

SHRI P. CHIDAMBARAM: Let me answer. SHGs lending rates vary from about 10.5 per cent to about 12.5 per cent depending upon the risk assessment made by the banker. I would earnestly request the hon. Member that we should not... *(Interruptions)*...

SHRI NILOTPAL BASU: He has admitted that 95 per cent is the recovery rate.

SHRI P. CHIDAMBARAM: I am saying so, As recovery rates are good, as risk assessment gets better, as SHGs demonstrate their ability to repay and take further loans, you will find that interest rates will come down. I do not think that, as a policy, Government should intervene in the price mechanism of lending.

### Loans for SSI

\*305. PROF. M.M. AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the total amount of loans sanctioned by various nationalized banks for the setting up of small scale industries in the various states during the last three years; and

(b) what guidelines have been prescribed by Government for granting loans to SSI units in the country?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) A Statement is placed on the Table of the House.

### Statement

(a) The total amount of loans outstanding to the SSI Sector in the books of Public Sector Banks for the last three years are as under:

(Rs. in crores)

As at the end of March	Total Advances to SSI
2002	49743
2003	52988
2004	58277*

\*Provisional

Source: RBI

(b) The guidelines issued by Government/RBI for granting loans to SSI Units in the Country are as under:

- (i) Banks have been advised to enhance the composite loan limit from Rs. 25 lakh to Rs. 50 lakh.
- (ii) The requirement of collateral security for loans upto Rs. 25 lakhs, subject to good track record and financial position of SSI Units, has been dispensed with.
- (iii) In order to pass on the benefits of lower rates of interest to the SSI Sector, Banks have been advised to adopt an interest rate band of 2 per cent above and below their PLRs for secured advances.
- (iv) Banks have been advised to open at least one Specialized SSI Branch in each district.
- (v) Banks are required to ensure that out of their total funds lent to SSI Sector, at least 40% should be made available to units with investment in plant and machinery upto Rs. 5 lakh and 20% to units with investment in plant and machinery between Rs. 5 lakhs and Rs. 25 lakhs.
- (vi) Under the Credit Linked Capital Subsidy Scheme for Technology Upgradation of SSI Units, the rate of subsidy and the ceiling of loans have been enhanced from 12% to 15% and Rs. 40 lakhs to Rs. 1 crore, respectively.
- (vii) Banks have been advised to dispose applications for loans up to Rs. 25,000/- within 2 weeks and for higher amount, within 4 weeks provided the loan applications are complete in all respect and accompanied by a Checklist.
- (viii) The individual credit limit to artisans village and cottage industries for reckoning under advances to weaker sections has been increased to Rs. 50,000/- from Rs. 25,000/-.

प्रो० एम० एम० अग्रवाल: सभापति महोदय, मंत्री जी ने जो मेरे प्रश्न के पार्ट "ए" का जवाब दिया है, वह आधा जवाब दिया है। मैंने स्टेटवाइज इनसे जानकारी मांगी थी कि स्माल स्केल को कितना रुपया दिया है? अब जैसे उड़ीसा है, असम है, बिहार है, उत्तर प्रदेश है, इन स्टेट्स को कितना कितना रुपया दिया गया है, यह तो मैं जान ही नहीं सका। इन्होंने सिर्फ एक फिगर लिख दी - 58 करोड़ रुपए, अब इस 58 करोड़ से कैसे अंदाजा होगा कि किस स्टेट को

स्माल स्केल सेक्टर में कितना रुपया दिया गया है? तो मैं मंत्री जी से जानना चाहूंगा कि जिन चार-पांच स्टेट्स का मैंने जिक्र किया है, जिसमें उड़ीसा है, असम है, बिहार है, उत्तर प्रदेश है, इनको इस स्माल स्केल में कितना कितना रुपया दिया है?

**SHRI P. CHIDAMBARAM:** Sir, I have misunderstood the question. I am sorry. The question is: the total amount of loans sanctioned by various nationalised banks for the setting up of small-scale industries in various States during the last three years, and, I have answered by saying...*(Interruptions)* ...

**SHRI M.M. AGARWAL:** Various States have not been mentioned...*(interruptions)*...

**SHRI P. CHIDAMBARAM:** Had he asked for the State-wise information, I could have certainly given the same, but it will take a little more time to gather the information. He has asked me for all the States, and, I have given the information for all the States. I will certainly send you the State-wise information. Why should I hold back such information?

**प्रो० एम् एम् अग्रवाल:** सर, मेरा दूसरा सप्लीमेंटरी, जो स्माल स्केल इंडस्ट्रीज है, उन पर रेट ऑफ इंटरैस्ट जो है बैंक की पीएलआर से दो परसेंट प्लस माइन्स है, जिसका मतलब यह है कि हरेक बैंक का रेट ऑफ इंटरैस्ट जो लगभग 11 परसेंट है, उसमें अगर 2 परसेंट घटाकर भी दिया जाए तो यह 9 परसेंट होगा और जो लॉज स्केल और मीडियम स्केल इंडस्ट्रीज हैं, उनके लिए कहीं 7 परसेंट है, 6 परसेंट है, 7.5 परसेंट है या फिर 8 परसेंट है, तो इस हिसाब से स्माल स्केल इंडस्ट्रीज कैसे सरवाइव करेंगी? यह मंत्री जी बताएं। एक और बात।

**श्री सभापति:** बस, एक ही प्रश्न। मंत्री जी, बता दीजिए कैसे सरवाइव करेंगी। ...*(व्यवधान)*... मंत्री जी को बोलने दीजिए।

**प्रो० एम् एम् अग्रवाल:** सर, अब मंत्री जी यह भी बता दें कि सिडबी जो रुपया बैंक को गारंटी स्कीम में देता है, उस पर सिडबी ब्याज चार्ज नहीं करता, लेकिन बैंक स्माल स्केल से चार्ज करता है 12 परसेंट तक, तो स्माल स्केल कैसे आगे बढ़ेगा? कैसे वह इस देश में उन्नति करेगा?

**SHRI P. CHIDAMBARAM:** Sir, there are a number of questions rolled into one question. Now, take for example...*(Interruptions)*...

**SHRI M.M. AGARWAL:** इट इज बिकाज स्माल स्केल रीड की हथूरी है।

**SHRI P. CHIDAMBARAM:** I am not criticizing that.

**श्री सभापति:** मंत्री जी को जवाब देने दीजिए।

SHRI M.M. AGARWAL: Why several questions...*(Interruptions)*...

SHRI P. CHIDAMBARAM: I am not finding any fault with you. I am only saying that I will take them part-by-part.

SHRI M.M. AGARWAL: It is a very important question.

SHRI P. CHIDAMBARAM: It is. It is.

MR. CHAIRMAN: More than the question, you are the important one.

SHRI P. CHIDAMBARAM: Sir, you will recall that in the recent Budget, I announced that the subsidy under the Credit Linked Capital Subsidy Scheme will be increased from 40 lakhs to one crore and the rate of subsidy will also be raised from 12 per cent to 15 per cent. That is one initiative that we have taken recently.

As regards SIDBI, the initiatives taken by SIDBI are following. The first initiative is that the Small and Medium Enterprises Fund announced by the previous Government is being continued this year, and, moneys are being disbursed under that fund. The second initiative is that SIDBI has set up a venture capital assistance called SIDBI Growth Fund. SIDBI is also now setting up the Portfolio Risk Fund, and, the Portfolio Purchase Scheme. SIDBI is being activated, and, as I said, we have increased the subsidy as well as the rate of subsidy. If you have any other suggestions, I will certainly look into them.

प्रो एम० एम० अग्रवाल: सर, मैं इनसे पूछ रहा था।

श्री सभापति: नहीं, अब आपका नंबर खत्म।

प्रो० एम० एम० अग्रवाल: सर, जवाब तो दिया ही नहीं।

श्री सभापति: आप इनके पास चले जाइए, दे देंगे।

प्रो० एम० एम० अग्रवाल: कहां जाएं? मिलते ही नहीं कहीं।

श्री नारायण सिंह केसरी: पंचायती राज की बात चल रही है, सभापति महोदय।

श्री सभापति: पंचायती राज की बात नहीं चल रही है।