

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

UNSTARRED QUESTION NO:1174
ANSWERED ON:01.12.2014
PROTECTION OF MSME
Lekhi Smt. Meenakashi

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

- (a) whether Micro, Small and Medium Enterprises Act 2006, has been effective in terms of the promotion of small scale industries in India;
- (b) if so, the details thereof;
- (c) whether a policy framework exists to protect the small scale industries from competition from foreign retailer who set up their own subsidiaries for sourcing instead of sourcing from domestic small scale industries after FDI in multi-brand retail was allowed, and if so, the details thereof; and
- (d) if not, the reasons therefor along with the corrective steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI GIRIRAJ SINGH)

(a)&(b): The provisions of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are effective in promotion and development of Micro and Small Enterprises (earlier known as Small Scale Industries). The implementation of important provisions of the Act such as Delayed Payment provisions and Public Procurement Preference Policy has been helping the promotion and development of the sector. The provision of Entrepreneurs' Memorandum filing, which replaces the erstwhile system of provisional and permanent registration, has led to simplification of the process.

(c)&(d): The policy relating to FDI in multi-brand in retail is under review of the new Government.