RBI/2006-07/ 37
RPCD.PLNFS. BC. No.**6**/ 06.02.31/ 2007-08

July 2, 2007

The Chairman/Managing Director/
Chief Executive Officer

All Scheduled Commercial Banks

(including Regional Rural Banks/Local Area Banks)

Dear Sir,

MASTER CIRCULAR -
LENDING TO SMALL & MEDIUM ENTERPRISES (SMEs) SECTOR

As you are aware, the Reserve Bank of India has, from time to time, issued a number of guidelines/instructions/directives to banks in regard to matters relating to lending to Micro, Small & Medium Enterprises Sector. To enable the banks to have current instructions at one place, a Master Circular incorporating the existing guidelines/instructions/directives on the subject has been prepared and is appended. This Master Circular consolidates the instructions issued by the RBI up to June 30, 2007, which are listed in the *Appendix,* to the extent they deal with the MSME sector lending by commercial banks.

Please acknowledge receipt.

Yours faithfully,

(G.Srinivasan)
Chief General Manager

1.3.2	**Medium (service) Enterprises** Enterprise engaged in the providing/rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings and such items as in 1.1.2) is **more than Rs. 2 crore** but **does not exceed Rs. 5 crore.** The small and micro (service) enterprises shall include small road & water transport operators, small business, professional & self-employed persons and all other service enterprises. **Bank's lending to medium enterprises will not be included for the purpose of reckoning under priority sector.**
1.4	**Khadi and Village Industries Sector (KVI)** All advances granted to units in the KVI sector, irrespective of their size of operations, location and amount of original investment in plant and machinery. Such advances will be eligible for consideration under the sub-target (60 per cent) of the small enterprises segment within the priority sector.

1.5 INDIRECT FINANCE

1.5.1	Persons involved in assisting the decentralised sector in the supply of inputs and marketing of outputs of artisans, village and cottage industries.
1.5.2	Advances to cooperatives of producers in the decentralised sector viz. artisans, village and cottage industries.
1.5.3	Existing investments as on March 31, 2007, made by banks in special bonds issued by NABARD with the objective of financing exclusively non-farm sector may be classified as indirect finance to Small Enterprises sector till the date of maturity of such bonds or March 2010, whichever is earlier. Investments in such special bonds made subsequent to March 31, 2007 will, however, not be eligible for such classification.
1.5.4	Deposits placed with SIDBI by foreign banks, having offices in India, on account of non-achievement of priority sector lending targets/sub-targets and outstanding as on April 30, 2007 would be eligible for classification as indirect finance to Small Enterprises sector till the date of maturity of such deposits or March 31, 2010, whichever is earlier. However, fresh deposits placed by banks' on or after April 30, 2007 with SIDBI on account of non-achievement of priority sector lending targets/sub-targets would not be eligible for classification as indirect finance to Small Enterprises Sector.
1.5.5	Loans granted by banks to NBFCs for on-lending to small and micro enterprises (manufacturing as well as service)

SECTION II

CERTAIN TYPES OF FUNDS DEPLOYMENT ELIGIBLE AS PRIORITY SECTOR ADVANCES	
1.	**INVESTMENTS**
1.1	**SECURITIZED ASSETS** Investments made by banks in securitised assets, representing loans to various categories of priority sector, shall be eligible for classification under respective categories of priority sector (direct or indirect) depending on the underlying assets, provided the securitised assets are originated by banks and financial institutions and fulfil the Reserve Bank of India guidelines on securitisation. This would mean that the bank's investments in the above categories of securitised assets shall be eligible for classification under the respective categories of priority sector only if the securitised advances were eligible to be classified as priority sector advances before their securitisation.
1.2	Outright purchases of any loan asset eligible to be categorised under priority sector, shall be eligible for classification under the respective categories of priority sector (direct or indirect), provided the loans purchased are eligible to be categorised under priority sector; the loan assets are purchased (after due diligence and at fair value) from banks and financial institutions, without any recourse to the seller; and the eligible loan assets are not disposed of, other than by way of repayment, within a period of six months from the date of purchase.
1.3	Investments by banks in Inter Bank Certificates (IBPCs), on a risk sharing basis, shall be eligible for classification under respective categories of priority sector, provided the underlying assets are eligible to be categorised under the respective categories of priority sector and are held for at least 180 days from the date of investment.

2. SCHEME OF SMALL ENTERPRISES FINANCIAL CENTRES (SEFCs):

As per announcement made by the Governor in the Annual Policy Statement 2005-06, a scheme for strategic alliance between branches of banks and SIDBI located in clusters, named as “Small Enterprises Financial Centres” has been formulated in consultation with the Ministry of SSI and Banking Division, Ministry of Finance, Government of India, SIDBI, IBA and select banks and circulated to all scheduled commercial banks on May 20, 2005 for implementation. Initially, SIDBI had decided to start 149 such centres. SIDBI has so far executed MoU with 16 banks so far (Bank of India, UCO Bank, YES Bank, Bank of Baroda, Oriental Bank of Commerce, Punjab National Bank, Dena Bank, Andhra Bank, Indian Bank, Corporation Bank, IDBI Bank, Indian Overseas Bank, Union Bank of India, State Bank of India, State Bank of Saurashtra and Federal Bank). List of SME clusters covered by existing SIDBI branches is furnised in ***Annexure II***.

SECTION III

TARGETS FOR PRIORITY SECTOR LENDING BY DOMESTIC COMMERCIAL BANKS (*EXCLUDING RRBS*)		
1.	**MAIN TARGETS FOR ALL DOMESTIC COMMERCIAL BANKS EXCLUDING FOREIGN BANKS**	
1.1	The domestic commercial banks are expected to enlarge credit to priority sector and ensure that priority sector advances (which includes the small enterprises sector) constitute 40 per cent of Adjusted Net Bank Credit (ANBC) or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.	
1.2	While there is no sub-target fixed for lending to small enterprises sector, as per the policy package announced by the Government of India for stepping up credit to SME sector, banks may fix self set target for growth in advances to SME sector in order to achieve a minimum 20% year on year growth in credit to SMEs with the objective to double the flow of credit to the SME sector within a period of 5 years i.e. from 2005-06 to 2009-10.	
1.3	In order to ensure that credit is available to all segments of the Small Enterprises sector, banks should ensure that :-	
	(a)	40 per cent of the total advances to small enterprises sector should go to micro (manufacturing) enterprises having investment in plant and machinery up to Rs. 5 lakh and micro (service) enterprises having investment in equipment up to Rs. 2 lakh;
	(b)	20 per cent of the total advances to small enterprises sector should go to micro (manufacturing) enterprises with investment in plant and machinery above Rs. 5 lakh and up to Rs. 25 lakh, and micro (service) enterprises with investment in equipment above Rs. 2 lakh and up to Rs. 10 lakh. (Thus 60 per cent of small enterprises advances should go to the micro enterprises)
2.	**TARGETS FOR FOREIGN BANKS**	
2.1.1	Foreign banks are expected to enlarge credit to priority sector and ensure that priority sector advances (which includes the Small Enterprises sector) constitute 32 per cent of Adjusted Net Bank Credit (ANBC) or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.	
2.1.2	Within the overall target of 32 per cent to be achieved by foreign banks, the advances to small enterprises sector should not be 10 per cent of the adjusted net bank credit (ANBC) or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.	

2.1.3	In order to ensure that credit is available to all segments of the Small Enterprises sector, banks should ensure that :- (a) 40 per cent of the total advances to small enterprises sector should go to micro (manufacturing) enterprises having investment in plant and machinery up to Rs. 5 lakh and micro (service) enterprises having investment in equipment up to Rs. 2 lakh; (b) 20 per cent of the total advances to small enterprises sector should go to micro (manufacturing) enterprises with investment in plant and machinery above Rs. 5 lakh and up to Rs. 25 lakh, and micro (service) enterprises with investment in equipment above Rs. 2 lakh and up to Rs. 10 lakh. (Thus 60 per cent of small enterprises advances should go to the micro enterprises) **[**The net bank credit should tally with the figures reported in the fortnightly return submitted under section 42(2) of the Reserve Bank of India Act, 1934. Outstanding deposits under the FCNR (B) and NRNR Schemes are excluded from net bank credit for computation of priority sector lending target/ sub-targets. However, as the NRNR scheme has been discontinued, the existing accounts under NRNR account scheme may be continued only up to the date of maturity as advised vide circular DBOD. DIR. BC. 93/13.01.09/2001-02 dated April 29, 2002.**]**
3.	**DEPOSIT BY FOREIGN BANKS WITH SIDBI TOWARDS SHORTFALL IN PRIORITY SECTOR LENDING**
3.1	The foreign banks having shortfall in lending to stipulated priority sector targets /sub-targets will be required to contribute to Small Enterprises Development Fund (SEDF) to be set up by Small Industries Development Bank of India (SIDBI), or for such other purpose as may be stipulated by Reserve bank of India.
3.2	For the purpose of such allocation, the achievement level of priority sector lending as on the last reporting Friday of March of the immediately preceding financial year will be taken into account.
3.3	The corpus of SEDF shall be decided by Reserve Bank of India on a year-to-year basis. The tenor of the deposits shall be for a period of three years or as decided by Reserve Bank from time to time. Fifty percent of the corpus shall be contributed by foreign banks having shortfall in lending to priority sector target of 32 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher, on a pro-rata basis. The balance fifty per cent of the corpus shall be contributed by foreign banks having aggregate shortfall in lending to Small Enterprises sector and export sector of 10 per cent and 12 per cent respectively, of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher, on a pro-rata basis. The contribution required to be made by foreign banks would, however, not be more than the amount of shortfall in priority sector lending target/sub-target of the foreign banks.

3.4	The concerned foreign banks will be called upon by SIDBI/or such other institution as may be decided by Reserve Bank, as and when funds are required by them, after giving one month's notice.
3.5	The interest rates on foreign banks' contribution, period of deposits, etc. shall be fixed by Reserve Bank of India from time to time.
4.	Non-achievement of priority sector targets and sub-targets will be taken into account while granting regulatory clearances/approvals for various purposes.

[ANBC or credit equivalent of Off-Balance Sheet Exposures (as defined by Department of Banking Operations and Development of Reserve Bank of India from time to time) will be computed with reference to the outstanding as on March 31 of the previous year. For this purpose, outstanding FCNR (B) and NRNR deposits balances will no longer be deducted for computation of ANBC for priority sector lending purposes. For the purpose of priority sector lending, ANBC denotes NBC plus investments made by banks in non-SLR bonds held in HTM category. Investments made by banks in the Recapitalisation Bonds floated by Government of India will not be taken into account for the purpose of calculation of ANBC. Existing investments, as on the date of circular RPCD.No.Plan. BC.84/04.09.01/2006-07 dated April 30, 2007, made by banks in non-SLR bonds held in HTM category will not be taken into account for calculation of ANBC, up to March 31, 2010. However, fresh investments by banks in non-SLR bonds held in HTM category will be taken into account for the purpose. Deposits placed with NABARD/SIDBI, as the case may be, in lieu of non-achievement of priority sector lending targets/sub-targets, though shown under Schedule 8 –'Investments' in the Balance Sheet at item I (vi)-'Others', will not be treated as investment in non-SLR bonds held under HTM category. For the purpose of calculation of credit equivalent of off-balance sheet exposures, banks may use current exposure method. Inter-bank exposures will not be taken into account for the purpose of priority sector lending targets/sub-targets.]

SECTION IV

COMMON GUIDELINES/INSTRUCTIONS FOR LENDING TO SMALL ENTERPTRISES SECTOR

1. Disposal of Applications

All loan applications for SSI up to a credit limit of Rs. 25,000/- should be disposed of within 2 weeks and those up to Rs. 5 lakh within 4 weeks provided the loan applications are complete in all respects and accompanied by a 'check list'.

2 Collaterals

The limit for all SSI borrowal accounts for obtention of collateral security is Rs 5 lakh. Banks may on the basis of good track record and financial position of the SSI units, increase the limit of dispensation of collateral requirement for loans up to Rs.25 lakh (with the approval of the appropriate authority).

3. Composite loan

A composite loan limit of Rs.1crore can be sanctioned by banks to enable the SSI entrepreneurs to avail of their working capital and term loan requirement through Single Window.

4. Specialised SSI/SME branches

Public sector banks have been advised to open at least one Specialised branch in each district. Further banks have been permitted to categories their SSI general banking branches having 60% or more of their advances to SSI sector as Public sector banks have been advised to open at least one Specialised SSI specialised SSI branches in order to encourage them to open more specialised SSI branches for providing better service to this sector as a whole. As per the policy package announced by the Government of India for stepping up credit to SME sector, the public sector banks will ensure specialized SME branches in identified clusters/centres with preponderance of small enterprises to enable the entrepreneurs to have easy access to the bank credit and to equip bank personnel to develop requisite expertise. The existing specialised SSI branches may be also be redesignated as SME branches. Though their core competence will be utilized for extending finance and other services to SME sector, they will have operational flexibility to extend finance/render other services to other sectors/borrowers

5.	**Delayed Payment** Under the Amendment Act, 1998 of Interest on Delayed Payment to Small Scale and Ancillary Industrial Undertakings, penal provisions have been incorporated to take care of delayed payments to SSI units which inter-alia stipulates a) agreement between seller and buyer shall not exceed more than 120 days b) payment of interest by the buyers at the rate of one and a half times the prime lending rate (PLR) of SBI for any delay beyond the agreed period not exceeding 120 days. Further, banks have been advised to fix sub-limits within the overall working capital limits to the large borrowers specifically for meeting the payment obligation in respect of purchases from SSI. After the enactment of the Micro, Small and Medium Enterprises Development (MSMED), Act 2006, the existing provisions of the Interest on Delayed Payment Act, 1998 to Small Scale and Ancillary Industrial Undertakings, have been strengthened as under: (i)The buyer to make payment on or before the date agreed on between him and the supplier in writing or, in case of no agreement before the appointed day. The agreement between seller and buyer shall not exceed more than 45 days. (ii)The buyer fails to make payment of the amount to the supplier, he shall be liable to pay compound interest with monthly rests to the supplier on the amount from the appointed day or, on the date agreed on, at three times of the Bank Rate notified by Reserve Bank. (iii)For any goods supplied or services rendered by the supplier, the buyer shall be liable to pay the interest as advised at (ii) above. (iv)In case of dispute with regard to any amount due, a reference shall be made to the Micro and Small Enterprises Facilitation Council, constituted by the respective State Government.

6.	**Guidelines on rehabilitation of sick SSI units (based on Kohli Working Group recommendations)** As per the definition, a unit is considered as sick when any of the borrowal account of the unit remains substandard for more than 6 months or there is erosion in the net worth due to accumulated cash losses to the extent of 50% of its net worth during the previous accounting year and the unit has been in commercial production for at least two years. The criteria will enable banks to detect sickness at an early stage and facilitate corrective action for revival of the unit. As per the guidelines, the rehabilitation package should be fully implemented within six months from the date the unit is declared as potentially viable/viable. During this six months period of identifying and implementing rehabilitation package banks/FIs are required to do "holding operation" which will allow the sick unit to draw funds from the cash credit account at least to the extent of deposit of sale proceeds Following are broad parameters for grant of relief and concessions for revival of potentially viable sick SSI units: (i) Interest on Working Capital Interest 1.5% below the prevailing fixed / prime lending rate, wherever applicable (ii) Funded Interest Term Loan Interest Free (iii) Working Capital Term Loan Interest to be charged 1.5% below the prevailing fixed / prime lending rate, wherever applicable (iv) Term Loan Concessions in the interest to be given not more than 2 % (not more than 3 % in the case of tiny / decentralised sector units) below the document rate. (v) Contingency Loan Assistance The Concessional rate allowed for Working Capital Assistance
7.	**State Level Inter Institutional Committee** In order to deal with the problems of co-ordination for rehabilitation of sick small scale units, State Level Inter-Institutional Committees (SLIICs) have been set up in all the States. The meetings of these Committees are convened by Regional Offices of RBI and presided over by the Secretary, Industry of the concerned State Government. It provides a useful forum for adequate interfacing between the State Government Officials and State Level Institutions on the one side and the term lending institutions and banks on the other. It closely monitors timely sanction of working capital to units which have been provided term loans by SFCs, implementation of special schemes such as Margin Money Scheme of State Government, National Equity Fund Scheme of SIDBI, and reviews general problems faced by industries and sickness in SSI sector based on the data furnished by banks. Among others, the representatives of the local state level SSI associations are invited to the meetings of SLIIC which are held quarterly. A sub-committee of SLIIC looks into the problems of individual sick SSI unit and submits its recommendations to the forum of SLIIC for consideration.

8. Empowered Committee on SMEs

As part of the announcement made by the Union Finance Minister, at the Regional Offices of Reserve Bank of India, Empowered Committees on SMEs have been constituted under the Chairmanship of the Regional Directors with the representatives of SLBC Convenor, senior level officers from two banks having predominant share in SME financing in the state, representative of SIDBI Regional Office, the Director of Industries of the State Government, one or two senior level representatives from the SME/SSI Associations in the state, and a senior level officer from SFC/SIDC as members. The Committee will meet periodically and review the progress in SME financing as also rehabilitation of sick SSI/ME units. It will also coordinate with other banks/financial institutions and the state government in removing bottlenecks, if any, to ensure smooth flow of credit to the sector. The committees may decide the need to have similar committees at cluster/district levels.

9. Debt Restructuring Mechanism for SMEs

As part of announcement made by the Hon'ble Finance Minister for stepping up credit to small and medium enterprises, a debt restructuring mechanism for units in SME sector has been formulated by Department of Banking Operations & Development of Reserve Bank of India and advised all commercial banks vide circular DBOD. BP. BC. No. 34 / 21.04.132/ 2005-06 dated September 8, 2005. These detailed guidelines have been issued to ensure restructuring of debt of all eligible small and medium enterprises. These guidelines would be applicable to the following entities, which are viable or potentially viable:

a) All non-corporate SMEs irrespective of the level of dues to banks.

b) All corporate SMEs, which are enjoying banking facilities from a single bank, irrespective of the level of dues to the bank.

c) All corporate SMEs, which have funded and non-funded outstanding up to Rs.10 crore under multiple/ consortium banking arrangement.

(d) Accounts involving wilful default, fraud and malfeasance will <u>not</u> be eligible for restructuring under these guidelines.

(e) Accounts classified by banks as “Loss Assets” will <u>not</u> be eligible for restructuring.

For all corporate SMEs, which have funded and non-funded outstanding of Rs.10 crore and above, Department of Banking Operations & Development has issued separate guidelines vide circular DBOD. No.BP. BC.45/ 21.04. 132/2005-06 dated November 10, 2005.

10. Cluster Approach

60 clusters have been identified by the Ministry of SSI, Government of India for focused development of Small Enterprises sector. All SLBC Convenor banks have been advised to incorporate in their Annual Credit Plans, the credit requirement in the clusters identified by the Ministry of SSI, Government of India.

11. Committees on flow of Credit to SSI/SME sector

11.1 Report of the Committee to Examine the Adequacy of Institutional Credit to SSI Sector and Related Aspects (Nayak Committee)

The Committee was constituted by Reserve Bank of India in December 1991 under the Chairmanship of Shri P. R. Nayak, the then Deputy Governor to examine the issues confronting SSIs in the matter of obtaining finance. The Committee submitted its report in 1992. All the major recommendations of the Committee have been accepted and the banks have been inter-alia advised to:

i) give preference to village industries, tiny industries and other small scale units in that order, while meeting the credit requirements of the small scale sector;

ii) grant working capital credit limits to SSI units computed on the basis of minimum 20% of their estimated annual turnover whose credit limit in individual cases is upto Rs.2 crore [since raised to Rs.5 crore];

iii) prepare annual credit budget on the `bottom-up' basis to ensure that the legitimate requirements of SSI sector are met in full;

iv) extend 'Single Window Scheme' of SIDBI to all districts to meet the financial requirements (both working capital and term loan) of SSIs;

v) ensure that there should not be any delay in sanctioning and disbursal of credit. In case of rejection/curtailment of credit limit of the loan proposal, a reference to higher authorities should be made;

vi) not to insist on compulsory deposit as a `quid pro-quo' for sanctioning the credit;

vii) open specialised SSI bank branches or convert those branches which have a fairly large number of SSI borrowal accounts, into specialised SSI branches;

viii) identify sick SSI units and take urgent action to put them on nursing programmes;

ix) standardise loan application forms for SSI borrowers; and

x) impart training to staff working at specialised branches to bring about attitudinal change in them.

11.2 Report of the High Level Committee on Credit to SSI (Kapur Committee)

Reserve Bank of India had appointed a one-man High Level Committee headed by Shri S.L. Kapur, (IAS, Retd.), Former Secretary, Government of India, Ministry of Industry to suggest measures for improving the delivery system and simplification of procedures for credit to SSI sector.The Committee made 126 recommendations covering wide range of areas pertaining to financing of SSI sector. These recommendations have been examined by the RBI and it has been decided to accept 88 recommendations which include the following important recommendations:

i) Delegation of more powers to branch managers to grant ad-hoc limits;

ii) Simplification of application forms;

iii) Freedom to banks to decide their own norms for assessment of credit requirements;

iv) Opening of more specialised SSI branches;

v) Enhancement in the limit for composite loans to Rs. 5 lakh.(*since enhanced to Rs.1 crore);*

vi) Strengthening the recovery mechanism;

vi) Banks to pay more attention to the backward states;

viii) Special programmes for training branch managers for appraising small projects;

ix) Banks to make customers grievance machinery more transparent and simplify the procedures for handling complaints and monitoring thereof.

11.3 Report of the Working Group on Flow of Credit to SSI Sector (Ganguly Committee)

As per the announcement made by the Governor, Reserve Bank of India, in the Mid-Term Review of the Monetary and Credit Policy 2003-2004, a "Working Group on Flow of Credit to SSI sector" was constituted under the Chairmanship of Dr.A.S.Ganguly

The Committee made 31 recommendations covering wide range of areas pertaining to financing of SSI sector. The recommendations pertaining to RBI and banks have been examined and has accepted 8 recommendations so far and commended to banks for implementation which are as under:

i) adoption of cluster based approach for financing SME sector;

ii) sponsoring specific projects as well as widely publicising successful working models of NGOs by Lead Banks which service small and tiny industries and individual entrepreneurs;

iii) sanctioning of higher working capital limits by banks operating in the North East region to SSIs, based on their commercial judgement due to the peculiar situation of hilly terrain and frequent floods causing hindrance in the transportation system;

iv) exploring new instruments by banks for promoting rural industry and to improve the flow of credit to rural artisans, rural industries and rural entrepreneurs, and

v) revision of tenure as also interest rate structure of deposits kept by foreign banks with SIDBI for their shortfall in priority sector lending.

11.4 Internal Group to Review Guidelines on Credit Flow to SME Sector

An Internal Group was constituted under the Chairmanship of Shri C.S.Murthy, CGM-in-Charge, RPCD, Central Office, Reserve Bank of India, to inter-alia review all circulars and guidelines issued by Reserve Bank in the past regarding financing

of SSIs, to suggest appropriate terms for restructuring of the borrowal accounts of SSI/Medium Enterprises and also to examine the guidelines issued by Reserve Bank for nursing sick SSIs and suggest suitable relaxation and liberalization of these norms.The Group has submitted its report on June 6, 2005

The internal group has recommended:

(i) Constitution of empowered committees at the regional office of Reserve Bank to periodically review the progress in SSI and Medium Enterprises financing and also to coordinate with other banks/financial institutions and the state government in removing bottlenecks, if any, to ensure smooth flow of credit to the sector.

(ii) Opening of specialised SME branches in identified clusters/centres with preponderance of SSI and ME units to enable the entrepreneurs to have easy access to the bank credit and to equip bank personnel to develop the requisite expertise.

(iii) The group has proposed to empower the boards of banks to formulate policies relating to restructuring of accounts of SME units subject to certain guidelines. Restructuring of accounts of corporate SSI/ME borrowers having credit limits aggregating Rs.10 crore or more under multiple banking arrangements will be covered under the revised CDR mechanism.

(iv) While recommending continuation of the extant guidelines on definition of a sick SSI unit, the group has recommended that all other instructions relating to viability and parameters for relief and concessions to be provided to sick SSI units, as prescribed by the Reserve Bank be withdrawn and banks be given freedom to lay down their own guidelines with the approval of their Board of Directors.

Majority of the recommendations of the Group have been accepted by the Government of India and incorporated as part of policy package announced by the Union Finance Minister for stepping up credit to SME sector.

12. Policy Package for Stepping up Credit to Small and Medium Enterprises- Announced by the Union Finance Minister

Based on the policy package announced by the Union Finance Minister for stepping up credit to small and medium enterprises, two circulars have been issued separately to public sector banks (RPCD.PLNFS. BC.No.31/ 06.02.31/200506 dated August 19, 2005) and private, foreign banks and RRBs (RPCD.PLNFS. BC.No.35/ 06.02.31 / 2005 -06 dated August 25, 2005) for implementation. Some of the salient features of the policy package are:

- Definition of Small and Medium Enterprises (SMEs)
- Fixing of self-targets for financing to SME sector by banks
- Measures to rationalize the cost of loans to SME sector
- Measures to increase the outreach of formal credit to the SME sector
- Cluster based approach for financing SME sector
- Constitution of Empowered Committees for SMEs in the Regional Offices of Reserve Bank
- Steps to rationalize the cost of loans to SME sector by adopting a transparent rating system with cost of credit being linked to the credit rating of enterprise.
- Banks to consider taking advantage of Credit Appraisal & Rating Tool (CART), Risk Assessment Model (RAM) and the comprehensive rating model for risk assessment of SME proposals, developed by SIDBI for reduction of their transaction costs.

- Banks to consider the ratings of SSI units carried out through reputed credit rating agencies under the Credit Rating Scheme introduced by National Small Industries Corporation.
- Wider dissemination and easy accessibility of the policy guidelines formulated by Boards of banks as well as instructions/guidelines issued by Reserve Bank by displaying them on the respective banks' web sites as well as web site of SIDBI and also prominently displaying them at the bank branches.

A copy of the "Policy Package for stepping up Credit to SME Sector", announced by the Union Finance Minister in the Parliament on August 10, 2005 is furnished in ***Annexure IV***.

13. Micro, Small & Medium Enterprises Development (MSMED) Act, 2006

The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 on June 16, 2006 which was notified on October 2, 2006. Consistent with the notification of the Micro, Small and Medium Enterprises Development (MSMED) Act 2006, the definition of micro, small and medium enterprises engaged in manufacturing or production and providing or rendering of services has been modified and is required to be implemented by the banks alongwith other policy measures with immediate effect as advised vide circular RPCD.PLNFS.BC.No.63/06.02.31/2006-07 dated April 4, 2007.

Annexure I

MINISTRY OF SMALL SCALE INDUSTRIES

NOTIFICATION

New Delhi, the 5th October, 2006

S.O. 1722(E) – In exercise of the powers conferred by sub-section (1) of 2006) herein referred to as the said Act, the Central Government specifies the following items, the cost of which shall be excluded while calculating the investment in plant and machinery in the case of the enterprises mentioned in Section 7(1)(a) of the said Act, namely:

(i) equipment such as tools, jigs, dyes, moulds and spare parts for maintenance and the cost of consumables stores;
(ii) installation of plant and machinery;
(iii) research and development equipment and pollution controlled equipment
(iv) power generation set and extra transformer installed by the enterprise as per regulations of the State Electricity Board;
(v) bank charges and service charges paid to the National Small Industries Corporation or the State Small Industries Corporation;
(vi) procurement or installation of cables, wiring, bus bars, electrical control panels (not mounded on individual machines), oil circuit breakers or miniature circuit breakers which are necessarily to be used for providing electrical power to the plant and machinery or for safety measures;
(vii) gas producers plants;
(viii) transportation charges (excluding sales-tax or value added tax and excise duty) for indigenous machinery from the place of the manufacture to the site of the enterprise;
(ix) charges paid for technical know-how for erection of plant and machinery;
(x) such storage tanks which store raw material and finished produces and are not linked with the manufacturing process; and
(xi) fire fighting equipment.

2. While calculating the investment in plant and machinery refer to paragraph 1, the original price thereof, irrespective of whether the plant and machinery are new or

second handed, shall be taken into account provided that in the case of imported machinery, the following shall be included in calculating the value, namely;

(i) Import duty (excluding miscellaneous expenses such as transportation from the port to the site of the factory, demurrage paid at the port);
(ii) Shipping charges;
(iii) Customs clearance charges; and
(iv) Sales tax or value added tax.

(F.No.4(1)/2006-MSME- Policy)
JAWHAR SIRCAR, Addl. Secy.

Annexure II

LIST OF SME CLUSTERS COVERED BY EXISTING SIDBI BRANCHES

Sr. No.	Branch Offices	No.of SSI clusters	Product
1	Hyderabad	5	Ceiling Fan, Electronic Goods, Pharmaceuticals- Bulk Drugs, Hand Pump sets & Foundry
2	Patna	1	Brass and German Utensils
3	Delhi	19	Stainless Steel Utensils & Cutlery, Chemicals, Electrical Engineering Equipment, Electronic Goods, Food Products, Leather Products, Mechanical Engineering Equipment, Packaging Material, Paper Products, Plastic Products, Wire Drawing, Metal Fabrication, Furniture, Electro Plating, Auto Components, Hosiery, Readymade Garments, Sanitary Fittings
4	Ahmedabad	17	Pharmaceuticals, Dyes & Intermediates, Moulded Plastic Products, Readymade Garments, Textile Machinery Parts, Diamond Processing, Machine Tools, Castings & Forging, Steel Utensils, Wood Product & Furniture, Paper Products, Leather Footwear, Washing Powder & Soap, Marble Slabs, Power Driven Pumps, Electronic Goods, Auto Parts
5	Surat	4	Diamond Processing, Powerloom, Wood Product & Furniture, Textile Machinery
6	Baroda	3	Pharmaceutical- Bulk drugs, Plastic processing & Wood product & furniture
7	Goa	1	Pharmaceutical
8	Faridabad	3	Auto components, Engineering Cluster, Stone Crushing
9	Gurgaon	5	Auto Components, Electronic Goods, Electrical Engineering Equipment, Readymade Garments, Mechanical Engineering Equipment
10	Parwanoo(Baddi)	1	Engineering Equipment
11	Jammu	3	Steel Re-rolling, Oil mills, Rice Mills
12	Jamshedpur	1	Engineering & Fabrication

13	Bangalore	6	Powerloom, Electronic goods, Readymade garments, Light engineering, Leather products
14	Kochi/Ernakulam	3	Rubber products, Powerlooms & Sea Food processing
15	Aurangabad	2	Auto components & Pharmaceuticals- Bulk drugs
16	Mumbai	11	Electronic Goods , Pharmaceutical-Basic drugs, Toys (plastic), Ready made garments, Hosiery, Machine Tools, Engineering equipment, Chemicals, Packaging material, Handtools, Plastic products
17	Nagpur	6	Powerlooms, Engineering & Fabrication, Steel furniture, Ready made garments, Handtools, Food processing
18	Pune	6	Auto components, Electronic goods, Food products, Ready made Garments, Pharmaceuticals –Bulk Drugs, Fibre glass
19	Thane	2	Pharmaceuticals –Bulk Drugs & Sea food
20	Bhopal	1	Engineering equipment
21	Indore	4	Pharmaceuticals- Bulk drugs, Readymade garments, food processing, Auto components
22	Ludhana	9	Auto Components, Bicycle Parts, Hosiery, Sewing M/C Components, Industrial Fastners, Handtools, Machine tools, Forging, Electroplating
23	Jaipur	7	Gems & Jewellery, Ball Bearing, Electrical Engineering Equipment, Food Products, Garments, Lime, Mechanical Engineering Equipment
24	Chennai	3	Auto components, Leather products, Electroplating
25	Coimbatore	6	Diesel Engines, Agricultural Implements, Machine Tools, Castings & Forging, Powerloom, Wet Grinding Machines
26	Tirupur	1	Hosiery
27	Noida/Gaziabad	10	Electronic goods, Toys, Chemicals, Electrical engineering equipment, Garments, Mechanical engineering equipment, Packaging material, Plastic products, Chemicals

28	Kanpur	3	Saddlery, Cotton hosiery, Leather products
29	Varanasi	4	Sheetwork (Globe Lamp), Powerloom, Agriculture implements, Electric fan
30	Dehradun	1	Miniature Vacuum bulb
31	Nashik (shortly to be opened)	1	Steel furniture
Total		**149**	

Annexure III

List of SME Clusters in India (identified by UNIDO)				
S. No.	**State**	**District**	**Location**	**Product**
1	Andhra Pradesh	Anantpur	Rayadurg	Readymade Garments
2	Andhra Pradesh	Anantpur	Chitradurg	Jeans Garments
3	Andhra Pradesh	Chittoor	Nagari	Powerloom
4	Andhra Pradesh	Chittoor	Ventimalta, Srikalahasti, Chundur	Brass Utensils
5	Andhra Pradesh	East Godavari	East Godavari	Rice Mills
6	Andhra Pradesh	East Godavari	Rajahmundry	Graphite Crucibles
7	Andhra Pradesh	East Godavari	East Godavari	Coir & Coir Products
8	Andhra Pradesh	East Godavari	Rajahmundry	Aluminium Utensils
9	Andhra Pradesh	East Godavari & West Godavari	East Godavari(EG) & West Godavari	Refractory Products
10	Andhra Pradesh	Guntur	Guntur	Powerloom
11	Andhra Pradesh	Guntur	Guntur	Lime Calcination
12	Andhra Pradesh	Guntur	Macherla	Wooden Furniture
13	Andhra Pradesh	Hyderabad	Hyderabad	Ceilling Fan
14	Andhra Pradesh	Hyderabad	Hyderabad	Electronic Goods
15	Andhra Pradesh	Hyderabad	Hyderabad	Pharmaceuticals- Bulk Drugs
16	Andhra Pradesh	Hyderabad	Musheerabad	Leather Tanning
17	Andhra Pradesh	Hyderabad	Hyderabad	Hand Pumpsets
18	Andhra	Hyderabad	Hyderabad	Foundry

	Pradesh			
19	Andhra Pradesh	Karimnagar	Sirsilla	Powerloom
20	Andhra Pradesh	Krishna	Machilipatnam	Gold Plating & Imitation Jewellery
21	Andhra Pradesh	Krishna	Vijayawada	Rice Mills
22	Andhra Pradesh	Krishna	Chundur, Kavadiguda, Charminar,Vijayawada	Steel Furniture
23	Andhra Pradesh	Kurnool	Adoni	Oil Mills
24	Andhra Pradesh	Kurnool	Kurnool	Artificial Diamonds
25	Andhra Pradesh	Kurnool, Cuddapah	Kurnool(Banaganapalle, Bethamcheria,Kolimigundla)Cuddapah	Polished Slabs
26	Andhra Pradesh	Prakasam	Markapuram	Stone Slate
27	Andhra Pradesh	Ranga Reddy	Balanagar, Jeedimetla & Kukatpally	Machine Tools
28	Andhra Pradesh	Srikakulam	Palasa	Cashew Processing
29	Andhra Pradesh	Visakhapatnam,East Godavari	Visakhapatnam, Kakinada	Marine Foods
30	Andhra Pradesh	Warangal	Warangal	Powerloom
31	Andhra Pradesh	Warangal	Warangal	Brassware
32	Andhra Pradesh	West Godavari	West Godavari	Rice Mills
33	Bihar	Begusarai	Barauni	Engineering & Fabrication
34	Bihar	Muzzafarpur	Muzzafarpur	Food Products
35	Bihar	Patna	Patna	Brass and German Silver Utensils
36	Chhattisgarh	Durg, Rajnandgaon, Raipur	Durg, Rajnandgaon, Raipur	Steel Re-rolling
37	Chhattisgarh	Durg, Raipur	Durg, Raipur	Castings & Metal Fabrication
38	Delhi	North West Delhi	Wazirpur, Badli	Stainless Steel Utensils & Cutlery
39	Delhi	South & West Delhi	Okhla, Mayapuri	Chemicals

40	Delhi	West & South	Naraina & Okhla	Electrical Engineering Equipment
41	Delhi	West & South	Naraina & Okhla	Electronic Goods
42	Delhi	North Delhi	Lawrence Road	Food Products
43	Delhi	South Delhi	Okhla, Wazirpur Flatted Factories Complex	Leather Products
44	Delhi	South, West Delhi	Okhla,Mayapuri, Anand Parbat	Mechanical Engineering Equipment
45	Delhi	West,South, East Delhi	Naraina,Okhla, Patparganj	Packaging Material
46	Delhi	West & South	Naraina & Okhla	Paper Products
47	Delhi	West & South	Naraina Udyog Nagar & Okhla	Plastic Products
48	Delhi	West, South, North West	Naraina,Okhla,Shivaji Marg,Najafgarh Road	Rubber Products
49	Delhi	North East Delhi	Shahadara & Vishwasnagar	Wire Drawing
50	Delhi	West & North West	Mayapuri & Wazirpur	Metal Fabrication
51	Delhi	West & North East	Kirtinagar & Tilak Nagar	Furniture
52	Delhi	North West Delhi	Wazirpur	Electro Plating
53	Delhi	South,West,North West & North West	Okhla, Mayapuri,Naraina, Wazirpur Badli & G.T. Karnal Road	Auto Components
54	Delhi	North East Delhi, East Delhi & South	Shahdara,Gandhinagar, Okhla & Maidangari	Hosiery
55	Delhi	South & North East	Okhla & Shahdara	Readymade Garments
56	Delhi	South Delhi	Okhla	Sanitary Fittings
57	Gujarat	Ahmedabad	Ahmedabad	Pharmaceuticals
58	Gujarat	Ahmedabad	Ahmedabad	Dyes & Intermediates
59	Gujarat	Ahmedabad	Ahmedabad	Moulded Plastic Products
60	Gujarat	Ahmedabad	Ahmedabad	Readymade Garments
61	Gujarat	Ahmedabad	Ahmedabad	Textile Machinery Parts
62	Gujarat	Ahmedabad	Ahmedabad, Dhanduka	Diamond Processing
63	Gujarat	Ahmedabad	Ahmedabad	Machine Tools
64	Gujarat	Ahmedabad	Ahmedabad	Castings & Forging
65	Gujarat	Ahmedabad	Ahmedabad	Steel Utensils
66	Gujarat	Ahmedabad	Ahmedabad	Wood Product & Furniture

67	Gujarat	Ahmedabad	Ahmedabad	Paper Products
68	Gujarat	Ahmedabad	Ahmedabad	Leather Footware
69	Gujarat	Ahmedabad	Ahmedabad	Washing Powder & Soap
70	Gujarat	Ahmedabad	Ahmedabad	Marble Slabs
71	Gujarat	Ahmedabad	Ahmedabad	Power Driven Pumps
72	Gujarat	Ahmedabad	Ahmedabad	Electronic Goods
73	Gujarat	Ahmedabad	Ahmedabad	Auto Parts
74	Gujarat	Amreli	Savarkundla	Weights & Measures
75	Gujarat	Amrelli, Juna Garh, Rajkot	Amrelli Juna Garh Rajkot belt	Oil Mills Machinery
76	Gujarat	Bhavnagar	Alang	Ship Breaking
77	Gujarat	Bhavnagar	Bhavnagar	Steel Re-rolling
78	Gujarat	Bhavnagar	Bhavnagar	Machine Tools
79	Gujarat	Bhavnagar	Bhavnagar	Plastic Processing
80	Gujarat	Bhavnagar	Bhavnagar	Diamond Processing
81	Gujarat	Gandhinagar	Kalol	Powerloom
82	Gujarat	Jamnagar	Jamnagar	Brass Parts
83	Gujarat	Jamnagar	Jamnagar	Wood Product & Furniture
84	Gujarat	Mahesana	Vijapur	Cotton Cloth Weaving
85	Gujarat	Rajkot	Dhoraji, Gondal, Rajkot	Oil Mills
86	Gujarat	Rajkot	Jetpur	Textile Printing
87	Gujarat	Rajkot	Morvi & Wankaner	Flooring Tiles(Clay)
88	Gujarat	Rajkot	Morvi	Wall Clocks
89	Gujarat	Rajkot	Rajkot	Diesel Engines
90	Gujarat	Rajkot	Rajkot	Electric Motors
91	Gujarat	Rajkot	Rajkot	Castings & Forging
92	Gujarat	Rajkot	Rajkot	Machine Tools
93	Gujarat	Rajkot	Rajkot	Diamond Processing
94	Gujarat	Surat	Surat, Choryasi	Diamond Processing
95	Gujarat	Surat	Surat	Powerloom

96	Gujarat	Surat	Surat	Wood Product & Furniture
97	Gujarat	Surat	Surat	Textile Machinery
98	Gujarat	Surendranagar	Surendranagar & Thangadh	Ceramics
99	Gujarat	Surendranagar	Chotila	Sanitary Fittings
100	Gujarat	Vadodara	Vadodara	Pharmaceuticals- Bulk Drugs
101	Gujarat	Vadodara	Vadodara	Plastic Processing
102	Gujarat	Vadodara	Vadodara	Wood Product & Furniture
103	Gujarat	Valsad	Pardi	Dyes & Intermediates
104	Gujarat	Valsad/Bharuch	Vapi/Ankleshwar	Chemicals
105	Gujarat	Valsad/Bharuch	Vapi/Ankleshwar	Pharmaceuticals- Bulk Drugs
106	Goa	South Goa	Margao	Pharmaceutical
107	Haryana	Ambala	Ambala	Mixies & Grinders
108	Haryana	Ambala	Ambala	Scientific Instruments
109	Haryana	Bhiwani	Bhiwani	Powerloom
110	Haryana	Bhiwani	Bhiwani	Stone Crushing
111	Haryana	Faridabad	Faridabad	Auto Components
112	Haryana	Faridabad	Faridabad	Engineering Cluster
113	Haryana	Faridabad	Faridabad	Stone Crushing
114	Haryana	Gurgaon	Gurgaon	Auto Components
115	Haryana	Gurgaon	Gurgaon	Electronic Goods
116	Haryana	Gurgaon	Gurgaon	Electrical Engineering Equipment
117	Haryana	Gurgaon	Gurgaon	Readymade Garments
118	Haryana	Gurgaon	Gurgaon	Mechanical Engineering Equipment
119	Haryana	Kaithal	Kaithal	Rice Mills
120	Haryana	Karnal	Karnal	Agricultural Implements
121	Haryana	Karnal, Kurukshetra,Panipat	Karnal,Kurukshetra,Panipat	Rice Mills
122	Haryana	Panchkula	Pinjore	Engineering Equipment

123	Haryana	Panchkula	Panchkula	Stone Crushing
124	Haryana	Panipat	Panipat	Powerloom
125	Haryana	Panipat	Panipat	Shoddy Yarn
126	Haryana	Panipat	Samalkha	Foundry
127	Haryana	Panipat	Panipat	Cotton Spinning
128	Haryana	Rohtak	Rohtak	Nuts/ Bolts
129	Haryana	Yamuna Nagar	Yamuna Nagar	Plywood/Board/Blackboard
130	Haryana	Yamunanagar	Jagadhri	Utensils
131	Himachal Pradesh	Kullu & Sirmaur	Kullu & Sirmaur	Food Processing
132	Himachal Pradesh	Kangra	Damtal	Stone Crushing
133	Himachal Pradesh	Solan	Parwanoo	Engineering Equipment
134	Jammu & Kashmir	Anantnag	Anantnag	Cricket Bat
135	Jammu & Kashmir	Jammu	Jammu	Steel Re-rolling
136	Jammu & Kashmir	Jammu/ Kathua	Jammu/ Kathua	Oil Mills
137	Jammu & Kashmir	Jammu/ Kathua	Jammu/ Kathua	Rice Mills
138	Jammu & Kashmir	Srinagar	Srinagar	Timber Joinery/ Furniture
139	Jharkhand	Sarikela-Kharsawan	Adityapur	Auto Components
140	Jharkhand	East Singhbhum	Jamshedpur	Engineering & Fabrication
141	Jharkhand	Bokaro	Bokaro	Engineering & Fabrication
142	Karnataka	Bangalore	Bangalore	Machine Tools
143	Karnataka	Bangalore	Bangalore	Powerloom
144	Karnataka	Bangalore	Bangalore	Electronic Goods
145	Karnataka	Bangalore	Bangalore	Readymade Garments
146	Karnataka	Bangalore	Bangalore	Light Engineering
147	Karnataka	Bangalore	Bangalore	Leather Products
148	Karnataka	Belgaum	Belgaum	Foundry

149	Karnataka	Belgaum	Belgaum	Powerloom
150	Karnataka	Bellary	Bellary	Jeans Garments
151	Karnataka	Bijapur	Bijapur	Oil Mills
152	Karnataka	Dharwad	Hubli, Dharwad	Agriculture Implements and Tractor Trailer
153	Karnataka	Gadag	Gadag Betgeri	Powerloom
154	Karnataka	Gulburga	Gulburga Gadagh belt	Dal Mills
155	Karnataka	Hassan	Arasikara	Coir & Coir Products
156	Karnataka	Mysore	Mysore	Food Products
157	Karnataka	Mysore	Mysore	Silk
158	Karnataka	Raichur	Raichur	Leather Products
159	Karnataka	Shimoga	Shimoga	Rice Mills
160	Karnataka	South Kannada	Mangalore	Food Products
161	Kerala	Alappuzha	Alappuzha	Coir & Coir Products
162	Kerala	Ernakulam	Ernakulam	Rubber Products
163	Kerala	Ernakulam	Ernakulam	Powerloom
164	Kerala	Ernakulam	Kochi	Sea Food Processing
165	Kerala	Kannur	Kannur	Powerloom
166	Kerala	Kollam	Kollam	Coir & Coir Products
167	Kerala	Kottayam	Kottayam	Rubber Products
168	Kerala	Mallappuram	Mallappuram	Powerloom
169	Kerala	Palakkad	Palakkad	Powerloom
170	Kerala		Faizlure	Powerloom
171	Maharashtra	Ahmednagar	Ahmednagar	Auto Components
172	Maharashtra	Akola	Akola	Oil Mills (Cotton seed)
173	Maharashtra	Akola	Akola	Dal Mills
174	Maharashtra	Aurangabad	Aurangabad	Auto Components
175	Maharashtra	Aurangabad	Aurangabad	Pharmaceuticals- Bulk Drugs
176	Maharashtra	Bhandara	Bhandara	Rice Mills
177	Maharashtra	Chandrapur	Chandrapur	Roofing Tiles

178	Maharashtra	Chandrapur	Chandrapur	Rice Mills
179	Maharashtra	Dhule	Dhule	Chilly Powder
180	Maharashtra	Gadchiroli	Gadchiroli	Castings & Forging
181	Maharashtra	Gadchiroli	Gadchiroli	Rice Mills
182	Maharashtra	Gondia	Gondiya	Rice Mills
183	Maharashtra	Jalgaon	Jalgaon	Dal Mills
184	Maharashtra	Jalgaon	Jalgaon	Agriculture Implements
185	Maharashtra	Jalna	Jalna	Engineering Equipment
186	Maharashtra	Kolhapur	Kolhapur	Diesel Engines
187	Maharashtra	Kolhapur	Kolhapur	Foundry
188	Maharashtra	Kolhapur	Ichalkaranji	Powerloom
189	Maharashtra	Mumbai	Mumbai	Electronic Goods
190	Maharashtra	Mumbai	Mumbai	Pharmaceutical - Basic Drugs
191	Maharashtra	Mumbai	Mumbai	Toys (Plastic)
192	Maharashtra	Mumbai	Mumbai	Readymade Garments
193	Maharashtra	Mumbai	Mumbai	Hosiery
194	Maharashtra	Mumbai	Mumbai	Machine Tools
195	Maharashtra	Mumbai	Mumbai	Engineering Equipment
196	Maharashtra	Mumbai	Mumbai	Chemicals
197	Maharashtra	Mumbai	Mumbai	Packaging Material
198	Maharashtra	Mumbai	Mumbai	Handtools
199	Maharashtra	Mumbai	Mumbai	Plastic Products
200	Maharashtra	Nagpur	Nagpur	Powerloom
201	Maharashtra	Nagpur	Nagpur	Engineering & Fabrication
202	Maharashtra	Nagpur	Nagpur	Steel Furniture
203	Maharashtra	Nagpur	Nagpur(Butibori)	Readymade Garments
204	Maharashtra	Nagpur	Nagpur	Handtools
205	Maharashtra	Nagpur	Nagpur	Food Processing
206	Maharashtra	Nanded	Nanded	Dal Mills

207	Maharashtra	Nashik	Malegaon	Powerloom
208	Maharashtra	Nashik	Nashik	Steel Furniture
209	Maharashtra	Pune	Pune	Auto Components
210	Maharashtra	Pune	Pune	Electronic Goods
211	Maharashtra	Pune	Pune	Food Products
212	Maharashtra	Pune	Pune	Readymade Garments
213	Maharashtra	Pune	Pune	Pharmaceuticals- Bulk Drugs
214	Maharashtra	Pune	Pune	Fibre Glass
215	Maharashtra	Ratnagiri	Ratnagiri	Canned & Processed Fish
216	Maharashtra	Sangli	Sangli	M S Rods
217	Maharashtra	Sangli	Madhavanagar	Powerloom
218	Maharashtra	Satara	Satara	Leather Tanning
219	Maharashtra	Sholapur	Sholapur	Powerloom
220	Maharashtra	Sindhudurg	Sindhudurg	Cashew Processing
221	Maharashtra	Sindhudurg	Sindhudurg	Copper Coated Wires
222	Maharashtra	Thane	Bhiwandi	Powerloom
223	Maharashtra	Thane	Kalyan	Confectionery
224	Maharashtra	Thane	Vashind	Chemicals
225	Maharashtra	Thane	Tarapur, Thane-Belapur	Pharmaceuticals- Bulk Drugs
226	Maharashtra	Thane	Thane	Sea Food
227	Maharashtra	Wardha	Wardha	Solvent Oil
228	Maharashtra	Yavatmal	Yavatmal	Dal Mills
229	Madhya Pradesh	Bhopal	Bhopal	Engineering Equipment
230	Madhya Pradesh	Dewas	Dewas	Electrical Goods
231	Madhya Pradesh	East Nimar	Burhanpur	Powerloom
232	Madhya Pradesh	Indore	Indore	Pharmaceuticals-Bulk Drugs
233	Madhya Pradesh	Indore	Indore	Readymade Garments

234	Madhya Pradesh	Indore	Indore	Food Processing
235	Madhya Pradesh	Indore	Pithampur	Auto Components
236	Madhya Pradesh	Jabalpur	Jabalpur	Readymade Garments
237	Madhya Pradesh	Jabalpur	Jabalpur	Powerloom
238	Madhya Pradesh	Ujjain	Ujjain	Powerloom
239	Orissa	Balangir	Balangir	Rice Mills
240	Orissa	Balasore	Balasore	Rice Mills
241	Orissa	Balasore	Balasore	Powerloom
242	Orissa	Cuttack	Cuttack	Rice Mills
243	Orissa	Cuttack	Cuttack	Chemicals & Pharmaceuticals
244	Orissa	Cuttack	Cuttack(Jagatpur)	Engineering & Fabrication
245	Orissa	Cuttack	Cuttack	Spices
246	Orissa	Dhenkanal	Dhenkanal	Powerloom
247	Orissa	Ganjam	Ganjam	Powerloom
248	Orissa	Ganjam	Ganjam	Rice Mills
249	Orissa	Koraput	Koraput	Rice Mills
250	Orissa	Puri	Puri	Rice Mills
251	Orissa	Sambhalpur	Sambhalpur	Rice Mills
252	Punjab	Amritsar	Amritsar	Rice Mills
253	Punjab	Amritsar	Amritsar	Shoddy Yarn
254	Punjab	Amritsar	Amritsar	Powerloom
255	Punjab	Fatehgarh Sahib	Mandi Govindgarh	Steel Re-rolling
256	Punjab	Gurdaspur	Batala	Machine Tools
257	Punjab	Gurdaspur	Batala,Gurdaspur	Rice Mills
258	Punjab	Gurdaspur	Batala	Castings & Forging
259	Punjab	Jalandhar	Jalandhar	Sports Goods
260	Punjab	Jalandhar	Jalandhar	Agricultural Implements

261	Punjab	Jalandhar	Jalandhar	Handtools
262	Punjab	Jalandhar	Jalandhar	Rubber Goods
263	Punjab	Jalandhar	Kartarpur	Wooden Furniture
264	Punjab	Jalandhar	Jalandhar	Leather Tanning
265	Punjab	Jalandhar	Jalandhar	Leather Footwear
266	Punjab	Jalandhar	Jalandhar	Surgical Instruments
267	Punjab	Kapurthala	Kapurthala	Rice Mills
268	Punjab	Kapurthala	Phagwara	Diesel Engines
269	Punjab	Ludhiana	Ludhiana	Auto Components
270	Punjab	Ludhiana	Ludhiana	Bicycle Parts
271	Punjab	Ludhiana	Ludhiana	Hosiery
272	Punjab	Ludhiana	Ludhiana	Sewing M/C Components
273	Punjab	Ludhiana	Ludhiana	Industrial Fastners
274	Punjab	Ludhiana	Ludhiana	Handtools
275	Punjab	Ludhiana	Ludhiana	Machine Tools
276	Punjab	Ludhiana	Ludhiana	Forging
277	Punjab	Ludhiana	Ludhiana	Electroplating
278	Punjab	Moga	Moga	Wheat Threshers
279	Punjab	Patiala	Patiala	Agricultural Implements
280	Punjab	Patiala	Patiala	Cutting Tools
281	Punjab	Sangrur	Sangrur	Rice Mills
282	Rajasthan	Alwar,S. Madhopur, Bharatpur	Alwar,S. Madhopur Bharatpur belt	Oil Mills
283	Rajasthan	Ajmer	Kishangarh	Marbe Slabs
284	Rajasthan	Ajmer	Kishangarh	Powerloom
285	Rajasthan	Alwar	Alwar	Chemicals
286	Rajasthan	Bikaner	Bikaner	Papad Mangodi, Namkin
287	Rajasthan	Bikaner	Bikaner	Plaster of Paris
288	Rajasthan	Dausa	Mahuwa	Sand Stone
289	Rajasthan	Gaganagar	Ganganagar	Food Processing

290	Rajasthan	Jaipur	Jaipur	Gems & Jewellery
291	Rajasthan	Jaipur	Jaipur	Ball Bearing
292	Rajasthan	Jaipur	Jaipur	Electrical Engineering Equipment
293	Rajasthan	Jaipur	Jaipur	Food Products
294	Rajasthan	Jaipur	Jaipur	Garments
295	Rajasthan	Jaipur	Jaipur	Lime
296	Rajasthan	Jaipur	Jaipur	Mechanical Engineering Equipment
297	Rajasthan	Jhalawar	Jhalawar	Marble Slabs
298	Rajasthan	Nagaur	Nagaur	Handtools
299	Rajasthan	Sikar	Shikhawati	Wooden Furniture
300	Rajasthan	Sirohi	Sirohi	Marble Slabs
301	Rajasthan	Udaipur	Udaipur	Marble Slabs
302	Tamil Nadu	Chennai	Chennai	Auto components
303	Tamil Nadu	Chennai	Chennai	Leather Products
304	Tamil Nadu	Chennai	Chennai	Electroplating
305	Tamil Nadu	Coimbatore	Coimbatore	Diesel Engines
306	Tamil Nadu	Coimbatore	Coimbatore	Agricultural Implements
307	Tamil Nadu	Coimbatore	Tirupur	Hosiery
308	Tamil Nadu	Coimbatore	Coimbatore	Machine Tools
309	Tamil Nadu	Coimbatore	Coimbatore	Castings & Forging
310	Tamil Nadu	Coimbatore	Coimbatore,Palladam,Kannam Palayam	Powerloom
311	Tamil Nadu	Coimbatore	Coimbatore	Wet Grinding Machines
312	Tamil Nadu	Erode	Surampatti	Powerloom
313	Tamil Nadu	Karur	Karur	Powerloom
314	Tamil Nadu	Madurai	Madurai	Readymade Garments
315	Tamil Nadu	Madurai	Madurai	Rice Mills
316	Tamil Nadu	Madurai	Madurai	Dal Mills
317	Tamil Nadu	Namakkal	Thiruchengode	Rigs

318	Tamil Nadu	Salem	Salem	Readymade Garments
319	Tamil Nadu	Salem	Salem	Starch & Sago
320	Tamil Nadu	Thanjavur	Thanjavur	Rice Mills
321	Tamil Nadu	Tiruchirappalli	Tiruchirappalli	Engineering Equipment
322	Tamil Nadu	Tiruchirappalli	Tiruchirapalli (Rural)	Artificial Diamonds
323	Tamil Nadu	Tuticorin	Kovilpathi	Safety Matches
324	Tamil Nadu	Vellore	Ambur,Vaniyambadi, Pallar Valley	Leather Tanning
325	Tamil Nadu	Virdhunagar	Rajapalayam	Cotton Mills(Gauge Cloth)
326	Tamil Nadu	Virudhunagar	Virudhunagar	Tin Container
327	Tamil Nadu	Virudhunagar	Sivakasi	Printing
328	Tamil Nadu	Virudhunagar	Sivakasi	Safety Matches & Fire Works
329	Tamil Nadu	Virudhunagar	Srivilliputhur	Toilet Soap
330	Uttar Pradesh	Agra	Agra	Foundry
331	Uttar Pradesh	Agra	Agra	Leather Footwear
332	Uttar Pradesh	Agra	Agra	Mechanical Engineering Equipment
333	Uttar Pradesh	Aligarh	Aligarh	Brass & Gunmetal Statues
334	Uttar Pradesh	Aligarh	Aligarh	Locks
335	Uttar Pradesh	Aligarh	Aligarh	Building Hardware
336	Uttar Pradesh	Allahabad	Mau	Powerloom
337	Uttar Pradesh	Allahabad	Mau Aima	Leather Products
338	Uttar Pradesh	Banda	Banda	Powerloom
339	Uttar Pradesh	Bulandshahr	Khurja	Ceramics
340	Uttar Pradesh	Firozabad	Firozabad	Glass Products
341	Uttar Pradesh	Gautam Buddha Nagar	Noida	Electronic Goods

342	Uttar Pradesh	Gautam Buddha Nagar	Noida	Toys
343	Uttar Pradesh	Gautam Buddha Nagar	Noida	Chemicals
344	Uttar Pradesh	Gautam Buddha Nagar	Noida	Electrical Engineering Equipment
345	Uttar Pradesh	Gautam Buddha Nagar	Noida	Garments
346	Uttar Pradesh	Gautam Buddha Nagar	Noida	Mechanical Engineering Equipment
347	Uttar Pradesh	Gautam Buddha Nagar	Noida	Packaging Material
348	Uttar Pradesh	Gautam Buddha Nagar	Noida	Plastic Products
349	Uttar Pradesh	Ghaziabad	Ghaziabad	Chemicals
350	Uttar Pradesh	Ghaziabad	Ghaziabad	Mechanical Engineering Equipment
351	Uttar Pradesh	Ghaziabad	Ghaziabad	Packaging Material
352	Uttar Pradesh	Gorakhpur	Gorakhpur	Powerloom
353	Uttar Pradesh	Hathras	Hathras	Sheetwork (Globe, Lamp)
354	Uttar Pradesh	Jhansi	Jhansi	Powerloom
355	Uttar Pradesh	Kannauj	Kannauj	Perfumery & Essential Oils
356	Uttar Pradesh	Kanpur	Kanpur	Saddlery
357	Uttar Pradesh	Kanpur	Kanpur	Cotton Hosiery
358	Uttar Pradesh	Kanpur	Kanpur	Leather Products
359	Uttar Pradesh	Meerut	Meerut	Sports Goods
360	Uttar Pradesh	Meerut	Meerut	Scissors
361	Uttar Pradesh	Moradabad	Moradabad	Brassware

362	Uttar Pradesh	Muzaffarnagar	Muzaffarnagar	Rice Mills
363	Uttar Pradesh	Saharanpur	Saharanpur	Rice Mills
364	Uttar Pradesh	Saharanpur	Saharanpur	Woodwork
365	Uttar Pradesh	Varanasi	Varanasi	Sheetwork (Globe, Lamp)
366	Uttar Pradesh	Varanasi	Varanasi	Powerloom
367	Uttar Pradesh	Varanasi	Varanasi	Agricultural Implements
368	Uttar Pradesh	Varanasi	Varanasi	Electric Fan
369	Uttaranchal	Dehradun	Dehradun	Miniature Vacuum Bulb
370	Uttaranchal	Haridwar	Roorkee	Survey Instruments
371	Uttaranchal	Udham Singh Nagar	Rudrapur	Rice Mills
372	West Bengal	Bankura	Barjora	Fishing Hooks(Information awaited)
373	West Bengal	HMC & Bally Municipal area	Howrah	Foundry
374	West Bengal	Howrah	Bargachia,Mansinghapur, Hantal, Sahadatpur & Jagatballavpur	Locks
375	West Bengal	Howrah	HMC & Bally Municipal area Sevok Rd	Steel Re-rolling
376	West Bengal	Howrah	Domjur	Artificial & Real Jewellery
377	West Bengal	Cooch Bihar	Cooch Bihar-I, Tufanganj,Mathabangha, Mekhliganj	Sitalpati/ Furniture
378	West Bengal	Kolkata	Wellington, Khanpur	Electric Fans
379	West Bengal	Kolkata	Sovabazar, Cossipur	Hosiery
380	West Bengal	Kolkata	Metiaburuj Ward No. 138 to 141	Readymade Garments
381	West Bengal	Kolkata	Tiljala, Topsia,Phoolbagan	Leather Goods
382	West Bengal	Kolkata	Daspara(Ultadanga), Ahiritola	Dal Mills
383	West Bengal	Kolkata	Taltala, Lenin, Sarani	Mechanical Engineering Equipment
384	West Bengal	Kolkata	Bowbazar, Kalighat	Wood Products
385	West Bengal	Nadia	Matiary,Dharmada,Nabadwip	Bell/Metal Utensils

386	West Bengal	Nadia	Ranaghat	Powerloom
387	West Bengal	Purulia	Jhalda Proper, Purulia, Begunkodar & Tanasi	Handtools
388	West Bengal	South 24 Parganas	Kalyanpur,Purandarpur, Dhopagachi	Surgical Instruments

Policy Package for stepping up credit to Small and Medium Enterprises

The small-scale industries (SSI) produce about 8000 products, contribute 40% of the industrial output and offer the largest employment after agriculture. The sector, therefore, presents an opportunity to the nation to harness local competitive advantages for achieving global dominance. In recognition of these aspects, the National Common Minimum Programme makes the following declarations for accelerating the development of small-scale sector.
"Household and artisanal manufacturing will be given greater technological, investment and marketing support. Small–scale industry will be freed from Inspector Raj and given full credit, technological and marketing support. Infrastructure upgradation in major industrial clusters will receive urgent attention."

2. From SSI to SME: Defining the New Paradigm

2.1 Government policy as well as credit policy has so far concentrated on manufacturing units in the small-scale sector. The lowering of trade barriers across the globe has increased the minimum viable scale of enterprises. The size of the unit and technology employed for firms to be globally competitive is now of a higher order. The definition of small-scale sector needs to be revisited and the policy should consider inclusion of services and trade sectors within its ambit. In keeping with global practice,. there is also a need to broaden the current concept of the sector and include the medium enterprises in a composite sector of Small and Medium Enterprises (SMEs). A comprehensive legislation, which would enable the paradigm shift from small-scale industry to small and medium enterprises under consideration of Parliament. The Reserve Bank of India, had meanwhile set up an Internal Group which has recommended:

"Current SSI/tiny industries definition may continue. Units with investment in plant and machinery in excess of SSI limit and up to Rs.10 crore may be treated as Medium Enterprises (ME). The definition may be reviewed after enactment of the Small and Medium Enterprises Development Bill. Only SSI financing will be included in Priority Sector."
2.2 It is proposed to accept the recommendation with regard to the credit facilities being offered by the banking sector and accordingly request the Reserve Bank of India to advise the banks to frame a policy for enhancing the flow of credit to both small and medium enterprises, within the overall framework of credit policy of banks to small and medium enterprises.

2.3. The challenges being faced by the small and medium scale sector may be briefly set out as follows-

a. Small and Medium Enterprises (SME), particularly the tiny segment of the small enterprises have inadequate access to finance due to lack of financial information and non-formal business practices. SMEs also lack access to private equity and venture capital and have a very limited access to secondary market instruments.

b.SMEs face fragmented markets in respect of their inputs as well as products and are vulnerable to market fluctuations.

c.SMEs lack easy access to inter-state and international markets.

d.The access of SMEs to technology and product innovations is also limited. There is lack of awareness of global best practices.
e.SMEs face considerable delays in the settlement of dues/payment of bills by the large scale buyers.
With the deregulation of the financial sector, the ability of the banks to service the credit requirements of the SME sector depends on the underlying transaction costs, efficient

recovery processes and available security. There is an immediate need for the banking sector to focus on credit and finance requirements of SMEs.

3. Measures to increase the quantum of credit to SMEs at the right price

3.1 Public Sector Banks will be advised to fix their own targets for funding SMEs in order to achieve a **minimum** 20% year on year growth in credit to SMEs. The objective is to **double** the flow of credit from Rs.67,600 crore in 2004-05 to Rs.135,200 crore to the SME sector by 2009-10, i.e. within a period of 5 years.

3.2 Public Sector Banks will be advised to follow a transparent rating system with cost of credit being linked to the credit rating of the enterprise.

3.3 SIDBI in association with Credit Information Bureau(India) Ltd. (CIBIL)will expedite setting up a credit rating agency.

3.4 SIDBI in association with Indian Banks' Association (IBA) would collect and pool common data on risk in each identified cluster and develop an IT-enabled application, appraisal and monitoring system for small (including tiny) enterprises. This would help reduce transaction cost as well as improve credit flow to small (including tiny) enterprises in the clusters.

3.5 The National Small Industries Corporation has recently introduced a Credit Rating Scheme for encouraging SSI units to get themselves credit rated by reputed credit rating agencies. Public Sector Banks will be advised to consider these ratings appropriately and as per availability, and structure their rates suitably***.***

3.6 SIDBI has developed a Credit Appraisal & Rating Tool (CART) as well as a Risk Assessment Model (RAM) and a comprehensive rating model for risk assessment of credit proposals for SMEs. Public sector banks will be advised to take advantage of these models as appropriate and reduce their transaction costs.

4. Outreach of Formal Credit: Opening of New Accounts

The commercial banks (including regional rural banks) with over 67,000 branches, ***will*** make concerted efforts to provide credit cover on an average to at least 5 new ***tiny,***small and medium enterprises at each of their semi urban/urban branches per year.

5. Nursing the Sick Units Back to Health: Debt Restructuring

Reserve Bank will issue detailed guidelines relating to debt restructuring mechanism so as to ensure restructuring of debt of all eligible small and medium enterprises at terms which are not less favourable than the Corporate Debt Restructuring (CDR) mechanism in the banking sector. The restructuring would follow upon a request to that effect from the borrowing unit. All accounts***,*** except those classified as 'loss assets' will be eligible for restructuring, provided the industrial units are viable or potentially viable.

Based on the Reserve Bank's guidelines, banks may formulate, with the approval of their Boards of Directors, more liberal policies relating to restructuring of accounts. Until the banks formulate their own policies, Reserve Bank's guidelines will be operative.

A one-time settlement scheme to apply to small-scale NPA accounts in the books of the banks as on March 31, 2004 will be introduced.The scheme will be in force upto March 31, 2006***.***

6. Facilitative Measures

Reserve Bank had issued a detailed master circular on March 2005 on the time to be taken for disposing of loan applications of SSI units, the limit up to which banks are obliged to grant collateral-free and composite loans, norms for computation of working capital credit limits to SSI units, opening of atleast one specialized SSI branch in each district, etc. Taking these guidelines as indicative minimum, banks will formulate a comprehensive and more liberal policy relating to advances to SME sector. Untill the banks formulate such a policy, the extant instructions of Reserve Bank will be applicable to advances granted or to be granted by banks to SME units.

7. Credit Guarantee Fund Trust Scheme for Small Industries(CGTSI)

At present, Member Lending Institutions (MLIs), like banks, are provided guarantee cover of 75% of the amount of default by CGTSI,I respect of term loan and/or working capital facilities up to Rs.25 lakh extended by the MLIs to new and existing SSI units/IT/software units/small scale service business enterprises (SSSBEs), without collateral security and/or third party guarantee. One-time guarantee fee of 2.5% and annual service fee of 0.75% of the credit facility sanctioned are currently charged by CGTSI from the MLIs. In order to reduce the cost of guarantee to the weaker segments of the borrowers, particularly tiny units, the CGTSI will be advised to reduce the one-time guarantee fee from 2.5% to 1.5% for all (i) loans up to Rs.2 lakh, (ii) eligible women entrepreneurs, and (iii) eligible borrowers located in the North Eastern regions (Sikkim) and Jammu & Kashmir. Further, public sector banks will be encouraged to absorb the annual service fee in excess of 0.25% in respect of guarantee for all (i) loans up to Rs.2 lakh, (ii)eligible women entrepreneurs, and (iii) eligible borrowers located in the North Eastern regions(Sikkim) and Jammu & Kashmir.

8. Cluster based approach

Cluster based approach for financing SME sector offers possibilities of reduction of transaction costs and mitigation of risk. About 388 clusters have already been identified. Cluster based approach now be treated as a thrust area. Banks will increasingly adopt the cluster-based approach for SME financing. To broaden the financing options for infrastructure development in clusters through public private partnership, SIDBI will formulate a scheme in consultation with the stakeholders.

SIDBI has already initiated the process of establishing Small Enterprises Financial Centres in select clusters. Risk profile of each cluster would be studied by a professional credit rating agency and such risk profile reports would be made available to commercial banks. Each lead bank of a district will consider adoption of atleast one cluster.

9. Setting up of Watchdogs: Monitoring and Review

The following supervisory arrangements will be ensured:

a. The existing institutional arrangements for review of credit to SSI sector like the Standing Advisory Committee in Reserve Bank of India and cells at the banks' head office level as well as at important regional centres will be made more rigorous and regular. They will also review the flow of credit to small (SSI) and medium enterprises.

b. At the Regional offices, the Reserve Bank will constitute empowered committees with the Regional Director of the Reserve Bank as the Chairman to review the progress in SME financing and rehabilitation of sick small (SSI) and medium units and to coordinate with other banks/financial institutions and the state governments in removing bottlenecks, if any, to ensure smooth flow of credit to the sector. The said Regional level committees may decide on the need to have similar committees at cluster/district levels.

c. The banks will ensure specialized SME branches in identified clusters/centres with preponderance of small enterprises to enable the entrepreneurs to have easy access to the bank credit and to equip bank personnel to develop requisite expertise. The existing specialised SSI branches may be also be redesignated as SME branches.

d. Boards of banks will be advised to review the progress in achieving the self-set targets as also rehabilitation and restructuring of SME accounts on a quarterly basis to ensure that the required emphasis is given to this sector.

e.For wider dissemination and easy accessibility, the policy guidelines formulated by Boards of banks as well as instructions/guidelines issued by Reserve Bank will be displayed on the respective websites of Public Sector Banks as well as website of SIDBI. The banks would also be advised to prominently display all the facilities/schemes offered by them to the small entrepreneurs at each of their branches.

SME SECTOR LENDING

List of Circulars consolidated by the Master Circular

No.	Circular No.	Date	Subject	Paragraph No.
1	RPCD.No.Plan.BC.84/04.09.01/ 2006-07	30.04.2007		1
2	RPCD.PLNFS.BC.No.63/06.02. 31/2006-07	04.04.2007	Credit flow to Micro, Small and Medium Enterprises Sector – Enactment of the Micro, Small and Medium Enterprises Development (MSMED), Act 2006	1-1,IV,13.6
3	RPCD.PLNFS.BC.No.35/06.02. 31/2005-06	25-08-2005	Policy Package for Stepping up Credit to Small and Medium Enterprises --Announcements made by the Union Finance Minister (for private sector, foreign banks & RRBs)	IV,13.5
4	RPCD.PLNFS.BC.No.31/06.02. 31/2005-06	19-08-2005	Policy Package for Stepping up Credit to Small and Medium Enterprises --Announcements made by the Union Finance Minister (for public sector banks)	IV,13.5
5	RPCD.PLNFS.BC.No.101/06.0 2.31/2004-05	20.05. 2005	Scheme for Small Enterprises Financial Centres (SEFCs)	1.6.4,4,II.6
6	RPCD. Plan. BC. 64/04.09.01/ 2004-05	15.12.2004	Priority Sector Lending-Investment in Special Bonds issued by Specified Institutions	I.1, 1.1.1,1.12, 1.1.3
7	RPCD.PLNFS.BC.61/06.02.31 (WG)/ 2004-05	08.12.2004	Working Group on Flow of Credit to SSI Sector-Interest rates on with SIDBI-in lieu of shortfall in priority sector obligations	III.3.1,3.5
8	RPCD. PLNFS. BC. 43/06.02.31/ 2004-05	26.10.2004	Investment by banks in securitized assets pertaining to SSI sector	II,2.1,2 2,2.3
9	RPCD.PLNFS.BC.28/06.02.31 (WG)/ 2004-05	04.09.2004	Working Group on Flow of Credit to SSI sector	IV. 13.3
10	RPCD. Plan. BC. 41/04.09.01/ 2003-04	03.11.2003	Priority sector lending – Deposit of shortfall with SIDBI	III. 3.1
11	RPCD. PLNFS. BC. 40/06.02.31/ 2003-04	03.11.2003	Credit facilities for SSIs – Lending by banks to NBFCs for the purpose of on-lending to SSIs	1.6.5
12	RPCD. PLNFS. BC. 39/06.02.80/ 2003-04	03.11.2003	Credit facilities for SSIs – Collateral Free Loans	IV 2.4
13	RPCD. PLNFS No.620/06.02.28(i)/ 2002-03	11.09.2003	SAC meeting Implementation of Action Points- Interest rate- Slab basis	IV 5
14	RPCD. PLNFS.1 /06.02.28(i))/ 2003-04	01.07.2003	SAC meeting Implementation of Action Points- Identification of Clusters	IV.2.9 IV13.3
15	RPCD. PLNFS. 2292/06.02. 28(i))/ 2003-04	13.06.2003	SAC meeting Implementation of Action Points- Self Set target for SSI	III.1.1,2.1.1 2.1.2
16	RPCD. PLNFS. BC. 24/06.02.77/ 2002-03	04.10.2002	Flow of credit to SSIs – Time schedule for disposal of loan applications	IV. 2.2

No.	Circular No.	Date	Subject	Paragraph No.
17	DBOD.No,BL.BC.74/22.01.001/ 2002	11.03.2002	Conversion of General Banking Branches to Specialised SSI Branches	IV 2.6
18	RPCD. PLNFS. BC.58/ 06.02.80/ 2001-02	23.01.2002	Collateral free loans- SSIs	IV 2.4
19	RPCD. PLNFS. BC.57/ 06.04.01/ 2001-02	16.01.2002	Guidelines for rehabilitation of Sick Small Scale Industrial Units	IV 2.8
20	IECD.No.5/08.12.01/2000-01	16.10.2000	Flow of Credit to SSI Sector- Decision of the Group of Ministers	IV 2.7
21	RPCD.PLNFS.BC.No.57/06.02. 31/ 99-2000	02.02.2000	Priority Sector Advances – Credit Deployment to SSI Sector	1.1.1,1.1.2
22	RPCD.No.PLNFS.BC.89/06.02. 31-98/99	14.06.1999	Interest on Delayed Payment to Small Scale and Ancillary Industrial Undertakings Act, 1998	IV 2.7
23	RPCD.No.PLNFS.BC.89/06.02. 31-98/99	01.03.1999	Flow of Credit to SSI sector- Computation of Working Capital limits	II 3.3
24	RPCD.No.PLNFS.BC.22/06.02. 31 (ii) -98/99	28.08.1998	High Level Committee on SSI- Kapur Committee- Implementation of recommendations	IV.13.2
25	RPCD.No.PLNFS.BC.127/06.0 2. 31/97/98	08.06.1998	Flow of Credit to SSI Sector	IV 5
26	RPCD.PLNFS.No.792/06.02.31 /97/98	02.03.1998	Flow of Credit to SSI Sector-Opening of Specialised SSI Branches	IV 2.6
27	RPCD.No.PLNFS.BC.89/06.02. 31-97/98	19.02.1998	Priority Sector Advances - Credit Deployment to SSI Sector	I 1.1, III 1.3,1.1.2
28	RPCD.No.PLNFS.BC.66/06.02. 31-97/98	05.01.1998	Priority Sector Advances - Credit Deployment to SSI Sector	III 1.3,1.1, 1.1.2
29	RPCD.No.Plan.BC.74/04.09.01/ 96-97	11.12.1996	Priority Sector Lending - Shortfall in Achievement of Target	III 4.1-4.4
30	RPCD.No.PLNFS.BC.23/06.06. 12/94-95	01.09.1995	Bank Credit to KVI Sector	1 1.5
31	RPCD.No.Plan.BC.38/04.09.09/ 94-95	22.09.1994	Lending to Priority Sector by foreign banks	III 2.1.1,2.1.3
32	RPCD.No.PLNFS.BC.16/06.06. 12/94-95	28.07.1994	Bank Credit to KVI Sector	I 1.6
33	RPCD.No.PLNFS.BC.84/06.06. 12/93-94	07.01.1994	Bank Credit to KVI Sector - Priority Sector Advances	I 1.5
34	RPCD.No.PLNFS.BC.99/06.02 31/92-93	17.04.1993	Report of the Committee to examine the adequacy of institutional credit to SSI sector and related aspects- Nayak Committee	IV 13.1
35	RPCD.No.PLNFS.BC.45/PS.72/ 86	20.01.1986	Financing of Bought Leaf Factories for Manufacturing	I 1.9
36	RPCD.No.PLNFS.BC.44/PS.72/ 86	17.01.1986	Bank Finance to Ship-breaking Industry	I 1.8