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

Date: 21.06.2024

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

Reg: Minutes of the SLBC Sub-Committee meeting on MSME held on 21.06.2024.

The SLBC Sub-Committee meeting on MSME was held on 21.06.2024 to review the performance of member banks under MSME as on 31.03.2024. 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 WBBCCS, Govt. of West Bengal, and representatives of major member banks.

Shri Rajesh Pandey heartily welcomed all the participants in the meeting and began the agenda wise discussion. The key issues discussed along with the action points emerged in the meeting are enumerated below:

1. West Bengal Bhabishyat Credit Card Scheme (WBBCCS) as on 31-03-2024:

Shri Rajesh Pandey, Principal Secretary, Dept. of MSME & T, Govt. of West Bengal, congratulated bankers for achieving ACP target under MSME sector for FY'2023-24. He informed that WBBCCS is one of the most important State Govt. Schemes. Due to General Election and transfer process of the banks, sanctioning process of WBBCCS might have been slowed down in last few months. Hence, he urged upon all the member banks to issue advisory to their field functionaries to reinitiate the sanction & disbursement process on priority basis. He informed that MSME month could be observed tentatively in coming September'2024 to boost MSME financing in the state. Duare Sarkar camps will also be organized in the financial year 2024-25, though the schedule of the same is yet to be decided. A large number of fresh applications under WBBCC Scheme are expected to be submitted through these events. As per the feedback received, the quality of WBBCC applications, received during the last year outreach camps, were better than that of previous years. In this regard, he requested to dispose all the pendency of WBBCCS by 15-07-2024. However, he requested all the member banks not to dispose of the pending proposals in flimsy ground.

He apprised that close to 1,26,000 applications were sponsored by the Department during last year, out of which only about 25,000 applications were sanctioned, about 36,000 applications were rejected and thus about 56,000 applications were pending. He requested banks to dispose 50% of the pendency by 30-06-2024 and rest by 15-07-2024.

He 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.

He further suggested that separate meetings with banks might be held in consultation with Institutional Finance, GoWB & WBBCC team to review the position of disposal of pending WBBCC applications.



He further apprised that subsidy had been released by the department for close to 17,000 cases, out of which only 13,000 cases had been transferred to the beneficiaries. Remaining 4000 cases need to be transferred to the beneficiaries on priority. Also, he requested banks to send the proposals for remaining 8,000 sanctioned cases to the department for release of subsidy.

Shri Manas Dhar congratulated bankers for surpassing the ACP target of MSME sector for FY'2023-24 by a large margin. He said that a very modest ACP target was set for MSME sector, i.e., Rs 1,53,509 cr, for FY'2024-25.

Shri Pandey suggested member banks to disburse at least Rs 5,000 cr under WBBCCS out of the total MSME target of Rs 1,53,509 cr.

Shri Dhar said that WBBCCS was better than most of the MSME schemes in India. This scheme is not only having 100% guarantee coverage in case of default, but also, large interest subvention upto 8.75% interest subvention is allowed under the scheme. Development of WBBCCS Interest Subvention Portal, entrusted with State Bank of India, is near completion and UAT could be started very soon. After the 164th SLBC meeting, a meeting would be held to discuss the development of the said portal.

Shri Dhar expressed his deep concern that out of about 56,000 pending WBBCCS applications, about 43,000 cases were pending for more than 180 days and out of the 43,000 cases, more than 11,000 cases were pending for more than 1 year. Shri Dhar requested banks to dispose of these applications keeping in mind that these proposals should not be rejected as because these were pending for a long time. Actual disposal of these loan proposal should be the focus of the banks. He requested the member banks to expedite their process of disposing of these applications so that all the pendency could be disposed of by 15-07-2024. He expressed his expectation of having sanction of about 75,000 WBBCCS before commencement of MSME month celebration so that the sanctioned number under the scheme could cross 1 lac mark during the MSME month.

Shri Dhar informed that HDFC Bank did not claim subsidy from the department till date which was very serious issue. HDFC bank should expedite the process of claiming of subsidy. Also, their pendency level is at more than 440 with a sanction of 43. Moreover, the committee showed displeasure regarding the non-participation of any representative from HDFC bank in the meeting.

Shri Sakshi Gopal Saha, SPMU of WBBCCS, Govt. of West Bengal, informed that the rejection level of WBBCCS was alarmingly high. He requested bankers to ensure that no application got rejected on a flimsy ground. There are 3 reasons on which the applications can be rejected. These are (1) non-residence of the applicant in the concerned locality, (2) defaulter or CIBIL Score below the benchmark score of respective banks, (3) having irregular repayment pattern of existing loans. As per adopted decision, if, despite repeated follow up, the applicants are not turning up, the case to be referred to sponsoring agency instead of rejection.

Shri Pandey suggested that the MSME loans upto Rs 5 lacs under Mudra scheme could be considered to sanction through WBBCC Scheme so that the borrower could get the benefits of the scheme as well. Member banks were requested to sensitise their field functionaries in this regard.

Shri 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 a few cases regarding subsidy refund by the banks were pending. He told that the department had decided as the banks could refund the subsidy, if any, to that particular account from where the subsidy was released to the bank's parking accounts.

(Action Point 1: all member banks)

Status of MSME Cluster financing as on 31-03-2024:

It was highlighted that out of 550 clusters, 336 number of clusters were adopted by the member banks, 212 clusters were found to be ineligible/ inactive, and 2 clusters had no existence. However, only about 9700 cases in MSME Clusters and about 4200 cases in Handloom clusters had been credit linked. Member banks to give more focused attention in terms of sanction and disbursement in cluster.

(Action Point 2: all member banks)

Progress made under Pradhan Mantri Mudra Yojana (PMMY) as on 31-03-2024:

It was highlighted that member banks had disbursed Rs.12681.51 Cr, Rs.25080.68 Cr and Rs.7898.46 Cr. in PMMY- Sishu, Kishore & Tarun category respectively during 01.04.2023 to 31.03.2024. Total 60.23 lakh borrowers were benefited by PMMY by disbursement of total Rs.45660.65 crore as on 31.03.2024.

Shri Rajesh Pandey, once again, requested member banks to consider at least 20% of MSE loan under PMMY upto Rs.5 lacs to sanction under WBBCC Scheme so that the borrowers could avail the benefits of WBBCC Schemes.

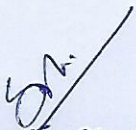
(Action Point 3: all member banks)

Progress made under PMEGP as on 31-03-2024:

It was highlighted that PMEGP performance of the state was not at par in this current financial year. Banks had disbursed only Rs.72.89 Cr. margin money in 1897 PMEGP cases against a target of disbursement of Rs.158.00 cr margin money in 4862 no of cases, thus achieving 46.13% and 39.02 % of the target of MM disbursement amount and number of accounts respectively. 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 4: all member banks)

There being no other points of discussion, the meeting ended with vote of thanks to the chair & the participants by General Manager, Punjab National Bank.


(Shio Shankar Singh)
General Manager
SLBC, West Bengal

