

STATEMENT OF OBJECTS AND REASONS

The State Government have extended purchase preference to Small Scale Industries, Public Sector Undertakings, etc., by specific Government Orders in matters of Public procurement with a view to encourage these units to become viable and competitive in the purchase process. The provisions of section 16(c) of the Tamil Nadu Transparency in Tenders Act, 1998 (Tamil Nadu Act 43 of 1998) provide for exempting such purchases from the provisions of sections 9 and 10 of the said Act. The provisions were made effective originally only for a period of two years from the date of commencement of the said Act.

2. The provisions of section 21 of the said Act enable the Government to issue orders for making provisions which are not inconsistent with any of the provisions of the said Act. The proviso to the said section 21 provides that no such orders shall be issued after a period of two years from the date of commencement of the said Act.

3. The Tamil Nadu Transparency in Tenders Act, 1998 came into force on 01-10-2000 and as such the provisions of the said section 16(c) and the time limit specified in the proviso to the said section 21 will lapse on 30-09-2002. The Government have, therefore, decided that the provisions of the said section 16(c) shall be continued for a further period of two years from 01-10-2002 and that the proviso to the said section 21 shall be omitted. Accordingly, the Tamil Nadu Transparency in Tenders (Amendment) Ordinance, 2002 (Tamil Nadu Ordinance 8 of 2002) was promulgated by the Governor on the 28th September 2002 and the same was published in the *Tamil Nadu Government Gazette* Extraordinary, dated the 30th September 2002.

4. The Bill seeks to replace the said Ordinance.

C. PONNAIYAN,
Minister for Finance.

C.S. JANAKIRAMAN,
Principal Secretary.