

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

UNSTARRED QUESTION NO:927

ANSWERED ON:29.11.2005

SICA ACT,1985

Kushwaha Shri Narendra Kumar;Mahajan Shri Y.G.

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

(a):Whether the State Government's and State owned institutions do not make the payment in time to SSIs, which compel the SSIs to default repayments of loans etc.; and

(b): If so, the details thereof alongwith the steps taken by the Government to alleviate the problem? ANSWER (SHRI MAHABIR PRASAD)

**Answer**

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES

(a)&(b): Associations of small scale industries (SSI) complain from time to time about delayed payments against, among others, State Governments and State-owned Undertakings. With a view to protecting the SSI against delayed payments, the Central Government had enacted the Interest on Delayed Payments to Small Scale & Ancillary Industrial Undertakings Act, 1993(as amended in 1998). Under the provisions of this Act, Industry Facilitation Councils set up by State Governments/Union Territory Administrations act as arbitrators or conciliators between SSI and buyers, including State Governments and State-owned Undertakings, in matters of delayed payment.