

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3078
TO BE ANSWERED ON 07.08.2025

PUBLIC PROCUREMENT FROM MSMEs

3078. SHRI S VENKATESAN:

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

- (a) the norms prescribed for Public Procurement by Ministries/Departments/PSUs from MSMEs particularly from SC, ST and women entrepreneurs;
- (b) the details of Public Procurement made by Ministries/Departments/PSUs from MSMEs particularly SC, ST and women entrepreneurs during the last two financial years 2023-24 and 2024-25;
- (c) whether the action has been initiated against Officials responsible for non-adherence in fulfilling the norms applicable to Public Procurement from MSMEs including those led by SC, ST and women entrepreneurs, if so, the details thereof;
- (d) the details of Ministries/Departments/PSUs not fulfilling the norms for Public Procurement from MSMEs particularly SC, ST and women entrepreneurs; and
- (e) the mechanism to ensure adherence to norms for the Government procurement?

ANSWER

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

(a): The Ministry of MSME vide Gazette Notification No. S.O. 581(E), dated 23rd March, 2012 notified the Public Procurement Policy for Micro and Small Enterprises (MSEs), Order, 2012. The Policy (amended in 2018) mandates 25% annual procurement from MSEs by Central Ministries/Departments/Central Public Sector Enterprises (CPSEs), including 4% from MSEs owned by SC/ST and 3% from MSEs owned by women entrepreneurs. As per the Policy, MSEs must be provided tender sets free of cost and they are exempted from payment of Earnest Money Deposit.

(b): The details of procurement made from MSEs during the last two financial years, 2023-24 and 2024-25, as per MSME Sambandh Portal, by CPSEs, are attached as *Annexure-I*.

(c) to (e): All possible efforts are being taken by the Ministry in coordination with CPSEs, to adhere to the norms applicable for Public Procurement from MSEs.

As per MSME Sambandh Portal, there were 117 CPSEs, in case of which, the sub-target of Procurement from SC/ST and women entrepreneurs for F.Y. 2024-25 was less than the target mandated.

The Ministry of MSME constantly monitors the progress under Public Procurement Policy and following steps have been taken to ensure achievement of targets and sub-targets under the Policy:

- MSME Sambandh Portal was launched in 2017 by the Ministry of MSME for real-time monitoring of targets under the Policy. A database of MSE vendors along-with their social category, for all major product categories and services is available (with open access) for the procuring entities on MSME Sambandh Portal.
- Udyam Registration Portal (URP) has a facility through which an entrepreneur can opt for linking itself with Government e-market (GeM) place by selecting an option on URP. The enterprise is linked to GeM Portal with this facility, MSEs can link themselves with the Government's procurement system and participate in Government's mandatory procurement programme from MSEs. Follow up with GeM for supporting SC/ ST and Women entrepreneurs is done on a regular basis.
- Under the Procurement and Marketing Support Scheme of the Ministry of MSME, Vendor Development Programmes are organised for creating awareness among enterprises. Special Vendor Development Programmes/ Buyer-Seller Meets are being conducted by Departments and CPSUs for SC/STs and Women owned enterprises.
- Under MoU framework on performance evaluation of CPSEs, DPE introduced compliance parameter on procurement of goods and services through MSEs from FY 2021-22 onwards and failure to achieve the targets (From MSEs) and sub-targets (From women-owned MSEs and SC/ST owned MSEs) leads to negative marking while calculating the marks for the annual performance of CPSEs.

In last two years, procurement from MSEs owned by SC/ST entrepreneurs increased by nearly two times and reached Rs. 3,584.55 crore in FY 2024-25 and procurement from MSEs owned by women entrepreneurs, with an increase of around two times, reached Rs. 5,972.20 crore in FY 2024-25.

Annexure-I**Year wise annual procurement from MSEs by CPSEs in the last two years**

F. Years	Total Procurement (Rs. in Crores)	Procurement from MSEs (Rs. in Crores)	Procurement from MSEs owned by SC/ST (Rs. in Crores)	Procurement from MSEs owned by Women (Rs. in Crores)
2023-24	1,70,985.77	74,727.05 (43.70%) (No. of MSEs Benefited-2,58,449)	1,761.78 (1.03%) (No. of MSEs Benefited-11,571)	3,154.98 (1.85%) (No. of MSEs Benefited-21,340)
2024-25 (As on 05.08.2025)	2,69,860.17	94,571.73 (35.04%) (No. of MSEs Benefited-2,94,572)	3,584.55 (1.33 %) (No. of MSEs Benefited-21,483)	5,972.20 (2.21%) (No. of MSEs Benefited-33,971)

Source: MSME SAMBANDH Portal