

# SMEs to get 15% govt business

Jyoti Johar &  
Gunjan Pradhan Sinha

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THE ministry of micro, small and medium enterprises (MSME) has floated a proposal under the MSME Development Act to ensure that all ministries and government departments source 15% of their procurement from small scale industries. At a time when many SSI segments have been opened up for large players, the move would act as a cushion to small units by assuring a minimum volume of orders every year.

The proposal has been circulated for comments of other ministries. If the proposal gets Cabinet nod, it will become mandatory for ministries and government-aided agencies to purchase from the SSI units.

"The biggest government procurers are the ministry of defence and railways. If they source 15% of their needs from SSI units, small industries will be in a better position to keep production rolling," a senior government official said.