

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

UNSTARRED QUESTION NO:3042  
ANSWERED ON:20.03.2007  
SINGLE WINDOW CLEARANCE SYSTEM  
Siddeswara Shri Gowdar Mallikarjunappa

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

- (a): whether Government is considering to formulate a regulatory framework related to the Small Scale Industries so that it may grow in a competitive environment ;
- (b): if so, the details thereof;
- (c): whether Government proposes to implement the single window clearance system to establish Small Scale Industries;
- (d): if so, the details thereof; and
- (e): whether Government also proposes to raise the financial limit of those units from Rs.5 crore so that they may continue to be covered under the small scale sector?

**Answer**

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

(a) to (d): To facilitate the development of micro, small and medium enterprises (MSMEs), and to enhance their competitiveness, the Government has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, which has come into force with effect from 2 October 2006. The Act defines micro, small and medium enterprises, thus changing the concept from industry to enterprise. In addition, the Act provides, inter alia, for a National Board for Micro, Small and Medium Enterprises as a statutory consultative mechanism at the national level, notification of schemes/programmes for SMEs, preference in Government procurements to products and services of the micro and small enterprises, more effective mechanisms for mitigating the problems of delayed payments to micro and small enterprises and simplification of the process of closure of business by all three categories of enterprises.

(e): A new class of manufacturing medium enterprises with investment on plant and machinery between Rs.5 crore and Rs.10 crore has been notified as per sub-section (1) of section 7 of MSMED Act, 2006.