

**GOVERNMENT OF INDIA  
FINANCE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:3857  
ANSWERED ON:13.12.2002  
LOANS TO SSI OF WEST BENGAL  
AMAR ROY PRADHAN

**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

(a) whether the small scale industries in North Bengal Region of West Bengal are suffering from non-availability of credit from nationalized banks; and

(b) if so, the steps taken by the Government to rehabilitate the small scale industries and provide them more credit facilities?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) No, Sir. Public Sector Banks in the country have sufficient liquidity to meet the requirements of the SSI Sector in the country including North Bengal Region. Viable and bankable schemes are not denied credit by the Public Sector Banks who are also implementing the guidelines issued by the RBI from time to time with regard to flow of credit and rehabilitation of SSI. RBI has issued detailed guidelines to Banks in January 2002 for detection of sickness at an early stage and taking remedial measures and for rehabilitation of sick SSI units identified as potentially viable. Many policy measures have been taken by the Government and Reserve Bank of India to improve the credit delivery system to SSI Sector and rehabilitation of sick small scale units. They are:

(1) Raising of borrowal limit for collateral free loan to tiny sector from Rs. 1 lakh to Rs. 5 lakh;

(2) Banks have been advised to open at least one Specialised SSI Branch in each district. Further Banks have been permitted to categorise their general banking branches having 60% or more of their advances to SSI Sector as specialised SSI Branches for providing better service to this sector as a whole;

(3) Raising of the Composite loan limit from Rs. 10 lakh to Rs. 25 lakh;

(4) Raising the borrowal limit to Rs. 5 crores for computation of working capital on the basis of minimum 20% of the projected annual turn over;

(5) To increase the outreach of banks to tiny sector, inclusion of credit provided to NBFCs or other financial institutions for on-lending to tiny sector under priority sector lending.

(6) Launching of a New Credit Guarantee Scheme by SIDBI where collateral free loans upto Rs. 25 lakh are covered for guarantee under the scheme.

(7) Raising of the limit of the projects to Rs. 50 lakhs for providing assistance under the National Equity Fund Scheme.

(8) Drawing up of revised guidelines for rehabilitation of currently sick but potentially viable sick units.

(9) Family Income Eligibility Limit has been raised from Rs. 24,000/- to Rs. 40,000/- for assistance under PMRY;

(10) Earmarking of 30% of the Investment under NEF Scheme for the tiny Sector.

(11) With a view to provide better customer service Banks have been advised to dispose off all loan applications upto Rs. 25,000/- within two weeks and upto Rs. 5 lakhs within a period of four weeks provided the loan applications are complete in all respects.