

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

UNSTARRED QUESTION NO:6136  
ANSWERED ON:04.05.2010  
MNCs IN SMALL INDUSTRY SECTOR  
Chavan Shri Harischandra Deoram

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

- (a) whether several multi-national companies have sneaked into the small scale industrial sector by adopting irregular and illegal means;
- (b) if so, whether the Government has received any complaints from 'Bharatiya Laghu Udyog Mahasangh' regarding penalising such companies and to scrap the reservation meant for small scale sector; and
- (c) if so, the details thereof and action taken thereon?

**Answer**

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

- (a): Government has occasionally received information of violation of Policy of reservation for exclusive manufacture in SSI (now MSE) sector by non-SSI (non-MSE) units. Under the extant policy, a non-SSI (non-MSE) unit can manufacture items reserved for manufacture in the MSE sector after obtaining a licence under the Industries (Development & Regulation) Act, 1951, provided it undertakes an obligation to export a minimum of 50% of production.
- (b): No, Sir.
- (c): Does not arise.