



D.O. SB / SBM / 028 / 2017

Date: 7th March 2017

Dear Sir,

Sub: Relaxation of Norms for Start-ups in Public Procurement regarding prior experience and prior turnover

As you are aware, Government of India launched Startup India initiative to encourage the communities to move towards entrepreneurship.

2. The definition of a start-up under the initiative is as follows:-

Start-up means an entity, incorporated or registered in India:

- Not prior to five years,
- With annual turnover not exceeding INR 25 crore in any preceding financial year, and
- Working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property

Provided that such entity is not formed by splitting up, or reconstruction, of a business already in existence. Provided also that an entity shall cease to be a Start-up if its turnover for the previous financial years has exceeded INR 25 crore or it has completed 5 years from the date of incorporation/ registration. Provided further that a Start-up shall be eligible for tax benefits only after it has obtained certification from the Inter-Ministerial Board, setup for such purpose

3. As per an office memorandum issued by the Department of Expenditure, Ministry of Finance, the norms for start-ups for public procurement regarding prior experience and prior turnover have been relaxed. The attached memorandum can be referred to for the same.



4. As the scheme has been announced by Government of India for creating a conducive system for growth of start-ups in India, you are also requested to implement the said norm in your procurement policy.

With regards,

Yours Sincerely,



(PRAVEEN PRAKASH)

To: Principal Secretary (UD) of all States/ UTs
Cc: SBM-II

No. DPE/7(4)/2007-Fin.
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

JS(S)

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

Dated: 8th November, 2016

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 20th September, 2016 along with a copy of OM of even number dated 25th July,2015 (with enclosure) on the above subject issued by Ministry of Finance, Department of Expenditure (Procurement Policy Division). All Ministries/Departments concerned are advised to direct their CPSEs to follow the directions mentioned therein for implementation.

This issues with the approval of Secretary, DPE.

RK
d

Kalyani Mishra

(Kalyani Mishra)
Director
Ph. 24362061

Encl. : As above

1. All Secretaries of Administrative Ministries/Departments
2. All CMD of CPSEs
3. Ministry of Finance, Department of Expenditure w.r.t.Letter No. F.26/4/2016.PPD dated 20th September, 2016.
4. Sr Director NIC with a request to up load in – office website of DPE

255519/JSU/946
28/11/16

Jyesta KMC

फा. सं.डीपीई/7(4)/2007- वित्त
भारत सरकार
भारी उद्योग और लोक उद्यम मंत्रालय
लोक उद्यम विभाग

लोक उद्योग भवन,
ब्लॉक संख्या 14, सी.जी.ओ. कॉम्प्लेक्स,
लोधी रोड, नई दिल्ली-110 003.
दिनांक: 08 नवम्बर, 2016

कार्यालय ज्ञापन

विषय:- सार्वजनिक खरीद में स्टार्टप्स मध्यम उद्यमों के लिए पूर्व अनुभव संबंधी मानकों - पूर्व टर्नओवर मानदण्ड से छूट के संदर्भ में।

अधोहस्ताक्षरी को उपर्युक्त विषय पर वित्त मंत्रालय, व्यय विभाग (क्रय नीति प्रभाग) द्वारा जारी दिनांक 20 सितम्बर, 2016 के कार्यालय ज्ञापन संख्या एफ 20/2/2014-पीपीडी (पार्ट) के साथ दिनांक 25 जुलाई, 2015 के समसंख्यक कार्यालय ज्ञापन (संलग्नक सहित) की एक प्रति संलग्न करने का निदेश हुआ है। सभी संबंधित मंत्रालयों/विभागों को सलाह दी जाती है कि वे कार्यान्वयन के लिए उसमें उल्लिखित निदेशों का अनुपालन करने के लिए अपने केन्द्रीय सरकारी लोक उद्यमों को निदेश दें।

यह सचिव, लोक उद्यम के अनुमोदन से जारी किया जा रहा है।

कल्याणी मिश्रा

(कल्याणी मिश्रा)

निदेशक

दूरभाष: 24362061

प्रतिलिपि : संलग्न

1. सभी प्रशासनिक मंत्रालय/विभाग के सचिव।
2. सभी केन्द्रीय सरकारी लोक उद्यमों के प्रबंध निदेशक।
3. वित्त मंत्रालय, व्यय विभाग के दिनांक 20 सितम्बर, 2016 के पत्रसं एफ-26/4/2016-पीपीडी के संदर्भ में।
4. एनआईसी वरिष्ठ निदेशक से अनुरोध है कि लोक उद्यम विभाग की वेबसाई पर अपलोड करें।

No.F.20/2/2014-PPD(Pt.)
Ministry of Finance
Department of Expenditure
Procurement Policy Division

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

OFFICE MEMORANDUM

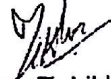
Subject: Relaxation of Norms for Startups Medium Enterprises in Public Procurement regarding Prior Experience - Prior Turnover criteria.

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".

No.F.20/2/2014-PPD(Pt.)
Ministry of Finance
Department of Expenditure
Procurement Policy Division

516, Lok Nayak Bhawan, New Delhi

Dated the 25th July, 2016

OFFICE MEMORANDUM

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

The Government of India has announced 'Startup India' initiative for creating a conducive ecosystem for the growth of Startups in India. The Startups are defined in **Annexure-A** of the "Action Plan for Startups India". The same is available on the website of Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry.

2. Ministry of Micro, Small & Medium Enterprises (MSMEs) vide Policy Circular No. 1(2)(1)/2016-MA dated 10th March, 2016 has clarified that all Central Ministries / Departments / Central Public Sector Undertakings (CPSUs) may relax condition of prior turnover and prior experience with respect of Micro & Small Enterprises (MSEs) in all public procurements subject to meeting of quality and technical specifications.

3. As per Rule 160(i)(a) of GFR, 2005, there is already a provision that the bidding document should contain criteria for eligibility and qualification to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position etc. In view of above, it is further clarified that all Central Ministries / Departments may relax condition of prior turnover and prior experience in public procurement to all Startups (whether MSEs or otherwise) subject to meeting of quality and technical specifications in accordance with the relevant provisions of GFR, 2005.



(Vinayak T. Likhar)

Under Secretary to the Govt. of India

Tel/Fax – 24621305

E-mail – vinayak.likhar@nic.in

To

The Secretaries of all Central Government Ministries/ Departments.

Copy to: -

Financial Advisors of all Central Government Ministries/ Departments.

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



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

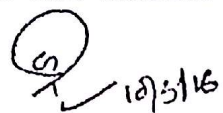
Dt. 10th March 2016

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.