

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

UNSTARRED QUESTION NO:6710
ANSWERED ON:17.05.2012
RESERVED ITEMS FOR SSI
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the items reserved for Small Scale Industries (SSIs) are being produced by big multinational companies;
- (b) if so, the details thereof alongwith the reasons therefor; and
- (c) if not, the reaction of the Government thereto?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) to (c): As per policy of reservation for exclusive manufacture in Micro & Small Enterprise (MSE) sector (earlier known as SSIs), non-MSE units including big multinational companies can't manufacture items reserved for exclusive manufacture in MSE sector. However, a non-MSE unit can undertake the manufacture of items reserved for exclusive manufacture in MSE sector in the following circumstances:

- (i) when a non-MSE undertaking existed prior to the date of reservation of the item being manufactured by it, after obtaining a carry-on-business (COB) licence;
- (ii) when a MSE unit grows to become a non-MSE unit, after obtaining a COB licence to continue the production of a reserved item;
- (iii) where any non-MSE undertaking intends to manufacture an item reserved for MSE sector, after obtaining a letter of intent(LOI)/Industrial Licence(IL) with an obligation to export a minimum of 50% of annual production;
- (iv) when a non-MSE unit is established in a Special Economic Zone(SEZ).