

**GOVERNMENT OF INDIA  
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTRIES  
LOK SABHA**

UNSTARRED QUESTION NO:5815

ANSWERED ON:25.04.2001

PROMOTION OF SMALL AND COTTAGE INDUSTRIES

DILIP KUMAR MANSUKHLAL GANDHI;MANSUKHBHAID. VASAVA

**Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTRIES be pleased to state:**

- (a) whether the Government have taken any policy decision for promoting small, cottage and rural industries in the country;
- (b) if so, the details thereof;
- (c) whether the Government have made any provisions for financial assistance and to provide loan and subsidy to these industries;
- (d) if so, the details thereof;
- (e) whether the Government have issued any guidelines to State Governments in regard to setting up of small cottage and rural industries; and
- (f) if so, the details thereof?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRICULTURE AND RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a) & (b): Policy measures already exist for promoting Small Scale Industries (SSI), cottage & rural industries in the country and Government continues to lay emphasis on meeting their concerns. Special thrust is given for rural and backward areas through schemes like Integrated Infrastructure Development (IID) Centres, Rural Employment Generation Programme (REGP) and National Programme on Rural Industrialization (NPRI).

(c) & (d): The Small Industries Development Bank of India (SIDBI) has formulated several schemes to meet the various needs of entrepreneurs of small scale industries in the country. These cover assistance for setting up new projects for activities like expansion, technology upgradation, quality improvement, rehabilitation of existing units, strengthening of marketing capabilities of SSI units etc. The assistance is made available through appropriate schemes of direct assistance and indirect assistance (Refinance of loans to small scale industries by prime lending institutions, Banks/State Financial Corporations and State Industries Development Corporations). Subsidy is provided under PMRY and Margin Money Schemes.

In addition, a comprehensive policy package for the development of small scale industries has been announced on 30th August, 2000. On the credit side, the policy package will allow for easier access to credit, availability to collateral free composite loans upto Rs. 25.00 lakhs and capital subsidy for technology upgradation.

(e) & (f): Government of India has issued guidelines in respect of registration of SSI units and all schemes are implemented through the State Governments as per approved parameters.