



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

Ref : SLBC-WB/MSME/Minutes/633/2019

Dated, the 09th February, 2019

Re : Minutes of the Sub-Committee Meeting on MSME on 04-02-2019

The quarterly meeting on SLBC Sub-Committee on MSME was held on 04.02.2019 to review progress in credit deployment under PMMY, PMEGP, SUI & SVSKP, credit linkage in MSME Clusters, pending proposals under PMEGP & SVSKP, Recovery of NPA in MSME loans, MSME Support & Outreach Program in Aspirational Districts etc. At the outset, Sri S K Bhuyan, Assistant General Manager, Lead Bank, welcomed the members. The point of discussion and the action points that have emerged are given hereunder,

Sri Bhuyan started with the Action Taken Report for the residual matters and action points for the last Sub-Committee meeting which are summarized below :

1. The ongoing program on "Strengthening of Ecosystem for MSME" in the Aspirational Districts is nearing completion and the State achieved the target set by Government of India by covering MSME entrepreneurs under PMJDY, PMSBY & PMJJBY, restructuring of MSME loans, proper awareness of GST registration, sanction of loans in 59 minutes etc.
2. The list of 281 MSME Clusters has been finalized with relevant details and shared with the member banks by SLBC on 15.12.2018. Sri Vijay Bharti, Director, MSME Deptt, GoWB highlighted the cluster approach and spoke on the importance of credit linkage in these 281 clusters. He also assured of all support to the bankers in this respect. In the last SLBC meeting banks were advised to adopt one activity per district for growth of clusters and the banks operating in the area for identifying one MSME specialized branch. SBI has already started the procedure. Sri Bharti suggested that ten core activities related clusters should be adopted for the growth of the Clusters. The Convener, Sri Ray requested MSME & T Deptt to identify and send the names of a few clusters for exclusive adoption & credit linkage in the initial stage. On finalization the same will be shared with the member banks for necessary action.

Sri Supriyo Dey, Chief Manager, Central Bank of India informed the house that their Bank will conduct the awareness camps in North Bengal in February, 2019. It was also discussed that Corporation Bank will go for credit linkage to silver filigree workers of 24 Parganas (South) district.

(Action point : SLBC , MSME & T Deptt)



3. RSETIs are expected to focus on better settlement, preferably through credit linkage and it is observed the credit linkage has improved from 56.55% to 61.19%. However it is reported that many branches decline them or keep pending for a long time resulting in settlement of cases much in lower side.

The Convener, Sri Ray then requested the member banks to advise the branches to attach due importance for the proposals recommended by RSETIs while Sri Bharti desired that they should put emphasis on skill development programs related to the localised demand & potential.

(Action Point : RSETIs)

4. The environment-friendly E-Rickshaw scheme which is also reportedly subsidized by State Government are to be pushed by the bankers. Sri Bhavesh Mishra, Dy Gen Manager from Allahabad Bank said that their bank has already a loan product for the E-Rickshaw as is done by United Bank of India. It is gathered that the banks have their specific product or financing E-Rickshaws under Small Road Transport category loans.
5. Sri Bhuyan also requested the member banks to expedite on disposal of pending proposals of sponsored programmes . Sri V Chaudhary, OSD, SHG & SE Deptt told that there the SVSKP loans pending since long should be disposed off immediately. Sri M R Ray, SLBC Convener opined that the applied cases under SVSKP should be disposed off within 28-02-2019 followed by disbursement in sanctioned cases. Unutilized subsidy if could not be disbursed for any genuine reasons must be returned as communicated by SLBC earlier.

Sri V Chaudhary, OSD, SHG& SE Septt. GoWB, informed that subsidy kept in the banks which has not been disbursed should be refunded to the sponsoring agency. Sri Bhuyan informed that there was a resolution that all the pending subsidy of sanctioned loan up to 2017 but not disbursed should be returned as decided in previous meeting. Sri M R Ray also informed that such subsidy received but could not be released for any genuine reasons must be returned in this quarter with necessary information

(Action point : Member Banks)

6. Regarding PMEGP loans, Sri R K Middy, Jt. Director, MSME observed that since last two years all the applications are submitted online unlike in past when hard copies were sent to Branches for disposal and as such the pace of sanction/disbursement is assessed to be not picking up. Sri M R Ray requested the Nodal Officers to advise the branches for commencing interview of the proposed loanees by Feb, 2019 and dispose of the cases before declaration of the ensuing Poll notification. Regarding PMEGP for the year 2018-19, 4550 cases are still pending at bank out of 7713 cases forwarded to banks and only 1194 has been sanctioned.

(Action point : Member Banks)



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7. It was discussed that the target for credit deployment in MSME is Rs.50,000 crore but only 40% has been achieved till Sept 2019. All the banks are requested to accelerate finance in MSME sector in the remaining days of the March, 2019 quarter so that the yearly target is achieved. Particular emphasis is to be given to the export oriented MSME segments in view of the improved scenario and efforts given by State Govt. For quantitative growth in MSME, banks are to focus on Stand Up India loans as well as 2nd dose of finance under PMEGP. For SUI, there is not much improvement to mention about as in about 8453 Branches in West Bengal, beneficiaries for last 3 years is 4527 only whereas target for SUI was 2 loans per branch per year.

(Action Point : Member Banks)

8. Sri R K Middy commented on the fact that many banks have not finalized Sick Industry Rehabilitation Committee to take care of the MSMEs which are stressed for reasons beyond their control. Sri M R Ray then discussed elaborately the issue of restructuring of MSME accounts, including NPA accounts.. He requested all the nodal officers to arrange for State wise Committee for restructuring of sick and viable MSME units. He emphasized on the rehabilitation, nurturing and handholding of MSME units in light of recent RBI guidelines dated 01-01-2019.

(Action Point : Member Banks)

Sri M R Ray requested all the banks to submit the quarterly progress report data in time so that in addition to the operational issues a meaningful discussion can be held in Sub Committee meetings to initiate remedial measures in case of shortfall in any area. The meeting ended with vote of thanks by Sri S K Bhuyan.


Sri M R Ray
General Manager
Prisec-Agri & Convener, SLBC.



