

HINDUSTAN SHIPYARD LIMITED  
C&MD SECRETARIAT

INSTRUCTIONAL ORDER NO. & C&MD/IO/ 24 /2018 Dated 15 Nov 2018

Sub: Public Procurement Policy for MSME Order 2012	Date effective: Immediate Date Issued: 15 NOV 2018	
Previous Reference	Depts. Affected	Distribution
1. Gazette of India extraordinary, Part II – Section 3- Sub section (ii) dated 26 Mar 2012.	Commercial	C&MD
2. Govt. of India, Ministry of MSMEs Policy Circular no. 1(2)(1)/2016-MA dated 10 Mar 2016.	SRC	D(S)
3. HSL IO no. CMD/IO/34/2016 dated 15 Dec 16.	Civil Engg	D(SP)
4. HSL IO no. CMD/IO/35/2016 dated 15 Dec 16.	Design dept.	CVO
5. Ministry of Finance, Dept. of Expenditure OM No. 20/2/2014-PPD(Pt.) dated 25 Jul 2016.	Maintenance	ED(C&P)
6. Govt. of India, Ministry of MSMEs Note No. F.No.24/02/2013-Fin.1 dated 02 Aug 2016.	Production Planning	GM(SUB)
7. Govt. of India, Ministry of MSMEs Note No. F.No.21 (8)/2018-MA dated 09 Nov 2018.	Finance	GM(PP&PM)
	Company Secretary	GM(C)

1. Further to the Directives of Govt. of India regarding Public Procurement Policy for Micro and Small Enterprises (MSEs) dated 26 Mar 12, Ministry of MSMEs (Govt. of India) promulgated Policy for further Relaxation of Norms for MSEs & Startup Medium Enterprises dated 02 Aug 16 & 09 Nov 18 and it has become mandatory on the part of PSUs to implement the following policy guidelines:

(a) Every Central Ministry or Department or PSU shall have to set an annual goal of 25% procurement from MSEs, which is mandatory.

(b) Out of 25% target of annual procurement from MSEs, a sub target of 4% (within 25%) shall be earmarked for procurement from MSEs owned by SC & ST entrepreneurs and 3% (within 25%) shall be earmarked for procurement from MSEs owned by women entrepreneurs. In event of non-response, it can be met from other MSEs.

(c) Targets and achievements are to be reported in Annual reports by Company secretary in coordination with Design, Commercial & SRC.

(d) When as MSE quote the price band of L1+15 percent in a competitive tender, it shall also be allowed to supply a portion of the requirement by bringing down their price to L1. In case of more than such MSEs are in competition, the supply shall be shared proportionately.

(e) Annual plan for procurement from MSEs is to be uploaded in official website by Corporate Planning dept. in coordination with Design, Commercial and SRC.

(f) Vendor development programmes or Buyer Seller meets and entering Rate contracts with MSEs is to be organized by Commercial dept.

(g) Special Vendor Programmes or Buyer Seller meets are to be conducted for SC & ST entrepreneurs by Commercial dept.

(h) Tender documents are to be issued to MSEs at free of cost and offers are to be allowed without payment of Earnest Money Deposit.

(i) 358 items were reserved to MSEs under Public Procurement Policy. Out of these 358 items, 99 items have been identified which are in use of HSL and the list of these items are enclosed at Annexure-A. All the procurement wings are required to procure these items exclusively from MSEs.

(j) Relaxation of prior turnover and prior experience for MSEs and all Startups (whether MSEs or otherwise) subject to meeting of quality and technical specifications in accordance with the relevant provisions of GFR 2005, will be considered for all 99 items as per Annexure-A.

(k) HSL may relax condition of prior turnover and prior experience in public procurements to Micro & Small Enterprises (MSEs) & all Startups (whether MSEs or otherwise) subject to meeting of quality and technical specifications as recommended by Indenting dept.

2. The above guidelines shall be implemented by all the departments concerned with immediate effect. This supersedes earlier IO's stated under reference.

  
(RAdm LVS Babu), IN (Retd.)  
Chairman & Managing Director

