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JAC/2026-27/002 **Dt-16-06-2026**

To
The Chief Secretary
Government of Odisha, Bhubaneswar

Subject: Joint Action Committee (JAC) Recommendations on Ease of Banking & accelerated credit flow for Odisha Vision 2036 & Vision 2047

Respected Madam,

The Joint Action Committee (JAC), representing MSMEs, manufacturing units, and industrial associations across Odisha, respectfully submits the following recommendations to improve banking accessibility, strengthen credit flow, and support industrial growth in the State.

Key Recommendations: -

1. Simplified Loan Documentation
Introduce uniform documentation standards and fully digital submission and verification processes across banks.

2. Time-Bound Credit Approvals
Prescribe fixed timelines for loan sanction and disbursement with escalation mechanisms for delayed cases. Financial literacy and credit awareness programmes should be conducted regularly at the district level.

3. Balanced Credit Assessment
CIBIL score should be only one of the parameters for loan assessment and not the sole basis for rejection. Banks should also consider repayment capacity, business viability, and overall creditworthiness, especially for MSMEs and start-ups.

4. Review of Agreement to Lease Policy
Banks are often reluctant to finance industrial units established on IDCO land under the Agreement to Lease framework. The State Government may review and strengthen this policy to facilitate easier credit access for industries.

5. Enhanced Credit Flow to MSMEs
Increase formal credit coverage through dedicated lending targets for manufacturing MSMEs. Promote cash-flow-based lending using GST returns, GeM transactions, and banking records instead of excessive reliance on collateral. Special credit products may be introduced for women entrepreneurs and industrial clusters.

6. Extension of CM-SRIM Benefits
The benefits under the CM-SRIM Scheme should be extended to all operational MSMEs in Odisha. The current eligibility restriction to units that commenced production on or before 31.03.2020

excludes many viable enterprises. Expanding the scheme will ensure equitable support and promote industrial growth across the State.

7. Improved Working Capital Assessment
Provide automatic enhancement of working capital limits for deserving units and facilitate GST-based collateral-free working capital finance.

8. Effective CGTMSE Implementation
Encourage wider adoption of collateral-free lending under CGTMSE and improve awareness among private commercial banks.

9. Affordable Interest Rates
Ensure competitive lending rates and consider an interest subsidy mechanism for MSMEs and employment-generating sectors.

10. Dedicated MSME Banking Desks
Establish MSME facilitation desks with designated relationship managers in major bank branches.

11. Timely Payment Mechanism
Ensure prompt payments by Government departments and PSUs and strengthen the MSME Samadhaan framework

12. Support for Stressed MSMEs
Promote restructuring and rehabilitation of viable MSMEs before NPA classification.

13. Digital Banking Reforms
Implement end-to-end digital loan processing and real-time application tracking systems.

14. District-Level Banking Facilitation Committees
Create district-level committees for regular interaction between banks, industry representatives, and Government agencies to resolve banking issues.

15. Export and Green Finance Support
Improve access to export finance and provide concessional funding for green technologies and sustainable manufacturing practices.

16. Interest Subvention for Expansion & Modernization
Provide interest subvention for expansion, diversification, modernization, technology upgradation, and quality improvement projects.

17. Rational Assessment of Sundry Debtors
Banks should not automatically exclude receivables outstanding beyond 90 days while assessing working capital limits, as this adversely affects MSME liquidity.

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18. Strengthening Credit Plus Services
Facilitate mentoring, market linkage, technology support, and capacity-building services to improve MSME competitiveness and creditworthiness.

19. Support for Manufacturing Start-ups
Manufacturing start-ups should be provided with finance at concessional rates of interest with relaxed collateral requirements to encourage industrial growth and job creation.

20. Collateral-Free Credit for EMD Requirements
Existing MSME units should be provided easy and timely finance for EMD requirements without insisting on additional collateral, on the lines of the ECLGS framework.

21. 100% Reimbursement of Quality Certification Costs
Provide full reimbursement for certifications such as ISO, CE Marking, USFDA, and WHO-GMP to improve product quality and support access to global markets.

Conclusion: -
A responsive, transparent, and industry-friendly banking ecosystem is essential for accelerating industrial development, attracting investment, and generating sustainable employment in Odisha. While appraising credit proposals, greater emphasis should be placed on the economic viability, cash-flow generation, and repayment capacity of projects rather than relying predominantly on collateral security. Viable enterprises that can generate adequate revenue to meet operational expenses, service debt obligations, and create surplus value should receive timely and adequate financial support. We respectfully request your kind consideration and necessary policy intervention on the above recommendations to strengthen the MSME sector and support the realization of Odisha Vision 2036 and Vision 2047.

Thanking you.

Yours faithfully

Subrat Garabadu
Convenor, Joint Action Committee (JAC)