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NOTIFICATION

No. B.16017/05/2020-C&I, the 25th February, 2025: In the interest of public services and as approved by the Council of Ministers in its meeting held on 13th February, 2025 conveyed vide. No.J.11011/1/2025-POL/Vol-I dated the 14th February, 2025, the Governor is pleased to notify **'The Mizoram Procurement Preference Policy for Micro and Small Enterprises, 2025'** with immediate effect as follows:-

Introduction.-

The State of Mizoram has no major industries worth mentioning and the entire state has been industrially backward due to non-existence of large or medium enterprises. The disadvantages due to topographical and geographical condition of the state coupled with underdeveloped infrastructure and transport bottlenecks are the main hurdles for the first-generation entrepreneurs of the state to move towards industrialization. There is little scope for big enterprises and as such micro and small enterprises dominate the industrial scenario acquiring a prominent place in the socioeconomic development of the state.

The Government of India has enacted the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) for facilitating promotion and development of Micro, Small and Medium Enterprises.

In order to ensure the implementation of provisions of MSME Development Act, 2006 of Government of India and to streamline the mechanism for procurement of maximum goods and services produced and provided by Micro and Small Enterprises, by the Government Departments/ State Public Sector undertakings and its aided institutions without compromising quality, competitiveness and cost effectiveness and to address the typical needs and requirements to support the marketing in a focused manner and to accelerate the pace of growth of Micro and Small Enterprise Sector in the State, it is the endeavour of the State Government to make an effort to declare a robust policy framework christened as "Mizoram Procurement Preference Policy for Micro and Small Enterprises, 2025" emphasizing on the mandatory procurement preference to broaden the marketing avenues.

1. Short title, extent and commencement.-

- (a) The Policy may be called **"Mizoram Procurement Preference Policy for Micro and Small Enterprises**, 2025".
- (b) It shall extend to the whole State of Mizoram.
- (c) It shall come into effect from the date of its notification in the Official Gazette.

The legal framework of the policy is based on the provisions of section 11 of Micro, Small and Medium Enterprises Development Act, 2006 which confers the power that the State Government may, by order notify from time to time, preferential policies in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its departments or its aided institutions and state public sector enterprises.

3. Eligibility criteria.-

- (a) The products or services, for procurement under this policy by the Government departments or its agencies, are to be manufactured or created by MSE located within the State of Mizoram only. Such enterprises must be engaging in production and rendering services.
- (b) They shall be registered enterprises to avail benefits under this Policy.
- (c) They must have Udyam Registration.
- (d) They must be continually operational and their products should be readily available in the local markets. Enterprises that are not regularly functioning and only operate to avail the benefits under this policy shall not be considered.
- (e) They shall employ at least **70 percent** local people.
- (f) The Policy will not be applicable for the procurement under Externally Aided Projects (EAP).

4. Applicability .-

(a) MSE which fulfils the eligibility criteria as per para 3 above shall be applicable to apply the benefits under this policy.

5. Objectives.-

- (a) To provide and ensure fair, transparent, consistent, rationally equitable procurement practices of goods and services, produced and provided by micro and small enterprises enhancing their competitiveness.
- (b) To facilitate growth of micro and small enterprises, to provide opportunity to local entrepreneurial talents and to maximize avenues for employment generation.
- (c) To enhance the participation of micro and small enterprises in the State Government stores purchase programme.
- (d) To enhance the share of supplies of micro and small enterprises to State Government Departments, its aided institutions and State Public Sector Enterprises.
- (e) This Policy aims at promoting and developing Micro and Small Enterprises of the States by giving preference in procurement of its products and services in comparison with the units located outside the State of Mizoram, without compromising quality, competitiveness and cost effectiveness.

6. <u>Definitions.-</u>

In this Policy, unless the context otherwise requires:

- (a) "Director" means Director of Commerce & Industries Department;
- (b) "DCIO" means District Commerce & Industries Office;
- (c) "District Office" means District Office of Commerce and Industries Department by whatever name called;
- (d) "District Officer" means Head of Office of District Office by whatever designation called or given;
- (e) "enterprise" means an industrial undertaking or any other establishment in MSE category, by whatever name called, engaged in the manufacture or production of goods having its manufacturing enterprise in the State of Mizoram or engaged in providing or rendering of any service or services but excluding establishment which is purely business in nature or engaged in trading;

- (f) "Enquiry Officer" means any official of the District Office appointed by the District Officer to scrutinize and to carry out physical verification of the MSE applicant;
- (g) "L1" means the lowest quoted price by a valid bidder participating in a tender;
- (h) "local people" means permanent residents of Mizoram;
- (i) "Nodal Department" means the Department identified pursuant to this Policy in respect of a particular item of goods or services or works;
- (j) "Micro enterprises" means an enterprise as defined in clause (h) of section 2 of "Micro, Small and Medium Enterprises Development Act, 2006";
- (k) "MSE" means Micro and Small Enterprises located within the territorial jurisdiction of Mizoram;
- "Procuring authorities" means all administrative Departments or Agencies under the control of State Government, Heads of Department and offices subordinate to them, Boards, Corporations, Government undertakings, Municipalities, Co-operative Bodies and Institutions aided by the State Government;
- (m) "Small enterprises" means an enterprise as defined in clause (m) of section 2 of "Micro, Small and Medium Enterprises Development Act, 2006";
- (n) "State" means the State of Mizoram;
- (o) "State Government" means the Government of Mizoram;

7. Registration for getting preference under this policy.-

- (a) MSE who has obtained an Udyam Registration notified by the Ministry of Micro, Small & Medium Enterprises, may submit an application in the prescribed form in Annexure- I to the concerned District Industries Centre (now renamed as DCIO) for registration under the policy by depositing registration fee of Rs 1000/- in the Treasury under the head of account 0851- V&SI/00/800-Other receipt/ 01/00.
- (b) The registration shall be valid for a period of 5 (five) years and will be reviewed and renewed after every 5 (five) years upon the payment of renewal fee of Rs 500/- by verifying continuous commercial and technical competence of the registered MSE.
- (c) The concerned District Officer/DCIO shall, after due physical verification of the application in Annexure –V to ensure its physical existence as well as fulfillment of eligibility criteria, issue Registration Certificate in the prescribed form in Annexure- II clearly indicating name of the enterprise, name of owner(s), type of ownership, complete address, email address, phone number, items for which registered (goods or services), capacity of production, etc. The certificate should also include dates of issuance and validity period.
- (d) Application for renewal of Registration Certificate should be submitted to the respective DCIO in the prescribed form in **Annexure- III**
- (e) On registration, such enterprises shall be called **"registered enterprises"** to avail the benefits under this policy.

8. Price and Purchase Preference.-

- (a) MSEs registered under this policy will be entitled for price preference up to **12 percent** over the L1 price if L1 happens to be non-registered enterprise. In case more than one such enterprise qualifies for price preference, then the lowest quoted rate by the MSEs registered under the Policy will be considered and supply order shall be given to such enterprise.
- (b) All procuring authorities shall procure minimum of **25 percent** of total annual purchase of products produced or services rendered by MSEs located in Mizoram.
- (c) Any procuring authorities making preferential procurement of any item of stores, as may be notified by the Government from time to time, shall invite open tenders or quotations and a copy of the same

shall be sent to the DCIO of the District, the Director and the Secretary to the government of Mizoram, Commerce and Industries Department.

- (d) Registered MSEs will be entitled to a reduced earnest money payment and tender documents, calculated at **50 percent** below the specified rate.
- (e) Other things being equal, procuring departments and organizations shall give preference to units registered for the purpose of Preferential Stores Purchase over those units not so registered. Every possible effort should be made to prioritize procurement of goods and services from manufacturers within the State of Mizoram, rather than opting for manufacturers outside the State.
- (f) In the event two or more registered micro or small units located within Mizoram submit identical quotations, the procuring authority shall have liberty to select any one of them taking into account their respective past performance and production capacities.

9. Exemption of small procurements.-

(a) Procurements where the estimated value to be procured is less than Rs 2 lakhs shall be exempted under this policy. However, this exemption can be availed twice during a financial year for the procurement of identical items and it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this policy.

10. Limit of Purchasing Authority.-

- (a) All procuring authorities shall procure stores according to the Financial Powers respectively delegated to them duly observing all other relevant rules, procedures and instructions.
- (b) All procurements shall be made in accordance with the procedures laid down in the Mizoram Public Procurement Rules, 2020 and there shall not be any minimum turnover requirement for registered enterprises for participating in procurement process.
- (c) In case there are no supplier in the Micro and Small Enterprise sector of the State who have the capacity to supply required items, a Department/organization is free to procure from open market through stipulated processes.

11. Filing of Returns and cancellation of registration.-

- (a) All registered enterprises under this policy shall submit **annual returns** detailing the preferential benefits availed, in the prescribed form as per **Annexure IV**, to the concerned DCIO **within three months** from the end of each financial year.
- (b) Failure to submit annual returns within the prescribed time shall be liable to cancellation of registration under this policy.
- (c) The concerned DCIO may cancel such registration after due notice is served to the MSEs if they fail to comply with the notice within a period of one month.
- (d) The concerned DCIO shall have the authority to cancel the registration as well as debar it from registration with the approval of Director for such further period not exceeding five years as it may consider necessary, after giving the registered enterprise concerned a reasonable opportunity of being heard, that the enterprise had furnished false information or defaulted in supplying stores in accordance with its commitments or had supplied short or sub-standard stores or had indulged in any other undesirable activity.

12. Nodal Department.-

(a) Commerce & Industries Department will be the Nodal Department responsible for implementing the provisions of this policy.

(b) The Director of Commerce & Industries shall have the authority to resolve grievances or disputes in connection with implementation of this policy and recommend appropriate actions to the Review Committee for redressal of grievances.

13. Quality Specifications.-

- (a) While according price preference to MSEs, it would also be in the interest of the government to ensure that the stores are procured only from those enterprises/industries which conform to prevalent National Standards/ Recognized Standard of quality. Hence, all tenders shall have an imperative condition that the quality of goods and services to be supplied must be in total conformity with the specifications laid down for the item by the national/ international standard organizations (i.e ISO/ ISI/ AGMARK/BIS/ FSSAI etc.).
- (b) For nutritional food items, procuring department or organization shall give preference to suppliers who meet the required quality, safety and nutritional standards as per regulations and guidelines of Food Safety and Standards Authority of India (FSSAI) including QR Codes in food labels to facilitate easy access of nutritional information for the visually impaired people.
- (c) Other things being equal, preference shall be given to suppliers from registered enterprise that has a valid ISI mark for manufactured items and ISO certification for services.
- (d) Goods and services which are not subject to the above certifications will be exempted from this requirement but must still be of desired quality and suitable for use by the procuring departments.
- (e) False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules, 2017 for which a bidder or its successors can be debarred for up to two years as per Rule 151(iii) of the General Financial Rules, 2017 along with such other actions as may be permissible under law.
- (f) A supplier who has been debarred by any procuring entity for violation shall not be eligible for preference under the policy for procurement by any other procuring entity for the duration of the debarment.

14. General Terms and Conditions.-

Any difficulties experienced during the course of implementation of this policy and doubts or clarification relating to interpretation of any term shall be referred to and clarified by the Government of Mizoram in the Commerce & Industries Department. The decision of the Commerce & Industries Department shall be final and binding on all concerned.

15. Transitional provision.-

This policy shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before notification of this policy.

16. <u>Review Committee.-</u>

A Review Committee shall be constituted with the following members:

1	Chief Secretary, Mizoram	: Chairman
2	Secretary to the Government of Mizoram,	: Member/ Vice -Chairman
	Commerce & Industries Department	
3	Secretary to the Government of Mizoram, GAD	: Member
4	Secretary to the Government of Mizoram, Finance Department	: Member
5	Director of Commerce & Industries	: Member Secretary

17. Functions of Review Committee .-

The Review Committee shall meet as often as necessary, but not less than once in six months. The Committee, -

- (1) shall be chaired by the Chairman or the Vice-Chairman, whoever is available;
- (2) shall oversee the implementation of this policy and issues arising therefrom, and make recommendations;
- (3) shall annually assess and periodically monitor compliance of the provisions of this policy;
- (4) may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the policy results in any restrictive practices. Cartelization or increase in public expenditure and suggest remedial measures;
- (5) may consider any other issue relating to this policy which may arise during implementation;

18. Annual Plan for Procurement from MSEs.-

- (a) Every procuring entity shall prepare a procurement plan along with their annual budgetary allocations for a financial year and plan shall be updated as per approved annual budget allocation for the entity.
- (b) State Government departments or agencies under the control of the State Government, Boards, Corporations, Government undertakings, Municipalities, Cooperative Bodies and Institutions aided by State Government shall prepare annual procurement plan for purchase and upload the same on their official website so that MSEs may get advance information about requirement of procurement agencies.

19. Miscellaneous.-

The State Government may at any time change the provisions under this policy in public interest either to enlarge or reduce the scope of its operation.

Dr. Lalzirmawia Chhangte,

Commissioner & Secretary to the Government of Mizoram, Commerce & Industries Department - 7 -

ANNEXURE-I [see para 7 (a)]

APPLICATION FORM FOR REGISTRATION UNDER THE MIZORAM PROCUREMENT PREFERENCE POLICY FOR MICRO AND SMALL ENTERPRISES,

2025

1.

(a)	Name of the enterprise	:
(b)	Factory/enterprise address	:
	Village/Town/City	:
	Block	:
	District	:
	PIN code	:
	Email ID :	:
	Land line/Mobile No.	:
(c)	Office address	:
	Village/Town/City	:
	Block	:
	District	:
	PIN code	:
	PAN	:
	/Email ID	
	Land line/Mobile No.	
(d)	Category of the enterprise (Micro/Small)	:
(e)	Type of enterprise : (manufacturing/service)	:
(f)	Constitution of the enterprise (proprietorial/ partnership/Pvt. limited/ limited company/ cooperative society/LLP)	Small enterprise-Investment in Plant and Machinery or Equipment does not exceed 10 crore runges and turnover does not exceed 50 crore

Small enterprise- Investment in Plant and Machinery or Equipment does not exceed 10 crore rupees and turnover does not exceed 50 crore rupees.

Micro enterprise- Investment in Plant and Machinery or Equipment does not exceed 1 crore rupees and turnover does not exceed 5 crore rupees.

- 2. Date of commencement of commercial production or : _________ operation
- 3. Udyam Registration : _____
- 4. Items of production & installed capacity/services rendered:

Sl. No.	Name of items produced/services rendered	Annual installed capacity
N.B.: At	tach separate sheet, if required.	

5. Fixed capital investment

6.

(a) Land	:
(b) Site Development	:
(i) Building	:
(ii) Office building	:
(c) Factory building	:
(d) Plant & Machinery	:
(e) Electrical installation	:
(f) Preliminary & pre-operative	:
expenses	
(g) Miscellaneous fixed assets	:
Total	:
Sources of finance	
(a) Promoter's contribution	:
(b) Equity	:
(c) Term loan	:

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(d) Unsecured loan	:	
(e) Internal resources	:	
(f) Any other sources	:	

7. Employment generation

Sl. No.	Category	No. of person employed
1	Managerial	:
2	Supervisory	:
3	Skilled	:
4	Semi-skilled	:
5	Unskilled	:
6	Others	:
	Total no. of employment	:
Total no. of employment		:

Total no. of local people			
employed	:		
Percentage of local			
people employed	:		

SELF DECLARATION

I/We.....declare and affirm that

the particular/statement furnished above, are true to my/our knowledge and belief. It is also declared that the enterprise is employing not less than 70 percent local people.

Place:	Signature :
Date:	Full Name :

Enterprise's seal:

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ANNEXURE – II

[see para 7 (c)]

CERTIFICATE OF REGISTRATION

having its registered office at		
		e Policy, 2025 and the enterprise has fulfilled all the
required criteria and is eligible for the	e bene	fits under the policy.
Registration Details:		
Registration Number	:	MZPPP/District_Name/20/
• Name of owner(s)	:	
• Type of ownership	:	
• Type of Enterprise	:	
• Contact No.	:	
Email Address	:	
• PAN	:	
• Item of manufacturing/		
service rendered	:	
• Capacity of production	:	
• Date of Registration	:	
Validity	:	Fromto

Authorized Signatory

Signature	:
Name	:
Designation	:

Seal of the Department:

Note: This certificate is issued based on the information provided by the enterprise and is subject to verification by the competent authorities. Any false information may lead to the cancellation of the registration and benefits under the policy.

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ANNEXURE – III

[see para 7 (d)]

APPLICATION FORM FOR RENEWAL OF REGISTRATION UNDER THE MIZORAM PROCUREMENT PREFERENCE POLICY, 2025

1.

(a) Name of the enterprise	:	
(b) Factory/enterprise address	:	
Village/Town/City	:	
Block	:	
District	:	
PIN code	:	
PAN	:	
Email ID	:	
Land line/Mobile No.	:	
(c) Office address	:	
Village/Town/City	:	
Block	:	
District	:	
PIN code	:	
Email ID	:	
Land line/Mobile No.		
	:	
(d) Category of the enterprise (Micro/Small)	:	
(e) Type of enterprise (manufacturing/service)	•	
(f) Constitution of the enterprise		
(proprietorial/ partnership/Pvt. limited/ limited	•	
company/cooperative society/LLP)		
		Small enterprise- Investment in Plant and Machinery or Equipment does

Small enterprise- Investment in Plant and Machinery or Equipment does not exceed 10 crore rupees and turnover does not exceed 50 crore rupees.

Micro enterprise- Investment in Plant and Machinery or Equipment does not exceed 1 crore rupees and turnover does not exceed 5 crore rupees.

: _____

: _____

- 2. (a) Previous Registration No.
 - (b) Validity
 - (a) 4. Items of production & installed capacity/services rendered:

SI. No.	Name of items produced/services rendered	Annual installed capacity		
N.B.: Attach separate sheet, if required.				

7. Employment generation

Sl. No.	Category	No. of person employed
1	Managerial	
2	Supervisory	
3	Skilled :	
4	Semi-skilled :	
5	Unskilled	
6	Others	
	Total no. of employment :	

Total no. of employment	:	
Total no. of local people		
employed	:	
Percentage of local		
people employed	:	

SELF DECLARATION

Date: _____ Full Name : _____

Enterprise's seal:

ANNEXURE – IV [See para 11 (a)]

DECLARATION OF ANNUAL RETURNS

Name of Enterprise	:	
Address	: _	
Registration No.	: _	

Sl. No.	Name of purchasing department	Goods or Service provided	Date	Quantity	Value (in Rs.)	Remarks
1						
2						
3						
4						
		Total				

I/We declared and affirmed that the particular/statement furnished above, are true to my/our knowledge and belief.

 Place:
 Signature
 :

 Date:
 Name of Proprietor
 :

 Seal
 :

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ANNEXURE – V [see para 7 (c)]

PHYSICAL VERIFICATION REPORT

Certified that I have personally visited M/s..... onand examined the documents in original pertaining to this application and found them in order. It is also certified that the enterprise employs not less than **70 percent local people** and that its Head office/Corporate office/Registered office is located within the State of Mizoram.

Items of production/services rendered of the enterprise & installed capacity is as below:

Sl. No.	Name of items produced/services rendered	Annual installed capacity

The enterprise is in existence and in continuous operation from...... and its products are readily available in the local markets such as...... It is recommended for grant of registration under the Mizoram Procurement Preference Policy for Small and Medium Enterprises, 2025.

Comments of the Enquiry Officer (if any):

Date :	Signature of Enquiry Officer:
Place :	Full name of Enquiry Officer:
	Seal:

<u>CHECKLIST FOR REGISTRATION OF ENTERPRISE UNDER THE MIZORAM PROCUREMENT</u> <u>PREFERENCE POLICY FOR MICRO AND SMALL ENTERPRISES, 2025</u>

Certified/Attested photocopies of the documents required to be submitted along with application form for the Mizoram Procurement Preference Policy for Micro and Small Enterprises, 2025.

- 1. Constitution/type of the enterprises:
- a. In case of Private Limited/Public Limited Company:
 - i. Registration Certificate under Companies Act
 - ii. Memorandum of Article of Association
 - iii. Names and address of Directors with their PAN No.
- b. In case of Partnership Firm:
 - i. Registered Deed of Partnership
 - ii. Name and address of the Partners with their PAN No.
 - iii. General Power of Attorney
 - iv. Registration with Registrar of Firms
- c. In case of Co-operative Society
 - i. Registration Certificate from the Registrar of Co-operative Society
 - ii. Article of Memorandum of Association
 - iii. Resolution of the General Body Meeting for registration of the enterprise
- 2. Udyam Registration
- 3. PAN Card
- 4. "No Objection Certificate"/"Consent to Operate" from the Mizoram State Pollution Control Board, if applicable.
- 5. List of employees containing name, designation, date of joining, residential address, etc. duly verified by Enquiry officer.
- 6. Any other document that may be required as per direction of District Officer/ DCIO, Commerce & Industries Department.