

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5114
ANSWERED ON:25.08.2000
SIDBI ASSISTANCE TO SSI SECTOR
AMBATI BRAHMANAIAH

Will the Minister of FINANCE be pleased to state:

- (a) whether the Small Industries Development Bank of India has reduced its activities in offering funds to small scale industry sector;
- (b) if so, the reasons therefor; and
- (c) the steps taken by the Government to provide alternate funding to SSIs ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

(a) No. Sir.

(b) Does not arise.

(c) Government has taken the following steps to further accelerate flow of credit to SSI sector:

60% of the funds earmarked for small scale sector to go to small units in tiny sector.

Computation of working capital requirement on the basis of 20% of projected annual turn-over. Raising of composite loan limit from Rs. 5 lakh to Rs. 10 lakhs.

Increase in exemption limit for collateral free loan from Rs. 1 lakh to Rs. 5 lakhs to tiny sector.

Introduction of new credit guarantee scheme to cover loans upto Rs 10 Lakhs.