

Nirman Bhawan, New Delhi
Dated the 9th November, 2016

OFFICE MEMORANDUM

Subject: Clarification regarding definition of Goods & Services under the Public Procurement Policy for MSEs Order-2012-reg.

This office is in receipt of number of clarifications being sought by procuring agencies relating to providing of benefits under the definition of "Goods" & "Services". The matter was placed before the Review Committee Meeting which was held on 12th July, 2016 and Chaired by Secretary, MSME. It was decided by the Committee that the definition of Goods and Services as provided in the Public Procurement Bill, 2012 prepared by Ministry of Finance, Department of Expenditure may be accepted for PP Policy which is enumerated below:-

"Goods" includes all articles, material, commodity, livestock, furniture, fixtures, raw material, spare parts, instruments, machinery, equipment, industrial plant, vehicles, aircrafts, ships, railway rolling stock assemblies, sub-assemblies, accessories, a group of machines comprising an integrated production process or such other categories of goods or intangible, products like technology transfer, licenses, patents or other intellectual properties (but excludes books, publications, periodicals, etc., for a library), procured or otherwise acquired by a procuring entity. Procurement of goods may include certain small work or some services, which are incidental or consequential to the supply of such goods, such as transportation, insurance, installation, commissioning, training and maintenance;

"Service" means any subject matter of procurement other than goods or works, except those incidental or consequential to the service, and includes physical, maintenance, professional, intellectual, training, consultancy and advisory services or any other service classified or declared as such by a procuring entity but does not include appointment of an individual made under any law, rules, regulations or order issued in this behalf, "Subject matter of procurement" means any item of procurement whether in the form of goods, services or works or a combination thereof;

This issues with the approval of Competent Authority.



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Secretaries of all Ministries/Departments
Chairman/MD of all CPSUs
Directors of all MSME-DIs

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1. PS to Hon'ble Minister, MSME
2. PS to Hon'ble MoS(GS), MSME
3. PS to Hon'ble MoS(HC), MSME
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5. PS to AS & DC, MSME