The Public Procurement Policy for Micro & Small Enterprises (MSEs) was notified by the Government under the Micro, Small and Medium Enterprises Development Act 2006, and it came into effect from 1st April, 2012. The Policy mandates that at least 20% of the total annual procurement of goods and services shall be made by all Central Ministries/ Departments/ Central Public Sector Undertakings (CPSUs) from the Micro and Small Enterprises (MSEs). Within this mandated percentage, a sub-target of 4% procurement is to be made from MSEs owned by SC/ST entrepreneurs.

2. As part of the follow up action on the policy, we have been corresponding with Ministries/ Departments/ CPSUs from time to time, and requesting them to take action on the policy provisions, and also for providing procurement data, etc., to this Ministry. The relevant correspondence in this regard is available on the website www.dcmsme.gov.in for ready reference by the implementing agencies.

3. I would like to draw your specific attention to para 5 of the policy notification which reads as under:

(1) “The data on Government procurements from Micro and Small Enterprises is vital for strengthening the Policy and for this purpose, every Central Ministry or Department or Public Sector Undertaking shall report goals set with respect to procurement to be met from Micro and Small Enterprises and achievement made thereto in their respective Annual Reports.

(2) The annual reporting shall facilitate in better understanding of support being provided by different Ministries or Departments or Public Sector Undertakings to Micro and Small Enterprises.”

4. You will kindly appreciate that the Ministries were required to set targets and disclose the achievement in their Annual Reports for 2012-13. The same was also to be done by the CPSUs. I shall be grateful if a report on the compliance of this requirement is sent, along with the Annual Reports of 2012-13, to the Development Commissioner (MSME), Ministry of MSME, 7th Floor, Nirman Bhawan, New Delhi. In case the relevant information has not been incorporated in the Annual Report for 2012-13, the information may be sent now, along with the reasons for non-disclosure, if any. Also, I request that the concerned officers may be sensitized about the provisions of the policy for the current year 2013-14.

5. I look forward to your cooperation in the effective implementation of the policy.

Yours sincerely,

(Madhav Lal)

(As per list enclosed)
Shri Rajiv Gupta,
Secretary
Department of Youth Affairs C - Wing, Shastri Bhawan,
New Delhi - 110001

Shri Pradeep Kumar Deb,
Secretary
Department of Sports
C - Wing, Shastri Bhawan, Dr. Rajendra Prasad Road,
New Delhi - 110001

Ms. Nita Chawdhury,
Secretary
Ministry of Women and Child Development
Shastri Bhawan, A - Wing, Dr. Rajendra Prasad Road,
New Delhi - 110001

Shri Alok Rawat,
Secretary,
Ministry of Water Resources
Room No. 412, Shram Shakti Bhawan, Rafi Marg,
New Delhi - 110001

Dr. Sudhir Krishna
Secretary,
Ministry of Urban Development,Nirman Bhawan,
C - Wing, Dr. Maulana Azad Road,
New Delhi - 110011

Ms. Vibha Puri Das,
Secretary,
Ministry of Tribal Affairs, A-Wing
Krishi Bhawan,
New Delhi - 110001

Shri Parvez Dewan ,
Secretary,
Ministry of Tourism
Transport Bhawan, Sansad Marg,
New Delhi - 110001

Ms. Zohra Chatterji
Secretary,
Ministry of Textiles
Udyog Bhawan,
New Delhi - 110011
Ms. Loretta Mary Vas  
Secretary,  
Ministry of Panchayati Raj  
Krishi Bhawan, Dr. Rajendra Prasad Road,  
New Delhi - 110001

Shri Prem Narain,  
Secretary,  
Ministry of Overseas Indian Affairs  
Akbar Bhawan, Chanaykapuri,  
New Delhi - 110021

Shri Ratan P. Watal,  
Secretary,  
Ministry of New & Renewable Energy,  
Block No 14, CGO Complex, Lodhi Road,  
New Delhi – 110003

Dr. Lalit K. Panwar,  
Secretary,  
Ministry of Minority Affairs  
11th Floor, Paryavaran Bhawan, CGO Complex,  
New Delhi - 110003

Shri R.H. Khwaja,  
Secretary,  
Ministry of Mines  
C-Wing, Shastri Bhawan,  
New Delhi

Shri P.K. Malhotra,  
Secretary,  
Legislative Department  
Room No .405 A-Wing, Shastri Bhavan  
New Delhi.

Shri Brahm Avtar Agrawal,  
Secretary,  
Department of Legal Affairs  
Shastri Bhawan  
A-Wing, Dr Rajendra Prasad Road  
New Delhi-

Shri Bimal Julka,  
Secretary,  
Ministry of Information & Broadcasting,  
Shastri Bhawan,  
New Delhi.
Shri. R. Bhattacharya,  
Secretary,  
Department of School Education & Literacy,  
C Wing, Shastri Bhawan,  
New Delhi

Smt. Gauri Kumar,  
Secretary,  
Ministry of Labour and Employment  
Shram Shakti Bhawan, Rafi Marg,  
New Delhi - 110001

Shri Arun Kumar Jain,  
Secretary,  
Department of Official Languages,  
Lok Nayak Bhawan, C- Wing, Khan Market,  
New Delhi 110003

Shri Anil Goswami,  
Secretary,  
Department of Home,  
Room No. 113, North Block,  
New Delhi

Shri Sutanu Behuria,  
Secretary,  
Department of Heavy Industries,  
Block No. 14, CGO Complex,  
New Delhi -3.

Shri O.P. Rawat,  
Secretary,  
Department of Public Enterprises,  
CGO Complex, Block No.14, Lodi Road,  
New Delhi

Dr. Vishwa Mohan Katoch,  
Deptt of Health Research, ICMR,  
V. Ramalingaswami Bhawan, Ansari Nagar,  
New Delhi-110029

Shri Nilanjan Sanyal,  
Secretary,  
Department of Ayurveda, Yoga & Naturopathy, Unani & Siddha,  
1, Red Cross Road,  
New Delhi 110001
Shri K.N. Desiraju,
Secretary,
Department of Health & Family Welfare,
C Wing, Nirman Bhawan,
New Delhi

Shri Ravi Mathur,
Secretary,
Ministry of Disinvestment
CGO Complex, Block No. 14, 3rd Floor,
New Delhi

Shri Sumit Bose,
Secretary,
Department of Revenue,
Ministry of Finance,
128-A, North Block,
New Delhi.

Shri R.S. Gujral,
Finance Secretary,
Department of Expenditure,
North Block,
New Delhi.

Shri Arvind Mayaram,
Secretary,
Deptt. of Economic Affairs,
131, North Block,
New Delhi.

Shri Rajiv Takru,
Secretary,
Department of Financial Services,
Room No. 6, Jeevan Deep, Parliament Street,
New Delhi

Dr. V. Rajagopalan,
Secretary,
Ministry of Environment & Forests,
Paryavaran Bhawan, CGO Complex, Lodhi Road,
New Delhi 110003
Dr. Shailesh Nayak,
Secretary,
Ministry of Earth Sciences,
Mahasagar Bhawan, Block-12, C.G.O. complex
Lodhi Road, New Delhi

Shri Pankaj Jain,
Secretary,
Ministry of Drinking Water & Sanitation,
Room No.247, A Wing, Nirman Bhawan,
New Delhi

Shri Uttam Kumar Sangma,
Secretary,
Ministry of Development of North Eastern Region,
Vigyan Bhawan Annexe,
New Delhi

Shri Ravindra Singh,
Secretary,
Ministry of Culture, C Wing,
Shastri Bhawan,
New Delhi 110001

Shri Pankaj Agarwal,
Secretary,
Department of Consumer Affairs,
Krishi Bhawan,
New Delhi

Shri Sudhir Kumar,
Secretary,
Department of Food & Public Distribution,
Krishi Bhawan,
New Delhi

Shri Naved Masood,
Secretary,
Ministry of Corporate Affairs,
A Wing, Shastri Bhawan,
New Delhi

Ms. P. Gopinath,
Secretary,
Department of Posts,
Dak Bhawan, Sansad Marg,
New Delhi
Shri M F Farooqui,
Secretary,
Department of Telecommunications,
Sanchar Bhawan,
Rafi Marg, New Delhi

Shri Saurabh Chandra,
Secretary,
Department of Industrial Policy & Promotion,
Udyog Bhawan,
New Delhi.

Shri S.R. Rao,
Secretary,
Department of Commerce,
Udyog Bhawan,
New Delhi.

Shri S.K. Srivastava,
Secretary,
Ministry of Coal,
A Wing, Shastri Bhawan,
New Delhi 110001.

Shri K.N. Srivastava,
Secretary,
Ministry of Civil Aviation,
Rajiv Gandhi Bhawan, Safdarjung Airport,
New Delhi 110003

Ms. Aradhana Johri,
Secretary,
Department of Pharmaceuticals,
A Wing, Shastri Bhawan,
New Delhi

Shri Rajeev Mehrishi
Secretary,
Department of Fertilizers,
A Wing, Shastri Bhawan,
New Delhi

31/12/13
Shri Indrajit Pal,
Secretary,
Department of Chemicals & Petrochemicals,
A-Wing, Shastri Bhawan, Dr. Rajendra Prasad Road,
New Delhi 110001.

Dr. Ratan Kumar Sinha,
Secretary,
Department of Atomic Energy,
Anushakti Bhavan, Chatrapati Shivaji Maharaj Marg,
Mumbai.

Shri Anup Kumar Thakur,
Secretary,
Department of Animal Husbandry, Dairying & Fisheries,
Room No. 229, Krishi Bhawan,
New Delhi

Dr. S. Ayyappan,
Secretary,
Department of Agricultural Research and Education,
Room No. 107, Krishi Bhawan,
New Delhi

Shri Ashish Bahaguna,
Secretary,
Department of Agriculture & Cooperation,
Room No. 115, Krishi Bhawan,
New Delhi.
Dear Shri Arunendu Kumar,

This is with reference to D.O. letter of even number dated 20th February, 2014 from Additional Secretary & Development Commissioner (MSME) and follow up letter dated 25th June, 2014 (copies enclosed) requesting Ministry of Railway to send a report regarding Vendor Development Programmes (VDP) and other initiative action taken for effective implementation of Public Procurement Policy.

I would like to bring to your notice that during the meeting of Committee of Secretaries held on 22.1.014, the Committee observed that Railway may put in place a Vendor Development Programme for MSEs in order to meet the stipulated targets and more VDPs are required to be conducted by Railway for SC/ST entrepreneurs apart from MSEs to achieve the target of 4% procurement from MSEs owned by SC/ST entrepreneur under the policy.

I solicit your personal intervention in the matter and also request you to make available said report on VDPs conducted & other initiatives taken for achieving stipulated targets and sensitize CPSUs/offices under your control about the statutory nature of the public procurement policy for MSEs.

Yours sincerely,

(Madhav Lal)

Shri Arunendu Kumar,
Chairman,
Railway Board,
Rail Bhavan,
New Delhi.
Office Memorandum

F.No. 21(15)/2012-MA

Dated the December, 2013

Subject: Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012- Regarding provision of procurement data in Annual Report

Public Procurement Policy for Micro and Small Enterprises (MSEs) was notified by the Government under the Micro, Small and Medium Enterprises Development Act, 2006, and it came into effect from 1st April, 2012. The policy mandates that at least 20% of the total annual procurement of goods and services shall be made by all Central Ministries/Departments/Central Public Sector Undertakings (CPSUs) from the Micro and Small Enterprises (MSEs). Within this mandated percentage, a sub-target of 4% procurement is to be made from MSEs owned by SC/ST entrepreneurs.

2. As part of the follow up action on the policy, it has been corresponding with Ministries/Departments/CPSUs from time to time, and requesting them to take action on the policy provisions, and also for providing procurement data, etc., to this Ministry. The relevant correspondence in this regard is available on the website www.dcmsme.gov.in for ready reference by the implementing agencies.

3. The para 5 of the Policy mandates as under:-

(1) "The data on Government procurement from Micro and Small Enterprises is vital for strengthening the Policy and for this purpose, every Central Ministry or Department or Public Sector Undertakings shall report goals set with respect to procurement to be met from Micro and Small Enterprises and achievement thereto in their respective Annual Reports".

(2) The annual report shall facilitate in better understanding of support being provided by different Ministries/Departments or Public Sector Undertakings to Micro and Small Enterprises.

4. As per the provision mentioned in para 3, all CPSUs were required to set targets and disclose the achievements made thereon in their Annual Report for the year 2012-13. It is requested that the confirmation of said targets and achievements placed in the Annual Report by indicating page No(s) where the relevant information is incorporated in the report may be communicated to this office immediately. In case, the relevant information has not been incorporated in the Annual Report for 2012-13, the information may be sent along with the reasons for non-disclosure. It is also requested that the concerned officers may be sensitized about these provisions of the policy for the current year 2013-14.

(Ramesh K. Pandey)
Joint Development Commissioner

To
Chairman and Managing Director of all the CPSUs
Subject: Public Procurement Policy for MSEs, Order 2012 – regarding provisions contained therein.

You are aware that Government has notified a Public Procurement Policy for MSEs, Order 2012 which is applicable for all the Ministries / Departments. In this context, it is informed that mandatory action on the following points is required to be taken by the all Ministries / Departments.

Under para 5 of the policy, every Ministry / Department has to report goals set with respect to procurement to be met from Micro and Small Enterprises and achievement thereto in their respective Annual Reports.

ii Under para 7 & 9 (a) of the policy, every Ministry / Department has to take necessary steps to develop appropriate vendors by organizing Vendor Development Programmes, Buyer-Seller Meets and entering into rate contract with Micro and Small Enterprises. Further, for enhancing participation of MSEs owned by SC /ST Entrepreneur in government procurement, every Ministry / Department has to take necessary steps for organizing Special Vendor Development Programmes for Schedule Caste and Schedule Tribes Entrepreneurs also.

iii. Under para 8 of the policy, every Ministry / Department has to prepare Annual Procurement Plan for purchases and upload the same on their official website so that Micro and Small Enterprises may get advance information about requirement of procurement agencies.

You are requested to take necessary steps for compliance of above points. A line in confirmation about the action taken by your corporation in the matter may please be communicated to this office.

(Ramesh K. Pandey)
Joint Development Commissioner

The Secretary
(All Ministries / Departments)
Subject: Public Procurement Policy for MSEs, Order 2012 – regarding provisions contained therein.

You are aware that Government has notified a Public Procurement Policy for MSEs, Order 2012 which is applicable for all the Central PSUs. In this context, it is informed that mandatory action on the following points are required to be taken by the all Central Public Sector Undertakings;

i. Under para 5 of the policy, every PSU has to report goals set with respect to procurement to be met from Micro and Small Enterprises and achievement thereto in their respective Annual Reports.

ii. Under para 7 & 9 (a) of the policy, every PSU has to take necessary steps to develop appropriate vendors by organizing Vendor Development Programmes, Buyer-Seller Meets and entering into rate contract with Micro and Small Enterprises. Further, for enhancing participation of MSEs owned by SC /ST Entrepreneur in government procurement, every PSU has to take necessary steps for organizing Special Vendor Development Programmes for Schedule Caste and Schedule Tribes Entrepreneurs also.

iii. Under para 8 of the policy, every PSU has to prepare Annual Procurement Plan for purchases and up-load the same on their official website so that Micro and Small Enterprises may get advance information about requirement of procurement agencies.

You are requested to take necessary steps for compliance of above points. A line in confirmation about the action taken by your corporation in the matter may please be communicated to this office.

(Ramesh K. Pandey)
Joint Development Commissioner

The Chairman-cum-Managing Director
(All CPSUs as per list enclosed)