

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

STARRED QUESTION NO:326  
ANSWERED ON:18.08.2004  
POLICY FOR DEVELOPMENT OF SSI  
Pandey Dr. Laxminarayan;Rijju Shri Kiren

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

- (a): whether there is any proposal to free the SSI Sector from the Governmental control to ensure its development;
- (b): if so, the details thereof;
- (c): whether the Government proposes to set up a fund for the development of the small scale industries;
- (d): if so, the details thereof;
- (e): the amount of loans provided to the small scale industries by the banks during the last three years;
- (f): whether the Government has launched a new scheme to promote small scale industries in North-Eastern States; and
- (g): if so, the details thereof?

**Answer**

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES ( SHRI MAHABIR PRASAD )

(a)to(g): A Statement is laid on the Table of the House.

STATEMENT ATTACHED TO THE REPLY TO LOK SABHA STARRD QUESTION NO. 326 REPLY ON 18.08.2004.

(a)&(b): SSI is already a free sector where the units can be set up by individual entrepreneurs without any Government control except for the compliance with some general laws and area specific local regulations.

(c)&(d): A Small & Medium Enterprises (SME) Fund with a corpus of Rs. 10,000 Crore has become operational from 1st April, 2004. The fund, which is being operated through Small Industry Development Bank of India (SIDBI), is to be utilized over the next two years, i.e. 2004-05 and 2005-06. Eighty percent of SME Fund is proposed to be earmarked for SSI units having investment in plant and machinery up to Rs. 1 Crore and balance 20% for other SSI/service sector projects, medium sized enterprises and infrastructure projects, etc.

(e): The outstanding amount of advances to small scale industries (SSIs) in the books of public sector banks for the last three years is as under:

1. At the end of march, 2002: Rs. 49743 Crore
2. At the end of March, 2003: Rs. 52988 Crore
3. At the end of march, 2004: Rs. 58277 Crore(Provisional)

(f)&(g): The Union Government supports the development and promotion of small scale industries through its various schemes/programmes, which are uniformly implemented in the country. However, in case of Integrated Infrastructural Development (IID) Scheme, the Central Grant from Government of India for projects in North-Eastern Region is given to the tune of 80% subject to the maximum of Rs. 4 crore as against the usual rate of 40% and a maximum of Rs. 2 crore.