

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2067**  
**TO BE ANSWERED ON 14.12.2023**

**EXEMPTION FROM EARNEST MONEY DEPOSIT TO MSMEs**

2067. SHRI RAJESHBHAI CHUDASAMA:  
SHRIMATI POONAM MAHAJAN:

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

- (a) the benefits being given to Micro, Small and Medium Enterprises (MSMEs) units and new start-ups registered as MSMEs;
- (b) whether the MSME units are exempted from payment of Earnest Money Deposit (EMD) for the Government tenders;
- (c) if so, whether any instructions/guidelines have been issued in this regard;
- (d) whether the MSME units are facing problems in participating in the tender process as they are being insisted to pay EMD in the Government tenders despite instructions of exemption and if so, the details and the reasons therefor; and
- (e) the measures being taken/proposed to be taken to ensure compliance of instructions/guidelines?

**ANSWER**

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI BHANU PRATAP SINGH VERMA)

(a): The Ministry of MSME's schemes/programmes inter alia include Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), Entrepreneurship Skill Development Programme (ESDP), Procurement and Marketing Support Scheme (PMSS), International Cooperation scheme, Tool Rooms, Technology Centre System Programme, National SC/ST Hub (NSSH), MSME Champions, etc.

The Ministry of MSME has also notified the Public Procurement Policy for MSEs Order, 2012. The Policy mandates 25% annual procurement from MSEs by Central Ministries/ Departments/ Central Public Sector Enterprises (CPSEs) including 4% from Micro and Small Enterprises owned by SC/ST entrepreneurs and 3% from Micro and Small Enterprises owned by Women entrepreneurs.

(b): Yes.

(c): Yes, guidelines are issued regarding exemption from payment of Earnest Money Deposit (EMD) for the Government tenders vide Gazette Notification No. S.O. 581(E) dated 23<sup>rd</sup> March, 2012 notified as Public Procurement Policy for MSEs Order, 2012.

(d) to (e): To redress the grievances of MSEs related to non-compliance of the Policy a Grievance Cell named "CHAMPIONS Portal" has been set up in the Ministry of MSME.

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