

RPCD.PLNFS.BC.No.5/06.02.80/2002-2003

August 24, 2002

The Chairman/Managing Director
All Public Sector Banks

Dear Sir,

**Flow of Credit to SSI - Raising of Exemption Limit on
Collateral Security and Composite Loans - Collection of Data**

Please refer to our letter [RPCD.PLNFS.BC.No.62/06.02.31/2000-2001](#) dated 2 March, 2001 on the captioned subject, in term of which the quarterly position of loans sanctioned/outstanding without collateral security as also composite loans outstanding under the scheme of SIDBI upto Rs.25 lakhs are reported to us in the amended proforma.

2. Consequent on the announcement made in the Monetary and Credit Policy for 2002-2003, the banks have been advised vide our circular [RPCD.PLNFS.BC.No.90/06.02.80/2001-2002](#) dated 29th April 2002 that they may increase the limit for dispensation of collateral requirement for loans from the existing level of Rs.5 lakh to Rs.15 lakh in the case of units having good track record and financial position. The prescribed proforma for reporting the data on collateral free loans has been slightly amended to incorporate the above data. The revised proforma is enclosed in which you may report data for the quarter ending September 2002 onwards. Weightage has also been given to this data in deciding the award for "Excellence in Lending to Small Scale Industries (SSI) Sector" for banks instituted by Government of India, Ministry of SSI.

3. Banks are also requested to furnish data within the prescribed time i.e. within one month after the end of quarter.

4. Kindly acknowledge receipt.

Yours faithfully,

Sd/-

(Sujatha Elizabeth Prasad)
General Manager