

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

UNSTARRED QUESTION NO:1560

ANSWERED ON:01.08.2001

DEVELOPMENT OF SMALL SCALE INDUSTRIES

MADHAVRAO SCINDIA;RENUKA CHOWDHURY;SUSHIL KUMAR SAMBHAJIRAO SHINDE

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

- (a) whether a Planning Commission study group on development of Small Scale Enterprises has suggested a single unified Act governing the promotion and development of this sector;
- (b) if so, the drawbacks pointed out by the study group in the enforcement of the present laws governing Small Scale Industries Sector and the major improvement sought to be effected through the new laws; and
- (c) the steps taken by the Government in the light thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND RURAL INDUSTRIES, MINISTER OF STATE IN THE DEPARTMENT OF PERSONNEL AND TRAINING, DEPARTMENT OF PERSONNEL AND PENSIONERS WELFARE OF THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRIMATI VASUNDHARA RAJE)

(a) & (b): Yes, Sir. According to the Study Group, existing laws affecting small scale industries (SSIs) could be classified in three categories (a) Laws governing setting up of industries (b) Laws governing working of the industry and (c) laws relating to labour & their welfare. Of these, the Study Group has observed that the laws relating to labour and welfare are more deterrent and troublesome because small entrepreneurs are not able to comply with the requirements of maintaining a large number of registers, forms, returns etc. Further, the labour strength of the small enterprises may vary as per availability of orders, which increase difficulties of small enterprises to comply with the labour laws. A Single Unified Act would cover all aspects relating to regulation and growth of small enterprises doing away with the plethora of laws and rules and regulations governing the sector.

(c): Government have entrusted a study for simplification of laws, rules, procedures affecting the small scale industries sector to an independent agency. They have also been entrusted the task of suggesting a single comprehensive law for SSIs.