

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 103
TO BE ANSWERED ON 22.07.2024

VENDOR DEVELOPMENT PROGRAMMES FOR MSMEs

103. SHRI SANDOSH KUMAR P:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the total number of MSMEs benefited through the Vendor Development Programme (VDP) being organised by the Development Institutions (DIs) in each State;
- (b) whether Government is aware of the fact that the VDP often benefits medium enterprises at the expense of small and micro enterprises because of the vendors' preferences towards bigger units with better capital and technology access;
- (c) if so, whether Government has initiated corrective measures to attract the vendors towards micro-enterprises; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a): The detail of State wise beneficiaries (Total 9,474 MSMEs) through the Vendor Development Programme (VDP) organised by the Development Institutions (DIs) during 2019-2023 is placed at *Annexure-I*.

(b) to (d): Vendor Development Programme is organized to facilitate market linkages for effective implementation of Public Procurement Policy. It benefits MSMEs in their GeM registration and detailed understanding of Public Procurement with CPSEs. During 2019-23, 7509 Micro Units, 1807 Small Units and 158 Medium Units participated in Vendor Development Programmes organized by MSME-Development and Facilitation Office's (DFOs) in collaboration with CPSEs and other Government Departments.

Vendor Development Programmes through effective implementation of Public Procurement Policy has expanded the business of MSMEs. Ministry of MSME has notified the implementation of the Public Procurement Policy for Micro and Small Enterprises order, 2012 from 1st April, 2012 with the objective of promoting the growth and development of MSEs by improving their market access and linkages. This policy provides the following benefits to MSEs by the CPSUs:

- (i) Purchase Preference: Policy mandates 25% annual procurement from Micro and Small Enterprises (MSEs) by Central Ministries/ Departments/ Central Public Sector Undertakings (CPSUs), including 4% from MSEs owned by SC/ST and 3% from MSEs owned by Women entrepreneurs.
- (ii) Price match-making facility: If the L1 price by a non-MSE is the lowest, participating MSEs quoting a price within a band of L1+15% will be allowed to bring down their price to match L1 price. Such MSEs are allowed to supply at least 25% of total tendered value.

: 2 :

In case there is more than one such MSE, the supply will be shared proportionately (to tendered quantity). In case the tender item is non-splitable or non-divisible, an MSE quoting a price within the price band L1+15% may be awarded full or complete supply of total tendered value, if it matches the L1 price.

- (iii) Exemption from Earnest Money Deposit: MSEs are exempted from payment of earnest money deposit.
- (iv) Other Benefits: To reduce the transaction cost of doing business, MSEs are facilitated by providing them tender sets free of cost and adopting e-procurement to bring in transparency in tendering process.

The benefits listed at (i) to (iv) above are available only to Micro and Small Enterprises.

Annexure-I

State/UT wise details of MSMEs assisted under Vendor Development Programmes (VDPs)

S. No.	Name of the State	MSME Beneficiaries
1	Andhra Pradesh	986
2	Assam	76
3	Bengal	197
4	Bihar	778
5	Chhattisgarh	107
6	Delhi(NCR)	479
7	Goa	100
8	Gujarat	232
9	Haryana	145
10	Himachal Pradesh	251
11	J&K	65
12	Jharkhand	120
13	Karnataka	287
14	Kerala	214
15	Madhya Pradesh	407
16	Maharashtra	1171
17	Manipur	70
18	Meghalaya	109
19	Nagaland	58
20	Odisha	280
21	Punjab	117
22	Rajasthan	650
23	Sikkim	100
24	Tamil Nadu	450
25	Telangana	1080
26	Tripura	100
27	Uttar Pradesh	530
28	Uttarakhand	315
Total		9,474