

Banks tap \$5 billion SME mkt

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With the Indian SME market pegged at around \$ 5 billion with more than 20 million small and medium enterprises, major private and public banks are betting big on this sector to grab a share of the pie.

Dheeraj Dikshit, head-SME, commercial banking, HSBC, said, "Projected to grow at 11.5 per cent, contributing 50 per cent of total exports, 40 per cent of domestic production, SMEs are one segment which cannot be ignored. HSBC is looking at adding another 35,000-40,000 clients this year thereby increasing HSBC's SME client base," he said.

The bank at present has a host of products catering to over 70,000 SME customers in India.

Speaking on the sidelines of an in-

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teractive seminar on SME financing organised by the Bengal Chamber of Commerce and Industry, Suresh Chandra Rath, deputy general manager, (SME), West Bengal, said, "The bank has already disbursed Rs 1,475 crore this year for fiscal year 2008-09 to the SME sector in West Bengal, Andaman and Sikkim region."

"We have over achieved our projected target of 30 percent with respect to disbursement of funds to the SME sector in this year, the sector will be one of the drivers of growth this fiscal," he added.

The Reserve Bank of India has initiated a host of steps like debt restructuring guidelines, one-time settlement scheme, formation of credit rating agency, centralised processing centers for single window delivery system, simplified documentation for SMEs.

State Bank of India has already initiated measures like setting up centralised processing cells for single window delivery system at zonal offices for faster processing of credit proposals beyond Rs 1 crore, ensuring approval within 14 days, formation of small enterprise credit cells at specified centres to accept applications, process and sanction within the turnaround time of eight days.