

HINDUSTAN SHIPYARD LIMITED C&MD Secretariat		
Instructional order no. CMD/IO/ 34/2016 dated Dec 2016		
Sub: Public procurement policy for MSEs order 2012	Date effective: Immediate Date issued : 15 Dec 16	
Previous Reference	Depts. Affected	Distribution
1. Gazette of India extraordinary, Part II – Section 3-Sub section (ii) dated 26 Mar 2012. 2. Govt. of India, Ministry of MSMEs Policy Circular No.1(2)(1)/2016-MA dated 10 Mar 2016 3. JS(DIP) , MOD, DDP D.O. letter 182)/2016/Sul/DP(Plg-MS) dated 18 Apr 2016	Commercial DDSR Civil Engg Design dept. Safety Maintenance Production Planning Finance Company Secretary	C&MD D(SP) D(S) D(F&C) D(CP&P) CVO GM(SB&SR) GM(CP) GM(EKM) GM(PP&PM) GM(C) - AC

1. As per the Ministry of MSME's Policy Circular No.1 (2)(1)/2016-MA dated 10 Mar 2016 and in exercise of para 16 of Public Procurement Policy for Micro & Small Enterprises Order 2012, all Central Ministries/Departments/ CPSUs are required to relax condition of prior turnover and prior experience with respect to Micro and Small Enterprises in all public procurements subject to meeting the quality and technical specifications. In this connection, the following guidelines are to be followed:

- (a) A temporary registration no. shall be issued against a formal application received from start-up/MSME together with the minimum evidence of fulfillment of statutory requirements.
- (b) In case of requirement of any item listed out arises and that MSME emerges as L1 in the tender for that particular item or within the price band of L1 + 15% and agrees to match the L1 price, a trial order shall be placed with above mentioned Start-up / MSME for observing their performance.
- (c) If their performance is found to be satisfactory, permanent registration will be issued for that specific item.

2. Items, for which, prior experience and prior turnover are not insisted upon from MSMEs has been arrived at and the same is enclosed herewith.

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

**List of items reserved for Purchase from Small scale Industrial units**

S No.	Description of material	S No.	Description of material
1	Bath tubs	51	Nylon tapes and laces
2	Battery charger	52	Pad locks of all types
3	Bench Vices	53	Paint remover
4	Bituminous paints	54	Pans lavatory flush
5	Bolts and nuts	55	Polythene bags
6	Bolts sliding	56	Polythene pipes
7	Boots and shoes for industrial purpose	57	PVC pipes upto 110 macedonia
8	Bowls	58	PVC insulated aluminium cables (upto 120 sq.mm) (ISS.694)
9	Boxes made of metal	59	Rags
10	Brooms	60	Rivets of all types
11	Brushes of all types	61	Rolling shutters
12	Centrifugal steel plate blowers	62	Roof light fittings
13	Cleaning powder	63	Rubber hoses (unbranded)
14	Clinical Thermometers	64	Screws of all types including high tensile
15	Coir mattress cushions and matting	65	Shellac
16	Coir rope hawserlaid	66	Shovels
17	Cotton tapes and laces	67	Sluice valves
18	Cutters	68	Soap liquid
19	Diesel engines upto 15 H.P.	69	Soap soft
20	Domestic electric appliances as per BIS specifications Toaster electric, elect, iron, hot plates, elect. Mixer, Grinders, Room heaters and convectors and ovens	70	Steel beds stead
21	Domestic (House Wiring) P.V.C. cables and wires (Aluminium) Conforming to the prescribed BIS specifications and upto 10.00 macedonia sq. nominal cross section	71	Steel chair
22	Electric call bells / buzzers / door bells	72	Steel desks
23	Electric soldering iron	73	Street light fittings
24	Electric transmission line hardware items like steel cross bars, cross arms clamps arching horn, brackets	74	Studs (excluding high tensile)
25	Electronic door bell	75	Surgical gloves (except plastic)
26	Emergency light (Rechargeable type)	76	Table knives (excluding cutlery)
27	Expanded metal	77	Taps
28	Eyelets	78	Tarpaulins
29	Film polythene - including wide width film	79	Tin boxes for postage stamp
30	French polish	80	Toilet Rolls
31	Fuse unit	81	Transformer type welding sets conforming to IS.1291/75 (upto 600 amps)
32	Grease nipples and grease guns	82	Trolley
33	Gun metal bushes	83	Tyres and Tubes (Cycles)
34	Hand gloves of all types	84	Umbrellas
35	Hand pump	85	Utensils all types
36	Hand tools of all types	86	Varnish black japan
37	Hasps and staples	87	Voltage stabilisers including C.V.T's
38	Helmet non-metallic	88	Washers all types
39	Hinges	89	Water proof covers
40	Lamp holders	90	Water proof paper
41	Lamp signal	91	Water tanks upto 15,000 litres capacity
42	Lighting Arresters - upto 22 KV	92	Weighing scale
43	Lockers	93	Welded wiremesh
44	Lubricators	94	Wheel barrows
45	Machine screws	95	Whistle
46	Manhole covers	96	Wire brushes and fibre brushes
47	Measuring tapes and sticks	97	Wire fencing and fittings
48	Metal c/a switches (upto 30 amps)	98	Wire nails and brose show nails
49	M.S. Tie Bars	99	Wooden boards
50	Nail cutters		


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1. Gazette of India extraordinary, Part II – Section 3-Sub section (ii) dated 26 Mar 2012.	Commercial	C&MD
	DDSR	D(SP)
	Civil Engg	D(S)
	Design dept.	D(F&C)
2. Govt. of India, Ministry of MSMEs Policy Circular No.1(2)(1)/2016-MA dated 10 Mar 2016	Safety	D(CP&P)
	Maintenance	CVO
	Production Planning	GM(SB&SR)
	Finance	GM(CP)
3. JS(DIP) , MOD, DDP D.O. letter 182)/2016/Sul/DP(Plg-MS) dated 18 Apr 2016	Company Secretary	GM(EKM)
		GM(PP&PM)
		GM(C) - AC

1. Government of India promulgated Public Procurement Policy for Micro and Small Enterprises (MSEs) through a Gazette notification on 26 Mar 2012 and it has become mandatory on the part of PSUs to implement the following policy guidelines:

- (i) Every Central Ministry or Department or PSU shall have to set an annual goal of 20% procurement from MSEs, which is mandatory.
- (ii) Out of 20% target of annual procurement from Micro and Small Enterprises, a sub-target of 20 percent shall be earmarked for procurement from Micro and Small Enterprises owned by the SC or ST entrepreneurs. In event of their non-response, it can be met from other MSEs.
- (iii) Targets and achievements are to be reported in Annual Reports by Company Secretary in coordination with Design, Commercial & DDSR.
- (iv) When an MSE quote the Price with price band of L1+15 per cent 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 one such MSEs are in competition, the supply shall be shared proportionately.
- (v) Annual Plan for procurement from Micro and Small Enterprises is to be uploaded in official Website by GM (CP) in coordination with Design, Commercial & DDSR.
- (vi) Vendor Development programmes or Buyer Seller Meets and entering Rate contracts with MSEs is to be organized by GM (Commercial).

- (vii) Special Vendor Programmes or Buyer Seller Meets are to be conducted for SC & ST entrepreneurs by GM (Commercial).
- (viii) Tender documents are to be issued to MSEs at free of cost and offers are to be allowed without payment of Earnest Money Deposit.
- (ix) E-Procurement is to be adopted to bring in Transparency. Since, E-procurement is already under implementation, GM (Commercial) is required to put up proposals for its complete implementation in consultation with NIC separately.
- (x) 358 items were reserved to MSEs under the said Public Procurement Policy. Out of these 358 items, 99 items have been identified, which are in the 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.

2. The above guidelines shall be implemented by all the departments concerned with immediate effect.

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

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