

राज्य स्तरीय बैंकर्स समिति, पश्चिम बंगाल : STATE LEVEL BANKERS' COMMITTEE, WEST BENGAL

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Ref. No: SLBC/WB/Sub Committee Meeting on MSME / /2024

Date: 29.08.2024

- 1) The Member Banks under SLBC, West Bengal
- 2) Line Departments, GoWB

**Reg: Minutes of the SLBC Sub-Committee meeting on MSME held on 29.08.2024.**

The SLBC Sub-Committee meeting on MSME was held on 29.08.2024 to review the performance of member banks under MSME as on 30.06.2024. The meeting was chaired by Shri Rajesh Pandey, Principal Secretary, Dept. of MSME & T, Govt. of West Bengal and participated by Shri Manas Dhar, Director & Special Secretary, Shri Sakshi Gopal Saha, SPMU of WBCCS, Govt. of West Bengal, and representatives of NABARD, KVIC & major member banks.

Shri Shio Shankar Singh, General Manager, SLBC West Bengal, heartily welcomed all the participants in the meeting and requested Shri Rajesh Pandey, Principal Secretary, Dept. of MSME & T, Govt. of West Bengal, to preside over the meeting. The key issues discussed along with the action points emerged in the meeting are enumerated below:

**1. MSME ACP 2024-25 vis-à-vis achievement as on 30.06.2024:**

Shri Shio Shankar Singh apprised that the member banks disbursed Rs 74,001.85 crore in MSME thus achieving 48.21% against ACP target of Rs 1,53,509.18 crore as on 30.06.2024. Disbursement in MSME has increased by Rs.17435.70 crores in absolute term as on 30.06.2024 from Rs.56565.15 Cr. as on 30.06.2023 thus registering a growth of 30.82 % on Y-O-Y basis.

Shri Rajesh Pandey congratulated all the member banks for such spectacular achievement in MSME ACP 2024-25 and recommended for upward revision of the ACP target of MSME for FY'2024-25.

Shri Manas Dhar also suggested SLBC to re-examine the ACP target of MSME for FY'2024-25 after the 2<sup>nd</sup> quarter.

**(Action Point 1: SLBC, West Bengal)**

Shri Rajesh Pandey stated that though the amount of disbursement in MSME had gone up, the number of disbursements had gone down implying increase of ticket size of the disbursements. Consequently, share of Micro sector might have decreased while share of Small & Medium sector might have increased. As Micro sector creates more employments than Small & Medium sectors, this trend could adversely impact employment generation. Shri Pandey requested member banks to push for more Micro Sector loans than Small & Medium sectors loans.

Further, Shri Pandey expressed his concern that the performance of most of the PSU banks had decreased in MSME sector than that of last year. He suggested that PSU banks to analyse their performance in MSME minutely, to identify the root cause of not picking up the MSME disbursements and to work out in this front accordingly.

**(Action Point 2: all member banks)**

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## **2. West Bengal Bhabishyat Credit Card Scheme (WBBCCS) as on 30-06-2024:**

Shri Manas Dhar apprised that during the last meeting on 15-07-2024, chaired by Dr. Manoj Pant, Additional Chief Secretary (Finance), Govt. of West Bengal, the bankers themselves had set the target that all the pending WBBCC cases would be disposed of by 31-08-2024. Subsequently, several mails to the member banks have been issued to remind the deadline (i.e., 31-08-2024) for disposing of the pending WBBCC cases. Few banks like PNB informed that few WBBCC proposals were sanctioned but yet to be uploaded in the portal. However, even after considering the sanctioned but not uploaded in portal cases, the performance in this front is dismal and far from the expected level.

Shri Rajesh Pandey highlighted that as per the data, around 20,000 WBBCC applications were processed between 25-06-2024 and 28-08-2024, out of which around 2,400 WBBCC applications were sanctioned whereas around 17,000 WBBCC applications were rejected. This shows the alarming picture of sanction vis-à-vis rejection ratio. He, also, expressed his concern that the long pendency of applications could eventually demotivate field functionaries, involving the sourcing of these applications and could impact sourcing of new applications.

Shri Alok Jain, DGM, SBI, stated that around 10,000 applications were disposed of during the month of Aug'2024. Though 600 applications were sanctioned during this period, yet rejection was much higher. The main reasons of rejections are due to either low CIBIL score or applicants are not interested to avail the loan.

Shri Rajesh Pandey suggested to share the list of non-interested applicants with the department for their perusal.

Shri Jain apprised that SBI would dispose of the remaining 28,000 WBBCC applications in camp mode. He informed that around 40 camps had already been carried out for speedy disposal of WBBCC applications.

Shri Pandey reminded that disposing of WBBCC applications should not comprise of rejection of applications in flimsy ground.

Shri Manas Dhar apprised that the CGM, SBI during a meeting on WBBCC, had informed that due to dearth of manpower in their RACC (centralized loan processing center), speedy disposal of WBBCC applications was being hampered. He requested SBI to increase the manpower in RACC as a temporary measure till the achievement of their target.

Keeping in view the large pendency, Shri Jain requested to extend the deadline of the completion of the task to 31<sup>st</sup> October, 2024 which had been kindly agreed upon by Shri Rajesh Pandey.

Shri S S Singh apprised that SLBC West Bengal had also conducted several meetings with member banks regarding the speedy disposal of WBBCC and enabled the banks to comply within the settled timeline (i.e., 31-08-2024).

While interacting with different banks regarding the disposal of the WBBCCS proposals, it was observed that one of the vital reasons for delaying in disposal of the WBBCCS proposals was absence of loaning power at branch level in many banks. So, Shri Rajesh Pandey advised that a resolution could be adopted in coming SLBC meeting as, for MSME loans upto Rs 5 lakh, the loaning power should be given to the all the bank branches. Subsequently, individual bank shall take up the resolution with its respective Head Office for necessary changes in loaning policy.

Shri V Srinivas, DGM, PNB apprised that PNB had taken the task in a war footing & in decentralized manner and assured that the task would be completed by 31-10-2024.



Representative from PNB apprised that, of late, it had come to the notice that few applicants, mainly from South 24 Parganas district, were saying that they were not fully aware about their loan applications. In few cases, the applied loan amount and the amount shown in portal are mismatched. These loans are being rejected. The list of such cases will be shared with the Department shortly for their perusal. She, further, informed that few sanctioned WBBCC cases in Diamond Harbour area, South 24 Parganas were turned into SMA category. As a result, the branch managers in those area have become very cautious while sanctioning WBBCC loans. She requested the Department to take up these cases at the field level which would help in recovery of these loan and eventually would boost the confidence of the branch manager for sanctioning further WBBCC loans.

Shri Pandey requested to share the list with department for taking necessary measures at their end.

Representative from PNB informed that more than 1000 Sanction Cover Letters were uploaded in the portal from both branches and central offices. These Sanction Cover Letters were rejected by the Department in absence of signature & stamp of bank officials in the Sanction Cover Letters.

It was decided during the meeting held on 15-07-2024 chaired by ACS (Finance) that requirement of having signature of borrower/co-borrower in the copies of Sanction Cover Letters, while uploading in the portal, may not be insisted upon. However, since, copies of Sanction Cover Letters were also being uploaded in the portal centrally by the banks for speedy disposal of the pendency, the member banks requested to do away with the need of signature & seal of branch managers in Sanction Cover Letters.

Shri Manas Dhar suggested that as because the uploading of Sanction Cover Letters in the portal was being done by the banks itself and as because the signatures of borrowers were not required, the uploading of Sanction Cover Letters in the portal without having signature & seal of branch managers may be accepted.

Shri Rajesh Pandey agreed that, unless there was any legal problem at banks' end, the proposal of uploading of WBBCCS Sanction Cover Letters in the portal may be accepted.

Shri Manas Dhar stated that list of bank wise & branch wise pendency of WBBCC, having the pending cases 5 or more was sent through mail to individual banks several time. He requested to all member banks to concentrate on these branches on priority basis.

Regarding the performance of ICICI Bank in WBBCC, Shri Pandey expressed his strong anguish that the bank had already sanctioned 36647 number of Mudra loans during the June'2024 quarter whereas the bank had sanctioned only 14 WBBCC applications between 25-06-2024 and 28-08-2024. He again requested the bank to dispose the pendency of WBBCC immediately.

Shri Pandey reiterated that the MSME loans upto Rs 5 lacs under Mudra scheme could be considered to sanction through WBBCC Scheme, which was a State Govt. flagship program, so that the borrower could get the benefits of the scheme as well. Member banks are requested to sensitise their field functionaries in this regard.

Shri Sakshi Gopal Saha apprised that the sanctioned WBBCC cases was not getting disbursed in timely manner in most of the banks despite receiving of subsidy. Particularly, SBI had the highest disbursement pending of 1879 sanctioned WBBCC loans. Branches of SBI are insisting upon invoice/quotations from the borrowers for disbursing the WBBCC loans resulting the large pendency in this regard. He reminded that during the meeting with Hon'ble Chief Secretary, GoWB, at Nabanna on 06-01-2024, a decision was taken as follows:



“Banks should make disbursement process easier and pragmatic for the intending borrowers belonging to the MUDRA class of beneficiaries by allowing disbursement against acceptance of bills/invoices as proof of utilization of fund followed by observance of the usual post disbursement due diligence process by the banks without insisting on submission of quotation/invoices from the borrowers.”

Shri S G Saha informed that the SOP, in this regard, had been shared with member banks long ago and requested SBI to sensitise their field functionaries regarding the same so that the disbursement of sanctioned cases could pace up.

Shri Rajesh Pandey requested SBI to issue circular/advisory to all its branches regarding not to insist the borrowers to submit unwanted/unnecessary documents like ITR, quotations etc. before disbursing the WBBCC loans, under copy to the Department.

Representative from PNB apprised that the bank was disbursing the 'sanctioned but not disbursed' cases on priority basis, specially in those cases where subsidy was received. Shri V Srinivas, DGM, PNB, informed that the pendency was steadily coming down and hopeful that the pendency would be disposed of within 10 days.

Shri Rajesh Pandey, once again, request all the member banks to gear up the pending disbursement cases and complete the task without further delay. He, also, expressed his deep concern that subsidy claims were not coming from the banks in timely manner resulting unnecessary delay in processing of release of subsidy followed by disbursement of loans to the WBBCCS beneficiaries. He requested to complete the pending claim for subsidy of WBBCC through the designated portal by 15-09-2024.

Shri Manas Dhar apprised that the 3 RRBs, viz., BGVB, PBGB, UBKGB were out of the ambit of CGTMSE coverage for MSME loans. However, these 3 RRBs were specially brought into the ambit of CGTMSE for WBBCCS. Nevertheless, the pendency of WBBCCS in these 3 RRBs was unacceptably high.

Shri S G Saha informed that, as reported from the fields, it was observed that branch managers were not sensitizing the WBBCCS beneficiaries about the benefits of the scheme.

Shri Rajesh Pandey informed that the Department had already prepared designs of the leaflets/banners containing the benefits & other details of WBBCCS and instructed the Department to arrange for disseminating the soft copy of the leaflets/banners for circulation to all member banks with a request for disseminating them to all their branches and field level functionaries to get them aware/sensitized about the scheme. The member banks to ensure that their branch managers to arrange for displaying these Leaflets/Banners in the prominent places of their branches.

**(Action Point 3: all member banks)**

### **3. Status of MSME Cluster financing as on 30-06-2024:**

Shri Shio Shanker Singh apprised that out of 550 number of clusters from Department of MSME, Govt. of West Bengal, which included 252 number of clusters already adopted by the member banks previously. As per the information received from the LDMs, 336 clusters had been adopted by bank branches, 212 clusters found to be ineligible/ inactive and 2 clusters had no existence.

Shri Rajesh Pandey stated that suitable instruction to be given to GM DIC to re-activate these 212 ineligible/inactive clusters so that credit linkage could be improved in MSME Cluster financing.

**(Action Point 4: all member banks, MSME Department)**



#### **4. Progress made under Pradhan Mantri Mudra Yojana (PMMY) as on 30-06-2024:**

Shri Shio Shankar Singh highlighted that member banks had disbursed Rs.1208.01 Cr, Rs.2265.56 Cr and Rs.1910.81 Cr. in PMMY- Sishu, Kishore & Tarun category respectively during 01.04.2024 to 30.06.2024 for the current FY 2024-25. Total 5.59 lakh borrowers have been benefited by PMMY by disbursement of total Rs.5384.32 crore as on 30.06.2024.

Shri Rajesh Pandey stated that private banks had sanctioned 2,79,936 number of Mudra loans amounting to Rs 1566.60 crore. The average ticket size stood at round Rs 56,000.

Shri Rajesh Pandey requested member banks to consider at least 20% of Micro sector loans under PMMY upto Rs.5 lacs to sanction under WBBCC Scheme so that the borrowers could avail the benefits of WBBCC Schemes.

**(Action Point 5: all member banks)**

#### **5. Progress made under PMEGP as on 30-06-2024:**

Shri Shio Shankar Singh apprised that member banks had disbursed only Rs.0.49 crore margin money in 19 PMEGP cases against a target of disbursement of Rs. 63.37 crore margin money in 2313 number of cases as on 30-06-2024, thus achieving 1.05% and 1.56 % of the target of MM disbursement amount and number of accounts respectively.

Shri Rajesh Pandey expressed his concern regarding the poor performance in this front and advised KVIC to analyse the root cause of this dismal performance in PMEGP and to organise a separate meeting, in consultation with MSME department, GoWB, on implementation of PMEGP scheme with member banks and other stakeholders so that the achievement in this front would get a push.

Shri S S Singh apprised that 1220 proposals were sponsored by KVIC, KVIB & DIC collectively, out of which 404 cases were sanctioned. He highlighted that only 18 cases were sponsored in private sector banks and the sanctioned cases by private sector banks were nil.

**(Action Point 6: KVIC, MSME Department GoWB)**

Banks were requested to ensure that all pending proposals to be disposed of in time with completion of the EDP training and lodging of claim for Margin Money.

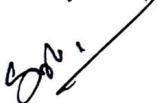
**(Action Point 7: all member banks)**

#### **6. Miscellaneous:**

It was noted that IDBI bank had not been a member of MSME Sub-Committee. However, keeping in view the significant exposure of IDBI Bank in WBBCCS, PMEGP and other MSME loans, Shri Rajesh Pandey suggested to include IDBI Bank in the MSME Sub-Committee.

**(Action Point 8: SLBC West Bengal)**

There being no other points of discussion, the meeting ended with vote of thanks to the chair & the participants by Shri S S Singh.



**(Shio Shankar Singh)**

General Manager  
SLBC, West Bengal



**List of participants in SLBC Sub-Committee Meeting on MSME held on 29-08-2024**

<b>S No</b>	<b>Name</b>	<b>Designation</b>	<b>Organisation</b>
1	Shri Rajesh Pandey	Principal Secretary	Department of MSME & T, Govt. of West Bengal
2	Smt Susmita Mukhopadhyay	Special Secretary	Department of MSME & T, Govt. of West Bengal
3	Shri Uday Swaroop	Director	Department of MSME & T, Govt. of West Bengal
4	Shri Manas Dhar	Director & Special Secretary	Institutional Finance, Govt. of West Bengal
5	Shri Parthasarathi Datta	Dy. Director	Institutional Finance, Govt. of West Bengal
6	Shri Sakshi Gopal Saha	SPMU of WBBCCS	Department of MSME & T, Govt. of West Bengal
7	Shri Shio Shankar Singh	General Manager	SLBC, West Bengal
8	Shri Amit Das	Assistant General Manager	Reserve Bank of India
9	Representative from NABARD		
10	Representative from KVIC		
11	Representative from Member Banks		

