

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:4137
ANSWERED ON:20.04.2005
CREDIT LINKED CAPITAL SUBSIDY SCHEME
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Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) the details of cases under the Credit Linked Capital Subsidy Scheme (CLCSS) pertaining to the small scale pharma units where due to procedural inadequacy between prime lending institutions and Small Industries Development Bank of India, eligible borrowers are being deprived of financial assistance under the scheme;

(b) the details in this regard during the last three years, year- wise; and

(c) the steps taken/proposed to be taken by the Government to remove the difficulties of small scale units?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): According to the information provided by the Small Industries Development Bank of India (SIDBI), which is one of the two nodal agencies for implementing the Credit Linked Capital Subsidy Scheme (CLCSS) at the national level, as on April 13, 2005 there are no pending claims pertaining to the small scale pharma units due to procedural inadequacies between Primary Lending Institutions (PLIs) and SIDBI under the CLCSS.

(b): The year-wise details of sanction of subsidy under CLCSS including pharma sector, since the inception of the scheme and up to March 31, 2005 are given in the table below :

Year No.of Units Term Loan (Rs.Lakh) Subsidy (Rs.Lakh)

All Pharma All Pharma All Pharma
sectors sectors sectors

2001-02	9	0	158.15	0.00	21.36	0.00
2002-03	47	3	1127.05	61.69	93.97	1.69
2003-04	150	1	3707.96	10.47	374.90	1.00
2004-05	512	17	16537.90	655.00	1348.08	56.98

Total 718 21 21531.06 727.16 1838.31 59.67

(c): With a view to assisting small scale industries (SSI) to overcome difficulties arising out of technological obsolescence, new sub-sectors/products and related technologies are added from time to time to the `approved list` under the CLCSS guidelines.

Increase in the rate of subsidy and the ceiling of loans under the CLCSS, as announced in the Union Budget, 2004-05, constitutes a part of the promotional package for the SSI, which is in the final stages of formulation.