. Banks are reportedly reluctant to extend financial support to MSME loans under PMEGP scheme. CFC is being properly utilized.
- 2) Howrah : 1st Cluster meeting has already been conducted at Bargachia covering metal spare parts. Also mentioned about the Ankurhati Park and the ensuing meeting covering the jewellers under Domjur cluster. Banks may extend loans under schemes for technology upgradation.
- 3) 24 Paraganas (North) : Bori manufacturing is the main activity. Hard intervention by Co-Op Society along with skill development training is going on. Informed that Rs.3.19 crore sanctioned by Government. Working Capital for entrepreneurs may be the target area.
- 4) Nadia : Hard intervention is required. Co-Operative Societies/JLGs may be formed to take up activities for scaling up operations with investment in machineries.



- 5) 24 Paraganas (South) : CFC is available and entrepreneurs are involved. Outreach program is advocated. M Dhar, Advisor (Institutional Finance) suggested short duration workshops with support from the RSETI at Rajpur. Sri Sinha, DGM of NABARD suggested direct marketing arrangement with traders instead of undertaking job work.
- 6) Murshidabad : Collection of credit data from Bank is not yet completed. Emphasised on Financial Literacy drives to promote / encourage the entrepreneurs.
- 7) Purulia : 121 units are involved in the Shellac industry. No specific issues with the banks.
- 8) Jalpaiguri : Already had a meeting with LDM for preparing a strategy and has initiated the process of identifying beneficiaries for credit linkage.
- 9) Bankura : Roofing tiles manufacturing is the chosen activity at Saltora. Demand exists for cash credit loans. Proper response from the banks is not forthcoming despite meetings.
- 10) Uttar Dinajpur : High Demand for mustard oil. Already in touch with the banks. No major issues. Role of SBI has been appreciated.
- 11) Malda : Bee keeping and Honey production are the main activities pursued by around 300 active entrepreneurs. Price fluctuation is a major concern. BGVP has cited NPA generation in this sector particularly among SHGs as major issue.
- 12) Purba Burdwan : Zari Jardousi , embroidery works are now beginning to be mechanized (CAD based). Banks may finance term loans for machines in case of persons engaged in job works. Direct market access arrangement is also suggested by Sri M R Roy, Convener.

(Action point : Member banks are to take note and act accordingly. LDMs are to initiate necessary steps for proper co-ordination among the banks, entrepreneurs and stakeholders. Ref : SLBC letter no SLBC-WB/MSME/842/2019 dated 25-03-2019 ,copy enclosed)

SLBC also informed the GMs regarding the provisions of the above mentioned directive dated 25-03-2019 issued to the LDMs and the member banks. The House also opined that the banks should proactively take part in the Financial Clinics and other meetings while DICs would assist the banks in providing support to the banks for proper implementation of the program at both pre & post disbursement stages. This will ensure successful implementation of the program which will be regularly monitored by SLBC & MSME Department.

The Convener of SLBC opined that conversion of the job workers in these Clusters to entrepreneurs through credit linkage on the strength of the CFCs providing adequate support on both backward & forward linkage should be the essence of adoption of the Clusters by the Banks and MSME Department should also focus on this aspect which will help the banks.

The meeting ended with a vote of thanks to the Chair and all the Participants.


General Manager
Prisec-Agri & Convener, SLBC.

Encl, as stated. 

