

ANCILLARY DEVELOPMENT

CRITERIA TO AWARD ANCILLARY STATUS TO MSEs

The criteria being followed to award ancillary status to Micro & Small industries is as below;

- The unit must supply the material as per the requisite quality standard of Nalco.
- The unit must supply the material at a competitive price/rate contract with Nalco vis-à-vis bids received against tenders.
- They must supply the materials as per the delivery schedule mentioned in the Purchase Order.
- The unit is successful in supply for a reasonable period in executing the orders (two years minimum period was considered as reasonable period since 1992)

BENEFITS TO ANCILLARY UNITS

The following benefits are extended to the Ancillary Units;

- Exemption from payment of tender fees.
- Exemption from earnest money deposit.
- Payment to the Ancillary Units is made within 30 days from the date of acceptance of materials.
- Providing technical knowhow and managerial guidelines including production process/method etc.
- Helping them in getting imported critical raw materials and components.
- Helping them in designing and manufacturing drawing, tooling jigs and fixtures, quality control procedures and equipment etc
- In a tender where Ancillary Units are participating, they are otherwise acceptable and none of them is the lowest bidder, up to 40% quantity may be offered to them at L1 rates.