

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

UNSTARRED QUESTION NO:6390
ANSWERED ON:08.05.2002
CLOSURE OF SSI UNITS DUE TO IMPOSITION OF EXCISE DUTIES
SUNIL KHAN

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

- (a) the number of small scale industries closed during 1999-2000, 2000-2001 & 2001-2002;
- (b) the reasons of closures; and
- (c) whether it is a fact that more SSI units are facing threats of closures after imposition of excise duties?

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 THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SMT. VASUNDHARA RAJE)

(a) & (b): The information on closed units is not maintained centrally. However, the Reserve Bank of India (RBI) compiles data on sick SSI units financed by scheduled commercial banks. As per the latest information available with the RBI, there were 3,04,235 and 2,49,630 sick SSI units by the end of March, 2000 and March, 2001 respectively. The main reasons for sickness/closure are inadequacy of credit, technological obsolescence, marketing problems, managerial inadequacies etc.

(c): Modifications in excise duty are regular feature of the Union-Budgets. The SSI sector has resilience to withstand the domestic and global changes and continues to grow.