

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

UNSTARRED QUESTION NO:3227

ANSWERED ON:15.03.2000

POLICY FOR SMALL SCALE TINY SECTOR

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

- (a) whether the Government are examining the possibility of formulating a separate policy for the Small Scale and Tiny Sectors in the country;
- (b) if so, the details thereof;
- (c) whether Small Scale Industries and Tiny Sectors are not properly encouraged by the Government to boost their products etc.; and
- (d) if so, extent to which the new policy is likely to help Small Scale Industries in the country?

Answer

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

(SMT. VASUNDHARA RAJE)

(a) & (b) Policy measures already exist for promoting and strengthening Small, Tiny and Village Enterprises. The Government continues to lay emphasis on meeting the concerns of the small & tiny sectors in the country.

(c) & (d) Promotion of Small Scale Industries and Tiny Sectors has been one of the conscious policies of the Government. A large number of schemes are being implemented for their promotion, these include technology upgradation, market development, entrepreneurship development, infrastructure development and creation of I.T. infrastructure. SSI Credit comes under the priority sector lending of the banks. 60% of the priority sector credit going to SSI Sector is reserved for tiny units. In addition, several measures have been announced in the Budget 2000-2001 to improve the supply of credit to this sector. These include raising the limit of loan without collaterals from Rs. 1 lakh to Rs. 5 lakhs, doubling the quantum of Single Window Composite Loan (both term loan and working capital) from Rs. 5 lakhs to Rs. 10 lakhs, extending the operation of Technology Development and Modernization Fund Scheme by another 3 years and the Credit Guarantee Scheme for loans up to Rs. 10 lakhs to the tiny sector entrepreneurs. Besides, several fiscal concessions have been given to this sector.