

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:969
ANSWERED ON:06.03.2002
PACKAGE FOR SSI
T.M. SELVAGANAPATHI

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

- (a) whether the Confederation of Indian Industry has suggested a seven point stimulus package for the Small Scale Industry;
- (b) if so, the details thereof;
- (c) whether the Government are considering to accord the Small Scale Industry the status of priority sector in lending of loans by the banking sector; and
- (d) if so, the details thereof?

Answer

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

(a): Yes, Sir.

(b): The suggestions are in respect of the following :

- (i) Policy measures for promoting Venture Capital, Factoring services and the Capital markets (OTCEI), as alternative sources of finance;
- (ii) Reforms to address Technology Transfers, Joint Ventures and operation of the Credit Linked Capital Subsidy Scheme for Technology Upgradation;
- (iii) Strategic Plan for a National level policy for developing exports from the Small Scale Industries (SSI) sector including identification of sub-sectors with high export potential, export consortia and infrastructure support;
- (iv) Aggressive promotion of usage of Information Technology, in manufacturing activities of SSIs;
- (v) De-merging the SSI sector from the Agriculture sector, with regards to credit allocation, under the Priority sector lending targets for the banking sector;
- (vi) Custom Duty rationalization to be based on a carefully calibrated process; and
- (vii) Enactment of a Limited Liability Partnership Act.

(c) & (d): Lending to SSIs already qualifies as priority sector lending of the banking sector. Banks are assigned an overall target of 40% for lending to the priority sector.