



GOVERNMENT OF KERALA

**Abstract**

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

FINANCE (PUBLIC UNDERTAKING -A) DEPARTMENT

G.O (P) No.489/2013/Fin.

Dated, Thiruvananthapuram, 26/09/2013

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.

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 & Medium 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 & Medium Enterprises. 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.

- 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 & Medium 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 & Medium Enterprises owned by Scheduled Caste / Scheduled Tribes.
- d) In tender, participating Micro, Small & Medium 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 & Medium Enterprises and such Micro, Small & Medium Enterprises be allowed to supply 20% of the total tendered value.
- e) To reduce transaction cost of doing business, the Micro, Small & Medium 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 & Medium 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.

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 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

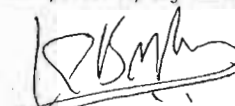
All Departments of Secretariat

The Director of Public Relations, Thiruvananthapuram

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

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Forwarded/By order

  
Section Officer