

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

UNSTARRED QUESTION NO:912

ANSWERED ON:01.08.2006

DERESERVATION OF SSI ITEMS

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

(a): whether the Government has dereserved/proposes to dereserve some items particularly mechanical and chemical items from the reserved lists of Small Scale Industries;

(b): if so, the name of items indicating the number thereof during the last three years, year-wise;

(c): whether the concessions/subsidies have been increased/being increased for production of such products; and

(d): if so, the details thereof?

Answer

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

(a): Considering the recommendations of several expert groups/committees set up in the past as well as the developments in international trade, Government has been carrying out an exercise since 1971 to examine the viability of continuing with reservation of items for exclusive manufacture by the small scale sector. The Advisory Committee constituted under the Industries (Development and Regulation) Act, 1951 takes into account various relevant factors including, inter alia, domestic and global competitiveness, potential for employment and export, technical feasibility and economic viability of manufacture, effect on

growth and development of the small scale sector, etc., in recommending reservation/dereservation of items for manufacture in the small scale sector. The decision to dereserve items is then taken by the Government, taking into account these recommendations. Moreover, the process of identifying items for dereservation is based on detailed consultation with associations of small scale industries and is marked generally by consensus.

(b): The list of items dereserved during the last three years is annexed.

(c)&(d): The Government has put in place several supportive measures to assist the small scale industries (SSIs) manufacturing such products which, inter alia, include Central excise exemption up to Rs. 1 crore to the units with annual turnover of up to Rs. 4 crore under the General SSI Excise Exemption Scheme, exemption from collateral security requirements for loans up to Rs. 5 lakh (up to Rs. 25 lakh for units with good track record and financial position), capital subsidy of 15 per cent with a loan ceiling of Rs. 1 crore under Credit Linked Capital Subsidy Scheme for Technology Upgradation of SSIs, reimbursement of charges for acquiring ISO-9000/14000 certification to the extent of 75 per cent of the cost subject to a maximum of Rs. 75,000/-, reimbursement of fee to the extent of 75 per cent subject to a maximum ceiling of Rs. 40,000/- under Performance and Credit Rating Scheme for SSIs, etc.