

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:1055
ANSWERED ON:01.03.2000
SPECIAL PACKAGE FOR SMALL SCALE INDUSTRY DURING 9TH PLAN
ANANTRAO GUDHE

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

- (a) whether the Government have formulated a special package for development of small scale industry during Ninth Five Year Plan;
- (b) if so, details of the major policy decisions and impact thereof;
- (c) whether in 1977 the Government enhanced investment ceiling of Rs. 1 crores to Rs. 3 crores for SSI units to enable them to undertake additional investment for upgradation of plant/technology/R&D and Pollution Control Measures to be cost effective and globally competitive;
- (d) if so, the facts thereof;
- (e) whether the limit of investment ceiling for SSI units has again been reduced from Rs. 3 crores to Rs. 1 crores;
- (f) if so, the rationale behind this move; (g) whether any representation is received in this regard; and
- (h) if so, the action taken thereon?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO INDUSTRIES (SMT. VASUNDHARA RAJE)

(a) & (b): An allocation of Rs. 4304 crore has been made in the Ninth Plan for the promotion and development of the small scale and cottage industries sector. The major programmes and schemes in respect of small scale and cottage industries that are under implementation, inter alia, include setting up of Integrated Infrastructure Development Centres, Scheme for Technology Upgradation, Prime Minister's Rozgar Yojana for self-employment of educated unemployment youth, Rural Employment Generation Programme, and development of rural clusters through National Programme for Rural Industrialisation. The implementation of these programmes and schemes has helped strengthen small and cottage industries in the country, resulting in sustained performance in terms of contribution to industrial production employment generation and export earnings.

(c) to (h): The earlier limit of Rs. 60 lakh was raised to Rs. 300 lakh in December 1997, which was subsequently brought down to Rs. 100 lakh in December 1999. The decision to reduce the investment limit in plant and machinery is aimed at focusing on a more homogeneous group of small and tiny enterprises. However, based on representations received from certain industry-specific associations, Government is considering various measures to facilitate select export oriented sectors absorb modern technology to become internationally competitive.