

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

UNSTARRED QUESTION NO:853

ANSWERED ON:02.03.2010

RESERVATION OF ITEMS FOR MSME SECTOR

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

- (a) whether any advisory Committee exists to decide the categorisation of items as reserved and unreserved for manufacturing in the small scale industry sector;
- (b) if so, the details of composition of the said Committee;
- (c) the details of guidelines laid down for reserving different items for the MSME sector;
- (d) whether some cases of violations of the said guidelines by big industries and Multi National Companies have been reported; and
- (e) if so, the details thereof alongwith the action taken against such industries and companies?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL & MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a) to (b): There is an Advisory Committee, provided under sub-section (2B) of section 29B of Industries (Development & Regulation) Act, 1951, 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 undertakings, namely:-

1. Secretary to the Government of India, Ministry of Small Scale Industries and Agro and Rural Industries (now MSME)-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 (now MSME)-Member-Secretary.

(c) The Advisory Committee, after considering the following matters, communicates its recommendations to the Central Government, namely:-

- (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) to (e) There are 18 such cases of violation of the said guidelines which include both big industries and Multi National companies. Action has been initiated against all the enterprises which have violated the policy of reservation for exclusive manufacture in MSE (SSI) sector in appropriate Court of Law.