



Taking care of credit needs of SSI Clusters through cluster based credit plans

The Ministry of SSI has always been conscious towards the credit needs of the SSI clusters. Necessary co-ordination is continuously maintained for this purpose with Banks and Financial Institutions through the Reserve Bank of India. In this connection, a high level meeting in June, 2003 was held under the chairmanship of Deputy Governor, RBI inter-alia attended by Secretary (SSI) and top officials of major Banks. In the meeting, it was decided that RBI will seek Ministry of SSIs advice regarding selection of 60 SSI clusters to be identified for focussed development of SSIs. It was also decided that RBI will disseminate the list of such clusters to all Public Sector Banks for initiating further necessary action and incorporating their credit requirements in State Credit Plans. At the State Level Bankers' Committee (SLBC) level, a sub group of bankers and the State Government officials will be set up to resolve various issues arising on financing in the clusters and to report the developments to SLBC.

Accordingly, the Ministry has selected 60 clusters from all over the country including the backward areas

and the North-Eastern region. The list has been forwarded to RBI for dissemination among public sector banks for incorporating the credit requirements of clusters in the State Credit Plans. It has also been recommended that one Lead Bank be identified for each cluster for coordinating the Credit Plan.

The Ministry has also sensitized the concerned State Secretaries / Directors of Industries by writing a letter to them to draw their attention for implementing the decision of incorporating the credit requirements of SSI units in the identified clusters in the State Credit Plan. As the SLBCs meetings are normally chaired by the Chief Secretary and also attended by the State Secretary / Director of Industries, the latter have been requested to impress upon the Convenor of SLBCs to make assessment of the needs of SSIs in the clusters in consultation with other banks, to formulate Annual Credit Plan for the identified clusters in their State and to get it incorporated in the State Credit Plan. The State Governments have also been requested to develop a monitoring mechanism for effective implementation of Cluster Credit Plan.

