

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

19th June, 2013

Press Release

Government of India has introduced a Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 which is notified under MSMED Act 2006. The policy, mandates that every Central Ministries / Departments / CPSUs shall set an annual goal for procurement from the MSE sector from the 1st April 2012 with objective of achieving an overall procurement of minimum 20% of their total annual purchases value from products produced / services rendered by MSEs within a period of three years. Policy has also earmarked 4% share out of this 20% Procurement from MSEs owned by SC/ST entrepreneurs.

In connection with implementation of the Policy, many CPSUs have been requesting this Ministry for interpretation/ definition of MSE owned by SC / ST entrepreneurs.

Under the provision of para 16 of aforesaid policy, definition of MSEs owned by SC / ST is clarified by the Ministry of MSME as 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.

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Date of release : 19th June 2013