

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

UNSTARRED QUESTION NO:3207
ANSWERED ON:15.03.2000
PROMOTION OF SMALL SCALE INDUSTRIES
BHIM PRASAD DAHAL

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

(a) the efforts made by Union Government for promotion of small scale industries in North-Eastern States including Sikkim during the last three years; and

(b) the plan of Union Government for promotion of small scale industries in the region during the next financial year?

Answer

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

(SMT. VASUNDHARA RAJE)

(a) Besides the ongoing programmes/schemes implemented by Small Industries Development Organization (SIDO), National Small Industries Corporation (NSIC), Small Industries Development Bank of India (SIDBI), etc. for promotion of SSI sector in the country during the last three years Central Government have introduced a comprehensive new industrial policy for the entire North-Eastern region, including Sikkim. The salient features of the policy are as under:

i) Funding pattern (sanction of funds) for Integrated Infrastructural Development (IID) Scheme has been changed from 2:3 between Government of India and SIDBI to 4:1. The Government's share is in the form of grant.

ii) IID Centres and Growth Centres become tax-free zones for income tax and excise duty for a period of 10 years. Certain high growth potential industries have also been given the tax-free status in the North-East.

iii) Capital Investment Subsidy @ 15% of the investment in Plant & Machinery subject to a ceiling of Rs. 30.00 lakhs is allowed under the Capital Investment Subsidy Scheme.

iv) An Interest Subsidy @ 3% on the working capital loan is provided to the new units in the NE Region for a period of 10 years from the commencement of production.

v) Comprehensive Insurance Scheme for Industrial Units set up after 24-12-1997 has been put in place.

vi) The validity of Transport Subsidy Scheme 1971 has been extended for a period of 7 years up to 31.3.2007.

vii) Specific relaxation have been provided for the North-Eastern region, including Sikkim, under the Prime Minister's Rozgar Yojana, which is aimed at providing self employment to educated unemployed youth. This includes, age relaxation (40 years under general category as compared to 35 years in other parts of the country), higher family income limit (Rs. 40,000/- per annum as compared to Rs. 24,000/- in other parts of the country) and higher subsidy component (up to maximum of Rs. 15,000/- as compared to a ceiling of Rs. 7,500/- in other parts of the country).

viii) Entrepreneurship Development Programmes and Management Development Programme courses are conducted regularly by the offices of Small Industries Development Organization located in North-eastern region without charging any participation fees from the participants from North-Eastern region.

(b) During the next financial year also the ongoing schemes are proposed to be continued for promotion of SSI Sector in NE Region. Besides, a new Tool Room and Training Centre is in the process of being set up at Guwahati at a cost of Rs. 13.28 crores.