

Government of India  
Ministry of Micro, Small & Medium Enterprises  
Office of Development Commissioner (MSME)  
( Marketing Assistance Division)

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Press Release

It has been represented to Ministry of Micro, Small and Medium Enterprises that in some cases due to the peculiar nature of the procurement such as Import Substitution, Product Development to CPSUs, non-feasibility to break-up size of the order etc., some of CPSUs prior to the implementation of the Public Procurement Policy for MSEs Order 2012 from 1<sup>st</sup> April 2012, were awarding more than 20% or upto 100% of supplies to the micro and small enterprises who could match L-1 price where L-1 is quoted by other than micro and small enterprises.

2. As per the provision 6 of the Public Procurement Policy for micro and small enterprises quoting in the price band of L-1+15% are allowed to supply upto 20% of the total tender value provided such micro and small enterprises bring down their price to L-1. However, it has been brought to notice by micro and small enterprises that this provision 6 is coming into the way of earlier higher procurement from micro and small enterprises in above referred situation at Para-1. It is to mention that intention of provisions of provision 6 of the policy is not to restrict earlier high supply opportunity for micro and small enterprises.

3. In light of above, it is clarified that in the situation of L-1+15% as mentioned at Para -1 above, CPSUs may take more than 20% supplies from micro and small enterprises as per their previous procurement pattern on case to case basis for which this Ministry has no objection.

4. The above clarification is issued as per the provision available under Para-16 of the Policy.

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