

Problems of SSIs

† 827. **SHRI RAVI SHANKAR PRASAD:**
SHRI RAJ MOHINDER SINGH MAJITHA:

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

(a) whether Government have considered to solve the problems to be faced by small scale industries of the country during the mid-term review of Tenth Five Year Plan;

(b) if so, the major problems of small scale industries of the country;

(c) whether there is any role of Government to solve these problems; and

(d) if so, the details thereof?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD): (a) to (d) The Government is aware of the problems faced by the Small Scale Industries (SSI) sector. Inadequate and delayed credit is one of the major problems of the small scale industries. Similarly, obsolete technology, inadequate infrastructure, marketing constraints and fiscal anomalies are some of the other problems faced by the SSI sector as a whole.

The Government continues to lay emphasis on solving the problems faced by the SSI sector. Various measures, which seek to facilitate better availability of credit, technology upgradation and infrastructure and ease the marketing constraints, have been taken for imparting more vitality and growth impetus to this sector.

These measures include the following plan schemes:—

(1) Credit Guarantee Fund Scheme for Small Industries:—This scheme was launched with the objective of making credit available to SSI units, particularly tiny units, for loans upto Rs. 25 lakh without collateral/third party guarantees. The scheme covers collateral-free credit facility (both term loan and/or working capital) by eligible lending institutions, to new and existing SSI units, including information technology and software industries of the small scale sector, upto Rs. 25 lakh (per borrowing unit). With effect from September 1, 2003, new and existing Small Scale Service and Business (industry related) Enterprises (SSSBEs) have also been

†Original notice of the question was received in Hindi.

made eligible for coverage under the scheme. The guarantee cover is upto 75% of the credit, subject to a maximum guarantee limit of Rs. 18.75 lakh.

(2) Credit Linked Capital Subsidy Scheme (CLCSS):—This scheme was launched in 2000, to encourage SSI units to adopt the latest technology and improve the quality of their products. Under this scheme, 12 per cent capital subsidy is admissible on loans advanced by the scheduled commercial banks/State Finance Corporations, upto a maximum loan amount of Rs. 40 lakh, to the SSI units for induction of well established/improved technologies.

(3) ISO 9000 Certification Reimbursement Scheme:—Government launched this incentive scheme for technology upgradation, quality improvement and environment management of small scale industries, in order to enhance their competitiveness. The scheme provides incentive to the small scale units, which have acquired ISO 9000/14001 certifications. The scheme envisages reimbursement of charges for acquiring ISO 9000 and/or ISO 14001 certification to the extent of 75 per cent of the expenditure, subject to a maximum of Rs. 75,000 in total, per unit.

(4) Small Industry Cluster Development Programme:—This programme aims at undertaking studies for assessing technology status/technology needs of identified clusters of traditional skill-based enterprises and facilitating contact/need-based research, to adapt the available technology to the specific needs of the end users and to promote and facilitate the delivery assimilation and diffusion of the identified technology from its producers, to the recipient users/clusters of small enterprises.

(5) Integrated Infrastructural Development (IID) Scheme:—This scheme provides essential infrastructural facilities at various locations in the country, for setting up of SSI and tiny units. The thrust of the scheme is to make developed sites available with infrastructure facilities like power, water, telecommunications, drainage, pollution control facilities, roads, banks, raw material depots, storage and marketing outlets, etc. Another important objective of the scheme is to upgrade/strengthen the infrastructure facilities in the existing/old industrial estates. Under this scheme, the project cost to establish an IID Centre has a normative ceiling of Rs. 5 crore (excluding cost of land), the Central Government provides grant of 40 per cent subject to a maximum of Rs. 2 crore per IID Centre in general and of 80 per cent, subject to a maximum of Rs. 4 crore per IID Centre in the North Eastern

Region (including Sikkim), Jammu and Kashmir, Himachal Pradesh and Uttaranchal. This remaining amount could be a loan from the Small Industries Development Bank of India/Banks/Financial Institutions or from the State Government concerned.

(6) Marketing Assistance and Export Promotion Scheme:—This scheme, designed to facilitate export by the SSI sector, extends a number of incentives and facilities to small scale exporters, viz., participation in the international trade fairs/exhibitions, imparting training on packaging for exports and market development assistance for individual participation, in the fairs abroad. Under this scheme, financial assistance is also given to small scale units for adoption of bar coding registration with European Article Numbering (EAN) India.

Registration of SSIs

† 828. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:

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

(a) whether it is a fact that due to complex registration process 53 per cent small scale industries are running without registration in the country;

(b) if not, the assessment made by Government in this regard;

(c) whether Government would make registration process easy and handy to promote small scale industries; and

(d) if so, the details of schemes in this regard?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD): (a) and (b) No, Sir. The sample survey of unregistered Small Scale Industries (SSIs) conducted during the Third All India Census of registered SSIs with reference year 2001-02, has revealed that only 3.87 per cent of the small scale industries were running without registration due to complicated registration procedures in the country. However, the reasons for non-registration amongst the estimated 91,46,216 unregistered SSI units in the country are given below:

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