F.No. 1(2)(1)/2014-MA

Chairman-cum-Managing Director,
The Handicrafts & Handlooms Export Corporation of India Ltd.,
Jawahar Vyapar Bhawan,
Annexe-1, Tolstoy Marg,
New Delhi-1.

Subject: Public Procurement Policy-Appointment of Aggregator-reg.

Sir,

Kindly refer to your letter No. HHEC/SECY/309 dated the 29th April, 2016 accepting the terms and conditions as laid down by the Review Committee Chaired by Secretary, MSME in its meeting held on 6th April, 2016 for appointing Handicrafts and Handloom Exports Corporation of India Ltd., New Delhi as Aggregator for Handcraft items (as mentioned in Sl. No. 351 to 358 of the list of reserved items) as of Public Procurement Policy for MSEs Order, 2012.

2. Competent Authority has approved the proposal for appointing Handicrafts and Handloom Exports Corporation of India Ltd., New Delhi as Aggregator on the following terms and conditions:

(a) There will not be any exclusivity for sourcing from only one or two MSE suppliers. The items will be sourced from various vendors (Artisans/Weavers/Societies registered with Office of DC(Handicrafts) and DC(Handlooms) who also fall within the definition of MSE and are direct manufacturers and guidelines for procurement would be followed while selecting MSE supplier.

(b) Aggregators are required to maintain the data relating to their MSE suppliers as well as the procuring agency. Besides, aggregator will submit the Annual Report of such supplier to Ministry of MSME or any other nominated monitoring agency of Ministry of MSME.

Contd...
(c) There already exists big vendor base of direct manufacturer of Handicrafts, Handlooms, furniture in natural products etc. who are MSEs and Artisans and Weavers. To develop more MSE Vendors, aggregators have to conduct vendor development programmes as per market requirement and to provide the design input, raw materials etc to the MSEs wherever it is so required and will submit the reports of the same to Ministry of MSME on a half yearly basis.

(d) Aggregators are otherwise also not having plant and machinery more than Rs.5 Crore in Ready to Wear (RTW). As per the gazette notification SO 581(E) of Ministry of Micro Small and Medium Enterprises, 358 items are identified for procurement from MSEs and 10 organisations are also nominated as a source of supply of handicraft products.

(e) Aggregators are required to submit a certificate issued by an Officer (not below the rank of General Manager) that all such supplies have been procured from MSE vendors wherever aggregators are treating themselves as a MSE under the gazette notification. Certification would be required for each transaction on quarterly basis to purchasing organisation.

(f) M/o MSME may review the performance of aggregators and benefit imparted to MSE vendors and efficacy of its notification after one year and further decision will be taken accordingly by the Ministry.

This issues with the approval of competent authority.

Kindly acknowledge the receipt of this letter.

Yours faithfully,

(Sanjeev Chawla)
Director (MA)
Tele: 23061178

Copy to:

1. Ms. Kalyani Mishra, Director, Department of Public Enterprises, Public Enterprises Bhawan, Block No. 14, CGO Complex, Lodhi Road, New Delhi-110003 with a request to inform all CPSUs.
2. Director (SENET), O/o DC, MSME, New Delhi with a request to upload on the official website.
3. Dy. Director (Publicity), O/o DC, MSME, New Delhi for wider publicity through Press Information Bureau.