CHAPTER-III
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ORGANIZATIONAL STRUCTURE AND INDUSTRIAL POLICY

The builders of nation, thinkers, economists and policy makers, recognize that small industries can play leading role in the development of nation. The following lines depict the thinking of eminent personalities and policy makers about the importance of SSI.

"Small scale sector isn’t the poor cousin of our industries. It is one of the main legs of our Industrial developments".¹

"I am all for tractors and big machinery but I am equally convinced that the most careful planning and adjustment are necessary if we are to reap the full benefits of industrialization and avoid many of its dangers- it would well in the Indian background, give a democratic basis to small industry and develop the co-operative habit. It could be made to complement the big industries".²

“The promotion of small scale industries has been widely recommended as one of the most appropriate means of developing industry in over-populated, backward countries".³
Although British Government took some interest in the development of small industries before independence, but its importance was not fully recognized till independence.

Some selected lines took from industrial policies clearly indicate the attitude & policies of government towards small scale industrial sector.

**Industrial policy statement of April 6, 1948:**

"Cottage and small-scale industries have a very important role in the National Economy, offering as they do scope for, individual, village or co-operate enterprises and means for the rehabilitation of displaced person. These industries are particularly suited for better utilization of local resources and for the achievement of local self sufficiency in respect of certain types of essential consumer goods like food, cloth an agriculture implements."  

Basic policy for small scale sector was first formulated in the industrial policy resolution of 1956.

**Industrial policy statement of April 30, 1956:**

"The govt. of India would, in this context, stress the role of cottage and small-scale industries in the development of the national economy. They provide immediate large
scale employment, they offer a method of ensuring a more equitable distribution of national income and they facilitate an effective mobilization of resources of capital and skill which might otherwise remain unutilized. Some of the problems that unplanned urbanization tends to create will be avoided by the establishment of small centres of industrial production all over the country.”

“The state has been following a policy of supporting cottage and small industries by restricting the volume of production in the large scale sector by differential taxation or by direct subsidies - the aim of the state policy will be to ensure that the decentralized sector acquires sufficient vitality to be self-supporting and its development is integrated with that of the large scale producer-for this it was essential that the technique of production should be constantly improved and modernized, the pace of transformation being regulated so as to avoid as far as possible technological unemployment.”

Industrial policy statement of December, 23, 1977

The emphasis of industrial policy so far has been mainly on large industries, neglecting cottage industries and completely regulating small industries to a minor role. It
is a firm policy of the government to change its approach.

"The main thrust of the new industrial policy will be an effective promotion of cottage and small-scale industries widely dispersed in rural areas and small towns. It is the policy of the government that whatever can be produced by small and cottage industries must only be so produced. The list of industries will now include 807 items according to national industrial classification as compared to 130 items earlier—an annual review of reserved industries, therefore, undertaken in order to ensure that reservation according to the small scale sector is effective and this list is also continually expanded".  

**Industrial policy statement of July 23, 1980:**

"Government is determined to promote such a form of industrialization in the country which can generate economic viability in the villages. Handlooms, handicrafts, khadi and other village industries will receive greater allocation to achieve a faster rate of growth in villages."  

**Definition of Small-Scale Industry:**

In India Small Scale Industrial Board (SSIB) has the responsibility to define small industries. Sinceboard’s
inception in 1954, the board changed the definition from time to time on the basis of economic conditions, changing trend of technology, development and value of money. In 1955 the board evolved the first working definition of a small scale unit as "A manufacturing unit employing less than 50 persons, if using power and less than 100 persons without the use of power with capital assets not exceeding Rs. 5 Lac".

This working definition was further modified in September 1959 to cover small units working on bigger programmes on multiple-shift basis. Ministry of commerce and industry modified the definition as "To cover undertaking which employed less than 50 persons with the use of power and less than 100 persons without using power per shift".  

The barrier, using number of workers in grading small-scale industrial unit later was found the main hindrance in tackling, chronic problem of unemployment through small-scale industry on this reason the small industrial board recommended a new definition as "Small-scale industries will include all industrial units with a capital investment of not more than RS. 5 Lac irrespective of the number of persons employed."
During 1960 a new concept of ancillary industry within the small-scale industry emerged. Ancillary industries are grouped as those industrial units manufacturing products for other industries where these products are used as a part of components of their final products. It was decided that these units required capital investment much higher than other small-scale units, so the capital ceiling relaxation was raised up to Rs. 10 lac for these units.

When first non-congress government, Janta party came to power in 1977, though the new government did not change the definition of small-scale industry, they created a new sector "Tiny sector with the small scale sector". The main objective behind this was dispersing of small industry in rural areas and small towns, so that every nook and corner of the country should be covered in the industrial development map of India.

In the industrial policy of Dec. 23, 1977 tiny sector units were defined as "All industries with a capital investment of Rs. 1 lac in plant and machinery and located in rural areas and small towns with a population of less than 50 thousand according to 1971 census figures."
The definition of grading SSI has been changed from time to time to meet the changing needs of small-scale industry and the time value of money.

The extant definition which graded small sector was in operation w.e.f. 10.12.97 (notification No. 857 date 10.12.97).\(^{11}\)

(a) **Small scale industrial undertaking**: An industrial undertaking in which the investment in fixed assets in plant and machinery, whether held on ownership term or on lease term or by hire purchase does not exceed 300 lac.

(b) **Ancillary Industrial undertaking**: An industrial undertaking which is engaged or is proposed to be engaged in the manufacturing or production of part, components, sub-assembler, tooling or intermediates, or the services and the undertakings supplies or renders or proposes to supply or render not less than 50% of its production or service, as the case may be, to one, or more, other industrial undertakings and whose investment in fixed assets in plant and machinery whether held on ownership terms or on lease or on hire purchase does not exceed Rs.300 Lac.
(c) **Tiny enterprises:** "Investment limit in plant and machinery in respect of tiny enterprises is Rs. 25 lacs irrespective of location of the unit"

(d) **women Entrepreneurs:** Small Scale Industries/ Industry related service or business enterprise, managed by one or more women entrepreneurs in proprietary concerns, or in which she/they individually or jointly have a share capital of not less than 51% as partners/share holders/Directors of Private Limited Company/Number of Cooperative Society will be termed as women entrepreneurs.

(e) **Small Scale Service and Business (Industry Related) Enterprises (SSSBEs):** SSSBE Industry related service/business enterprises with investment up to Rs. 5 lakhs in fixed assets, excluding land and building are called Small Scale Service/Business Enterprises (SSSBEs). A list covered under "Small Scale Service and Business Enterprises is given in Appendix 3. Activities not treated as SSBES are listed in Appendix-4.

As far as investment limit is concerned the definition of Small Scale Industries has undergone changes over the years in terms of investment limits in the following manner
<table>
<thead>
<tr>
<th>Year</th>
<th>Investment Limit</th>
<th>Additional Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>Upto Rs. 5 lacks in fixed assets</td>
<td>Less than 50/100 persons with or without power</td>
</tr>
<tr>
<td>1960</td>
<td>Upto Rs. 5 lacks in Plant &amp; Machinery</td>
<td>No Conditions</td>
</tr>
<tr>
<td>1966</td>
<td>Upto Rs. 7.5 lacks in Plant &amp; Machinery</td>
<td>No Conditions</td>
</tr>
<tr>
<td>1975</td>
<td>Upto Rs. 10 lacks in Plant &amp; Machinery</td>
<td>No Conditions</td>
</tr>
<tr>
<td>1980</td>
<td>Upto Rs. 20 lacks in Plant &amp; Machinery</td>
<td>No Conditions</td>
</tr>
<tr>
<td>1985</td>
<td>Upto Rs. 35 lacks in Plant &amp; Machinery</td>
<td>No Conditions</td>
</tr>
<tr>
<td>1991</td>
<td>Upto Rs. 60 lacks in Plant &amp; Machinery</td>
<td>No Conditions</td>
</tr>
<tr>
<td>1997</td>
<td>Upto Rs. 300 lacks in Plant &amp; Machinery</td>
<td>No Conditions</td>
</tr>
</tbody>
</table>

**Computation of Value of Plant and Machinery (For Calculating Investment Limit)**

In calculating the value of plant and machinery, the original price thereof irrespective of whether the plant and machinery are new or second hand, shall be taken into account. However, to determine the price of second hand imported machinery, the original value of the said plant and machinery will be taken in foreign currency terms. The value of foreign currency will be converted into rupee at the exchange rate prevalent at the time of import. The import duty will be added on the same basis.
In calculating the values of plant and machinery the spare parts for maintenance, cost of installation of plant and machinery, cost of pollution control equipments, bank charges and service charges paid to the NSIC or SSIC are excluded.

**Organizational Structure:**

To fulfil the objective of balanced and sustained small industrial development programmes as enunciated in the industrial. Policy and successive five years plans, various agencies have been setup both at the central and the state level.

Under the Indian constitution, the development of small-scale industries is primarily the responsibility of the state government, that is why the facilities, services and policies for the small-scale sector are formulated and introduced at state level. Due to the fact that various issues involved in the small industry development programme have an all-India character and cut across the national economic fabric requiring policy formulation at national level, and also because of the scale on which efforts have to be made, it was considered necessary and desirable for the central
government to assume responsibility for planning and co-ordinating the basic programme of development.

Central Level Organization:

1. Small Scale Industry Board (SSIB)

In Nov. 1954, a board was set up known as the small-scale industrial board. The responsibility of the board was overall planning, co-ordination and development of small industries in the country. The members of board are central and state government officials, representatives of various institutions, financing bodies, federation of small industries associations and a number of non-officials representing trade, industry and other interests. The board deals with credit facilities, supply of raw materials, revision of the definition of the small scale industries for the purpose of the assistant programme, dispersal of industries and formulation of new policies in regard to the development of small sector. Meetings of the board were to be held by rotation basis in different states, usually once every six months to help members to acquire first hand knowledge of development in every state, besides, drawing their attention to particular problems of local industries.
The board is an apex advisory body of SSI'S developmental programmes.

2. Small Industries Development Organization (SIDO):

The SIDO of the Ministry of Industry was set up in 1954. It functions as an apex body concerned with policy, and coordinating the institutional activities both at the central and state level for implementing programmes for the development of small-scale industries and infrastructure for sustained and organized growth.

The SIDO acts as a policy formulating, and monitoring agency for the development of small-scale industries. It maintains close liaison with the central ministries, planning commission, state Governments, financial institutions and other organizations concerned with the development of small-scale industries. The activities of SIDO relate to the modern small scale industries sector excluding those, which fall within the preview of specialized boards or agencies, viz. All India handloom and handicraft, coirboard, central silk board and khadi and village industries commission.

National Small Industries, Corporation Ltd. (NSIC)

The NSIC was setup in Feb. 1955 on the recommendations of Ford Foundation, an international
planning team, wholly owned by government of India. The primary function of NSIC is to help small entrepreneurs on setting up their small industries by providing both indigenous and imported machinery, equipment on hire-purchase basis, distributing imported raw material and indigenous non-ferrous scarp's and assisting small units in marketing their products through participation in government store purchase programme.

Recently, NSIC has expanded its range of services, with the launching of financial services.

**Main Financial Schemes:**

1. **Arranging of raw material on credit as per specific needs and requirement of the small scale units for a maximum period of 90 days.**

2. **Bills drawn by small-scale units for the supplies made to the reputed and well-established enterprises duly accepted by them will be financed/discounted by NSIC for a maximum period of 90 days.**

3. **Finance for augmenting working capital of viable and well managed units, on selective basis in case of emergent requirements to enable them pay off their**
purchases of consumable stores spores and production related overheads particularly electricity bills, statutory dues etc.

4. Financing for export development to export oriented units for meeting their emergent requirements. Pre and post shipment finance is also provided to such units at usual terms and conditions.

The value of the machinery supplied by NSIC on hire purchase basis to small scale and ancillary industries, would not exceed 3 crore rupees inclusive of the value of machinery and equipment already installed. The supply of machinery and equipment is made directly to the suppliers. The hire-purchase value is generally recovered in 20 quarterly installments.

**Small Industries Development Bank of India (SIDBI):**

SIDBI was set up by an act of parliament, as an apex institution for promoting, financing and for the development of industries in small-scale sector and for coordinating the functions of other institutions engaged in similar activities.

* SIDBI commenced its operation on April 2, 1990
* SIDBI extends direct/indirect financial assistance to SSI's
* SIDBI assists the entire spectrum of small and tiny sector industries on all India basis.

The range of assistance comprising financing, extension on support and promotion are made available through schemes of direct and indirect assistance for the following purposes.

1. Setting up of new project
2. Expansion, diversification, modernization technology upgradation, quality improvement, rehabilitation of existing units
3. Strengthening of marketing capabilities of SSI's units.
4. Development of infrastructure for SSI's and
5. Export promotion

**State Level Organization**

**Directorate of Industries.**

The work relating to development of industries in general and small-scale industries in particular in the state and union territories is looked after by the Directorate of Industries in each of the state and territories.
Each organization has supporting administration and technical officers at the state headquarters. It has an extensive network of field officer at the district, sub-division and block level.

The state directorate organizes various training schemes, provides common facility services, facilities for the development of infrastructure e.g. builds-up factory sheds and plots in industrial estates, allocates scarce indigenous and imports raw materials, certifies import requirements, organizes industrial co-operatives.

**State Industrial Development Co-operation (SIDC):**

Such co-operations have been set up in almost all the states and union territories and are mainly charged with the responsibility of supplying scarce indigenous and imported raw material, setting up of industrial estates and industrial areas, undertaking marketing activities including exports of small industries products, supply of machinery on hire-purchase basis, provision of marketing assistance and promotion of entrepreneurship through various schemes.

The function of the co-operation is primarily in character while the Directorate of industries undertakes promotional programmes.
State Financial Co-operation (SFC):

The SFC provides financial assistance to small-scale units on liberalized terms. These co-operations provide term credit as well as working capital requirements to the small-scale units. It is also involved in attracting entrepreneurs to backward and rural areas through various schemes by providing concessional finance.

Jammu Kashmir State Financial Corporation (JKSFC):

The JKSFC was established in December, 1959 as a Regional Development Bank, under the state financial cooperation act 1951 (central Act 63 of 1951) for the promotion and development of industrial growth in the state by way of providing financial assistance to the prospective entrepreneurs. It is one of the most important financial institutions for providing credit to the industrial sector of J&K.

The corporation advances loans for starting new small-scale industries and expanding the old ones, acquisition of transport vehicles and construction of hotels/houseboats.

Major Schemes Through JKSFC:

1. Granting loan of Rs. 30 Lac for all entrepreneurs and
loan of Rs.60 Lac for partnership firm Pvt./Ltd. Co.'s for financing in post cost of fixed assets.

2. Sanction loan not to exceed 30 Lac to medical practitioner/professional for acquisition and installation of Electro-medical and other related equipment.

3. Loan amount not to exceed Rs.10 Lac with project cost up to Rs 50 Lac for the purchase of capital equipment, civil works, acquisition of tech. Know how for all entrepreneurs.

4. For all qualified professionals in management, medicine, architectural engg. and accountancy project cost should not exceed Rs 10 Lac for setting up consultancy services.

5. Loan for activities relating to marketing of SSI, products loan amount maximum Rs 60 Lac and not below Rs 10 Lac.

6. For hotel & houseboats loan amount should not exceed for two bedroom Rs 1.00 Lac and for three bedroom Rs 1.25 Lac.
7. For small road transport operators loan up to 60% of chassis & 50% of body fabrication and for SC/ST/OBC/tanga walas loan amount to the extent of 75% of chassis and 50% of body fabrication.

**Security:**

The loan is secured by mortgage of all fixed assets viz. Land, building, plant and machinery, misc. fixed assets and additional security to the extent of 40% to 60% of loan amount depending on the scheme. Transport loans are secured by hypothecation of vehicles and additional security of FDR for Rs 75000/- pledged in favour of the corporation at the interest rate of 12.5% p.a. to 16% Pa. depending on the type of the scheme/loan amount.

**Commercial Banks:**

Earlier Commercial Banks were engaged in financing large industries, big traders and speculators. They believe that loan granted to customers should be safeguarded by sound securities where the small producer might not afford to pledge the security accepted to the banks. Considering the vital contribution of the small scale sector in national economy, 14 major private banks were nationalized in 1969 later six more banks in 1980 to avoid defects in banking
system. After nationalization, commercial banks have adopted various promotional measures to augment the flow of bank credit to small scale units. Stress has been laid on to re-orient the lending policies with emphasis on the need based instead of security based altitude of the commercial banks on the basis of instructions issued by RBI.

**District Industries Centre (DIC):**

In order to develop entrepreneurship in rural areas and bring forth a corps of young persons who can face the challenge successfully a major structural innovation is the creation of a DIC to deal with the requirements of small and village industries.

A major policy decision was taken at the union level and announced in the industrial policy resolution of December 1977 to replace the district industries office by the District Industrial centre. Finally DIC's programme was launched in May 1978. The centre consists of one general manager and functional or project managers operating in the areas of economic investigation, raw material, equipment and machinery, marketing credit training, village Industries and selected group of Industries which have potential for development.
The working of the District Industries Centres has been reviewed in 1980 and staffing pattern is being revised to make it more effective instrument for implementation of Industrial policy of July 1980 in the modified pattern, greater emphasis is provided to make available a greater amount of expertise at the district centre. Thus there will be a set of core functionaries. They are to be four in number dealing with such areas, as credit, village Industries, raw material, economic investigation, in addition there will be three technical managers who are considered relevant to the needs of the district.

In addition the DIC is being promoted as the main instrument of development which would enable it to provide all the assistance required by entrepreneurs in the rural areas and semi-urban areas of the country.

**Industrial Policy:**

No doubt, in the past 50 years, some adjustments have been made in SSI policy to meet the changing needs of overall economy but the basic thrust remains unchanged. During 1991, government came out with significant changes in the national policy pertaining to industrial and economic
areas to usher in a new era of liberalisation, de-bureaucratization and market oriented deregulation.

The new Industrial Policy announced by the government of India in parliament on July 24th, 1991 proposed a series of measures, designed to unshackle Indian Industry from the myriad administrative and legal controls which have become unnecessary in the changed national and global economic environment. The small scale sector, which is contributing a substantial share in Industrial output and exports, was not an exception. In view of the tremendous potential of the sector, government has taken a number of policy initiatives through various central ministries for the overall promotion of small scale sector during and after 1991. Some of the important policy initiatives are very necessary to be mentioned here to make the study authentic and understandable.

**Highlights of Industrial Policy of July 1991:**

1. Investment limit for small scale industrial units was raised to 300 lacs.

2. To protect the interest of micro and tiny small scale industrial units, 40% of the credit going to SSI sector has been reserved for units having investment in plant
and machinery up to 5 Lac and 25 lac and 20% per units with investment between 5 lac and 25 lac.

3. The coverage under the technology development and modernization scheme of SIDBI has been enlarged to extend assistance to non exporting units also for technology up-gradation and modernization. The interest rate of loans provided under the scheme will be based on prime lending rate (PLR) of SIDBI from IDBI and IDBI share holding in state financial corporation will be transferred to SIDBI.

4. Restricted list in small scale sector has been disbanded.

5. Procedure for registration of electronic items is delicenced.

6. Location restrictions for defining tiny sector removed.

7. Definition of industrial related services and business enterprises streamlined and made uniform.


9. Clarified that units employing less than 50/100 workers with / without power and the items exclusively reserved for manufacture in small scale sector do not
require to obtain industrial license even if the item of production, 18 included in schedule 11 to the licensing exemption notification of July 1991.

10. Amendment of the "Interest on Delayed Payments Act" to tackle the problem of settlement of dues of SSI units from large units.

**Policy of Reservation:**

Reservation of products for exclusive manufacture in SSI sector has been one of the important policy measures for promoting this sector. This policy was initiated in 1967 with 47 items which was enlarged to 807 items in 1978. At present 821 items are reserved for manufacturing in this sector. This policy got a legal backing when the (D & R) act was amended in March 1984, empowering the government to reserve items under this act. After the introduction of economic reforms with emphasis on liberalization de-licensing and de-regulation, a committee was constituted under the Chairmanship of T.S. Vijayaraghawan, who has recommended to the government for de-reservation of 91 items out of 821 items presently reserved in this sector.
As per policy no medium/large including multinational companies are allowed to manufacture reserved items except under 50% obligation. Those who have been manufacturing reserved items prior to the date of reservation can continue to do so after obtaining a carry-on-business (COB) licence from the government. The small units manufacturing item reserved for manufacturing in small scale sector do not require any prior licence.

**Purchase Preference Policy:**

The policy of reservation of items for exclusive purchase has been in vogue, since late 60's as a measure of market support to the SSI sector. The store purchasing policy of government prior to 1989 was in the form of categorization of items in six major groups.

However, with effect from July 1989, the purchase policy of government was changed in a major way and the categorization of items was reduced to the two following groups, viz.

(i) Items of stores reserved for exclusive purchase for KVIC/women's development corporation / small scale units
(ii) Other not so reserved.

The first group consisted of 409 items earlier reserved for exclusive purchasing from the small scale sector.

The list of 409 items reserved for purchase from SSI sector was reviewed recently and after deleting items having common nomenclature and making the entries more generic as well as addition of new items, a revised list of 358 items is approved by a committee which also includes 8 handicraft items reserved for purchase from the handicraft sector.

**Price Preference Policy:**

For providing marketing support to SSI's the Director General of Supply and Disposals, the central purchasing organization of government of India provides.

(i) Reservation of certain productions for exclusive purchase from small scale sector and.

(ii) Price preference upto 15% in case of selected items which are produced in both large scale as well as small scale units.

The single point registration scheme of NSIC was launched as a market supported measure for the SSI sector. Under this scheme, the following benefits are given to the
SSI units which get themselves registered with the NSIC.

(i) Availability of tender sets free of cost.

(ii) Exemption from payment of earnest money deposit.

(iii) Exemption from payment of security deposit.

(iv) Price preference upto 15% over the lowest quotation of the large scale units. (on merits)

The benefit is available to compensate them on account of non-availability of economics of sale, poor resource base, poor access to raw material as compared to the large scale sector.

**Policy of Fiscal Support:**

The general exemption scheme of central excise for SSI units.

Excise concession is one of the major supports for SSI sector to face competition from large industries. At present the sector enjoys excise benefits as follows:
UNITS OPTING AND NOT OPTING FOR MODVAT CREATE FACILITY:

<table>
<thead>
<tr>
<th></th>
<th>Opting</th>
<th>Not Opting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Amount of clearance</td>
<td>rate of duty applicable</td>
<td>rate of duty applicable</td>
</tr>
<tr>
<td>2. First clearance upto an aggregate</td>
<td>Nil duty</td>
<td>60% of normal duty will be applicable</td>
</tr>
<tr>
<td>not exceeding Rs. 50 lakh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>in a financial year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Next clearance upto an aggregate</td>
<td>5% add valorem duty</td>
<td>80% of normal duty nil</td>
</tr>
<tr>
<td>not exceeding Rs. 50 lakhs</td>
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<td>in a financial year</td>
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However, there are some items on which excise exemption/concession is not available whether the units opt for MODVAT credit facility or not.

Policy of Priority Credit:

SSI units are entitled for priority sector lending from the nationalized commercial banks.

(i) Out of 40% bank advances earmarked as priority sector lending about 15% to 17% has been flowing to SSI sector.
(a) Out of priority sector credit going to small scale sector 40% is earmarked for tiny units having investment in plant and machinery below rupees 5 lac.

(b) 20% for those tiny units whose investment in plant and machinery ranges between rupees 5 lac to 25 lac.

(ii) Loan upto rupees 25000 for SSI units.

(a) Rate of interest is 12.5%

(b) No margin is required

(c) No collateral security/third party guarantee is required.

(iii) Loan limits exceeding 25000 to 2 lac.

(a) Interest rate is 13.5%

(b) Collateral security/third party guarantee is as determined by the financing bank on merit of each case based on risk perception.

(iv) Above rupees 2 lac

(i) Interest rates are fixed by banks on their own interest rates based on credit rating and risk perception

**Equity Participation:**

For promoting and strengthening small, tiny and village enterprises, the government has allowed equity
participation by other industrial undertakings in small scale sector not exceeding 24% of the total share holdings of the SSI units to provide access to the capital market, encourage modernization and technological upgradation and give boost to anciliarization and sub-contracting leading to expansion of marketing and employment opportunities.

**Policy for Tiny Sector:**

For the promotion of small, tiny and village industries the government has announced in Aug., 1991 a separate package of facilities and incentives for promoting tiny industries some thing distinct as compared to the large small scale units. After August 1991 various other measures were also taken. Highlights of these steps are the following:

(a) Reservation in the definition of tiny sector in Dec. 1997 by enhancing the investment ceiling in plant and machinery from rupees 5 lac to rupees 25 lac in order to modernize/upgrade technologies and facilitate them to expand/diversify activities and become more competitive.

(b) Earmarking of 60% of credit flowing to SSI sector under priority sector lending programme of banks in March 1998 for tiny units (40% for the tiny units
having investment in plant and machinery upto rupees 5 lac and 20% share to units having investment in plant and machinery between 5 lac to 25 lac), to ensure that credit earmarked for the tiny sector is not cornered by the large units within the sector.

(c) Enhancement of loan limit under composite loan scheme of SIDBI in September 1994 from 50 thousand to rupees 2 lac in order to ensure availability of term loans and working capital at one place to the tiny units.

(d) Expanding the scope of national equity fund scheme of SIDBI since 1995-96 to cover expansion, modernization, diversification and technological upgradation- alongwith removal of locational restriction within (except for metropolitan areas ) and raising ceiling of assistance from rupees 1.5 lacs to rupees 2.5 lacs per project.

(e) Launching of Prime minister’s Rozgar Yojna in October 1993, a special scheme of employment generation through setting up of micro-enterprises/tiny units for educated unemployed youths.
(f) Higher subsidy on loan for village industries project, costing up to rupees 10 lac and additional 10% over rupees 10 lac project costing up to 25 lac since 1.4.1995.

(g) A large number of tiny units which are unregistered were made entitled to for the same rate of excise exemption as available to registered units since 1994-95. Now excise exemption limit for SSI's including tiny units has been enhanced from rupees 30 lacs to rupees 50 lacs from 1.6.98.

Quality Improvement:

For exporting goods to other countries ISO-9000 quality norms are important, without it may not be possible to export the goods to other countries. Due to significant contribution by this sector in countries export and to face the threat coming in the way of export in future because of ISO-9000 barrier; office of DC (SSI) has implemented the schemes to give incentives to small industries acquiring ISO-9000. The incentive provides the reimbursement of the charges for acquiring ISO-9000 certification to the extent of 75% of cost, subject to the maximum rupees 75000 in each case.
The number of units assisted during 1996-97 and 1997-98 are 74 and 88 and the amount reimbursed is rupees 42,99,828/- and rupees 50,56,501/- respectively. None of the units of J & K are benefited under the scheme.

**Import Export Policy:**

The contribution of SSI to India's total export is quite significant and value of export in the development of economy compels the policy makers to adopt export promotion policy programmes. Small Scale Sector suffers from certain disadvantages as compared to the large scale sector viz. non-availability of economics of scale, poor resource base, poor access to raw material etc. To compensate them on account of above disadvantage is another idea behind export promotion policies and programmes.

The import-export policy allows, various export/import entitlements to exporting units under different schemes. These schemes primarily relate to advance licensing scheme, duty entitlement passbook scheme under the duty exemption scheme and other schemes of 100% Eous, Epz for setting up of units proposals received from SSI units are considered and recommended for grants of
various licenses /entitlement to the importers to help them meet their requirement of raw material. Imports under some of the schemes are allowed duty free or at concessional rate of custom duty.

**Industrial Policy of J & K Government:**

Due to political, social and economic factors, the government was less interested in the development of industrial sector and unwillingness on the part of people to invest in the sector. Government of Jammu and Kashmir announced first industrial policy in 1961 which was revised in 1972, 1983, 1984 and in 1995. These policies are only the formality on the part of government and always remain on paper. No significant achievement has been made during the last 50 years:


Previous policy of protection for the local industry has
been abandoned and opened its door for national and foreign investment mainly due to the demand of economic liberalization at the national and international level.

**Highlights Of The New Policy For SSI:**

1. Existing units that expand their capacity by 25% shall be treated as new units for capital investment subsidy (CIS). Benefit of exemption of GST, CST and additional toll tax to existing SSI units to continue.

2. Price preference in government purchases raised up to 15% from 12.5%.

3. Cent percent subsidy on DG sets to the extent of 1000 KWS from the existing 10KWS.

4. The limit of 25% capital investment for cent percent subsidy on testing equipment to go on SSI units if total cost of such equipment does not exceed rupees 5 lac., exemption from payment of stamp duty shall continue.

5. 50% subsidy on R & D expenditure if under taken by an internal organization and 25% in case of in house subject up to rupees 5 lac.

6. 75% subsidy in training expenditure in case of women
trainers and 50% in other.

7. 75% additional CIS on construction of tube wells or water lifting plant to a maximum of rupees 22.50 lac.

8. Capital investment subsidy shall be available for the SSI units @ 30% of the capital investment subject to an upper limit of Rs. 30 lacs.

9. For prestigious units having capital investment of rupees 25crore or more CIS would be available up to 75lac in trust area and rupees 60lac in other areas.

10. 100% subsidy would be available on project feasibility reports and testing equipment for maintaining quality standard.

11. 100% subsidy would be given on purchase of diesel generating sets up to one megawatt.

12. No electricity duty shall be levied by the government on installation of captive power generation plant by the industrial units. The government has allowed 100% subsidy on new DG sets of 10 KW to 1000KW capacity in two installments, 50% subsidy would be paid on verification of installation and remaining 50% after the expiry of one year of installation. These sets shall not
be allowed to shift from the state at least for 10 years or to another unit except with the approval of Director industries. While the industrial units would be required to pay the prevailing power tariff for industrial units, the policy however, provides for an option to the prestigious units to pay a unit for a period of five years and change in tariff during this period will have no effect on the said unit.

13. To encourage technocrats like engineers and MBA degree holders, 5% subsidy would be provided on term loans. 14.5% subsidy shall be available for SSI units on the working capital facilities available from the commercial banks upto 31.03.2003. For existing units and to all new units for the period of 5 years from the date of production, subject to the item for manufacturing is not on the negative list.

14. Prestigious units in trust area will also be exempted from GST/CST and toll tax for a period of 5 years or until the amount of such exemption reaches 150% of their capital investment, whichever is earlier.

15. The policy provides exemption or additional/special toll
tax for medium and large scale units for 5 years if goods manufactured are sent outside the state for sale.

16. A special industrial revival fund has been created for rehabilitation of sick industrial units. Out of the fund soft loans would be available at the nominal one percent annual interest up to the maximum of rupees 30lac. The requirement would be assessed by the rehabilitation committees.

17. As regards allotment of land which is available on 90 years lease, policy provides for further capital subsidy of 50% at the time of availing of term loans for construction work. The plot alloted shall be transferable subject to some stipulations and the use of land shall not be changed for any other purpose.

18. a. SSI units shall be required to pay only 50% of the amount of earnest money prescribed by the tendering authority or Rs. 5000 whichever is less.

b. Tender documents shall be supplied to the SSI units at 50% of the price of the documents or Rs. 100 whichever is less.

19. a. There will be no additional or special toll tax on the
raw material, fuel, and consumable goods procured from outside the state by the existing local SSI units till 31.3.2003 and by new units for a period of 5 years from the date of production, except on items brought on the negative list from time to time.

b. Same concession is available for components, plants, machinery and building material from the date of registration.

20.a There will be no General Sales Tax (GST) on sales of finished goods by the existing local SSI units till March 2003 and for a period of 5 years from the date of production in case of new SSI units except on items brought on negative list.

b. There will be no GST on purchase of machinery and equipment for construction of the factory for a period of 5 years from the date of provisional registration by the SSI units.

21. The local existing units shall be exempted from the charging and payment of CST on sale of their finished goods outside the state upto March 2003 and the new units for a period of five years from the date of production.
22. Air freight subsidy shall be available on finished goods for any destination @ 50% subject to a maximum of Rs. 5 lakh for units for a period of 5 years from the date of production.

**Incentives/facilities/concessions available to small scale industries in J & K.**

The main responsibility for the development of small scale industries rests with the state /UT government. The J & K government provides a wide range of facilities, concessions and incentives. In order to avail such facilities the SSI are required to register with Director of industries. As per information supplied by directorate of industries following facilities/incentives are provided.

**Land developed industrial plots, shed and industrial estate.**

The main problem of small scale industries is plant location. It is important for entrepreneurs to select a suitable place where raw material, skilled labour, and other facilities such as power supply, banking services, transport facilities by road and rail and conducive atmosphere for industrial development are easily available.
To overcome these problems a number of industrial areas have been set up and various steps are being taken to help the development of industries.

State government acquires land and develops industrial plots, sheds and industrial estates and allots land and industrial sheds to new units on nominal rates for all types of small industries except those causing pollution.

There are 40 industrial estates in J & K state till 31-3-98 covering about 21545.35 Kanals of land out of which 29 industrial estates are under the direct control of DIC. The largest number of industrial estates are in Srinagar district out of which three are under DIC followed by Jammu district 6, out of which 4 are under DIC. In Jammu district Bari Bharma industrial complex is one of the leading industrial complexes in the state and has emerged as one of the most important areas for industrial activities. In DODA district no industrial estate has so far developed.

Table 3.1 reveals that 25 industrial estates are in Kashmir region with an area of 12105.12 kanals and out of which 16 are under DIC with an area of 1031.24 kanals.

In Jammu division about half of Kashmir division, i.e., 13 industrial estates out of which 11 are under DIC with
### Table - 3.1
Position of Industrial Estates in Jammu & Kashmir

<table>
<thead>
<tr>
<th>Region/District</th>
<th>No. of Estates</th>
<th>Area in Kanal</th>
<th>No. of Estates under DIC</th>
<th>Areas DIC</th>
</tr>
</thead>
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<tr>
<td><strong>(A) Kashmir Region:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Srinagar</td>
<td>7</td>
<td>2573.06</td>
<td>3</td>
<td>250.06</td>
</tr>
<tr>
<td>2. Budgam</td>
<td>2</td>
<td>1249.00</td>
<td>1</td>
<td>100.00</td>
</tr>
<tr>
<td>3. Anantnag</td>
<td>5</td>
<td>387.06</td>
<td>5</td>
<td>387.06</td>
</tr>
<tr>
<td>4. Pulwema</td>
<td>5</td>
<td>7883.00</td>
<td>2</td>
<td>86.12</td>
</tr>
<tr>
<td>5. Baramulla</td>
<td>4</td>
<td>195.00</td>
<td>4</td>
<td>195.00</td>
</tr>
<tr>
<td>6. Kupwar</td>
<td>2</td>
<td>118.00</td>
<td>1</td>
<td>13.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25</td>
<td>12105.12</td>
<td>16</td>
<td>1031.24</td>
</tr>
</tbody>
</table>

| **(B) Jammu Region:** | | | | |
| 7. Jammu | 6 | 6485.14 | 4 | 282.14 |
| 8. Udhampur | 2 | 1100.00 | 2 | 1100.00 |
| 9. Kathua | 3 | 1161.09 | 3 | 1161.09 |
| 10. Rajouri | 1 | 52.00 | 1 | 52.00 |
| 11. Poonch | 1 | 26.00 | 1 | 26.00 |
| 12. Doda | -- | -- | -- | -- |
| **Total** | 13 | 8824.23 | 11 | 2621.23 |

| **(C) Ladakh Region** | | | | |
| 13. Leh | 1 | 500.00 | 1 | 500.00 |
| 14. Kargil | 1 | 116.00 | 1 | 116.00 |
| **Total** | 2 | 616.00 | 2 | 616.00 |
| **Grand Total** | 40 | 21545.35 | 29 | 4268.47 |

**Source:**

an area of 2621.13 kanals out of the area of 8824.23 kanals.

In Ladakh division there are only two industrial estates and both are under the control of DIC and the total area is about 616 kanals. Upto 1997-98 total no. of sheds built were 828, out of which 806 are allotted for production purposes and 22 for other purposes.

**Raw Material:**

In J&K raw material is supplied to SSI units by Small Industrial Development Corporation, Steel Authority of India Limited (SAIL), Mineral and Metal Trading Corporation (MMTC) and State Forest Corporation on the assessment by District Industrial Centres and recommended by Director of Industries and Commerce.

For those Industries which require raw material from outside state, DIC has empowered the Director of Industries and Commerce to recommend which in turn recommends the cases to the Controller of import and export for granting import licences.

The central sales tax which is charged on material is refunded to these units at 4% up to 5 years from the date of commencement of the production.
Table-3.2 indicates that in 1994, 126 units with an amount of 200.74 lakhs were benefited from this scheme as compared to 356 in 1990-91 with total amount refunded Rs. 384.45 lakhs. The Table further shows that during last five years there is a decreasing trend in the number of units as well as the amount refunded.

2. Purchase of Machinery:

Due to the need of using modern technology in the production of small scale industries to compete with large scale industries, National Small Scale Corporation provides latest machinery on hire-purchase basis. The procedure of procurement of machinery is very cumbersome. After applying for machinery on hire-purchase at development regional office of NSIC, the regional office, forwards it to General Manager DIC, DIC in turn after recommending it sends to state level committee. After final approval from state level committee the unit is entitled for purchase of machinery on hire-purchase basis through NSIC.

The state Govt is refunding @ 4% central sales taxes on the machinery bought through DIC’s.

In 1994 an amount of Rs. 2.23 lakhs was refunded to 8 units as against 7.59 lakhs refunded to 30 units. Table-3.2 shows
Table - 3.2
Statement Showing the Expenditure Incurred on Packages of Incentives to SSI Units in J&K During Last Five Five Years From 1990-91 to 1994-95*

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<tr>
<td></td>
<td></td>
<td>No.</td>
<td>Amount</td>
<td>No.</td>
<td>Amount</td>
<td>No.</td>
<td>Amount</td>
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<td>1.</td>
<td>4% CST refund on raw material</td>
<td>356</td>
<td>355.45</td>
<td>187</td>
<td>564.53</td>
<td>57</td>
<td>25.93</td>
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<td>2.</td>
<td>4% CST refund on Machinery</td>
<td>30</td>
<td>7.59</td>
<td>36</td>
<td>8.66</td>
<td>22</td>
<td>6.12</td>
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<td>3.</td>
<td>60% D.G. Set Subsidy</td>
<td>14</td>
<td>13.04</td>
<td>8</td>
<td>7.71</td>
<td>26</td>
<td>30.51</td>
</tr>
<tr>
<td>4.</td>
<td>90% subsidy on project report</td>
<td>2</td>
<td>0.32</td>
<td>11</td>
<td>0.80</td>
<td>12</td>
<td>0.88</td>
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<tr>
<td>5.</td>
<td>50% subsidy on Testing Equipment</td>
<td>4</td>
<td>1.25</td>
<td>2</td>
<td>0.71</td>
<td>2</td>
<td>0.49</td>
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<tr>
<td>6.</td>
<td>3.5% interest subsidy</td>
<td>39</td>
<td>7.62</td>
<td>22</td>
<td>5.88</td>
<td>22</td>
<td>10.75</td>
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<tr>
<td>7.</td>
<td>100% subsidy on ISI Mark Free</td>
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<td>0.54</td>
<td>3</td>
<td>0.29</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>8.</td>
<td>90% Transport subsidy</td>
<td>47</td>
<td>284.33</td>
<td>25</td>
<td>219.36</td>
<td>25</td>
<td>109.44</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>495</td>
<td>700.14</td>
<td>294</td>
<td>807.94</td>
<td>160</td>
<td>184.12</td>
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</table>

Source: Compiled from "A Hand Book of Industrial Statistics of J&K State", Published by Directorate of Industries and Commerce Planning and Statistical Section 1998, p. 94-100.

* The breakup of Expenditure is not available from 1995-96 to 1997-98. Total Expenditure on these incentives is highlighted in Table 3.3.
that there is decreasing trend both in the number of units and amount.

3. **Subsidy on Diesel Generating Sets:**

In order to overcome electricity problem govt. of J&K grants subsidy to those units which want to purchase diesel generating sets. For purchase of diesel generating set a subsidy of 60% of actual cost for small scale units was given now 100% subsidy is given. An examination of the table shows that only 21 units have benefited under this scheme in 1994-95 with an amount of 27.24 lakhs. If we compare the progress of last 5 years, it depicts that the number of which units got benefited under this schemes remains the same. In 1992-93 it was only 8 units, after that during next three years the number of units benefited remains the same.

4. **Subsidy on Project and Testing Equipment:**

The state govt re-imburse the cost of preparation of project report. The small scale industrial units get 90% of the cost of prepared project report, of 5% of project cost or 25000, which ever is less.

During last 5 years 30 units have been provided subsidy with an amount of 253 lakh in favour of small scale units.
In case of testing equipment for maintaining quality standard, 50% subsidy was available. During last 5 years about 11 units have benefited under this scheme with an amount of 3.13 lakhs.

In new industrial policy 100% subsidy would be available on project feasibility report and testing equipment.

**Subsidy on ISI Mark -Free:**

The cost of Indian Standard Institute Mark on registration and on annual fees, 100% subsidy is given in small scale units.

The government has spent Rs. 1.72 lakhs on this scheme for 5 units in 1994-95.

**Interest Subsidy:**

State government provides interest subsidy to entrepreneurs on terms loans which they get from state financial institutions and Scheduled banks.

Interest subsidy is provided to units on 3.5% interest charged by financial agencies as against granting loan for small scale units.

During the last 8 years about 112 units have received the benefit under this scheme with an amount of 30.77 lakhs.
Transport Subsidy:

90% transport subsidy is provided on transportation of raw material from rail-head to destination and export of finished goods up to rail head from the unit.

As compared to other schemes the number of units benefited under this scheme are more and apart from expenses on refunding CST Govt. spend a large amount under this scheme. As revealed by the table about 202 units got benefited with an amount of 1000 lakhs.

After 1994-95 the expenditure breakup of all these incentives provided was not available. The information supplied by Directorate of Industries and Commerce about total expenditure on these incentives is shown in Table 3.3, (Point No. 10). In 1994-95 expenditure on these incentives was about 234 lacs as against 1036.37 lacs showing an increase of three times.

Other Schemes:

There are various other schemes also but the units benefited under these schemes are nominal.

Apart from packages of incentives, there are 18 other schemes for development of SSI sector in Jammu and
### Table - 3.3
Scheme Wise Outlay Expenditure - SSI Sector in Jammu & Kashmir

(Rs. in lacs)

<table>
<thead>
<tr>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Capital</td>
<td>Capital</td>
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<tr>
<td></td>
<td></td>
<td>124.60</td>
<td>69.28</td>
<td>35.92</td>
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<tr>
<td></td>
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</tr>
<tr>
<td>1</td>
<td>Direction &amp; Administration</td>
<td>91.00</td>
<td>55.00</td>
<td>133.86</td>
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<tr>
<td>2</td>
<td>Publicity/Publication/Seminar</td>
<td>15.00</td>
<td>10.81</td>
<td>30.00</td>
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<td>3</td>
<td>Entrepreneur Dev Programme</td>
<td>10.00</td>
<td>10.00</td>
<td>63.63</td>
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<tr>
<td>4</td>
<td>Project Report/Tech.Consults.</td>
<td>2.00</td>
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<td></td>
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<tr>
<td>5</td>
<td>Interest on Differentials</td>
<td>10.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Margin Money to Sick Units</td>
<td>2.00</td>
<td>2.00</td>
<td>0.50</td>
</tr>
<tr>
<td>7</td>
<td>Rehabilitation of Sick Units</td>
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<td></td>
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<td>8</td>
<td>Stipend to Technocrates</td>
<td>1.00</td>
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<td>9</td>
<td>Training Study Tours</td>
<td>1.00</td>
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<td></td>
</tr>
<tr>
<td>10</td>
<td>Packages of Incentives</td>
<td>1635.00</td>
<td>1635.00</td>
<td>2245.32</td>
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<tr>
<td>11</td>
<td>Misc. Expenditure(DIC Bldg.)</td>
<td>60.00</td>
<td>60.00</td>
<td>29.50</td>
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<tr>
<td>12</td>
<td>Restoration of D/Assets</td>
<td>50.00</td>
<td>50.00</td>
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<td>13</td>
<td>Non-recurring Exp.</td>
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<td>14</td>
<td>Exhibition Setup</td>
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<tr>
<td>15</td>
<td>50% subsd. on Purch.of K.Mach.</td>
<td>15.00</td>
<td>15.00</td>
<td>0.32</td>
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<tr>
<td>16</td>
<td>Estab.of Kneeting Tr.Centre</td>
<td>53.00</td>
<td>14.00</td>
<td>85.51</td>
</tr>
<tr>
<td>17</td>
<td>Training to DIC Setup</td>
<td>3.00</td>
<td></td>
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</tr>
<tr>
<td>18</td>
<td>DIC Loan</td>
<td>10.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Estab.of DICs</td>
<td>1041.50</td>
<td>14.00</td>
<td>1546.25</td>
</tr>
</tbody>
</table>

**Total Sector (A):** 1877.50 1812.00 2483.12 2394.21 592.98 491.99 97.00 573.20 389.73 285.78

**District Sector:**

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<tr>
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<tbody>
<tr>
<td></td>
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<td>Capital</td>
<td>Capital</td>
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<td>69.28</td>
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<td>50% subsd. on Purch.of K.Mach.</td>
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<td>15.00</td>
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<td>Estab.of DICs</td>
<td>1041.50</td>
<td>14.00</td>
<td>1546.25</td>
</tr>
</tbody>
</table>

**Total (B):** 1122.50 53.00 1632.48 3.51 167.02 225.30 240.76 262.80 221.60 282.69

**Grand Total (A+B):** 3000.00 1865.00 4115.60 2397.82 760.00 717.29 337.76 836.00 621.33 568.47
### Table - 3.3 (Contd....)
Scheme Wise Outlay Expenditure - SSI Sector in Jammu & Kashmir (Rs.in lacs)

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<tr>
<td>13</td>
<td>59.38</td>
<td>49.38</td>
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<td>14</td>
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<td>1.84</td>
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<td>--</td>
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<td>Total</td>
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(B) **DISTRICT SECTOR:**

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<td>19</td>
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<td>297.78</td>
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<td>854.00</td>
<td>859.00</td>
<td>570.90</td>
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</tbody>
</table>

**Source:** By courtesy Diectorate of Industries and Commerce, Planning and Statistical Section (Unpublished Material), Jammu & Kashmir Government.
Kashmir. But as is clear from Table 3.3, out of total schemes, on 12 schemes not a single penny has been spent for several years. These schemes are only on papers. On rehabilitation of sick units no amount was spent on these schemes. Out of the total outlay for all schemes, most of the amount has been spent only on some selected schemes.

Out of total expenditure in 1996-97 on these schemes, a handsome amount was spent on direction and administration (77.94 lac), EDP (51.60 lakhs) and establishment of District Industries Centre (418.18 lacs). As far as publicity and seminar schemes are concerned a little amount was alloted in past. In 1996-97 2.5 lacs was the total expenditure on these schemes.

Several training camps, seminars and programmes have been launched by central and state governments to motivate the entrepreneurs to improve quality of production and profitability of small scale industries.

One of the most important programmes is Entrepreneurs Development Programme (EDP). The main objective of the programme is to identify persons with entrepreneurial quality, to motivate them and train them through a structured training course, so as to enable them
to set up their tiny and small industrial units with the help of assistance available from different agencies. The programme is undertaken through intensive campaign at a cost of Rs. 5000 per programme and training course at an expenditure of Rs. 20,000 for 30 participants for a duration of 4 weeks.

For that, course fee of Rs. 500 and Rs. 200 per participant is charged for metro and non-metro states respectively and for SC/ST students there is 50% concession in fees. In 1996-97 an amount of 51.60 lacs was spent on this programme.

During the last 10 years the state has conducted 31 seminars in various parts of state and trained about 700 candidates. These seminars were organised by J&K Technical and Consultancy Organisation (J&K ITCO). Out of 31, 22 places are situated in Jammu, 8 in Kashmir and Ladakh regions.

Conclusion:

The position and progress as of SSI discussed in this chapter depicts a very pathetic picture, large and medium scale industries are very few, small scale industries and cottage industries no doubt are in large number but these
are mostly of traditional character using outdated technology and due to lack of professional heritage the progress is not commendable. Although various schemes and programmes have been launched by government, yet due to the government and the people, the state still depicts the picture of industrial backwardness. This sector will not progress unless these schemes are fully implemented and their progress is evaluated. Proper monitoring system is essential, so that the expenditure incurred on these schemes gives fruitful results. Most of the states of India have registered progress in the number of units, product, employment and export but the state of J&K shows reverse trend. The expenditure of government on these schemes is decreasing year by year and the attitude of government is also thought provoking.

These units which avail incentives under various schemes as data provided by Department of Statistics and planning, shows the number of functional units is decreasing and number of closed or de-regd, un-traceable or occupied units by security forces is increasing. A huge sum is blocked in these units which hampers the growth of industrial development (Appendix V).
References:


5. Govt. of India Industrial Policy Resolution dated 30 April 1956.

6. Ibid.


9. By Courtesy, Ministry of Commerce and Industry,
vide their letter No. 12551(A)(138)/5 dated 19.3.1959.


12. "Information Broucher" By Courtesy General Manager, JKSFC.


b. By Courtesy Development Commissioners, Small Scale Industry, New Delhi.

14.(a) Extracts from Local Newspapers of May 15, 1998 (Daily Excelsior, Kashmir Times and J&K News Lines)

(b) Spectrum Published by Small Industrial Development Corporation Vol. I, No. II. October 1998.

(c) By Courtesy, Directorate of Industries and Commerce, Jammu & Kashmir Government.