

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

UNSTARRED QUESTION NO:3913  
ANSWERED ON:21.03.2013  
FDI IN SMES SECTOR  
Jawale Shri Haribhau Madhav

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

- (a) whether the Government has identified profit-making/successful Small and Medium Enterprises (SMEs) in the country;
- (b) if so, the details thereof;
- (c) whether large scale industries are being encouraged for disinvestment affecting the Small and Medium Enterprises adversely;
- (d) if so, the reaction of the Government thereto;
- (e) whether Small and Medium Enterprises are likely to be affected adversely by allowing Foreign Direct Investment (FDI) in retail; and
- (f) if so, the steps taken by the Government to safeguard the interests of Small and Medium Enterprises?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI K.H. MUNIYAPPA)

(a)& (b): Ministry of MSME honours the top achievers of MSME sector by National Awards annually. Awards are offered to various categories of Entrepreneurship, Research & Development, Quality Products and innovation. Last year 95, 36 and 13 units were awarded in Entrepreneurship, Research & Development and Quality Product categories, respectively.

(c) & (d): There is no policy of the government to encourage disinvestment of large scale industries which may affect the Small and Medium Enterprises adversely.

(e): Foreign Direct Investment (FDI) in retail may bring along with it advance technology and capital to Micro, Small and Medium Enterprises (MSMEs) as well as increase their market share.

(f): It has been stipulated, inter alia, that at least 50% of total FDI brought in, shall have to be invested in 'backend infrastructure' within three years of the first tranche of FDI. To safeguard the interest of MSMEs it has been made mandatory that at least 30% of the value of procurement of manufactured / processed products purchased shall be sourced from Indian small industries by the Multi brand Retail. In respect of proposals involving FDI in single brand retail beyond 51%, sourcing of 30% of the value of goods purchased will be done from India, preferably from MSMEs, village and cottage industry, artisans and craftsmen, in all sectors.