

**GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION  
LOK SABHA**

**UNSTARRED QUESTION NO. 3563.  
TO BE ANSWERED ON MONDAY, THE 8<sup>TH</sup> AUGUST, 2016.**

**PROMOTION OF NEW ENTREPRENEURS**

**3563. SHRIMATI REKHA VERMA:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether it has come to the notice of the Government that the conditions of tenders floated by the Government are such that new entrepreneurs are precluded from participating and thus new entrepreneurs get discouraged;
- (b) if so, whether the Government is preparing any policy to relax the rules and conditions in this regard; and
- (c) if so, the details thereof along with the time by which the said policy is likely to be implemented?

**ANSWER**

**वाणिज्य एवं उद्योग राज्यमंत्री (स्वतंत्र प्रभार)(श्रीमती निर्मला सीतारमण)  
THE MINISTER OF STATE (INDEPENDENT CHARGE)  
OF THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRIMATI NIRMALA SITHARAMAN)**

- (a) to (c):** The Startup India Action Plan as announced on 16<sup>th</sup> January, 2016 envisages to exempt Startups (in the manufacturing sector) from the conditions of “prior experience and turnover” without any relaxation in quality standards or technical parameters. The Ministry of Micro, Small & Medium Enterprises (MSME) vide Policy Circular No.1(2)(1)/2016-MA dated 10<sup>th</sup> March 2016 has clarified that (i) 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 and (ii) 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 procurement subject to meeting of quality and technical specification. Further, the Department of Expenditure vide O.M.No. 20/2/2014-PPD(Pt) dated 25<sup>th</sup> July, 2016 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.

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