

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

UNSTARRED QUESTION NO:5091

ANSWERED ON:13.08.2014

PROCUREMENT POLICY FOR MSMES

Ahir Shri Hansraj Gangaram; Dhotre Shri Sanjay Shamrao

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

- (a) whether the Public Procurement Policy for Micro and Small Enterprises (MSMEs) Order 2012 has mandated that Central Government Ministries / Departments and Public Sector Undertakings shall procure 20% of their annual procurement from the goods produced and services rendered by the MSEs and if so, the details thereof;
- (b) whether cases of violation of the said order have come to the notice of the Government during each of the last three years and the current year and if so, the details thereof, Ministry/Department/PSU-wise and the reasons therefor;
- (c) whether the Government has conducted any enquiry in this regard and if so, the details thereof and if not, the reasons therefor along with the corrective steps taken/being taken by the Government in this regard?
- (d) whether similar guidelines have been issued to foreign investors to make 30% purchases from MSMEs; and
- (e) if so, the details thereof and the steps taken to make the small industries of the country capable of making their products at par with the standards of foreign investors?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA)

- (a): Yes, Madam. Every Central Ministry/Department/PSU shall set an annual goal for procurement from the MSE sector at the beginning of the year, with the objective of achieving an overall procurement goal of minimum 20 per cent of the total annual purchases from the products or services produced or rendered by MSEs. Out of 20% target of annual procurement from MSEs, a sub-target of 4% (i.e., 20% out of 20%) will be earmarked for procurement from MSEs owned by SC/ST entrepreneurs.
- (b)& (c): No, Madam as the policy mandates that after a preparatory period of three years i.e. 1st April, 2015, overall procurement goal of minimum 20% shall be made mandatory for all the Central Ministries/Departments/PSUs.
- (d): Public Procurement Policy have no provision for foreign investors to make 30% purchase from MSME.
- (e): Does not arise. However, Ministry of MINISTRY OF Micro, Small and Medium Enterprises (MSME) is implementing many Plan Schemes viz., National Manufacturing competitive scheme, Cluster Development Programmes, Credit Linked Capital Subsidy scheme for Upgradation, ISO Certification reimbursement scheme and Bar Code scheme etc. to make micro, small and medium enterprises of the country capable of producing their products of international standard.