

**MINUTES OF THE 7<sup>TH</sup> MEETING OF SLBC SUB-COMMITTEE ON INDUSTRIES HELD ON 12.05.2015 AT CONFERENCE HALL, INDUSTRIES DEPTT., PATNA**

The 7<sup>th</sup> meeting of SLBC Sub-Committee on Industries was held on 12.05.2015 at Conference Hall of Industries Department under the chairmanship of Principal Secretary, Industries, Govt. of Bihar.

At the outset, the Director Industries welcomed the participants and briefed them about the decision taken by the Industries Department, Govt. of Bihar to facilitate credit extension under PMEGP. Under the new arrangement, which will be operational from immediate effect, the GMs DIC will be visiting the concerned branches of the banks in their respective districts with the applications of PMEGP pertaining to their service area and discuss the applications with the Branch Manager. After obtaining the approval of the BMs the applications will be put up in TFC and forwarded to the branches for sanction, to avoid the high rate of rejection evidenced in the past.

The AGM SLBC requested the Banks to advise SLBC the name of branches whose power of sanction is withdrawn or restricted and the authority concerned for sanctioning loan in place of such branches; in order to circulate this list among the DIC Officials through the department of Industries for smooth implementation of the initiative of the State Govt.

The AGM SLBC also requested the banks to provide the name and contact details (mobile no. & mail address) of nodal officer for PMEGP for their banks, so as to provide the same to the Industries department for sharing the branch wise pending proposals in order to expedite the sanction/disbursement. The Deptt. was also requested to provide the name of their nodal officer to SLBC.

The AGM SLBC requested the Principal Secretary to help the banks in recovery of their dues from defaulting PMEGP borrowers. He also said that because of high incidence of default under PMEGP, the bankers are generally averse to extending credit under the scheme. The Principal Secretary assured to write to the district officials to help in the recovery process.

The Director KVIC informed the House that the target for PMEGP for the State has been received and forwarded to SLBC for bank/district wise disaggregation. The AGM SLBC advised the House that the distribution of target among banks/district has already been done and circulated. He also advised that Rs. 32.27 crores out of Rs. Rs. 90.72 crores of margin money sanctioned for the year 2015-16 is to be adjusted against 1231 proposals sanctioned and disbursed by the banks during 2014-15, as per the instructions of KVIC as it could not be done in time, due to shortage of fund. Consequently, while distributing the PMEGP target for the year 2015-16 the reduced amount (Rs. 58.44 crores) of margin money was taken into consideration by SLBC. The Principal Secretary advised to take up the matter with KVIC for upward revision of margin money allocated for the State.

The Director Industries pointed out that because of the schedule of meeting of SLBC being at quarterly interval, the PMEGP data reviewed in the meeting is normally more than one month old. In order to get the real time data for better monitoring/review, he suggested the participating banks to put up their state level website where branches should be asked to key-in their sanctions on a daily basis.

The Assistant Director of Industries requested the banks to respond to the department's letter (letter no. 48 dated 08.01.2015) asking for waiver of interest amount by the respective banks for those cases of powerloom weavers whose sanctioned limit was over Rs. 5 lacs and whose account was declared as NPA prior to the cut off date of 31.03.2007, in order to seek reimbursement of Rs. 5 lacs from the State Govt.; subject to payment of the balance principal amount by the account holder.

The Principal Secretary advised the Banks to gear up their machinery from the beginning of the year in order to achieve 100% target under PMEGP as well as under Weavers Credit Card.

The meeting ended with a vote of thanks to the chair.

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**ACTION POINTS OF 7<sup>th</sup> SLBC SUB-COMMITTEE MEETING ON INDUSTRIES HELD ON 12.05.2015**

1. All Banks to advise their Nodal officers name & contact details to SLBC.

Action-All Banks

2. Department of Industries will share the Bank/Branch wise pending list of PMEGP proposals with all nodal officers of the Banks & with SLBC.

Action-All Banks

3. All Banks to advise the State Govt. about the status of waiver of interest of powerloom weavers having NPA account of over 5 lacs as on 31.03.2007; in order to avail the incentive of Rs. 5 Lacs offered by Govt. of Bihar.

Action-All Banks

4. Banks to advise SLBC the name of Branches, district wise, whose power of sanction has been withdrawn/ restricted. They will also advise the name of the office authorized to sanction the proposals on behalf of such branches.

Action- All concerned Banks