

PROCUREMENT FROM MSME AND VENDOR DEVELOPMENT

Sl No	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1	Total procurement value	329.91	412.72	447.31	260.21	569.14
2	Total value of orders for HEMM, SDL, LHD,POL,and Iron and Steel etc. which are not manufactured by MSE's	193.31	128.08	172.44	90.88	364.6
3	Total value of procurement value excluding Sl No 02 above	136.6	284.64	274.87	169.33	204.54
4	Total value of goods and services procured from MSE's (including MSE's owned by SC/ST entrepreneurs	51.09	187.16	64.61	54.86	73.88
5	Total value of goods and services procured from only MSE owned by SC /ST entrepreneurs	Nil	Nil	Nil	Nil	0.073
6	Total value of goods and services procured from Women entrepreneurs	Not applicable	Not applicable	Not applicable	0.54	1.59
7	% of procurement from MSE(including MSE's owned by SC/ST entrepreneurs) out of total procurement value indicated at Sl No 3 above	37.4	65.75	23.52	32.4	36.12
8	% of procurement from only MSE's owned by SC/ST entrepreneurs out of value indicated at Sl No 4 above	Nil	Nil	Nil	Nil	0.1
9	% of procurement from only MSE's owned by Women entrepreneurs out of total procurement value indicated at Sl. No. 4 above	Not applicable	Not applicable	Not applicable	0.98	2.16
10	Total Number of vendor development programmes for MSE's	One	Nil	Nil	Nil	Nil
11	Confirmation of uploading MSE profile on your website by hyperlink of the same	Yes	Yes	Yes	Yes	Yes




Eastern Coalfields Limited
(A subsidiary of Coal India Limited)

Office of the Chairman-Cum-Managing Director,
Materials Management Department - Purchase Wing,
Sanctoria, PO- Disergarh, District- Burdwan, West Bengal - 713333
Telefax : 0341-2522061, email-eclmmhqr@gmail.com,
website : www.easterncoal.gov.in, CIN -U10101WB1975GOI030295

Year wise total procurement value and MSE procurement value

Sl	Particulars	FY 2011-12 (Rs-crore)	FY 2012-13 (Rs-crore)	FY 2013-14 (Rs-crore)	FY 2014-15 (Rs-crore)
1	Total annual procurement value.	183.69	238.05	372.47	337.41
2	Total value of orders for HEMM, SDL, LHD, POL and Iron & Steel etc which are not manufactured by MSEs.	115.60	152.54	295.46	101.33
3	Total annual procurement value excluding Sl 2 above.	68.09	85.51	77.01	236.08
4	Total annual value of goods & services procured from MSEs (including MSEs owned by SC/ST entrepreneurs).	21.95	21.18	39.92	61.47



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Ref: ECL/Pur/MSE /2014-15/50

9th July'2014

Office Order

Sub: Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012

FDs of ECL in the meeting held on 3rd June'2014 has approved the following,

1. The "Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012" shall be implemented in tenders pertaining to MM dept, ECL with immediate effect. Necessary clause shall be drafted in the tender document-as per the policy.
2. The benefits available under the ancillary policy of ECL as approved in the FDs meet held on 8th August'2001 shall also remain a part of tender document.
3. Almost all the ancillary units of ECL falls under MSE criteria but all MSE units are not ancillary units of ECL. If a tenderer qualifies as an ancillary unit (for the tendered item), in addition to being a MSE unit, then the benefits available under ancillary policy should only be available to the firm. However for MSE units which are not ancillary units of ECL, the MSE benefits as per MSE policy shall be available to them.
4. While furnishing reports as mandated by GOI, the orders placed on such ancillaries (who are also MSEs) shall be considered as orders placed on MSEs.

Copy of resolution circulated vide no ECL/CS/27(W)/5th of 2014/25 dated 9.6.2014 is enclosed. Copy of the ORDER dated 23rd March'2012, circulated by Addl Secy & DC (MSME) and subsequent OM dated 20th February (FAQ on the ORDER) circulated by Director; Ministry of MSME, Govt of India is enclosed for ready reference.

All concerned are requested to take necessary action as per approval of FDs.

Enclo : a/a

[Signature]

(R.K. Sinha)

General Manager(MM)(Pur)

PR

Cc: All officers of MM dept (Purchase).—by email

Cc: Purchase heads--all areas of ECL—by email

ईस्टर्न कोलफील्ड्स लिमिटेड
(कोल इण्डिया लिमिटेड का एक अंग)
अध्यक्ष-सह-प्रबंध निदेशक का कार्यालय
सांकतोडिया, पोस्ट-डिसरगढ़, जिला-बर्धमान (प.ब.)
कंपनी सचिवालय
टेलिफैक्स: 0341-2520546
सी.आइ.एन: U10101WB1975GOI030295
वेबसाइट: www.easterncoal.gov.in
Ref.No.ECL/CS/27 (W)/ 5th of 2014/25



Eastern Coalfields Limited
(A Subsidiary of Coal India Limited)
Office of the Chairman-cum-Mg. Director
Sanctoria, P.O. Disergarh-713333
Distt. Burdwan (W.B.)
Company Secretariat
Telefax: 0341 - 2520546
E-mail: eclcos17a@gmail.com
CIN-U10101WB1975GOI030295
Website: www.easterncoal.gov.in

Dated: 9.6.2014

To
General Manager (MM)
ECL, HQ, Sanctoria.

Sub: Minutes of the Meeting of Functional Directors of Eastern Coalfields Limited held on 3rd June, 2014- Item No.25.

Dear Sir,

Reproduced below is the relevant extract of the minutes of the Meeting of Functional Directors of Eastern Coalfields Limited held on 3rd June, 2014 at CMD's Office, ECL HQ with regard to Item No. 25.

Item No. 25 Implementation of Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012 in ECL tenders pertaining to MM Deptt. [Ref.No. Nil dated 21.5.2014 of CM (MM)]

Functional Directors after detailed deliberation approved the proposal for implementing the Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012 as brought out in the agenda.

Action:GM(MM)

Related file/proposal pertaining to above has already been received by your Deptt. on 3.6.2014.

This is for your information and necessary action please.

Yours faithfully,

(V.R.Reddy)
Company Secretary

CMC (MM)
Date
11/6/14

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Ministry of Micro, Small and Medium Enterprises
Office of Development Commissioner (MSME)

New Delhi,
The 23rd March, 2012

ORDER

Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012

Whereas, the Central Government Ministries, Departments and Public Sector Undertakings shall procure minimum of 20 per cent of their annual value of goods or services from Micro and Small Enterprises;

And whereas, the Public Procurement Policy shall apply to Micro and Small Enterprises registered with District Industries Centers or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of Micro, Small and Medium Enterprises;

And whereas, the Public Procurement Policy rests upon core principles of competitiveness, adhering to sound procurement practices and execution of orders for supply of goods or services in accordance with a system which is fair, equitable, transparent, competitive and cost effective; and

And whereas, for facilitating promotion and development of micro and small enterprises, the Central Government or the State Government, as the case may be, by Order notify from time to time, preference policies in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries or Departments, as the case may be, or its aided institutions and public sector enterprises.

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Now, therefore, in exercise of the powers conferred in section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act 2006, the Central Government, by Order, notifies the Public Procurement Policy (hereinafter referred to as the Policy) in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries, Departments and Public Sector Undertakings.

2. Short title and commencement. -

(1) This Order is titled as 'Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012'.

(2) It shall come into force with effect from 1st April 2012.

3. Mandatory procurement from Micro Small and Enterprises. - (1) Every Central Ministry or Department or Public Sector Undertaking shall set an annual goal of procurement from Micro and Small Enterprises from the financial year 2012-13 and onwards, with the objective of achieving an overall procurement of minimum of 20 per cent, of total annual purchases of products produced and services rendered by Micro and Small Enterprises in a period of three years.

(2) Annual goal of procurement also include sub-contracts to Micro and Small Enterprises by large enterprises and consortia of Micro and Small Enterprises formed by National Small Industries Corporation.

(3) After a period of three years i.e. from 1st April 2015, overall procurement goal of minimum of 20 per cent shall be made mandatory.

(4) The Central Ministries, Departments and Public Sector Undertakings which fail to meet the annual goal shall substantiate with reasons to the Review Committee headed by Secretary (Micro, Small and Medium Enterprises), constituted in Ministry of Micro, Small and Medium Enterprises, under this Policy.

4. **Special provisions for Micro and Small Enterprises owned by Scheduled Castes or Scheduled Tribes.** — Out of 20 per cent target of annual procurement from Micro and Small Enterprises, a sub-target of 20 per cent (i.e., 4 per cent out of 20 per cent) shall be earmarked for procurement from Micro and Small Enterprises owned by the Scheduled Caste or the Scheduled Tribe entrepreneurs. Provided that, in event of failure of such Micro and Small Enterprises to participate in tender process or meet tender requirements and L1 price, 4 per cent sub-target for procurement earmarked for Micro and Small Enterprises owned by Scheduled Caste or Scheduled Tribe entrepreneurs shall be met from other Micro and Small Enterprises.

5. **Reporting of targets in Annual Report.** — (1) The data on Government procurements from Micro and Small Enterprises is vital for strengthening the Policy and for this purpose, every Central Ministry or Department or Public Sector Undertaking shall report goals set with respect to procurement to be met from Micro and Small Enterprises and achievement made thereto in their respective Annual Reports.

(2) The annual reporting shall facilitate in better understanding of support being provided by different Ministries or Departments or Public Sector Undertakings to Micro and Small Enterprises.

6. **Price quotation in tenders.** — (1) In tender, participating Micro and Small Enterprises quoting price within price band of L1+15 per cent shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise and such Micro and Small Enterprise shall be allowed to supply up to 20 per cent of total tendered value.

(2) In case of more than one such Micro and Small Enterprise, the supply shall be shared proportionately (to tendered quantity).

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7. **Developing Micro and Small Enterprise vendors.** – The Central Ministries or Departments or Public Sector Undertakings shall take necessary steps to develop appropriate vendors by organizing Vendor Development Programmes or Buyer-Seller Meets and entering into Rate Contract with Micro and Small Enterprises for a specified period in respect of periodic requirements.

8. **Annual Plan for Procurement from Micro and Small Enterprises on websites.** – The Ministries or Departments or Public Sector Undertakings shall also prepare Annual Procurement Plan for purchases and upload the same on their official website so that Micro and Small Enterprises may get advance information about requirement of procurement agencies.

9. **Enhancing participations of Micro and Small Enterprises including those owned by Scheduled Castes or Scheduled Tribes in Government procurements.** – For enhancing participation of Scheduled Castes or Scheduled Tribes in Government procurement, the Central Government Ministries, Departments and Public Sector Undertakings shall take following steps, namely:-

- (a) Special Vendor Development Programmes or Buyer-Seller Meets shall be conducted by Departments/Public Sector Undertakings for Scheduled Castes or Scheduled Tribes;
- (b) Outreach programmes shall be conducted by National Small Industries Corporation to cover more and more Micro and Small Enterprises from Scheduled Castes or Scheduled Tribes under its schemes of consortia formation; and
- (c) National Small Industries Corporation shall open a special window for Scheduled Castes or Scheduled Tribes under its Single Point Registration Scheme (SPRS).

10. **Reduction in transaction cost.** – To reduce transaction cost of doing business, Micro and Small Enterprises shall be facilitated by providing them tender sets free of cost, exempting Micro and Small Enterprises from payment of earnest money, adopting e-procurement to bring in transparency in tendering

process and setting up a Grievance Cell in the Ministry of Micro, Small and Medium Enterprises.

11. **Reservation of specific items for procurement.** — To enable wider dispersal of enterprises in the country, particularly in rural areas, the Central Government Ministries or Departments or Public Sector Undertakings shall continue to procure 358 items (Appendix) from Micro and Small Enterprises, which have been reserved for exclusive purchase from them. This will help in promotion and growth of Micro and Small Enterprises, including Khadi and village industries, which play a critical role in fostering inclusive growth in the country.

12. **Review Committee.** — (1) A Review Committee has been constituted under the Chairmanship of Secretary, Ministry of Micro, Small and Medium Enterprises, for monitoring and review of Public Procurement Policy for Micro and Small Enterprises vide Order No. 21(1)/2007-MA dated the 21st June 2010 (Annexure).

(2) This Committee shall, inter alia, review list of 358 items reserved for exclusive purchase from Micro and Small Enterprises on a continuous basis, consider requests of the Central Ministries or Departments or Public Sector Undertakings for exemption from 20 per cent target on a case to case basis and monitor achievements under the Policy.

13. **Setting up of Grievance Cell.** — In addition, a 'Grievance Cell' will be set up in Ministry of Micro, Small and Medium Enterprises for redressing grievances of Micro and Small Enterprises in Government procurement. This cell shall take up issues related to Government procurement raised by Micro and Small Enterprises with Departments or agencies concerned, including imposition of unreasonable conditions in tenders floated by Government Departments or agencies that put Micro and Small Enterprises at a disadvantage.

14. **Special Provisions for Defence Procurements.** — Given their unique nature, defence armament imports shall not be included in computing 20 per cent

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goal for Ministry of Defence. In addition, defence equipments like weapon systems, missiles, etc. shall remain out of purview of such Policy of reservation.

15. **Monitoring of Goals.** — The monitoring of goals set under the Policy shall be done, in so far as they relate to the Defence sector, by Ministry of Defence itself in accordance with suitable procedures to be established by them.

16. **Removal of difficulty.** — Any difficulties experienced during the course of implementation of the above Policy shall be clarified by Ministry of Micro, Small and Medium Enterprises through suitable Press releases which would be kept on the public domain.

(AMARENDRA SINHA)
Additional Secretary and Development Commissioner (MSME)

No. 21(1)/2007-MA
Government of India
Ministry of Micro, Small and Medium Enterprises
Office of the Development Commissioner (MSME)

'A' Wing, 7th Floor, Nirman Bhavan,
New Delhi-110108
Dated: 21st June, 2010

ORDER

Subject: Constitution of a Committee for monitoring and review of the Public Procurement Policy for Micro and Small Enterprises

Pending approval of the new Public Procurement Policy for Micro and Small Enterprises (MSEs), a Committee is hereby constituted for looking into the applicability of some of the provisions of the proposed Policy in respect of select Central Ministries/Departments. The Committee will be chaired by the Secretary, Ministry of Micro, Small and Medium Enterprises.

2. The composition of the Committee will be as follows:

- | | | | |
|--------|---|---|------------------|
| (i) | Secretary,
Ministry of MSME | : | Chairman |
| (ii) | Secretary,
Planning Commission | : | Member |
| (iv) | Secretary,
Department of Public Enterprises | : | Member |
| (v) | Director General (Supplies and Disposals),
Department of Commerce, | : | Member |
| (vii) | Ministry of Commerce and Industry | | |
| (viii) | Additional Secretary and
Development Commissioner (MSME) | : | Member Secretary |

3. The Committee will undertake the following functions:

- (i) Consider the requests of the Central Ministries/Departments/PSUs for exemption, on a case to case basis, from the 20% target;
- (ii) Review the list of 358 items (as per Appendix) reserved for exclusive purchase from the MSEs based on the feedback received from the Central Ministries/Departments/PSUs ;

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- (iii) Review the grievances received from MSEs regarding Government procurement, including imposition of unreasonable conditions in the tenders floated by the Government Departments/PSUs; and
 - (iv) Suggest special measures to be taken by the Central Ministries/Departments for enhancing their procurements from MSEs.

4. The Committee may co-opt any other Ministries/Departments of the Central Government as well as State Governments or invite any other expert/person associated/concerned with the MSMEs in its meetings, as and when required.

5. The Office of the Development Commissioner (MSME) will provide secretariat support to this Committee.

6. This issues with the approval of the Competent Authority.

Sd/-
(Praveen Mahto)
Additional Economic Adviser
Ph: 23062230, Fax: 23061611

To,
• All Members of the Committee

Copy to:

- 1. Cabinet Secretariat (Shri V.P.Arora, Under Secretary), w.r.t. their O.M.No. 601/2/1/2009-Cab.III dated 24.02.2010
- 2. PS to Minister (MSME)
- 3. Sr. PPS to Secretary (MSME)

**LIST OF ITEMS RESERVED FOR PURCHASE FROM SMALL SCALE
INDUSTRIAL UNITS INCLUDING HANDICRAFT SECTOR.**

Sl No. Item Description

1. AAC/and ACSR Conductor upto 19 strands
2. Agricultural Implements
 - (a) Hand Operated tools and implements
 - (b) Animal driven implements
3. Air/Room Coolers
4. Aluminum builder's hardware
5. Ambulance stretcher
6. Ammeters/ohm meter/Volt meter (Electro magnetic upto Class I accuracy)
7. Anklets Web Khaki
8. Augur (Carpenters)
9. Automobile Head lights Assembly
10. Badges cloth embroidered and metals
11. Bags of all types i.e. made of leather, cotton, canvas and jute etc. including kit bags, mail bags, sleeping bags and water-proof bag.
12. Bandage cloth
13. Barbed Wire
14. Basket cane (Procurement can also be made from State Forest Corpn. and State Handicrafts Corporation)
15. Bath tubs
16. Battery Charger
17. Battery Eliminator
18. Beam Scales (upto 1.5 tons)
19. Belt leather and straps
20. Bench Vices
21. Bituminous Paints
22. Blotting Paper
23. Bolts and Nuts
24. Bolts Sliding
25. Bone Meal
26. Boot Polish
27. Boots and Shoes of all types including canvas shoes
28. Bowls
29. Boxes Leather
30. Boxes made of metal
31. Braces
32. Brackets other than those used in Railways
33. Brass Wire
34. Brief Cases (other than moulded luggage)

35. Brooms
36. Brushes of all types
37. Buckets of all types
38. Button of all types
39. Candle Wax Carriage
40. Cane Valves/stock valves (for water fittings only)
41. Cans metallic (for milk and measuring)
42. Canvas Products :
 - (a) Water Proof Deliver, Bags to spec. No. IS - 1422/70
 - (b) Bonnet Covers and Radiators Muff. to spec. Drg. Lv 7/NSN/IA/130295
43. Capes Cotton and Woollen
44. Capes Waterproof
45. Castor Oil
46. Ceiling roses upto 15 amps
47. Centrifugal steel plate blowers
48. Centrifugal Pumps suction and delivery 150 mm. x 150 mm
49. Chaff Cutter Blade
50. Chains lashing
51. Chappals and sandals
52. Chamois Leather
53. Chokes for light fitting
54. Chrome Tanned leather (Semi-finished Buffalo and Cow)
55. Circlips
56. Claw Bars and Wires
57. Cleaning Powder
58. Clinical Thermometers
59. Cloth Covers
60. Cloth Jaconet
61. Cloth Sponge
62. Coir fibre and Coir yarn
63. Coir mattress cushions and matting
64. Coir Rope hawserlaid
65. Community Radio Receivers
66. Conduit pipes
67. Copper nail
68. Copper Napthenate
69. Copper sulphate
70. Cord Twine Maker
71. Cordage Others
72. Corrugated Paper Board and Boxes
73. Cotton Absorbent
74. Cotton Belts
75. Cotton Carriers
76. Cotton Cases
77. Cotton Cord Twine

78. Cotton Hosiery
79. Cotton Packs
80. Cotton Pouches
81. Cotton Ropes
82. Cotton Singlets
83. Cotton Sling
84. Cotton Straps
85. Cotton tapes and laces
86. Cotton Wool (Non absorbent)
87. Crates Wooden and plastic
88. (a) Crucibles upto No. 200
(b) Crucibles Graphite upto No. 500
(c) Other Crucibles upto 30 kgs.
89. Cumblies and blankets
90. Curtains mosquito
91. Cutters
92. Dibutyl phthalate
93. Diesel engines upto 15 H.P
94. Dimethyl Phthalate
95. Disinfectant Fluids
96. Distribution Board upto 15 amps
97. Domestic Electric appliances as per BIS Specifications:-
- Toaster Electric, Elect. Iron, Hot Plates, Elect. Mixer, Grinders,
Room heaters and convectors and ovens
98. Domestic (House Wiring) P.V.C. Cables and Wires (Aluminum)
Conforming to the prescribed BIS Specifications and upto 10.00
mm sq. nominal cross section
99. Drawing and Mathematical Instruments
100. Drums and Barrels
101. Dust Bins
102. Dust Shield leather
103. Dusters Cotton all types except the items required in Khadi
104. Dyes :
(a) Azo Dyes (Direct and Acid)
(b) Basic Dyes
105. Electric Call bells/buzzers/door bells
106. Electric Soldering Iron
107. Electric Transmission Line Hardware items like steel cross bars,
cross arms clamps arching horn, brackets, etc.
108. Electronic door bell
109. Emergency Light (Rechargeable type)
110. Enamel Wares and Enamel Utensils
111. Equipment camouflage Bamboo support
112. Exhaust Muffler
113. Expanded Metal
114. Eyelets

- 115. Film Polythene - including wide width film
- 116. Film spools and cans
- 117. Fire Extinguishers (wall type)
- 118. Foot Powder
- 119. French polish
- 120. Funnels
- 121. Fuse Cut outs
- 122. Fuse Unit
- 123. Garments (excluding supply from Indian Ordnance Factories)
- 124. Gas mantels
- 125. Gauze cloth
- 126. Gauze surgical all types
- 127. Ghamellas (Tasillas)
- 128. Glass Ampules
- 129. Glass and Pressed Wares
- 130. Glue
- 131. Grease Nipples and Grease guns
- 132. Gun cases
- 133. Gun Metal Bushes
- 134. Guntape
- 135. Hand drawn carts of all types
- 136. Hand gloves of all types
- 137. Hand Lamps Railways
- 138. Hand numbering machine
- 139. Hand pounded Rice (polished and unpolished)
- 140. Hand presses
- 141. Hand Pump
- 142. Hand Tools of all types
- 143. Handles wooden and bamboo (Procurement can also be made from State Forest Corpn. and State Handicrafts Corporation)
- 144. Harness Leather
- 145. Hasps and Staples
- 146. Haver Sacks
- 147. Helmet Non-Metallic
- 148. Hide and country leather of all types
- 149. Hinges
- 150. Hob nails
- 151. Holdall
- 152. Honey
- 153. Horse and Mule Shoes
- 154. Hydraulic Jacks below 30 ton capacity
- 155. Insecticides Dust and Sprayers (Manual only)
- 156. Invalid wheeled chairs.
- 157. Inverter domestic type upto 5 KVA
- 158. Iron (dhobi)
- 159. Key board wooden

160. Kit Boxes
161. Kodali
162. Lace leather
163. Lamp holders
164. Lamp signal
165. Lanterns Posts and bodies
166. Lanyard
167. Latex foam sponge
168. Lathies
169. Letter Boxes
170. Lighting Arresters - upto 22 kv
171. Link Clip
172. Linseed Oil
173. Lint Plain
174. Lockers
175. Lubricators
176. L.T. Porcelain KITKAT and Fuse Grips
177. Machine Screws
178. Magnesium Sulphate
179. Mallet Wooden
180. Manhole covers
181. Measuring Tapes and Sticks
182. Metal clad switches (upto 30 Amps)
183. Metal Polish
184. Metallic containers and drums other than N.E.C. (Not elsewhere classified)
185. Metric weights
186. Microscope for normal medical use
187. Miniature bulbs (for torches only)
188. M.S. Tie Bars
189. Nail Cutters
190. Naphthalene Balls
191. Newar
192. Nickel Sulphate
193. Nylon Stocking
194. Nylon Tapes and Laces
195. Oil Bound Distemper
196. Oil Stoves (Wick stoves only)
197. Pad locks of all types
198. Paint remover
199. Palma Rosa Oil
200. Palmgur
201. Pans Lavatory Flush
202. Paper conversion products- paper bags, envelopes, Ice-cream cup, paper cup and saucers and paper Plates
203. Paper Tapes (Gummed)

- (11)
204. Pappads
 205. Pickles and Chutney
 206. Piles fabric
 207. Pillows
 208. Plaster of Paris
 209. Plastic Blow Moulded Containers upto 20 litre excluding Poly Ethylene Terphthalate (PET) Containers
 210. Plastic cane
 211. Playing Cards
 212. Plugs and Sockets electric upto 15 Amp
 213. Polythene bags
 214. Polythene Pipes
 215. Post Picket (Wooden)
 216. Postal Lead seals
 217. Potassium Nitrate
 218. Pouches
 219. Pressure Die Casting upto 0.75 kg
 220. Privy Pans
 221. Pulley Wire
 222. PVC footwears
 223. PVC pipes upto 110 mm
 224. PVC Insulated Aluminium Cables (upto 120 sq. mm) (ISS:694)
 225. Quilts, Razais
 226. Rags
 227. Railway Carriage light fittings
 228. Rakes Ballast
 229. Razors
 230. RCC Pipes upto 1200 mm. dia
 231. RCC Poles Prestressed
 232. Rivets of all types
 233. Rolling Shutters
 234. Roof light Fittings
 235. Rubber Balloons
 236. Rubber Cord
 237. Rubber Hoses (Unbranded)
 238. Rubber Tubing (Excluding braided tubing)
 239. Rubberised Garments Cap and Caps etc
 240. Rust/Scale Removing composition
 241. Safe meat and milk
 242. Safety matches
 243. Safety Pins (and other similar products like paper pins, staples pins etc.)
 244. Sanitary Plumbing fittings
 245. Sanitary Towels
 246. Scientific Laboratory glass wares (Barring sophisticated items)
 247. Scissors cutting (ordinary)

248. Screws of all types including High Tensile
249. Sheep skin all types
250. Shellac
251. Shoe laces
252. Shovels
253. Sign Boards painted
254. Silk ribbon
255. Silk Webbing
256. Skiboots and shoes
257. Gluice Valves
258. Snapfastner (Excluding 4 pcs. ones)
259. Soap Carholic
260. Soap Curd
261. Soap Liquid
262. Soap Soft
263. Soap washing or laundry soap
264. Soap Yellow
265. Socket/pipes
266. Sodium Nitrate
267. Sodium Silicate
268. Sole leather
269. Spectacle frames
270. Spiked boot
271. Sports shoes made out of leather (for all Sports games)
272. Squirrel Cage Induction Motors upto and including 100 KW440
volts 3 phase
273. Stapling machine
274. Steel Almirah
275. Steel beds stead
276. Steel Chair
277. Steel desks
278. Steel racks/shelf
279. Steel stools
280. Steel trunks
281. Steel wool
282. Steel and aluminium windows and ventilators
283. Stockinet
284. Stone and stone quarry rollers
285. Stoneware jars
286. Stranded Wire
287. Street light fittings
288. Student Microscope
289. Sluds (excluding high tensile)
290. Surgical Gloves (Except Plastic)
291. Table knives (Excluding Cutlery)
292. Tack Metallic

293. Taps
294. Tarpaulins
295. Teak fabricated round blocks
296. Tent Poles
297. Tentage Civil/Military and Salitah Jute for Tentage
298. Textiles manufactures other than N.E.C. (not elsewhere classified)
299. Tiles
300. Tin Boxes for postage stamp
301. Tin can unprinted upto 4 gallons capacity (other than can O.T.S.)
302. Tin Mess
303. Tip Boots
304. Toggle Switches
305. Toilet Rolls
306. Transformer type welding sets conforming to IS:1291/75 (upto 600 amps)
307. Transistor Radio upto 3 band
308. Transistorised Insulation - Testers
309. Trays
310. Trays for postal use
311. Trolley
312. Trolleys - drinking water
313. Tubular Poles
314. Tyres and Tubes (Cycles)
315. Umbrellas
316. Utensils all types
317. Valves Metallic
318. Varnish Black Japan
319. Voltage Stabilisers including C.V.T's
320. Washers all types
321. Water Proof Covers
322. Water Proof paper
323. Water tanks upto 15,000 litres capacity
324. Wax sealing
325. Waxed paper
326. Weighing Scale
327. Welded Wire mesh
328. Wheel barrows
329. Whistle
330. Wicks cotton
331. Wing Shield Wipers (Arms and Blades only)
332. Wire brushes and Fibre Brushes
333. Wire Fencing and Fittings
334. Wire nails and Horse shoe nails
335. Wire nettings of gauze thicker than 100 mesh size
336. Wood Wool
337. Wooden ammunition boxes

- 338. Wooden Boards
- 339. Wooden Box for Stamps
- 340. Wooden Boxes and Cases N.E.C. (Not elsewhere classified)
- 341. Wooden Chairs
- 342. Wooden Flush Door Shutters
- 343. Wooden packing cases all sizes
- 344. Wooden pins
- 345. Wooden plugs
- 346. Wooden shelves
- 347. Wooden veneers
- 348. Woolen hosiery
- 349. Zinc Sulphate
- 350. Zip Fasteners

HANDICRAFT ITEMS

<u>Sl.No.</u>	<u>Item Description</u>	<u>Source of Supply</u>
351	Cane furniture Handlooms	North Eastern Handicrafts and Development Corporation Assam Govt. Marketing Corpn. Craft Society of Manipur Nagaland Handicrafts and Handlooms Development Corpn.
352	Bamboo file tray, Baskets, Pencil stand, side racks etc.	-do-
353	Artistic Wooden Furniture	Rajasthan Small Industries Corpn., U.P. Export Corporation.
354	Wooden paper weight, racks etc.	-do-
355	Glass covers made of wood and grass jute	-do-
356	Jute furniture	West Bengal Handicrafts Dev. Corpn. Jute Mfg. Development Corporation Orissa State Handicrafts Dev. Corpn.
357	Jute bags, file cover	-do-
358	Woolen and silk carpets	U.P. Export Corporation J and K Sale and Export Corporation

विकास आयुक्त का कार्यालय
(सूक्ष्म, लघु और मध्यम उद्यम)
सूक्ष्म लघु और मध्यम उद्यम मंत्रालय
(भारत सरकार)
निर्माण भवन, सातवीं मंजिल, मौलाना आज़ाद रोड,
नई दिल्ली-110 108



MSME
MICRO, SMALL & MEDIUM ENTERPRISES
सूक्ष्म लघु और मध्यम उद्यम

OFFICE OF THE DEVELOPMENT COMMISSIONER
(MICRO, SMALL & MEDIUM ENTERPRISES)
MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES
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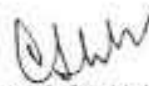
F. No. 22(1)/2012-MA

20th February, 2014

OFFICE MEMORANDUM

This office has been receiving number of enquiries/ issues/ questions/ interpretation on the provisions of the Public Procurement Policy for MSEs Order, 2012 from the Ministries/ Departments/ CPSUs. In this connection, frequently asked questions and their answers have been prepared and circulated hereby to the Ministries/ Departments/ CPSUs for effective implementation of the policy. Further queries, if any, may please be communicated to this office.

Encl. : As above


(U.C. Shukla)
Director

To,

1. All the Concerned Secretaries of Ministries/ Departments
2. Chairman-cum-Managing Director, all the central public sector undertakings
3. Director, Genet of the O/o DC (MSME) with request to host on the website.
4. All the Director, MSME-DIs

FREQUENTLY ASKED QUESTIONS

ON

PUBLIC PROCUREMENT POLICY FOR MSEs, ORDER 2012

Q. No. 1 What is the share of procurement from MSEs out of the total procurement made by Central Government Ministries / Departments / Public Sector Undertakings?

Ans. Under Public Procurement Policy for MSEs, a minimum 20 per cent share out of the total procurement by Central Government Ministries / Departments / Public Sector Undertakings are to be made from MSEs.

Q. No. 2 Whether there is any reservation for MSEs owned by SC/ST entrepreneurs?

Ans. Yes, out of 20% target of annual procurement from MSEs, a sub-target of 4% is earmarked for procurement from MSEs owned by Scheduled Caste (SC) / Scheduled Tribe (ST) entrepreneurs. However, in event of failure of such MSEs to participate in tender process or meet tender requirements and L1 price, 4% sub-target for procurement earmarked for MSEs owned by SC / ST entrepreneurs will be met from other MSEs.

Q.No. 3. Who is eligible for availing benefits under the Public Procurement Policy?

Ans., The MSEs those are registered with District Industries Centers (DICs) / Khadi & Village Industries Commission (KVIC) / Khadi & Village Industries Board (KVIB) / Coir Board / NSIC / Directorate of Handicrafts and Handloom or any other body specified by Ministry of Micro, Small & Medium Enterprises (MoMSME) are eligible for availing benefits under the Public Procurement Policy.

Q.No. 4 What is the date of implementation of this Policy ?

Ans. The policy is applicable with effect from 1.4.2012.

Q.No. 5 Whether Policy is transparent, competitive and cost effective ?

Ans. The Policy rests upon core principles of competitiveness, adhering to sound procurement practices and execution of orders for supply of goods / services in accordance with a system which is fair, equitable, transparent, competitive and cost effective.

Q.No. 6 Whether the Policy is implemented in parts or fully from its inception?

Ans. Every Central Ministry / Department / PSU has to set an annual goal for procurement from MSEs at the beginning of every financial year, with the objective of achieving an overall procurement of minimum 20 per cent of total annual purchases of products produced / services rendered by MSEs in a period of three years. After 3 years, i.e. from 1.4. 2015, overall procurement goal of minimum 20% shall be made mandatory.

Q.No. 7 Whether there is any monitoring system for assessing the Government procurement from MSEs?

Ans. Data on Government procurements from MSEs is vital for strengthening the Policy. Towards this, every Central Ministry / Department / PSU is to report goals set with respect to procurement to be met from MSEs and achievement made thereto in their respective Annual Reports.

Q.No.8. Whether there is price match making facility for procurement from MSEs over large scale?

Ans. In tender, participating MSEs quoting price within band of L1+15% shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than an MSE. Such MSEs shall be allowed to supply up to 20% of total tendered value. In case of more than one such MSE, the supply will be shared proportionately (to tendered quantity).

Q.No. 9. What steps are to be taken by the Government Ministries / Departments / CPSUs to develop MSE Vendors so as to achieve their targets for MSE procurement?

Ans. Central Ministries / Departments / PSUs have to take necessary steps to develop appropriate vendors by organizing Vendor Development Programmes / Buyer-Seller Meets and entering into Rate Contract with MSEs for a specified period in respect of periodic requirements.

Q.No. 10. What steps are to be taken by the Government Ministries / Departments / CPSUs to develop vendors from MSEs owned by SC/ST entrepreneurs?

Ans. For enhancing participation of MSEs owned by SCs / STs in Government procurement, Central Government Ministries / Departments / PSUs have to take following steps:

i. Special Vendor Development Programmes / Buyer-Seller Meets would be conducted by Departments / PSUs for SCs / STs;

ii. Outreach programmes will be conducted by NSIC to cover more and more MSEs from SCs / STs under its schemes of consortia formation; and

iii. NSIC would open a special window for SCs / STs under its Single Point Registration Scheme (SPRS).

Q.No. 11. What are the other benefits/ facilities to the MSEs available under the Policy ?

Ans. To reduce transaction cost of doing business, MSEs will be facilitated by providing them tender sets free of cost, exempting MSEs from payment of earnest money, adopting e-procurement to bring in transparency in tendering process.

Q.No. 12. Whether there is any review mechanism for monitoring and review of the Policy?

Ans. A Review Committee has been constituted under chairmanship of Secretary, MoMSME for monitoring and review of Public Procurement Policy for MSEs. MoMSME will review and/or modify the composition of the Committee as and when required. This Committee will, inter alia, review list of 358 items reserved for exclusive purchase from MSEs on a continuous basis, consider requests from Departments / PSUs for exemption from 20% target on a case to case basis and monitor achievements under the Policy.

Q.No. 13. What is the grievance redressal mechanism in case of non-compliance of the Policy by any Government Department ?

Ans. A 'Grievance Cell' would be set up in MoMSME for redressing grievances of MSEs in Government procurement. This cell would take up issues related to Government procurement raised by MSEs with Departments / agencies concerned, including imposition of unreasonable conditions in tenders floated by Government Departments / agencies that put MSEs at a disadvantage.

Q.No. 14. Whether there is any kind of purchases that have been kept out of the purview of the Procurements under the Policy and if yes, how monitoring of the goal set will be done ?

Ans. Given their unique nature, defence armament imports will not be included in computing 20% goal for MoDefence. In addition, Defence Equipments like weapon systems, missiles, etc. will remain out of purview of such policy of reservation. Monitoring of goals set under the policy will be done, in so far as they relate to the Defence sector, by Ministry of Defence itself in accordance with suitable procedures to be established by them.

Q.No.15. From where the detail of the Policy can be obtained?

Ans. Policy details are available on the website of this office- www.dcmsme.gov.in

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Q. No. 16. Whether this Policy is mandatory under any Act?

Ans. Yes, The Policy is mandatory and notified under the MSMED Act, 2006.

Q.No.17. How many items are reserved for exclusive purchase from MSEs?

Ans. There are 358 items reserved for exclusive purchase from MSE Sector and 21 items reserved for exclusive manufacturing in MSE Sector which is not concerned to the Public Procurement Policy.

Q.No.18. Whether this policy is applicable for works / trading activities also?

Ans. Policy is meant for procurement of only goods produced and services rendered by MSEs.

Q.No.19. Whether policy is applicable for MSEs registered with NSIC?

Ans. Policy is applicable to MSEs registered with DIC/KVIC/KVIB/Coir Board/NSIC/Directorate of Handicrafts and Handloom or any other body specified by Ministry of MSME.

Q.No.20. Whether policy provides benefits for exemption from Security Deposits to MSEs?

Ans. No. Policy provides benefits to supply tender set at free of cost and exemption from payment of earnest money etc.

Q.No.21. Whether MSE quoting price within price band L1 + 15 % could be given complete supply to tender in case tender item is non-splitable / non-dividable?

Ans. In case of tender item is non-splitable or non-dividable, etc. MSE quoting price within price band L1+15% may be awarded for full / complete supply of total tendered value to MSE, considering spirit of policy for enhancing the Govt. procurement from MSE.

Q.No.22. Which are MSEs owned by SC / ST enterprises?

Ans. Definition of MSEs owned by SC / ST is as given under:

- (a) In case of proprietary MSE, proprietor(s) shall be SC / ST.
- (b) In case of partnership MSE, the SC / ST partners shall be holding at least 51% shares in the unit.
- (c) In case of Private Limited Companies, at least 51% share shall be held by SC / ST promoters.

Q.No.23. Whether Government Ministries I Departments I CPSUs those have meager value of total procurement may be exempted from policy?

Ans. Policy is applicable to all the Govt. Ministries I Departments I CPSUs in irrespective of volume and nature of procurement.

Q.No.24. Whether policy has provision for exemption from 20%age procurement target?

Ans. No. However, Review Committee may consider any request of Ministries I Departments / CPSUs for exemption from 20% age procurement targets on case to case basis.

Q.No.25. Whether the laminated paper Gr-I, II and III falls under the paper conversion product (Sl. No. 202) and is a reserved item for exclusive procurement from MSEs.

Ans. The Laminated paper Gr.I,II and III are not covered under the paper conversion product(Sl.No.202) of the Public Procurement Policy.
