

Small scale industryMeaning and Definition of Small scale:

From scale point of view, industry may be classified under two broad categories (i) Large scale industry and (ii) Small scale industry. Small scale industries are those which are carried on a small scale. Under the factories Act, the small-scale industry was defined as a business unit employing less than 50 persons with power and less than 100 persons without power. Thus the small-scale unit is one which the investment in plant and machinery do not exceed Rs 5 crore.

SSI Sector

On 1 November 1, 2012 Reserve Bank of India issued a notification to define sickness of micro and small enterprise (MSE) and procedure for assessing their viability. According to this notification "An MSE is considered sick when any of the borrowed account of the enterprise remains NPA (Non-performing assets) for three months or more or there is erosion in the net worth due to accumulated losses to the extent of 50 percent of its net worth."

SSI policy

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The Government announced a new policy for the small-scale sector on 6th August 1991. The policy ensures many incentives for the small-scale sector. The main thrust of new policy is to induce the small-scale units to contribute their mite to the economy in terms of higher output, employment and exports. The salient features of the new policy are listed below: -

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1. Investment Ceiling: The policy has increased the investment limit in plant and machinery for small scale units from Rs 35 Lakhs to Rs 60 Lakhs.

In respect of ancillary units, the investment limit has been increased from Rs 4 Lakhs to Rs 75 Lakhs and for tiny sector enhanced from Rs 2 Lakhs to Rs 5 Lakhs. In respect of export oriented small-scale units, the investment limit was fixed at Rs 75 Lakhs.

At present the investment limit for small and ancillary units is Rs 3 Crore and for the tiny sector the investment limit is Rs 75 Lakhs.

2. Export development Centre in SIDO - As Export Development Centre in the Small Industries Development Organization. The SIDO has been recognized as the Nodal Agency to support small-scale industries in export promotion.

3. Technology Development Cell in SIDO: The policy also proposed to set up a Technology Development (TDC) in Small Industries Development Organization which would provide technology inputs to improve productivity.

4. Marketing of Mass Consumption Items under Common Brand Name! - The policy envisages that the National Small Industries Corporation (NSIC) would concentrate on marketing mass consumption items under a common brand name in association with the State Small Industries Development Corporation.

5. National Equity Fund scheme! - It has been decided to widen the scope of the National

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9 * Monopolies and Restrictive Trade Practices (MRTA) Act 1969

10 To curb and control the monopolistic and restrictive trade practices of the large business houses, the

11 Government of India adopted the Monopolies and Restrictive Trade Practices (MRTA) Act in 1969.

12 In the era of LPG (Liberalization, privatization and globalization) it was felt that

1 the existing Monopolies and Restrictive Trade Practices Act, 1969 has become obsolete in certain respects and

2 there is a need to shift our focus from curbing monopoly to promoting competition. Hence a new law,

3 the Competition Act has been enacted and published in the gazette of India on 14 January 2002 for bringing

4 competition in the Indian market.

5 Competition Act 2002

6 Following the Report of the Raghavan Committee, the Government of India passed the Competition Act in

7 December 2002 which was enforced as an act of Indian Legislation.

Objectives ! The main objective of the Act are!

1. To provide for the establishment of the Commission to prevent practices having adverse effect on competition.

NOTES

Competition.

2. To promote and sustain competition in markets in India.

3. To protect the interest of consumers.

- To ensure freedom of trade carried on by participants in market in India.
- To curb negative aspects of competition through the medium of CCI.
- To promote and sustain competition in markets.
- To protect the interest of consumers.
- To ensure freedom of trade carried on by other participants in markets in India.
- To create a fund to be called the Competition Fund.

public enterprises

Meaning of public enterprises :- public enterprises are known as public undertakings, public sector undertakings or commercial and industrial undertakings of the government - national, state or local. public enterprises in business denotes undertakings which are controlled and operated by the government as the owner.

A public enterprise according to Merriam Webster, Britannica, is defined as "an undertaking that is owned by a national, state, or local government, supplies goods or services at a price and is operated on a more or less self-supporting basis."

H. Hanson, "public enterprises mean state ownership and operations of industrial, agricultural, financial and commercial undertakings."

Khanna :- By public enterprises is meant the industrial and economic activities carried

government or by the central government or jointly
by the central government and a state government.

From the study of above definitions and also given by other experts we concluded that "By public enterprise is meant the industrial, commercial and economical activities - which are either wholly or jointly owned, managed, controlled or operated by central, state or other local government."

Public Enterprises in Industrial Policy!

(1) Reduction in Reserved Enterprises in public sector.

Number of industries exclusively reserved for public sector has been reduced from 17 to 3, viz.

- (1) Atomic Energy (2) mining of atomic minerals and (3) Railway transportation. All other industries henceforth form part of private sector.

Revival of sick industries! - public enterprises

which are chronically sick and which are unlikely to be turned around will for the formulation of Revival Schemes, be referred to the BIFR Board of Industrial and Financial Reconstruction.

Reforms in handling of Memorandum of understanding. There would be a greater thrust on performance

improvement and management would be granted greater autonomy through memorandum of understanding (MOU) and would be held accountable.