

**Ministry of Communications and Information Technology
Department of Telecommunications**

5th October, 2012

Notification

Subject: Policy for Preference to domestically manufactured telecom products in procurement due to security considerations and in Government procurement - Notifying Telecom Products for Government Procurement in furtherance of the Policy

No. 18-07/2010-IP: Department of Information Technology (DIT) has issued a Notification No. 8(78)/2010-IPHW dated 10th February, 2012 for providing preference to domestically manufactured electronic products as a part of procurement process for the electronic products that have security implications for the country, and are to be utilized in Government own use while ensuring that no commercial resale is involved. As per the notification, telecom products which are procured across sectors would be notified by the Department of Telecommunications (DoT).

2. In furtherance of the Policy notified *vide* reference cited above, the Department of Telecommunications has, accordingly, laid down the following policy for providing preference to domestically manufactured telecom products in Government procurement for its own use and not with a view to commercial resale or with a view to use in the production of goods for commercial sale and the policy shall come into force from the date of its publication in the Gazette of India and shall be in force for a period of ten years thereafter.

3. It is hereby notified that each Ministry or Department will procure minimum percentage of their telecom product requirement fulfilling minimum value addition prescribed against each item. For all the Ministries or Departments (except the Ministry of Defence) of Government and the agencies under their administrative control and for all Government funded telecom projects (e.g. NFS and projects funded by USOF like NOFN etc.), the list of telecom products indicating preferential market access and criteria to qualify as domestically manufactured product year-wise is given in Table-A.

4. The Preferential Market Access (PMA) and Value Addition (VA) indicated against each year are minimum and efforts should be made by domestic manufacturers to achieve higher value addition. The formula for calculation of value addition for telecom products shall also be as notified by Department of Electronics and Information Technology from time to time. All the telecom products which do not meet the minimum value addition criterion for that year shall be treated as imported telecom products and dealt accordingly.

5. Based on the availability of domestic products, the list of products as well as value addition for each product would be reviewed and notified by the Department of Telecommunications on periodic basis.

Table-A

Sl. No.	Telecom equipment Description	Year 2012-13 & 2013-14		Subject to Periodic Review based on new industry inputs/developments)							
				Year 2014-15		Year 2015-16		Year 2016-17		Year 2017-18	
		PMA	VA	PMA	VA	PMA	VA	PMA	VA	PMA	VA
1	Encryption/UTM platforms (TDM and IP)	100	45	100	50	100	55	100	60	100	65
2	Core/Edge/Enterprise routers	50	35	60	40	70	45	80	50	80	55
3	Managed Leased line Network equipment	75	35	100	40	100	45	100	50	100	55
4	Ethernet Switches (L2 and L3), Hubs, etc.	50	35	100	40	100	45	100	50	100	55
5	IP based Soft Switches, Media gateways	50	35	100	40	100	45	100	50	100	55
6	Wireless/Wireline PABXs	100	45	100	50	100	55	100	60	100	65
7	CPE (including WiFi Access points and Routers, Media Converters), 2G/3G Modems, Leased-line Modems, etc.	75	25	100	30	100	35	100	40	100	45
8	Set-Top Boxes	50	35	60	40	70	45	80	50	80	55
9	SDH/Carrier-Ethernet/Packet Optical Transport equipments	100	45	100	50	100	55	100	60	100	65
10	DWDM/CWDM systems	50	35	60	40	70	45	80	50	80	55
11	GPON equipments	75	35	100	40	100	45	100	50	100	55
12	Digital Cross-connects/MUXs	50	35	100	40	100	45	100	50	100	55
13	Small size 2 G/3 G GSM based Base Station Systems	75	35	100	40	100	45	100	50	100	55
14	LTE based broadband wireless access systems (eNodeB, EPC, etc.)	50	35	100	40	100	45	100	50	100	55
15	Wi-Fi based broadband wireless access systems (Access Point, Aggregation Block, Core Block, etc.)	100	35	100	40	100	45	100	50	100	55
16	Microwave Radio systems (IP/Hybrid)	75	35	100	40	100	45	100	50	100	55
17	Software Defined Radio, Cognitive Radio systems	50	35	100	40	100	45	100	50	100	55
18	Repeaters (RF/RF-over-Optical), IBS, and Distributed Antenna system	75	35	100	40	100	45	100	50	100	55
19	Satellite based systems – Hubs, VSAT etc.	50	35	100	40	100	45	100	50	100	55

20	Copper access systems (DSL/DSLAM)	50	35	60	40	70	45	80	50	80	55
21	Network Management systems	100	45	100	50	100	55	100	60	100	65
22	Security and surveillance communication systems (video and sensors based)	100	35	100	40	100	45	100	50	100	55
23	Optical Fiber Cable	100	45	100	50	100	55	100	60	100	65

PMA= Minimum Preferential Market Access to Domestically Manufactured Telecom Products in indicated financial year

VA= Minimum domestic Value Addition to qualify as Domestically Manufactured Telecom Products in indicated financial year

6. Telecom has emerged as a key driver of economic and social development in an increasingly knowledge intensive global scenario, in which India will play a leadership role. The Government has targeted to increase broadband coverage in the country up to 175 million by 2017 and 600 million by 2020. Additional Spectrum of about 500 MHz is proposed to be made available by 2020. In same way, the mobile subscriber base is targeted to reach 1200 million by 2017. Based on the TRAI report on Manufacturing Policy for Telecom Equipment, the demand of various telecom equipment in India and abroad is estimated as indicated in Table-B below:-

TABLE-B

SI No.	Year	Global Total Demand (Rs. millions)	Indian Demand (Rs. millions)	% of Global Demand
1.	2012-13	16382550	769400	6.2%
2.	2014-15	19108610	965140	6.6%
3.	2016-17	22288280	1210670	7.1%
4.	2019-20	28076820	1700910	7.9%

The demand of various verticals of telecom equipment in India is estimated and detailed as in TABLE-C, as follows:-

TABLE-C

Wireless Equipment Demand (Rs. millions)		2015-16	2019-20
	Wireless Equipment	264440	444380
i)	2G Wireless	25320	-
	BTS Antenna	10130	-
	BSC	9110	-
	MSC/GMSC/HLR/VLR/EIR	6080	-
ii)	3G Wireless	101280	26450
	Node B	40510	10580
	RNC	36460	9520
	GGSN/SGSN	24310	6350
iii)	LTE/Mobile Wi-MAX/5G	126590	238100
	eNode B	75960	142860
	MME/SGW/PGW/SAE	50640	95240
	FAP	11250	27990
iv)	Mobile Handsets	384020	613100
	Total	648460	1057380

Wire-line Equipment		2015-16	2019-20
i)	Switches		
	Local	1640	1480
	Transit	1840	1660
ii)	STP	990	900
iii)	IN Platforms	500	450
	Total	4960	4480

IP & Packet Switching		2015-16	2019-20
i)	Switching		
	LAN Switches	107520	130690
	Ethernet/IP Aggregation	8060	12680
	Carrier Ethernet (Incl. above)	2020	9510
ii)	Routing		
	Edge IP/MPLS Routing	19350	30440
	Core IP/MPLS Routing	4840	7610
iii)	Packet Voice	7130	20890
	Soft switch	2850	8360
	SGW/MGW	2140	6270
	Session Border Controller	1070	3130
	Media/Voice App Servers	1070	3130
	Total	146890	201310

Broadband Equipment		2015-16	2019-20
i)	FTTX	38810	208700
	ONT/ONU	15520	83480
	OLT	23280	125220
ii)	DLS Broadband	31040	29810
	DSL Modem	15520	14910
	DSLAM	10870	7450
	MSAN	4660	7450
iii)	CMTS	7760	59630
	Total	77610	298150

Backhaul and Transmission		2015-16	2019-20
1.	Fibre/Optical		
	Optical	58110	79220
	SDH	31880	35880
	DWDM	19730	34880
	POTP(Incl. within SDH,DWDM/DXC)	27460	66770
	DXC	3300	3430
	Submarine Systems	3200	5030
2.	Microwave Backhaul	27240	39890
	PDH/SDH/Microwave	1360	800
	Ethernet Microwave	25880	39090
	Total	78380	109600

7. The procuring agencies shall follow the standard laid down procurement procedures, subject to meeting the requirement related to specified percentage of procurement being made from domestically manufactured telecom products as per this policy.

(i) aggregation of annual requirements and such other procurement practices, which facilitate the implementation of this policy, may be adopted by procuring agencies.

(ii) adhere the procurement of Telecom products by Government Ministries/ Departments or agencies under their administrative control and in Government Telecom Projects

(iii) wherever the domestically manufactured telecom products are procured under this policy by a Government Ministry or Department or an agency thereof or for telecom products, such procurement shall be subject to matching of L1 price and on satisfying technical specifications of the tender.

(iv) In case of the domestic manufacturer is not lowest bidder (L1), the specified part of the tender would be awarded to the lowest technically qualified domestic manufacturer, subject to matching with L1 price, if such bidder is available. The remaining part will be awarded to L1 bidder.

(v) It is not necessary that each tender for the procurement of telecom product is split between domestic and non-domestic manufacturer. If a tender cannot be split, either because the unit of procurement is small or because of technical reasons, or because no domestic manufacturer is available for the product, the procuring agency may ensure that the annual requirement of procuring the specified extent of telecom products from domestically manufactured products is achieved through suitable enhancements in other tenders.

(vi) The tender conditions would ensure that domestically manufactured telecom products are encouraged and are not subjected to restrictive products specifications are mandatory requirement of prior experience. The procuring agency may also rationally identify and evaluate predatory pricing by any bidder. However, procuring Department or Agency may incorporate such stipulations as may be considered necessary to satisfy themselves of the security, production capability and product quality of the manufacturer.

8. In case of a question whether an item being procured is a telecom product to be covered under the policy, the matter would be referred to the Telecommunications Engineering Centre (TEC), Department of Telecommunications for clarification.

9. The guidelines as notified by the Department of Electronics and Information Technology shall be followed for this purpose. In case of any doubt in respect of Telecom Products, reference shall be made to Telecommunications Engineering Centre (TEC), Department of Telecommunications or technical auditor as accredited by the Telecommunication Engineering Centre, Department of Telecommunications for the purpose.

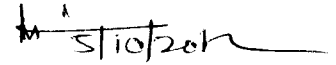
10. The expressions or abbreviations used in this Notification have been detailed in the list below for easy understanding.

List of Acronyms used in the notification

Sl No.	Acronyms	Expansion
1.	2G	Second Generation
2.	3G	Third Generation
3.	4G	Fourth Generation
4.	5G	Fifth Generation
5.	ADSL	Asymmetrical Digital Subscriber Line
6.	ATMP	Assembly, Testing, Packaging And Marking
7.	BOM	Bill Of Material
8.	BSC	Base Station Controller
9.	BSS	Base Station Subsystem
10.	BTS	Base Transceiver Station
11.	BWA	Broadband Wireless Access
12.	CDMA	Code Division Multiple Access
13.	CN	Core Network
14.	CPE	Customer Premises Equipment
15.	CWDM	Course Wavelength Division Multiplexing
16.	DAS	Distributed Antenna System
17.	DeitY	Department of Electronics and Information Technology
18.	DSL	Digital Subscriber Line
19.	DSLAM	Digital Subscriber Line Access Multiplexer
20.	DWDM	Dense Wave Division Multiplexing
21.	DXC	Digital Cross Connect
22.	EIR	Equipment Identity Register
23.	EMS	Electronic Manufacturing Services
24.	EPABX	Electronic Private Automatic Branch Exchange
25.	FTTH	Fiber to the Home
26.	GGSN	Gateway GPRS Support Node
27.	GMSC	Gateway Mobile Switching Centre
28.	GPON	Gigabit Passive Optical Network
29.	GPRS	General Packet Radio Service
30.	GSM	Global Standard For Mobile
31.	HLR	Home Location Register
32.	HSPA	High Speed Packet Access
33.	IMS	IP Multimedia Subsystem
34.	IP	Internet Protocol
35.	LAN	Local Area Network
36.	LTE	Long Term Evolution
37.	MGW	Media Gateway
38.	MME	Mobility Management Entity
39.	MPLS	Multi-Protocol Label Switching
40.	MPLS-TP	MPLS Transport Profile
41.	MSAN	Multi-Service Access Node
42.	MSC	Mobile Switching Centre
43.	MUX	Multiplexer
44.	NGN	Next Generation Network
45.	NG-PON	Next Generation Passive Optical Network
46.	NFS	Network for Spectrum
47.	NOFN	National Optical Fibre Network
48.	OAN	Optical Access Network
49.	ODF	Optical-fiber Distribution Frame
50.	OFC	Optical Fibre Cable
51.	OLT	Optical Line Terminal
52.	ONT	Optical Network Termination
53.	ONU	Optical Network Unit
54.	OTN	Optical Transport Network
55.	PABX	Private Auto Branch Exchange

56.	PDH	Plesiochronous Digital Hierarchy
57.	PON	Passive Optical Network
58.	POTP	Packet Optical Transmission Platform
59.	RAN	Radio Access Network
60.	RLC	Radio Link Control
61.	RNC	Radio Network Controller
62.	ROADM	Reconfigurable Optical Add-Drop Multiplexer
63.	SDH	Synchronous Digital Hierarchy
64.	SONET	Synchronous Optical Networking
65.	STM	Synchronous Transport Modules
66.	STP	Signal Transfer Point
67.	TDM	Time Division Multiplexing
68.	USOF	Universal Service Obligation Fund
69.	VDSL	Very High Data Rate Digital Subscriber Line
70.	VLR	Virtual Location Register
71.	VSAT	Very Small Aperture Terminal
72.	WCDMA	Wideband Code Division Multiple Access
73.	WDM	Wavelength Division Multiplexing
74.	Wi-Fi	Wireless Fidelity
75.	Wi-Fi AP	Wireless Access Point
76.	WiMAX	Worldwide Interoperability For Microwave

[F.No. 18-07/2010-IP]



(Malay Shrivastava)

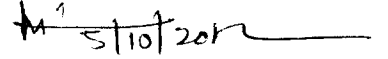
Joint Secretary to Government of India

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To
The Manager
Government of India Press
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Copy to:

1. All concerned Ministries/ Departments of Government of India
2. Cabinet secretariat
3. PMO
4. Planning Commission
5. Comptroller & Auditor General of India
6. Joint Secretary, Department of Electronics and Information Technology,
New Delhi- With reference to Notification No. 8(78)/2010-IPHW dated
10.2.2012
7. PS to Hon'ble MOC&IT/Hon'ble MOSC&IT
8. PPS to Secretary(Telecom)/Additional Secretary(T)/Administrator, USOF
9. PPS Member(T)/Member(S)/Member(F)/Advisor(T)/Advisor(O)
10. Sr. DDG, TEC, Khurshid Lal Bhawan, New Delhi
11. JS(T)/JS(A)/CVO/All DDsG



(Malay Shrivastava)

Joint Secretary to Government of India

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No. P-45021/2/2017-B.E.-II
Government of India
Ministry of Commerce and Industry
Department of Industrial Policy and Promotion

Dated 15th June, 2017
Udyog Bhawan, New Delhi

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

Subject: Public Procurement (Preference to Make in India), Order 2017

Whereas it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

Whereas procurement by the Government is substantial in amount and can contribute towards this policy objective, and

Whereas local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

Now therefore the following Order is issued :

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions:** For the purposes of this Order:

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

'Local supplier' means a supplier or service provider whose product or service offered for procurement meets the minimum local content as prescribed under this Order or by the competent Ministries / Departments in pursuance of this order.

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'margin of purchase preference' means the maximum extent to which the price quoted by a local supplier may be above the L1 for the purpose of purchase preference.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services.

.....Contd. p.2/-

'*Procuring entity*' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

3. **Requirement of Purchase Preference:** Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to local suppliers in all procurements undertaken by procuring entities in the manner specified hereunder:
- a. In procurement of goods in respect of which the Nodal Ministry has communicated that there is sufficient local capacity and local competition, and where the estimated value of procurement is Rs. 50 lakhs or less, only local suppliers shall be eligible. If the estimated value of procurement of such goods is more than Rs. 50 lakhs, the provisions of sub-paragraph b or c, as the case may be, shall apply.
 - b. In the procurements of goods which are not covered by paragraph 3a and which are divisible in nature, the following procedure shall be followed:
 - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.
 - ii. If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher local supplier within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on local suppliers, then such balance quantity may also be ordered on the L1 bidder.
 - c. In procurements of goods not covered by sub-paragraph 3a and which are not divisible, and in procurement of services where the bid is evaluated on price alone, the following procedure shall be followed:
 - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.
 - ii. If L1 is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such local supplier subject to matching the L1 price.
 - iii. In case such lowest eligible local supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the local suppliers within the margin of purchase preference matches the L1 price, then the contract may be awarded to the L1 bidder.

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4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.
5. **Minimum local content:** The minimum local content shall ordinarily be 50%. The Nodal Ministry may prescribe a higher or lower percentage in respect of any particular item and may also prescribe the manner of calculation of local content.
6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20% .
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
9. **Verification of local content:**
 - a. The local supplier at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum local content and shall give details of the location(s) at which the local value addition is made.
 - b. In cases of procurement for a value in excess of Rs. 10 crores, the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
 - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
 - d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.
 - e. Nodal Ministries and procuring entities may prescribe fees for such complaints.
 - f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules 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 along with such other actions as may be permissible under law.
 - g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the

duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9h below.

- h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
 - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
 - ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
 - iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

10. Specifications in Tenders and other procurement solicitations:

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of local suppliers who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.
- d. If a Nodal Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/ or other items relating to that Nodal Ministry. A copy of every instruction or decision taken in this regard shall be sent to the Chairman of the Standing Committee.
- e. For the purpose of sub-paragraph 10 d above, a supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or (ii) a majority of its shareholding or effective control of the entity is exercised from that country; or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India."

11. **Assessment of supply base by Nodal Ministries:** The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.
12. **Increase in minimum local content:** The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.
13. **Manufacture under license/ technology collaboration agreements with phased indigenization:** While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.
14. **Powers to grant exemption and to reduce minimum local content:** Ministries /Departments of Government of India and the Boards of Directors of Government companies or autonomous bodies may, by written order,
 - a. reduce the minimum local content below the prescribed level;
 - b. reduce the margin of purchase preference below 20% ;
 - c. exempt any particular item or procuring or supplying entities or class or classes of items or procuring or supplying entities from the operation of this Order or any part of the Order.

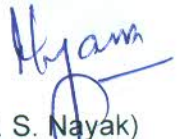
A copy of every such order shall be marked to the Member-Convenor of the Standing Committee constituted under this Order.

15. **Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.
16. **Standing Committee:** A standing committee is hereby constituted with the following membership:

Secretary, Department of Industrial Policy and Promotion—Chairman
Secretary, Commerce—Member
Secretary, Ministry of Electronics and Information Technology—Member
Joint Secretary (Public Procurement), Department of Expenditure—Member
Joint Secretary (DIPP)—Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

17. **Functions of the Standing Committee:** The Standing Committee shall meet as often as necessary but not less than once in six months. The Committee
- a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
 - b. shall annually assess and periodically monitor compliance with this Order
 - c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
 - d. may require furnishing of details or returns regarding compliance with this Order and related matters
 - e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
 - f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
 - g. may consider any other issue relating to this Order which may arise.
18. **Removal of difficulties:** Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.
19. **Ministries having existing policies:** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.
20. **Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.


(B. S. Nayak)

Under Secretary to Government of India
Ph. 23061257

No. 18-04/2019-IP
Government of India
Ministry of Communications
Department of Telecommunications

New Delhi, 19th February, 2020

OFFICE MEMORANDUM

Subject: Clause 10(d) of Public Procurement (Preference to Make in India) Order, 2017 – identification of telecom items regarding.

Department for Promotion of Industry and Internal Trade (DPIIT) issued Public Procurement (Preference to Make in India) Order 2017 vide Order No. P-45021/2/2017-B.E.-II dated 15.06.2017 followed by revisions dated 28.05.2018 and 29.05.2019, to encourage 'Make in India' and promote manufacturing and production of goods and services in India.

2. Clause 10(d) of aforesaid Public Procurement (Preference to Make in India), Order 2017 stipulates that "If a Nodal Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/ or other items relating to that Nodal Ministry".

3. Department for Promotion of Industry & Internal Trade has identified Department of Telecommunications as the nodal Department for implementing the provisions related to procurement of goods, services or works related to the telecommunication sector.


4. After consultations with domestic industry and Government procuring agencies, following telecom items have been identified for action under clause 10(d) of PPP MII Order, 2017:

- I. SDH/Carrier-Ethernet/MPLS- TP/ Packet Optical Transport equipment/ PTN/ OTN systems
- II. Wireless/Wireline PABXs & IP PBX
- III. GPON / XGS-PON, NG-PON2 equipment (including ONT and OLT)
- IV. CPE (including Wi-Fi Access points and Routers, Media Converters), 2G/3G/4G/LTE Modems
- V. Optical Fibre Cable
- VI. DWDM/CWDM systems



- VII. IP/MPLS Core routers/ Edge/ Enterprise Router
VIII. Wi-Fi based broadband wireless access systems (Including Access Point, Aggregation Block, Core Block), Integrated Broadband system

5. Accordingly, any foreign Government which is not allowing Indian suppliers to participate and/or compete in procurement of telecom equipment, provision of clause 10(d) of Public Procurement (Preference to Make in India) Order, 2017 be invoked in relation to the aforesaid telecom items identified in para 4 herein above. Further, provision of clause 10(d) should find clear and specific mention in any telecom equipment procurement tender floated by any Government / PSU procurement agency.


19/10/2020

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Director (IP)

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The Chief Secretaries of all State Governments
The CMDs/CEOs of all Central PSEs/PSUs

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