

विकास आयुक्त का कार्यालय
(सूक्ष्म, लघु और मध्यम उद्यम)
सूक्ष्म लघु और मध्यम उद्यम मंत्रालय
(भारत सरकार)

निर्माण भवन, सातवीं मंजिल, मौलाना आजाद रोड,
नई दिल्ली-110 108



सत्यमेव जयते



MICRO, SMALL & MEDIUM ENTERPRISES
सूक्ष्म लघु और मध्यम उद्यम

OFFICE OF THE DEVELOPMENT COMMISSIONER
(MICRO, SMALL & MEDIUM ENTERPRISES)
MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES
GOVERNMENT OF INDIA

Nirman Bhawan, 7th Floor, Maulana Azad Road,
New Delhi - 110 108

Ph.EPABX - 23063800, 23063802, 23063803 FAX - (91-11) 23062315, 23061726, 23061068, e-mail - dcmsmehq@nb.nic.in

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

Dated the 10th March, 2016

OFFICE MEMORENDUM

Please find enclosed a Policy Circular of even no dated 10th March, 2016 relating to Relaxation of Norms for Startups and Micro & Small Enterprises in Public Procurement on Prior Experience – Prior Turnover criteria.

Publication Division is requested to take up the matter with Public Information Bureau to place this Policy Circular on the public domain.

Encl : As above.

Yours faithfully,

(U. C. Shukla)
Director(MA)
Tele: 23063363

1. Shri Harish Anand, Director (Pub), O/o DC(MSME)
2. Shri S V Sharma, Director (SENET) with a request to up load in – office website.
3. Information Officer, PIB, Room No 704A Shastri Bhawan, New Delhi.

Government of India
Ministry of Micro, Small & Medium Enterprises
O/o the Development Commissioner (MSME)
Nirman Bhavan, A-Wing, 7th Floor
Maulana Azad Road,
New Delhi-110108
Tel. 011-23061091
Fax No.011-23060536

Policy Circular No. 1(2)(1)/2016-MA

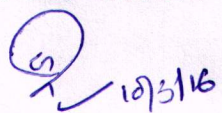
Dt. 10th March 2016

To

All Central Ministries/Departments/CPSUs/All Concerned

Subject: Relaxation of Norms for Startups and Micro & Small Enterprises in Public Procurement on Prior Experience – Prior Turnover criteria.

- (1) The Government of India has notified Public Procurement Policy for Micro and Small Enterprises (MSEs) Order 2012 with effect from 1st April, 2012 and 20% procurement from Micro & Small Enterprises of the total procurement by Central Ministries/Departments/CPSUs has become mandatory with effect from 1st April, 2015.
- (2) The Government of India has announced 'Startup India' initiative for creating a conducive environment for Startups in India.
- (3) The Startups are normally Micro and Small Enterprises which may not have a track record. These will have technical capability to deliver the goods and services as per prescribed technical & quality specifications, and may not be able to meet the qualification criterion relating to prior experience-prior turnover.
- (4) In exercise of Para 16 of Public Procurement Policy for Micro and Small Enterprises Order 2012, it is clarified that all Central Ministries/Departments/ Central Public Sector Undertakings may relax condition of prior turnover and prior experience with respect to Micro and Small Enterprises in all public procurements subject to meeting of quality and technical specifications.
- (5) This issues with the approval of Union Minister of Micro, Small and Medium Enterprises.


(Surendra Nath Tripathi)
Additional Secretary & Development Commissioner-MSME
Ministry of Micro, Small & Medium Enterprises.

516, Lok Nayak Bhawan, New Delhi
Dated the 20th September, 2016

OFFICE MEMORANDUM

Subject: Relaxation of Norms for Startups Medium Enterprises in Public Procurement regarding Prior Experience - Prior Turnover criteria.

The undersigned is directed to refer to this Department O.M. of even number dated 25th July, 2016, wherein it was clarified that all Central Ministries/ Departments may relax condition of prior turnover and prior experience in public procurement to all Start-ups [whether Micro & Small Enterprises (MSEs) or otherwise] subject to meeting of quality and technical specifications in accordance with the relevant provisions of GFR, 2005.

2. A doubt has arisen if it makes optional for Central Ministries/ Departments to relax condition of prior experience and prior turnover in public procurement to Startups. In this regard, it is again clarified that normally for all public procurement, the Central Ministries/ Departments have to ensure that criteria of prior turnover and prior experience for all Startups is relaxed subject to their meeting of quality and technical specifications.

3. However, there may be circumstances (like procurement of items related to public safety, health, critical security operations and equipments, etc.) where procuring entities may prefer the vendors to have prior experience rather than giving orders to new entities. For such procurements, wherever adequate justification exists, the procuring entities may not relax the criteria of prior experience/ turnover for the Startups.

4. This issues with the approval of Finance Secretary.



(Vinayak T. Likhar)
Under Secretary (PPD)
Tel/Fax – 24621305
E-mail – vinayak.likhar@nic.in

To

The Secretaries of all Central Government Ministries/ Departments.

Copy to: -

- (i) Financial Advisors of all Central Government Ministries/ Departments.
- (ii) The Secretary, Department of Public Enterprises, Room No.305, Block No.14, CGO Complex, New Delhi-110 003 with a request to issue appropriate instructions to Central Public Sector Undertakings (CPSUs) to implement #5 of "Action Plan for Startup India".



रमेश अभिशेक
सचिव

RAMESH ABHISHEK
Secretary

Dear Sir,



Pl. process immediately on file
fs 15/6/17
53/6/17
on file
makeinindia.com
22nd June 2017

The Department of Expenditure (DoE) vide its OM. No. F.20/2/2014-PPD (Pt.) dated 20.09.2016 has clarified that all Central Ministries/ Departments may relax conditions of prior turnover and prior experience in public procurement to all Startups, subject to their meeting quality and technical specifications in accordance with GFR, 2005.

In this context, a meeting was held in Department of Policy and Promotion on May 25, 2017, which was attended by representatives from various Ministries/PSUs. The participants brought to notice that the aforesaid circular issued by DoE (dated 20th September 2016) refers to implementation of instructions as stated in Action Plan Point 5 of the Startup India Action Plan, which relaxes the norms only for manufacturing sector Startups. However, Department of Public Enterprise circular dated 08.11.2016 clearly stipulate that the relaxed norms of procurement shall be applicable to all Startups. The same position is reflected in Rule 173(i) of General Financial Rules 2017.

Accordingly, it is requested that DoE may issue a letter to DPE clarifying that the relaxed norms are applicable to all Startups (irrespective of sector) and delete the reference to Action Point 5 of the Startup India Action Plan to remove all ambiguity.

Further, as per Rule 170(i) of GFR 2017, all Micro and Small Enterprises (MSEs) as defined in MSE Procurement Policy, are exempt from paying earnest money deposit. Since all Startups are similar to MSEs and face the same challenges in the development and growth, the same benefit should be extended to Startups. Accordingly, it is requested that exemption from submitting Earnest Money Deposit may also be provided for all Startups (recognized by DIPP).

warm regards,

Yours sincerely,

Ramesh

(Ramesh Abhishek)

us/psd

27-6-17

Shri Ashok Lavasa,
Secretary,

Department of Expenditure,

Ministry of Finance, North Block, New Delhi.

आर्थिक नीति और संवर्धन विभाग, वाणिज्य एवं उद्योग मंत्रालय, उद्योग भवन, नई दिल्ली - 110011

Government of India

Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Udyog Bhawan, New Delhi-110011

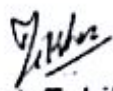
MO F. 20.2/2014-PPD(P)
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division
....

Room No 516, Lok Nayak Bhawan,
New Delhi dated the 27th July, 2017

OFFICE MEMORANDUM

Sub: Relaxation of Norms for Statups Medium Enterprises in Public Procurement regarding Prior Experience-Prior Turnover Criteria - reg.

The undersigned is directed to refer Secretary, Department of Industrial Policy & Promotion's (DIPP)'s D O letter No 12(11)/2017-SI dated 22.06.2017 (copy enclosed) and to say that this Department's O M NO F 20/2/2014-PPD (Pt) dated 20.09.2016 (copy enclosed) clarifying that all Central Ministries / Departments may relax condition of prior turnover and prior experience in public procurement subject to meeting of quality and technical specifications by Startups is applicable to all Startups (and not limited to manufacturing sector) Hence Department of Public Enterprises may consider issuing appropriate instructions to Central Public Sector Undertakings (CPSUs) in this regard


(Vinayak T. Likhari)
Under Secretary to the Govt. of India
Tele: 24621305

29/221
1/8/17
Adv (A/B) ✓
1/8/17
1/8
Ministry of Heavy Industries & Public Enterprises,
(Kind Attn.: Smt. Seema Bahuguna, Secretary),
Department of Public Enterprises,
Udyog Bhawan, New Delhi.

Copy to: Ministry of Commerce & Industry, (Kind Attn.: Shri Ramesh Abhishek, Secretary), Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi.

2/8
D in (KH)

W. Mishra
2-8-17
DD(SM)

F. No. DPE/7(04)/2007-Fin
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhawan
Block No. 14, CGO Complex,
Lodhi Road, New Delhi-110003

Dated: 24th August, 2017

OFFICE MEMORANDUM

Subject:- Relaxation of Norms for Startups Medium Enterprises in Public Procurement Regaling Prior Experience- Prior Turnover criteria – reg.

The undersigned is directed to enclose herewith a copy of the OM No. F.20-2/2014-PPD (pt.) dated 27th July, 2017 and O.M No. F.20/2/2014-PPD (pt.) dated 20.09.2016 issued by Ministry of Finance, Department of Expenditure on the above subject alongwith DIPP D.O. No. 12(11)/2017-SI dated 22.06.2017 (copies enclosed). All Ministries/Departments concerned are advised to direct their CPSEs to follow the instructions mentioned therein for implementation.

Kalyani Mishra

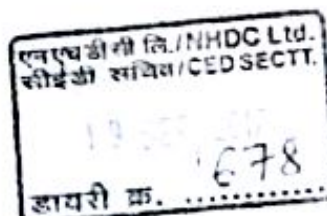
(Kalyani Mishra)

Director

Ph. 24362061

Encls:- As above

1. All Secretaries of Administrative Ministries/Departments
2. All CMD of CPSEs
3. Ministry of Finance, Department of Expenditure w.r.t. OM No. F.20-2/2014-PPD (pt.) dated 27th July, 2017



सं. डीपीई-7(04)/2007-वित्त
भारत सरकार
भारी उद्योग एवं लोक उद्यम मंत्रालय
लोक उद्यम विभाग

लोक उद्योग भवन
ब्लॉक सं. 14, सीजीओ कॉम्प्लेक्स
सोधी रोड, नई दिल्ली - 110003
दिनांक: 24 अगस्त 2017

कार्यालय जापन

विषय: पूर्व अनुभव की अपेक्षा के साथ सार्वजनिक अधिप्रापण में स्टार्ट-अप मध्यम उद्यमों के लिए मानदंडों में छूट- पूर्व कारोबार संबंधी मानदंड से संबंधित।

अधोहस्ताक्षरी को डीआईपीपी के दिनांक 22.06.2017 के अ.शा. सं. 12(11)/2017-एसआई (प्रतियां संलग्न) के साथ उपर्युक्त विषय पर वित्त मंत्रालय, व्यय विभाग के दिनांक 27 जुलाई 2017 के का.जा.सं. एफ 20-2/2014-पीपीडी (पार्ट) और दिनांक 20.09.2016 के का.जा.सं. एफ 20/2/2014-पीपीडी (पार्ट) की प्रति संलग्न करने का निदेश हुआ है। सभी संबंधित मंत्रालयों/विभागों को सलाह दी जाती है कि वे अपने सीपीएसईज़ को कार्यान्वयन हेतु उपर्युक्त कार्यालय जापनों में उल्लिखित अनुदेशों का पालन करने का निर्देश दें।

कल्याणी मिश्रा
(कल्याणी मिश्रा)
निदेशक
दूरभाष: 24362061

संलग्नक: यथोक्त।

1. सभी प्रशासनिक मंत्रालयों/विभागों के सचिव।
2. सभी सीपीएसईज़ के अध्यक्ष सह प्रबंध निदेशक।
3. वित्त मंत्रालय, व्यय विभाग को उनके दिनांक 27 जुलाई 2017 के का.जा.सं. एफ 20-2/2014-पीपीडी (पार्ट) के संदर्भ में।