



**GOVERNMENT OF KERALA**

**Abstract**

Extending the benefits of Public Procurement Policy for Micro & Small Enterprises Order 2012 of Government of India to the Micro & Small Enterprises in Kerala registered under National Small Industries Corporation, etc - Sanctioned - Orders issued.

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**FINANCE (PUBLIC UNDERTAKING -A) DEPARTMENT**

G.O (P) No.546/2013/Fin.

Dated, Thiruvananthapuram,07/11/2013

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- Read :- 1) G.O (P) No.385/08/Fin dated 27/08/08  
2) G.O (P) No. 361/09/Fin dated 22/08/09  
3) G.O (P) No. 120/12/Fin dated 17/02/12.  
4) G.O (P) No.489/13/Fin dated 26/09/13.

As per the Government Orders read as 1<sup>st</sup> , 2<sup>nd</sup> and 3<sup>rd</sup> above the Small Scale Industrial Units working within the State and registered with the Stores Purchase Department were exempted from payment of EMD, bid security, cost of tender forms, security deposit etc. Government of India has notified a Public Procurement Policy for Micro & Small Enterprises, vide section 11 of the Micro, Small & Medium Enterprises Development Act, 2006. The above section empowers State Governments to notify preference policies in respect of goods and services produced and provided by Micro & Small Enterprises.

In the G.O read as 4<sup>th</sup> paper above, Government extended the benefits of Public Procurement Policy for Micro & Small Enterprises order 2012 notified by Government of India to the Micro Small & Medium Enterprises in Kerala registered under National Small Industries Corporation, etc.

Government have examined the matter in detail and are pleased to issue orders in tune with the Public Procurement Policy of Government of India covering the following and exempting Public Sector Undertaking running on competitive basis, in modification of the orders read as 4<sup>th</sup> paper above.

- a)** All State Government Departments/ Public Sector Undertakings/ Local Self Government's/Development Authorities/Kerala Khadi & Village Industries Board/KINFRA/ Kerala State Electricity Board/Kerala State Road Transport Corporation/Kerala Water Authority shall set an annual goal of procuring a minimum of 20% of their annual value of goods or services from Micro & Small Enterprises working within the State, in a period of two years with effect from 2013-14.
- b)** From 01/04/2015, over all procurement goal of minimum 20% shall be made mandatory.
- c)** Out of the 20% target of annual procurement, a sub target of 20% shall be earmarked for procurement from Micro & Small Enterprises owned by Scheduled Caste /Scheduled Tribes.
- d)** In tender, participating Micro & Small Enterprises quoting price within price band of  $L_1 + 15\%$  shall also be allowed to supply a portion of requirement by bringing down their price to  $L_1$  price if the  $L_1$  price is from some one other than the Micro & Small Enterprises and such Micro & Small Enterprises be allowed to supply 20% of the total tendered value.
- e)** To reduce transaction cost of doing business, the Micro & Small Enterprises will be given tender sets free of cost, payment of EMD will be exempted and e-procurement will be adopted to ensure transparency in the tendering process.
- f)** The price procurement policy shall be made applicable to Micro & Small Enterprises working within the State and registered with the Stores Purchase Department/ District Industries Centres/Khadi and Village Industries Commission/ Khadi & Village Industries Board/Coir Board/National Small Industries Corporation/ Directorate of Handicrafts and Handloom or any other body specified by the Ministry of Micro Small & Medium Enterprises.

Necessary amendments to the Stores Purchase Manual if any, will be issued separately by the Stores Purchase Department. The G.O read as 4<sup>th</sup> above stands cancelled abinitio.

By order of the Governor

**V. Somasundaran**

Additional Chief Secretary (Finance)

To:

The Principal Accountant General (A&E/G&SSA), Kerala,  
Thiruvananthapuram.

The Accountant General (E&RSA), Kerala, Thiruvananthapuram.

The Additional Development Commissioner, O/o the Development  
Commissioner (Micro Small & Medium Enterprises) Ministry of Micro Small &  
Medium Enterprises Government of India , Nirman Bhavan, 7<sup>th</sup> floor,  
Moulana Azad Road, New Delhi 110 108.

The Planning & Economic Affairs (BPE) Department

The Stores Purchase Department

The Chief Executives of all Public Sector Undertakings, Autonomous  
Bodies, Statutory Boards.

All Principal Secretaries/ Secretaries/Special Secretaries/Additional  
Secretaries/Joint Secretaries/Deputy Secretaries & Under Secretaries to  
Government

The Secretary to Governor

All Heads of Departments

The Private Secretaries to Chief Minister and other Ministers

The private Secretaries to Speaker and Deputy Speaker

The Private Secretary to Leader of Opposition and Government Chief Whip

All Departments of Secretariat

The General Administration (SC Department), vide the proceedings of  
Council of Ministers in item No.4233 dated 20/09/2013

The Director of Public Relations, Thiruvananthapuram

✓ The Nodal Officer, [www.finance.kerala.gov.in](http://www.finance.kerala.gov.in).

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Section Officer