

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

UNSTARRED QUESTION NO:3126  
ANSWERED ON:18.08.2004  
PROMOTING SSI WITH FOREIGN ASSISTANCE  
Nayak Shri Ananta

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

- (a): whether the Government has a proposal to promote small scale industries in the country with foreign assistance;
- (b): if so, the countries with which joint ventures are proposed to be set up to promote small scale sector; and
- (c): the details thereof?

**Answer**

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

(a)to(c): The small scale industries(SSIs) in the country including joint ventures with foreign assistance are set up by individual entrepreneurs. The proposals relating to Foreign Direct Investment(FDI) in the SSIs are considered on merits of each case as per the declared policy of the government. The extant policy allows FDI upto 24% in the SSI via automatic route. In cases where the FDI exceeds 24% and the proposal contains manufacture of items exclusively reserved for Small Scale Sector, the investor has to obtain an industrial licence and to undertake export obligation of 50% on such items.