

LOK SABHA
UNSTARRED QUESTION NO. 3178
TO BE ANSWERED ON 6th August, 2026

MSME PROCUREMENT AND PAYMENTS BY OIL PSUs

3178. Shri Kali Charan Singh:

पेट्रोलियम और प्राकृतिक गैस मंत्री

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- a) whether Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL), GAIL (India) Limited and other Public Sector Undertakings (PSUs) under the Ministry are ensuring payment to Micro, Small and Medium Enterprises (MSME) contractors, vendors and service providers within the time limit prescribed under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, if so, the details thereof and if not, the reasons therefor;
- b) the total value of procurement from MSMEs, the payments released, the outstanding dues and the number of cases pending beyond the prescribed period during the last ten years, PSU-wise and year-wise;
- c) the details of penal interest payable or paid for delayed payments to MSMEs during the last ten years, along with the reasons for such delays, PSU-wise;
- d) whether MSME vendors and contractors participating in procurement, works and service contracts floated by IOCL, BPCL, HPCL, GAIL and other PSUs under the Ministry are exempted from payment of Earnest Money Deposit (EMD)/Bid Security and Performance Security, if not, the reasons therefor; and
- e) the steps proposed to simplify procurement procedures, ensure timely payments and enhance the participation of MSMEs in tenders?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्यमंत्री

(श्री सुरेश गोपी)

THE MINISTER OF STATE IN MINISTRY OF PETROLEUM & NATURAL GAS

(SHRI SURESH GOPI)

(a) to (c): The Public Sector Undertakings (PSUs) under the Ministry of Petroleum and Natural Gas, including Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL), GAIL (India) Limited and other Public Sector Undertakings (PSUs), have instituted robust systems and procedures to ensure that payments to Micro and Small Enterprises (MSEs) are made within the time limit as prescribed under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 and the extant instructions issued by the Government from time to time.

Payments are generally released within the prescribed period, subject to fulfilment of contractual obligations, acceptance of goods/services, submission of complete and correct invoices, and resolution of contractual or technical issues, if any. Instances of delay, wherever they occur, are primarily attributable to reasons such as submission of incomplete documentation, quality or technical issues, contractual disputes, reconciliation of bills, force majeure situations and other operational exigencies. During the last ten years, no significant delay in payment to MSMEs was reported by PSUs.

(d): As per the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012, as amended from time to time, eligible MSEs are exempted from payment of Earnest Money Deposit (EMD)/Bid Security in applicable procurements. However, MSE vendors and contractors are not exempted from Performance Security as Performance Security is governed as per the General Financial Rules (GFR), 2017, issued by the Department of Expenditure and other applicable Government instructions issued from time to time.

(e): The Ministry and its PSUs have taken several measures to facilitate greater participation of MSMEs and to ensure timely payments to them, which, inter-alia, include procurements being made through Government e-Marketplace and e-tendering platforms to ensure transparency, ease of participation and wide market access; conduct of regular vendor outreach programmes and capacity building initiatives; providing purchase preference under Public Procurement Policy for Micro and Small Enterprises (MSE) Order, 2012; relaxation in prior turnover and prior experience criteria; timely processing of invoice and regular monitoring of outstanding payments through MSME-SAMADHAAN Portal.
