

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

UNSTARRED QUESTION NO:2990

ANSWERED ON:18.08.2004

DERESERVED ITEMS IN SSI SECTOR

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

- (a): whether the Union Government has dereserved more items from the Small Scale Sector;
- (b): if so, the details and the impact of the said move on the growth of SSI;
- (c): whether there is inordinate delay in releasing credit by Banks to SSI units; and
- (d): if so, the steps proposed to be taken to release the sanctioned credit to the SSI units?

Answer

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

(a)&(b): In the Union Budget for 2004-2005 presented in Parliament on 8th July, 2004, the Government has proposed dereservation of 85 items. As per the procedure, items to be reserved are identified in consultation with the stakeholders.

Dereservation of certain items has been done over the years after consulting the stakeholders so as to allow greater opportunities to the SSIs for technological upgradation, promotion of exports and achieving economies of scale.

(c)&(d): Cases of delay in release of credit to the SSI sector have come to the notice of the Government. The matter has been reviewed and a time-frame has been fixed for disposal of loan applications by the banks, which is a maximum of 2 weeks for loans upto Rs.25,000 and 4 weeks for loans upto Rs. 5 lakh provided the loan applications are complete in all respects and accompanied by a check list. The Reserve Bank of India has instructed the banks to adhere to these norms.