

**RBI/2004-2005/235**

RPCD.PLNFS.BC.No. 42 /06. 02.31/2004-05

October 26, 2004

The Chairman/Managing Director  
All Scheduled Commercial Banks  
(Including RRBs & Local Area Banks)

Dear Sir,

**Credit Facilities for Small Scale Industries (SSIs)- Enhancement of Composite Loan Limits**

Please refer to our letter RPCD. PLNFS. No. 2292/06.02.28 (i) /2002-03 dated June 13, 2003 in terms of which banks were advised to increase the limit of the composite loan from Rs. 25 lakh to Rs. 50 lakh through 'Single Window'.

2. In this connection, please refer to paragraph **81** of the Mid-Term Review of Annual Policy Statement for the year 2004-05 dated October 26, 2004 (copy of the paragraph enclosed). In order to facilitate smooth flow of credit to SSIs, it has been decided to enhance the composite loan limit for SSI entrepreneurs from Rs.50 lakh to Rs.1 crore.

3. We shall be glad if you please issue necessary instructions to your controlling offices/branches in the matter for appropriate action.

4. Please acknowledge receipt.

Yours faithfully,

**(G. Srinivasan)**  
**Chief General Manager**

Encl: As above.