

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:1103
ANSWERED ON:01.03.2000
LOANS TO SMALL SCALE INDUSTRIES
RAJO SINGH

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTRIES be pleased to state:

- (a) whether non-availability of loans to small scale industries is a major problem;
- (b) if so, whether the Government have urged upon the Reserve Bank of India to monitor the availability of loans to small scale industries;
- (c) if so, the details thereof;
- (d) the number and names of districts selected for monitoring of advancing loans to small scale industries particularly those in Bihar; and
- (e) the concrete measures taken/proposed to be taken to uplift the sick small scale industries during the year 2000-2001?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRICULTURE AND RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

- (a): As per the report of the Reserve Bank of India (RBI), banks/financial institutions are entertaining all viable proposals of small scale units and are extending adequate credit to the SSI sector.
- (b) & (c): Reserve Bank of India monitors the performance of the banks by obtaining periodical data and by conducting special studies at select branches.
- (d): The Lead bank of each district, including those in Bihar, monitors the performance of the banks in extending credit to various sectors including the small scale sector. Reserve Bank of India monitors the performance of individual banks, as a whole.
- (e): Measures taken to uplift the potentially viable sick small scale units include reduced rate of interest for rehabilitation, prompt viability studies/nursing programmes of identified sick units, setting up of cells at important regional centres and Head Offices of banks to deal with sick industrial units and provision of expert staff. State Level Inter-Institutional Committees exist under the Chairmanship of the Secretary (Industries) in each state to consider revival of sick units.