

**GOVERNMENT OF INDIA  
MICRO, SMALL AND MEDIUM ENTERPRISES  
LOK SABHA**

STARRED QUESTION NO:286

ANSWERED ON:03.09.2007

SCHEME FOR SMALL SCALE INDUSTRIES

Kharventhan Shri Salarapatty Kuppasamy;Singh Shri Suraj

**Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:**

- (a) whether the bank credits, Central grants and other sops provided by the Government to Small Scale Industries have since been discontinued;
- (b) if so, the details alongwith the reasons therefor;
- (c) whether Planning Commission has been approached for continuation of the such schemes during the Eleventh Plan period;
- (d) if so, the details thereof and the reaction of the Planning Commission thereto; and
- (e) the steps taken by the Government to provide all necessary facilities to the ailing Small Scale Industries;

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

- (a) to (e) A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) IN RESPECT OF THE LOK SABHA STARRED QUESTION NO. 286 FOR ANSWER ON 03.09.2007

- (a) No Sir.

- (b) Does not arise.

(c) & (d) The Working Group on Micro and Small Scale Enterprises and Agro & Rural Industries for the XI Five Year Plan (2007-12), constituted by the Planning Commission under the chairmanship of Secretary to the Government of India, Ministry of Micro, Small & Medium Enterprises, has submitted, inter alia, its recommendations to the Planning Commission for continuation of schemes during the XI Plan period. The list of the schemes recommended for continuation is annexed. The matter has been discussed with the officers and Members of the Planning Commission. It is expected that the Planning Commission would shortly take a decision in the matter. In the meantime, the Budget Estimate 2007-08 of the Ministry of Micro, Small & Medium Enterprises has estimated an expenditure of Rs.1642 crore for the implementation of the schemes identified by the Ministry and the Planning Commission for continuation during the financial year 2007-08.

(e): To help the banks in detecting sickness at an early stage and taking early action for their revival, the Reserve Bank of India (RBI) circulated detailed guidelines on rehabilitation of sick micro and small enterprises in January 2002. Further, in September 2005, the RBI has issued fresh guidelines to the banks on debt restructuring mechanism for small and medium enterprises (SMEs) to ensure debt restructuring of all eligible SMEs. In addition, the Government has taken a slew of measures including, inter alia, implementation of the Micro, Small and Medium Enterprises Development Act, 2006, announcement of the package for promotion of Micro and Small Enterprises in February/March 2007, announcement of the package to step up credit to SMEs in August 2005 and announcement of the National Manufacturing Competitiveness Programme to facilitate the growth and competitiveness of Micro, Small and Medium Enterprises in the country to increase the employment generation in the sector.