

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

STARRED QUESTION NO:309

ANSWERED ON:12.02.2014

RESERVED CATEGORY PRODUCTS UNDER MSME

Ahir Shri Hansraj Gangaram; Danve Shri Raosaheb Patil

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

- (a) whether certain products have been put under the list of items reserved for exclusive manufacture in the Micro, Small and Medium Enterprises (MSME) sector to protect and promote it;
- (b) if so, the details thereof along with the stipulation in the policy of such reservation;
- (c) whether there has been any requests to include more products under the reserved category;
- (d) if so, the details thereof and the reaction of the Government thereto; and
- (e) the other measures taken by the Government to provide protection and facilities to the MSME sector in the country?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES (SHRI K.H.MUNIYAPPA)

(a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO.309 FOR ANSWER ON 12.02.2014

(a) & (b): Yes Madam. As on date, 20 items are reserved for micro and small enterprise (MSE) (earlier Small Scale (SSI) sector). The list of items reserved for MSE sector is annexed. Products are reserved for exclusive manufacture by MSE or small scale industries with the objective of their development and promotion by following the criteria laid down in sub-section (2C) of section 29B of the Industries (Development & Regulation) Act, 1951, as given below:

- (i) the nature of any article or class of articles which may be produced economically by the ancillary, or small scale, industrial undertakings;
- (ii) the level of employment likely to be generated by the production of such article or class of articles by the ancillary, or small scale industrial undertakings;
- (iii) the possibility of encouraging and diffusing entrepreneurship in industry;
- (iv) the prevention of concentration of economic power to the common detriment; etc.

(c) & (d) The Suggestions to reserve new items and de-reserve items reserved for exclusive manufacture in MSE sector have often been received. The review of the list of items reserved for exclusive manufacture in the micro and small enterprise sector is a continuous process.

(e) Government is conscious of low capital requirement and higher employment generation potential of MSEs and has taken steps to facilitate their development through a number of schemes and programmes. In pursuance of section 11 of the Micro, Small & Medium Enterprise Development (MSMED) Act, 2006, the Government has notified Public Procurement Policy for Micro and Small Enterprises (MSEs) order, 2012. In addition, Government implements schemes and programmes in the area of credit, skill development, cluster-based development, infrastructure, technology and marketing etc. for promotion and development of micro, small and medium enterprises.