

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY

RAJYA SABHA
UNSTARRED QUESTION NO. 3063
TO BE ANSWERED ON 22.03.2018

Procurement from entities owned by SCs/STs

3063. SHRI K. K. RAGESH:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the mandatory norm of four per cent of the total procurement from the entities owned by SCs/STs is followed by the Central Public Sector Enterprises (CPSEs) as stipulated by Public Procurement Policy, 2012;
- (b) if so, the details of PSUs following the norm;
- (c) the total value of procurement by PSUs during the last three years; and
- (d) the details of PSUs which are not following the norm and reasons therefor?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND
PUBLIC ENTERPRISES (SHRI BABUL SUPRIYO)**

(a) to (b): The Public Procurement Policy 2012 stipulates mandatory procurement by Central Ministries/Departments/Public Sector Enterprises (CPSEs) of minimum of 20% of their total annual purchases of products produced and services rendered by Micro and Small Enterprises (MSEs) with effect from 1st April 2015. Out of this 20% target, a sub-target of 4% has been earmarked for procurement from MSEs owned by Scheduled Caste (SC)/Scheduled Tribe (ST) entrepreneurs. It is further provided in the said policy that in the event of failure of such SC/ST entrepreneurs owned MSEs to participate in tender process or meet tender requirements and L1 price, the 4% sub-target for procurement earmarked for MSEs owned by SC/ST entrepreneurs can be met from other MSEs. As per the available information, 144 CPSEs are following the above policy to the extent possible.

(c) & (d): Details of procurement by CPSEs from Micro and Small Enterprises in the last three years are as under:-

Year	No. of CPSEs	Total Procurement (Rs. In Croes)	Procurement from MSEs (Rs. In Croes)	Procurement from MSEs owned by SC/St Entrepreneur (Rs. In Croes)
2014-15	113	1,43,665.03	9,601.01	90.12
2015-16	133	2,79,168.28	12,566.15	50.11
2016-17	144	1,34,358.19	25,326.97	399.99

CPSEs are trying their level best to meet the targeted procurement of 4% from SC/ST entrepreneurs but finding it difficult to achieve due to several factors such as less participation of MSEs owned by SC/ST entrepreneurs in the procurement process. There are not many SC/ST entrepreneurs who can supply the intended goods/components/services required. Also, MSEs are not disclosing as to whether it is owned by SC/ST entrepreneurs(s). Absence of reliable database which can authenticate the status of MSEs being owned by SC/ST entrepreneurs etc also create additional hurdles.