

Government of India  
Ministry of Micro, Small & Medium Enterprises  
O/o the Development Commissioner (MSME)  
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Policy Circular No. 1(2)(1)/2016-MA

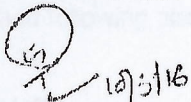
Dt. 10<sup>th</sup> March 2016

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 1<sup>st</sup> April, 2012 and 20% procurement from Micro & Small Enterprises of the total procurement by Central Ministries/Departments/CPSUs has become mandatory with effect from 1<sup>st</sup> 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.