

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

UNSTARRED QUESTION NO:5451
ANSWERED ON:15.05.2007
PROMOTION OF SMALL SCALE INDUSTRIES
Saradgi Shri Iqbal Ahmed

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

- (a) whether the Government has decided to roll out the purchase preference policy for micro and Small Scale Industries (SSI) units;
- (b) if so, the details thereof;
- (c) whether the Government proposes to set up facilitation councils in the country;
- (d) if so, the details alongwith the present status thereof, State and Union Territory-wise particularly in Tamil Nadu; and
- (e) the time by which it is likely to be set up?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a) & (b): The Central Government has initiated necessary steps to frame a preference policy for products produced and services rendered by Micro and Small Enterprises (MSEs) under Section 11 of the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006. The Central Government already implements, through an executive order, a policy of preference to MSEs in purchases by its Ministries/Department/CPSUs, etc. This non-statutory policy includes reservation of certain products for exclusive purchase from MSEs, facilitation of these units by way of provision of tender sets free of cost, exemption from deposit of earnest money, price preference of up to 15%, etc. Many of the State Governments also follow their own policies of preference for the benefit of MSEs.

(c): Yes, Sir.

(d) & (e): The MSMED Act, 2006 makes it mandatory for each State Government to constitute at least one Micro and Small Enterprises Facilitation Council (MSEFC) in its jurisdiction, after notifying the Rules governing them. The Government of India framed Model Rules for MSEFCs to assist the State Government in that activity. According to the information made available to the Central Government, 9 States/UTs have so far constituted MSEFCs after notifying their Rules. The State Government of Tamil Nadu has notified the constitution of 4 MSEFCs at Chennai, Tiruchirapalli, Madurai and Coimbatore.