

section (2) of Section 28 of the Indian Boilers Act, 1923.

[Placed in Library. See No. LT 5798/07]

- (2) A copy of the Notification No. S.O. 62(E) (Hindi and English versions) published in Gazette of India the 22nd January 2007, making certain amendments in Notification No. S.O. 477(E) dated the 25th July, 1991 under sub-section (2H) of section 29B of the Industries (Development and Regulation) Act, 1951.

[Placed in Library. See No. LT 5798A/07]

THE MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (SHRIMATI D. PURANDESWARI) : On behalf of Shri Jairam Ramesh, I beg to lay on the Table:-

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Project Exports Promotion Council of India, Mumbai, for the year 2005-2006, alongwith Audited Accounts.
- (ii) a copy of the Review (Hindi and English versions) by the Government of the working of the Project Exports Promotion Council of India, Mumbai, for the year 2005-2006.
- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. LT 5799/07]

12.0% hrs.

STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS

Fifteenth Report

[English]

SHRI NARSINGRAO H. SURYAWANSHI (Bidar) : I

beg to present a copy of the Fifteenth Report (Hindi and English versions) of the Standing Committee on Chemicals and Fertilizers (2006-07) on Action Taken by the Government on the recommendations contained in the Twelfth Report (Fourteenth Lok Sabha) of the Committee on Demands for Grants (2006-07) of the Ministry of Chemicals and Fertilizers (Department of Fertilizers).

12.0% hrs.

STANDING COMMITTEE ON HOME AFFAIRS

123rd Report

[Translation]

SHRI MOHAN SINGH (Deoria) : Sir, I beg to lay on the Table a copy of the One Hundred Twenty-third Report (Hindi and English versions) of the Standing Committee on Home Affairs on the Sashastra Seema Bal Bill, 2006...(Interruptions)

12.0% hrs.

STATEMENT BY MINISTERS

[Translation]

(I) Package for promotion of micro and small enterprises

*THE MINISTER OF SMALL SCALE INDUSTRIES AND MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD) : Sir, I beg to lay on table a statement regarding package for promotion of Micro and Small Enterprises...(Interruptions)

INTRODUCTION

Among the six basic principles of governance

*Laid on the Table of the House and also placed in the Library. See No. LT 5800/07.

underlying the National Common Minimum Programme (NCMP) of the Government, sustained "economic growth in a manner that generates employment" has a pride of place. The NCMP also describes the small scale industries as "the most employment-intensive segment".

This is indeed so. The small scale industries of India (including the tiny industries and small scale service and business entities) have a long history of promoting economic growth that is employment-oriented and spatially widespread, and hence inclusive. At the beginning of the X Plan (2002-03), the segment provided gainful employment to 24.9 million people in the rural and urban areas of the country through 10.5 million units, engaged in manufacturing and providing a wide range of goods and services. Over the next four years (end 2005-06), they have grown to 12.3 million units providing employment to 29.5 million persons. This represents an average annual growth rate of 4.33 per cent in the number of these units and, what is more important, that of 4.57 per cent in employment. If the units in the khadi, village industries and coir industries are also taken into account, the employment is well over 332 million. This is thus rightly called the segment which provides employment next only to agriculture. A simple analysis shows that the employment intensity of the segment (registered units) is 1 person for every 1.49 lakh of rupees invested in fixed assets, as against 1 person per Rs. 5.56 lakh in the large organised sector. And, the rate of growth of employment in this segment is well above that of the population of India (1.5 per cent) or, that in the large industries segment (0.85 per cent).

The contribution of this segment to the economic sinews of the country is on less significant. Nearly 39 per cent of the gross manufacturing output and 34 per cent of the exports of India arise from these enterprises. During the last four years of the X Plan, the output of the segment has recorded a real growth rate of 8.87 per cent annually. Over six thousand products manufactured by these include several sophisticated items used in high technology areas like nuclear power, missile and space programmes,

information technology, biotechnology, etc. The level of exports by this segment also testifies to its overall competitiveness in the global markets.

Yet, the segment does not constitute a homogeneous universe and a large majority of the units faces several challenges. In order to assist them in fully harnessing their potential by availing of the increasing opportunities generated by trade liberalisation, it is necessary to build not only an enabling policy environment but also supplement the former with a specific set of measures to address the continuing challenges. The NCMP declares, therefore, that a "major promotional package" will be announced for this segment to provide full support in the areas of credit, technological upgradation, marketing and infrastructural upgradation in major industrial infrastructure.

RECENT INITIATIVES

By enacting the Micro, Small and Medium Enterprises Development Act, 2006, the Government has recently fulfilled one of the needs felt and articulated by this segment for long. This Act seeks to facilitate promotion and development and enhancing competitiveness of these enterprises. It provides the first-ever legal framework for recognition of the concept of "enterprise" (comprising both manufacturing and services) and integrating the three tiers of these enterprises, namely, micro, small and medium. Apart from clearer and more progressive classification of each category of enterprises, particularly the small, the Act provides for a statutory consultative mechanism at the national level with wide representation of all sections of stakeholders, particularly the three classes of enterprises; and with a wide range of advisory function. Establishment of specific Funds for the promotion, development and enhancing competitiveness of these enterprises, notification of schemes/programmes for this purpose, progressive credit policies and practices, 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

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enterprises and simplification of the process of closure of business by all three categories of enterprises are some of the other features of this legislation.

The Government has also announced a Policy Package for Stepping up Credit to Small and Medium Enterprises assuring, inter alia, a 20 per cent year-on-year growth in credit flow.

Significant improvements have also been made in the Credit Linked Capital Subsidy Scheme for Technological Upgradation, leading to a spurt in the number of units availing of its benefits.

PROMOTIONAL PACKAGE

In fulfillment of the assurance in the NCMP, the following Package is now announced.

LEGISLATION

With a view to facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises, the Micro, Small and Medium Enterprises Development Bill, 2006 has recently been passed. The Government will take up effective and expeditious implementation of this legislation in close collaboration with all stakeholders.

The Government will also soon enact a law on Limited Liability Partnerships covering, among other, micro, small and medium enterprises, with a view, inter alia, to facilitating infusion of equity and venture capital funding in these enterprises.

CREDIT SUPPORT

In line with the Policy Package for Stepping up Credit to Small and Medium Enterprises (SME), the Reserve Bank of India (RBI) has already issued guidelines to the public sector banks to ensure 20 per cent year-on-year growth in credit to the SME. Action has also been initiated to

operationalise other elements of the said Policy Package. Implementation of these measures will be closely monitored by the RBI and the Government.

The Small Industries Development Bank of India (SIDBI) will scale up and strengthen its credit operations for micro enterprises and cover 50 lakh additional beneficiaries over five years beginning 2006-07. Government will provide grant to SIDBI to augment SIDBI's Portfolio Risk Fund for this purpose.

Government will also provide grant to SIDBI to enable it to create a Risk Capital Fund (as a pilot scheme in 2006-07) so as to provide, directly or through intermediaries, demand-based small loans to micro enterprises.

SIDBI's direct lending operating will be expanded by increasing the number of branches from 56 to 100 in two years beginning 2006-07, with a view to catering to the credit needs of more clusters of micro and small enterprises (MSEs).

The eligible loan limit under the Credit Guarantee Fund Scheme will be raised to Rs. 50 lakh. The credit guarantee cover will be raised from 75 per cent to 80 per cent for micro enterprises for loans upto Rs. 5 lakh. Accordingly, to strengthen the Credit Guarantee Funds, the corpus of the Fund will be raised from Rs. 1189 crore as on 01 April 2006 to Rs. 2500 crore over a period of five years (with contribution by the Government and SIDBI in the existing ratio of 4:1).

Moreover, to encourage public sector banks and public financial institution to contribute to the corpus of the Fund, the feasibility of allowing deduction of their contributions to the Fund for income tax purposes would be examined.

The Fund will continue to be maintained with and managed by the Credit Guarantee Fund Trust for Small Industries (CGTSI). The Trust will be renamed as "Credit Guarantee Fund Trust for Micro and Small Enterprises" (CGTMSE).

FISCAL SUPPORT

Taking into consideration all the relevant factors, including the new definition of small manufacturing enterprises, under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, the Government will examine the feasibility of:

increase in the General Excise Exemption (GEE) limit and the existing eligibility limit for GEE;

extending the time limit for payment of excise duty by micro and small enterprises; and

extending the GEE benefits to small enterprises on their graduation to medium enterprises for a limited period.

SUPPORT FOR CLUSTER BASED DEVELOPMENT

For comprehensive and speedier development of clusters of micro and small enterprises, the existing guidelines of the Small Industries Cluster Development Programme (SICDP, to be renamed as "Micro and Small Enterprises Cluster Development Programme"—MSECDP) will be reviewed during 2006-07 to accelerate holistic development of clusters, including provision of Common Facility Centres, developed sites for new enterprises, upgradation of existing industrial infrastructure and provision of Exhibition Grounds/Halls and also for creation and management of infrastructure-related assets in the public-private partnership mode. The ceiling on project cost will be raised to Rs. 10 crore.

TECHNOLOGIES AND QUALITY UPGRADATION SUPPORT

Four Training-cum-Product- Development Centres (TPDCs) for agro and food processing industries would be set up at identified existing Small Industries Service Institutes (SISIs) to facilitate promotion and development of micro and small enterprises in the food processing sector.

The two existing Central Footwear Training Institutes (CFTIs) (at Chennai and Agra) will be further strengthened

to expand their outreach and assist the MSE in upgrading their technology.

Vertical Shaft Brick Kin (VSBK) Technology would be promoted for adoption by MSEs engaged in manufacturing bricks to make them energy efficient and eco-friendly. For this, one-time capital subsidy (limited to 30 per cent of the cost or Rs. 2 lakh, whichever is less) will be provided to micro and small brick manufacturing enterprises.

With a view to promoting energy efficiency in electrical pumps and motors manufactured by MSEs, a special programme of assistance will be launched after a detailed technical study.

The existing scheme of assisting the attainment of ISO 9000 and 14001 standards will be operated as a continuing scheme during the 11th Five Year Plan.

The scope of the above-mentioned scheme will be expanded to cover "Hazard Analysis and Critical Control Points" (HACCP) Certification obtained by MSE.

A Technology Mission will be established with a view to assisting micro, small and medium enterprises (MSMEs) in technology upgradation, energy conservation and pollution mitigation.

MARKETING SUPPORT

The National Manufacturing Competitiveness Programme (NMCP) announced in the Budget Speech of 2006-07 will include components relating to marketing support to MSE. Implementation of the NMCP will be taken up soon.

SUPPORTS FOR ENTREPRENEURIAL AND MANAGERIAL DEVELOPMENT

20 per cent of the entrepreneurship development programmes (EDP) will be organised for SC/ST, women and physically challenged persons with a stipend of Rs. 500 per capita per month for the duration of the training.

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50,000 entrepreneurs will be trained in information technology, catering, agro and food processing, pharmaceuticals, biotechnology, etc., through specialised courses run by SISIs, over the period co-terminus with the XI Plan.

A new scheme will be formulated to provide financial assistance to select management/business schools and technical institutes, to conduct tailor-made courses for new as well as existing micro and small entrepreneurs.

A new scheme will also be formulated to provide financial assistance to 5 select universities/colleges to run 1200 entrepreneurial clubs.

A new scheme will be launched for capacity building, strengthening of database and advocacy by Industry/Enterprise Associations, after consultation with the Associations and States.

A comprehensive study will be conducted to assess the needs and scope of Government intervention required for enhancing the competitiveness of micro and small enterprises in the service/business sector.

EMPOWERMENT OF WOMEN OWNED ENTERPRISES

Under the Credit Guarantee Fund Scheme, 80 per cent guarantee cover will be provided to micro and small enterprises operated and/or owned by women.

Under the SIDDP/MSECDP financial assistance of upto 90 per cent of the cost, subject to ceiling of Rs. 9 crore, will be provided for clusters developed exclusively for micro and small enterprises operated and/or owned by women.

Associations of women entrepreneurs will be assisted under the SIDDP/MSECDP in establishing exhibition centres at central places for display and

sale of products of women-owned micro and small enterprises.

To encourage entrepreneurship among women, 50 per cent concession in fees would be given to women candidates in entrepreneurship/management development programmes conducted by SISIs.

To facilitate export by women entrepreneurs, the National Small Industries Corporation Ltd. (NSIC) will assist them to participate in 25 exhibitions over the period co-terminus with the XI Plan.

STRENGTHENING OF PRADHANMANTRI ROZGAR YOJANA (PMRY)

The Prime Minister's Rozgar Yojana (PMRY), introduced in 1993, has been one of the important credit-linked subsidy schemes to generate self-employment opportunities for the educated youth by assisting them in setting up viable micro enterprises. By the end of 2005-06, it is estimated to have provided self-employment opportunities to 38.09 lakh persons. A recent review has, however, established the need to improve its effectiveness as a measure for self-employment through this route.

The design parameters of the PMRY, in terms of family income limits for eligibility, project cost ceilings, corresponding ceilings of subsidy, rates of assistance to States towards training of beneficiaries before and after selection, etc., will be improved with effect from 2007-08, keeping in view the findings of the review.

STRENGTHENING OF DATA BASE FOR MSME SECTOR

To strengthen the data base for the MSME sector, statistics and information will be collected in respect of number of units, employment, rate of growth, share of GDP, value of production, extent of sickness/closure and all other relevant parameters of micro, small and medium enterprises, including khadi and village industry units set up under Rural Employment Generation Programme and Prime Minister's Rozgar Yojana as well

as coir units, through annual sample surveys and quinquennial census.

The quinquennial census and annual sample surveys of MSMEs will also collect data on women-owned and/or managed enterprises.

A scheme will also be formulated and implemented to regularly collect data on exports of products/services manufactured/provided by micro, small and medium enterprises, including khadi and village industries.

(Interruptions)

12.01 hrs.

(H) Re: Preventive Detention of Ottavio Quattrocchi in Argentina

[English]

“THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI SURESH PACHOURI) : Sir, with your permission, I beg to lay the statement on the Table of House.

Hon'ble Speaker, Sir, according to information received from CBI, a message was received on 7.2.2007 from IP Buenos Aires that Ottavio Quattrocchi was detained on 6.2.2007 at Iguazu International Airport, Province of Misiones, Argentina.

On 7.2.2007 itself IP New Delhi, sent a message to IP Buenos Aires, requesting for confirmation of the veracity of its message regarding the preventive detention of Ottavio Quattrocchi and sought information about the flight details of Ottavio Quattrocchi i.e. place from where Ottavio Quattrocchi had arrived and his destination etc.

IP Buenos Aires vide its message dated 8.2.2007,

*Laid on the Table of the House and also placed in the Library. See No. LT 5801/07.

confirmed the detention of Ottavio Quattrocchi and wanted to know whether the Indian authorities were interested in the arrest of Ottavio Quattrocchi and whether India will send a formal request for his extradition through diplomatic channels. IP Buenos Aires also mentioned that the Extradition Request alongwith Spanish translation must be in accordance with the Argentinian Extradition Act and must reach the Government of Argentina within 30 days from the date of Ottavio Quattrocchi's detention.

Immediately, on the same day, CBI responded confirming the same. CBI also requested IP Buenos Aires to indicate the legal requirements for extradition in the absence of a formal Extradition Treaty between India and Argentina.

Thereafter, CBI diligently started preparing the extradition request. CBI availed of the services of translators, including that of the School of Foreign Languages, JNU, New Delhi, for the translation of statement/documents required for extradition request.

On 12.2.2007, the detention of Ottavio Quattrocchi in Argentina was confirmed through diplomatic channels.

On 13.2.2007, CBI wrote to MEA for a copy of Argentinian Extradition Act with English translation and list of documents to be incorporated in the extradition request. As there is no Extradition Treaty between India and Argentina, CBI also sought MEA's advice as to how to overcome this problem in the legal framework of Argentinian extradition law. CBI also requested MEA to ascertain the convenience of Argentinian authorities for the visit of CBI team in this connection.

On 13.2.2007, CBI sent a communication to IP Buenos Aires asking for certain informations/documents, namely, a copy, of the Argentinian Extradition Act with English translation; list of documents to be incorporated in the extradition request; the procedure to be followed in the absence of Extradition Treaty between India and Argentina. CBI also asked IP Buenos Aires whether it should sent its team to Argentina and, if yes, the date thereof.