

**GOVERNMENT OF INDIA  
SMALL SCALE INDUSTRIES  
LOK SABHA**

UNSTARRED QUESTION NO:483  
ANSWERED ON:07.07.2004  
RESERVATION OF ITEMS IN SMALL SCALE INDUSTRIES  
Mahato Shri Bir Sing

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

- (a) whether there is any advisory committee to decide the cases of reservation and non reservation of items for manufacture in the area of small scale industries;
- (b) if so, the composition of the committee and the areas the committee members represent;
- (c) the reasons for the recommendations of items to be reserved and the reaction of the Government in this regard; and
- (d) the action taken by the Government to remove the anomaly prevailing in the case of reserved and non-reserved items?

**Answer**

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES ( SHRI MAHABIR PRASAD )

(a) & (b): Yes Sir. In pursuance of sub-section (2B) of section 29B of the Industries (Development & Regulation) Act, 1951 (65 of 1951) Government has constituted an Advisory Committee consisting of the following persons, for giving its expert advice in the matter of determining the nature of any article or class of articles that may be reserved for production by the ancillary or small scale industrial undertaking, namely:-

1. Secretary to the Government of India, Ministry of Small Scale Industries and Agro and Rural Industries- Chairman.
2. Secretary to the Government of India, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry- Member
3. Secretary to the Government of India, Department of Commerce, Ministry of Commerce and Industry- Member
4. Advisor, Village and Small Industries Division, Planning Commission- Member
5. Additional Secretary to the Government of India and Development Commissioner, Small Scale Industries- Member Secretary.

(c) The Advisory Committee while considering an item for reservation for exclusive manufacture in the small scale sector decides within the following prescribed criteria laid down in the ID & R Act, which is as follows:

- a. the nature of any article or class of articles which may be produced economically by the ancillary, or small scale, industrial undertakings;
- b. the level of employment likely to be generated by the production of such article or class of articles by the ancillary, or small scale industrial undertakings
- c. the possibility of encouraging and diffusing entrepreneurship in industry;
- d. the prevention of concentration of economic power to the common detriment, and
- e. such other matters as the Advisory Committee may think fit.

(d) Ministry of SSI consults the stakeholders to identify the cases of anomaly in the list of reserved items so that the matter can be referred to the Advisory Committee for their recommendations on desirable amendments to be made in the list of reserved items.