



PMC Cell – MM

Oil and Natural Gas Corporation Ltd  
Corporate Materials Management  
2<sup>nd</sup> Floor, Tower-A, Deendayal Urja Bhawan,  
5, Nelson Mandela Marg, Vasant Kunj, New Delhi -110 070  
Tel – (011)26752004 Fax – (011) 26129091

**Circular No. 57/2018**

No: MAT/PMC/13(21)DMEP/2018

Dated: 01.11.2018

**Sub: Preference to Domestically Manufactured Electronic Products (DMEP) in Government procurement.**

Reference is invited to circular Nos. 16/2015 and 25/2015 dated 24.04.2015 and 29.6.2015 respectively, whereby Government's policy notified vide Govt. Notification No.33(3)/2013-IPHW dated 23.12.2013 for providing Preference to Domestically Manufactured Electronic Products (DMEP) in Government procurement was notified for implementation in ONGC.

Vide Notification No. 33(1)/2017-IPHW dated 14<sup>th</sup> September, 2017 and 33(5)/2017-IPHW dated 1<sup>st</sup> August 2018 (copies enclosed), Ministry of Electronics and Information Technology has notified the modified policy for preference to Domestically Manufactured Electronic Products (DMEP) in Government procurement.

The list of Electronic Products entitled for preference under the policy along with percentage of procurement for which preference to domestically manufactured Electronic Products is to be provided and the Percentage local content or domestic value addition in terms of Bill of Material (BOM) required for such products to qualify as domestically manufactured has been brought out under para 3 of the aforesaid Notification Nos. 33(1)/2017-IPHW dated 14<sup>th</sup> September, 2017 and 33(5)/2017-IPHW dated 1<sup>st</sup> August 2018, of MeitY, which is also available on Govt. website [www.meity.gov.in](http://www.meity.gov.in). Further, while floating tenders for the items notified by MeitY, the guidelines issued vide notification No. 33(3)/2017-IPHW dated 24<sup>th</sup> January 2018 (copy enclosed) shall also be followed.

In accordance with the above and deliberations in the EPC meetings (11/2018 and 20/2018) held on 10.05.2018 and 20.09.2018 respectively, Tender conditions notified vide aforesaid circulars for providing Preference to Domestically Manufactured Electronic Products (DMEP) in our procurement stand replaced as per enclosed **Appendix-1**.

Further, for the purpose of reporting any information to the Govt. whenever required, the process shall be developed in ICE for capturing the details of preference to DMEP.

Above guidelines should be meticulously followed by all concerned in all tenders for procurement of specified DMEPs where NITs are yet to be issued.

(Ashwini Nagia)  
ED-Chief MM Services

**Distribution:** (Through ONGC's intranet website 'ongcreports.net').

**All concerned may download the circular from the site. Hard copies are not distributed separately.**

**Copy through e-mail:**

1. EO to CMD, ONGC, New Delhi.
2. CEA to Director (T&FS) / Director (Offshore) / Director (HR) / Director (Exploration)/Director (Onshore) / Director (Finance), ONGC, New Delhi.
3. CVO, ONGC, New Delhi.

Following BEC conditions should invariably be included in the tenders where Domestically Manufactured Electronic Products (DMEPs), as notified by vide N/N 33(1)/2017-IPHW dated 14th September, 2017 and 33(5)/2017-IPHW dated 1<sup>st</sup> August 2018, of MeitY, are procured:

**(BEC conditions applicable for providing preference in procurement to notified Domestically Manufactured Electronic Products (DMEP) as per Notification No. 33(1)/2017-IPHW dated 14th September, 2017 and 33(5)/2017-IPHW dated 1<sup>st</sup> August 2018 of MeitY and Public Procurement (Preference to Make in India) Order 2017 issued by Ministry of Commerce and Industry)**

1. ONGC reserves the right for providing preference to domestically manufactured electronic products in terms of the Notification No. 33(1)/2017-IPHW dated 14<sup>th</sup> September, 2017 issued by Ministry of Electronics and Information Technology and Public Procurement (Preference to Make in India) Order 2017 issued by Ministry of Commerce and Industry (as may be amended from time to time). Copies of the aforesaid Notification and Order-2017 can be downloaded from Meity website [www.meity.gov.in](http://www.meity.gov.in) and [www.makeinindia.com](http://www.makeinindia.com) respectively. Purchase preference for Local Suppliers, methodology of its implementation, value addition to be achieved by Local supplier/domestic manufacturers, self-certification, and compliance and monitoring shall be as per the aforesaid Notification/Order-2017. The Guidelines issued vide Notification No. 33(1)/2017-IPHW dated 14<sup>th</sup> September, 2017 and 33(5)/2017-IPHW dated 1<sup>st</sup> August 2018, issued by Ministry of Electronics and Information Technology and Public Procurement (Preference to Make in India) Order 2017 issued by Ministry of Commerce and Industry (as may be amended from time to time) may be treated as an integral part of the tender documents.
2. The modalities through which the preference for Domestically Manufactured Electronic Products (DMEPs) to Local Supplier, shall be operated are as follows:
  - a) The electronic products for which preference will be provided to Local Supplier shall be ..... (*Work Center to indicate notified DMEP being procured*)
  - b) The quantity of procurement for which preference will be provided to Local Supplier shall be ..... (*Work Center to indicate quantity as specified in the notification*).
  - c) Percentage local content or domestic value addition in terms of Bill of Material (BOM) which qualifies the electronic product i.e..... to be classified as domestically manufactured shall be ..... % (*Work Center to indicate Domestic Value Addition as specified in the notification*).
  - d) The preference to DMEP shall be subject to meeting technical specifications and matching L1 price.
3. 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.

In cases of procurement for a value in excess of Rs. 10 crores, the local supplier shall 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.

In case of a foreign bidder, certificate (with regard to the fulfillment of minimum mandatory local content requirement) from Statutory Auditor of their office in India is required to be submitted. In case office does not exist or is not required to appoint Statutory Auditors, certificate from a practicing Chartered Accountant in India or practicing cost accountant in India shall be acceptable.

4. Local supplier also furnish details pertaining to domestic value addition in the following format.

Item No.	Item Description	Manufacturer/ Supplier	Country of Origin	Value	Domestic Value Addition in Percentage	Details of the location(s) at which the local value addition is made
1.						
2.						

5. The responsibility to show the correctness of self-certification regarding domestic value addition shall be that of the bidder when asked to do so. Furnishing of false information on this account shall attract penal provisions as per aforesaid Notification No. 33(1)/2017-IPHW dated 14<sup>th</sup> September, 2017 issued by Ministry of Electronics and Information Technology and Public Procurement (Preference to Make in India) Order 2017 issued by Ministry of Commerce and Industry (as may be amended from time to time).

(\*In case of bid from sole selling agents/ authorized distributors/ authorized dealers/ authorized supply houses of the Domestic Manufacturer, the documents/ details to fulfill the conditions at (3) above shall be obtained by Local Supplier from Original Domestic Manufacturer for submitting along with the bid.)

6. The procedure for certification and assessment of the percentage of domestic value-addition shall be as per Notification No. 33(1)/2017-IPHW dated 14<sup>th</sup> September, 2017 issued by Ministry of Electronics and Information Technology and Public Procurement (Preference to Make in India) Order 2017 issued by Ministry of Commerce and Industry (as may be amended from time to time).
7. Procedure for award of contracts involving procurement from Local Suppliers:

(Applicable for procurement of goods which are divisible in nature):

- 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.

(Applicable for procurements of goods/services which are not divisible, and in procurement of services where the bid is evaluated on price alone):

- 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 Li bidder.

**Only those Local Suppliers whose bids are within 20% of the L1bid would be allowed an opportunity to match L1 bid.**

8. (Applicable turnkey/ system integration projects)

The provisions of Notification No. 33(1)/2017-IPHW dated 14th September, 2017 of MeitY and Public Procurement (Preference to Make in India) Order 2017 issued by Ministry of Commerce and Industry shall also be applicable to the Domestically Manufactured Electronic Products (DMEPs) covered in turnkey/ system integration projects. In such cases the preference to DMEPs would be applicable only for the value of notified DMEPs forming part of the turnkey/ system-integration projects and not on the value of whole project.

In case of turnkey/ system integration projects an undertaking shall be obtained from the bidders along with the bid that they have carefully gone through the aforesaid notification/Order-2017 issued by the Govt. of India, which are also available at DeitY website [www.meity.gov.in](http://www.meity.gov.in) / [www.makeinindia.com](http://www.makeinindia.com) respectively for providing Preference to Domestically Manufactured Electronic Products (DMEP) in Government procurement and in case contract is awarded to them, until & unless there are compelling technical reasons for not doing so, which shall also be specified by them in their bid, they will give preference to specified domestically manufactured electronic items for execution of the contract. Further, the contractor shall also provide complete details i.e. name of Domestic Manufacturer, value of DMEP utilized for execution of LSTK contract, to ONGC.

- (9) The BEC conditions for meeting experience criteria shall not be applicable in case of Local Supplier. However, ONGC reserve the right to satisfy itself of the security, production capability and product quality of the Local Supplier. (Work centers may incorporate appropriate methodology / requirement of documentary evidence in this regard, as may be necessary)
- (10) **(For the tenders where tender quantity can be divided/split and where both MSEs and DMEP bidders are participating)**
- (10.1) In cases where both MSEs and DMEP are participating in a tender and both MSE and DMEP are eligible for purchase preference, distribution of quantities among the eligible

MSE(s) and DMEP bidder(s) shall be as per the quantities of the respective policy and the balance quantity shall be awarded to the non-eligible L-1 bidder.

(10.2) In case the quantities cannot be divided in the ratio as per the quantities of the respective policy then following methodology shall be adopted for division of the quantities between MSEs bidder, DMEP bidder and the non-MSE, non-DMEP L-1 bidder:

- (i) Both the eligible DMEP and MSE bidders shall be invited to match its rates with that of L-1 bidder to secure order for percentage quantities not less than as specified in respective policy.
- (ii) MSE bidder shall be given preference over DMEP to secure minimum splittable quantity not less than 20% after matching its rates with the L-1 bidder as per PPP-Order 2012. If the 20% quantity is in fraction and order cannot be placed for fractional quantity, then order shall be placed for immediately higher whole number quantity.
- (iii) Thereafter, eligible DMEP bidder shall be allowed to secure order for percentage quantities not less than as specified in DMEP policy. If the calculated quantity for placement of order is in fraction and order cannot be placed for fractional quantity, then order shall be placed immediately higher whole number quantity.
- (iv) Remaining quantity after distribution to MSE & DMEP (as above) shall be awarded to the original L-1 bidder.

Example:

Example of quantity distribution where Tender quantity cannot be divided/splitted in the ratio prescribed as per the respective policies:

Qty. under tender	MSE (20%)	DMEP (50%)	Non MSE, Non DMEP bidder
2	1	1	-
3	1	2	-
4	1	2	1
5	1	3	1
6	2	3	1
7	2	4	1
8	2	4	2

(11) **(For the tenders where tender quantity is non-dividable/non-splittable and where both MSEs and DMEP bidders are participating)**

(11.1) In case the quantities cannot be divided than MSE bidders will get preference over DMEP bidders and full quantity shall be awarded to MSE bidders.

(12) In case a bidder is eligible to seek benefits under policy for providing purchase preference for DMEP as well as Public Procurement Policy for MSEs – Order 2012, then the bidders should categorically seek benefits against only one of the two policies i.e. either DMEP or MSE policy. Option once exercised cannot be modified subsequently.

(13) Bidders should note that PP - LC shall not be available in case of procurement of Domestically Manufactured Electronic Products (DMEP) covered under the policy for providing preference to DMEP.

-----X-----



**F.No.33(5)/2017-IPHW**  
**Government of India**  
**Ministry of Electronics and Information Technology**  
**(IPHW Division)**

Electronics Niketan, New Delhi  
Dated: 01<sup>st</sup> August, 2018

S/O CATMA  
1/12/18

P-75818/JS(RA)/18  
16/8

**NOTIFICATION**

**Subject: Public Procurement (Preference to Make in India) Order 2017-Notifying Cellular Mobile Phones in furtherance of the Order**

**Reference: 1. Department of Industrial Policy & Promotion (DIPP) Order No. P-45021/2/2017-B.E.-II dated 15.06.2017 and subsequent revision vide Order No. P-45021/2/2017-PP(BE-II) dated 28.05.2018**

**2. Ministry of Electronics and Information Technology Notification No. 33(1)/2017-IPHW dated 14.09.2017**

The Government has issued Public Procurement (Preference to Make in India) Order 2017 vide the Department of Industrial Policy and Promotion (DIPP) Order No.P-45021/2/2017-B.E.-II dated 15.06.2017 and subsequent revision vide Order No. 45021/2/2017-PP(BE-II) dated 28.05.2018 to encourage 'Make in India' and to promote manufacturing and production of goods and services in India with a view to enhancing income and employment.

2. In furtherance of the aforesaid Public Procurement (Preference to Make in India) Order 2017, the Ministry of Electronics and Information Technology (MeitY) hereby notifies that preference shall be provided by all procuring entities to domestically manufactured Cellular Mobile Phones as per the aforesaid Order. This Notification is issued to encourage 'Make in India' and all manufacturers of Cellular Mobile Phones (Indian companies as well as foreign companies), would benefit from the Notification, without discrimination. The details are as follows:

**3. Cellular Mobile Phones**

**(A) Definition:**

For the purpose of this Notification, a Cellular Mobile Phone (Feature Phone or Smart Phone) shall necessarily consist of a Main Printed Circuit Board (PCB), Battery Pack, Display Unit, Key Pad/ Touch Panel, Charger/ Adapter, Microphone & Receiver, Vibrator Motor/ Ringer and Mechanics.

V. S. [Signature]

(B)

Percentage of procurement for which preference to domestically manufactured Cellular Mobile Phones is to be provided (in value terms)	Percentage domestic value addition in terms of Bill of Material (BOM) required for the Cellular Mobile Phones to qualify as domestically manufactured
50%	50%

(C) **Criteria for BOM to be classified as domestic:**

The domestic BOM of Cellular Mobile Phones would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Cellular Mobile Phone	Value addition required for the input to be classified as domestic BOM
1	2
Main PCB*	Domestic assembly and testing from imported/ indigenously manufactured parts and components including Processor and Semiconductor** BOM (i.e the Semiconductor Chips and Modules on Main PCB), and excluding value of bare PCB
Bare PCB	Domestically manufactured from imported/ indigenously manufactured inputs
Battery Pack	Domestic assembly and testing of imported/ indigenously manufactured inputs
Charger/ Adapter	Domestic assembly and testing from imported/ indigenously manufactured inputs
Wired Headset	Domestic assembly and testing from imported/ indigenously manufactured inputs
Mechanics***	Domestic assembly and testing from imported/ indigenously manufactured inputs
Die Cut Parts***	Domestic assembly and testing from imported/ indigenously manufactured inputs
Microphone and Receiver	Domestic assembly and testing from imported/ indigenously manufactured inputs



<b>Main inputs in BOM/stages for manufacture of Cellular Mobile Phone</b>	<b>Value addition required for the input to be classified as domestic BOM</b>
Key Pad	Domestic assembly and testing from imported/ indigenously manufactured inputs
USB Cable	Domestic assembly and testing from imported/ indigenously manufactured inputs
Camera Module	Domestic assembly and testing from imported/ indigenously manufactured inputs
Connectors	Domestic assembly and testing from imported/ indigenously manufactured inputs
Display Unit	Domestic assembly and testing from imported/ indigenously manufactured inputs
Touch Panel/ Cover Glass Assembly	Domestic assembly and testing from imported/ indigenously manufactured inputs
Vibrator Motor/ Ringer	Domestic assembly and testing from imported/ indigenously manufactured inputs
(i) Final Assembly and Testing (ii) Design and Development	(i) Domestically assembled/tested and  (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in the domestic BOM

*\* It is essential that the Printed Circuit Board Assembly (PCBA) of the processor/ components on the bare PCB using the SMT process should mandatorily be done in India.*

*\*\* This shall be reviewed when the Semiconductor FAB in India is operational*

*\*\*\*Refer Annexure*

4. The Notification comes into effect immediately and would be reviewed after 31.03.2019.

5. This Notification shall remain valid till the revised Notification is issued.

6. The Notification shall also be applicable to the Domestically Manufactured Electronic Products (DMEPs) covered in turnkey/ system integration projects. In such cases the preference to DMEPs would be applicable only for the value of notified DMEPs forming part of the turnkey/ system-integration projects and not on the value of whole project.

#### **7. Procedure for calculating local content/ domestic value addition**

7.1 Bill of Material sourced from domestic manufacturers (Dom-BOM) may be calculated based on one of the followings depending on data available. Each of these calculations should provide consistent result.

a. Sum of the costs of all inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit/ set-off can be taken) and which have not been imported directly or through a domestic trader or an intermediary.

b. Ex-Factory Price of product minus profit after tax minus sum of imported BOM used (directly or indirectly) as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit/ set-off can be taken) minus warranty costs.

c. Market price minus post-production freight, insurance and other handling costs minus profit after tax minus warranty costs minus sum of Imported BOM used as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit / set-off can be taken) minus sales and marketing expenses.

7.2 Total Bill of Material (Total-BOM) may be calculated based on one of the following depending on data available. Each of these calculations should provide consistent result.

a. sum of the costs of all inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit / set-off can be taken).

b. Ex-Factory Price of product minus profit after tax, minus warranty costs.

c. Market price minus post-production freight, insurance and other handling costs minus profit after tax, minus warranty costs minus sales and marketing expenses.

7.3 The percentage of domestic value-addition may be calculated based on information furnished as per the following formula:

$$\text{Percentage of domestic value-addition} = \frac{\text{Dom-BOM}}{\text{Total-BOM}} \times 100$$

It is recommended that each agency assessing should calculate the domestic local content/ value-addition using at least two of the above formula so as to validate the assessments in this regard and ensure that the domestic value addition that is claimed is consistent.

**8. Verification of local content/ Domestic Value Addition**

a. The local supplier at the time of tender, bidding or solicitation shall 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 provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practising cost accountant or practising chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.

c. In case a complaint is received by the procuring agency or the concerned Ministry/Department against the claim of a bidder regarding local content/ domestic value addition in an electronic product, the same shall be referred to STQC.

d. Any complaint referred to STQC shall be disposed off within 4 weeks. The bidder shall be required to furnish the necessary documentation in support of the domestic value addition claimed in an electronic product to STQC. If no information is furnished by the bidder, such laboratories may take further necessary action, to establish the bonafides of the claim.

e. A complaint fee of Rs.2 Lakh or 1% of the value of the domestically manufactured electronic products being procured (subject to a maximum of Rs. 5 Lakh), whichever is higher, to be paid by Demand Draft to be deposited with STQC. In case, the complaint is found to be incorrect, the complaint fee shall be forfeited. In case, the complaint is upheld and found to be substantially correct, deposited fee of the complainant would be refunded without any interest.

f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules (GFR) for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the GFR along with such other actions as may be permissible under law.

9. MeitY shall be the nodal Ministry to monitor the implementation of the Notification.


  
(Sanjay Kumar Rakesh)

Joint Secretary to Government of India  
Tel.: 24363071

New Delhi, Dated: 01.08.2018

**Copy to:**

1. All Ministries/Departments of Government of India
2. Cabinet Secretariat
3. PMO
4. NITI Aayog
5. Joint Secretary (DIPP), Member-Convener of Standing Committee of Public Procurement Order 2017
6. Comptroller and Auditor General of India
7. AS&FA, Ministry of Electronics and Information Technology
8. Internal Distribution

  
01/04/18

**(Sanjay Kumar Rakesh)**  
Joint Secretary to Government of India  
Tel.: 24363071

**Indicative List of Mechanics and Die Cut Parts**

**A. Mechanics**

1. Battery Cover (HS 39209999)
2. Front Cover (HS 39209999)
3. Front Cover (With Zinc Casting) (HS 39209999)
4. Middle Cover (HS 39209999)
5. GSM Antenna/ Antenna of any technology (HS 39209999)
6. Side Key (HS 85389000)
7. Main Lens (HS 39209999)
8. Camera Lens (HS 39209999)
9. Screw (HS 73181500)
10. Mic Rubber Case (HS 40169990)
11. Sensor Rubber Case/ Sealing Gasket including sealing gaskets/ cases from Rubbers like SBR, EPDM, CR, CS, Silicone and all other individual rubbers or combination/ combinations of rubbers (HS 40169990)
  - 11.1 PU Case/ Sealing Gasket (HS 39269091) - Other articles of Polyurethane foam like sealing gaskets/ cases.
  - 11.2 Sealing Gaskets/ Cases from PE, PP, EPS, PC and all other individual polymers or combination/ combinations of polymers (HS 39269099)
12. SIM Socket/ Other Mechanical items (Metal) (HS 73269099)
13. SIM Socket/ Other Mechanical items (Plastic) (HS 39269099)
14. Back Cover (HS 39209999)

**B. Die Cut Parts**

1. Conductive Cloth (HS 39269099)
2. Heat Dissipation Sticker Battery Cover (HS 39199090)
3. Sticker-Battery Slot (HS 39199090)
4. Protective Film for Main Lens (HS 39199090)
5. Mylar for LCD I-PC (HS 39199090)
6. LCD Conductive Foam (HS 39269099)
7. Film-Front Flash (HS 39199090)
8. LCD Foam (HS 39269099)
9. BT Foam (HS 39269099)

**FP-20013/22/2017-FP-PNG**  
Government of India  
Ministry of Petroleum & Natural Gas

Shastri Bhawan, New Delhi  
22.02.2018

To

1. Chairman, IOCL
2. C& MD, BPCL/HPCL/ONGC/GAIL/EIL/OIL/ BLL/BLC
3. Managing Director, CPCL/NRL/MRPL/OVL
4. DG, DGH
5. DG, PPAC
6. Secretary, OIBD
7. ED, PCRA
8. ED, OISD
9. ED, CHT
10. Director, RGIPT
11. Member (BM), PNGRB
12. CEO & MD, ISPRL

*Du 2k mm*  
✓ *u chief mm*  
*u dlf*  
*u SKA - 26/2*

Subject: Public procurement (Preference to Make in India) Order, 2017 - reg.

I am directed to forward herewith an OM dated 24.01.2018 received from Ministry of Electronics and Information Technology (MeitY) on the subject mentioned above for appropriate action.

CMD's Office N. Delhi  
Dy. No. *4-727*  
Date *26.2.2018*

*Vijay Sharma*  
Vijay Sharma  
Director (FP)  
Tele: 23073069

Encl: As above.

Copy to:

- a) PS to Minister, P&NG
- b) PPS to Secretary/AS/AS&FA / Sr. Advisor, MoPNG.
- c) PPS / PS to JS(R)/JS(M)/JS(E)/JS(GP)/JS(IC)/JS(Genl.)/JS(Admin)/JS(E-I) MoPNG
- d) US(Admn) MoPNG



*Pl discuss*  
*DM (mm) Pme*  
*[Signature]*  
*27/2*

*Head Policy*  
*[Signature]*  
*27/2/18*

*DM (mm) - 2*  
*[Signature]*  
*28/2/18*

15627

33(3)/2017-IPHW  
Government of India  
Ministry of Electronics and Information Technology  
(IPHW Division)

Electronics Niketan, 6, CGO Complex  
Lodhi Road, New Delhi - 110003

Dated: 24<sup>th</sup> January, 2018

OFFICE MEMORANDUM

**Subject: Public Procurement (Preference to Make in India) Order 2017 – reg.**

Government of India, vide Department of Industrial Policy and Promotion's Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 (copy enclosed), has decided to provide preference to domestic manufacturers in procurement by Government entities and PSUs. In furtherance of the aforesaid Order, Ministry of Electronics & Information Technology has notified, ten (10) electronic products, which include Desktop and Laptop personal computers, vide Notification No.33(1)/2017-IPHW dated 14.09.2017 (copy enclosed).

2. DIPP Order dated 15.6.2017 provides that the procurement entities would ensure that the eligibility conditions 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.

3. Several representations have been received from manufacturers of laptops/desktops that the procuring entities have included conditions like Energy Star ratings and/ or Electronic Product Environmental Assessment Tool (EPEAT) certification as eligibility conditions for suppliers of laptop/ desktop which are not relevant to India and unduly favours multinational companies over Indian manufacturers.

4. In this regard, consultations were held with Bureau of Energy Efficiency (BEE), Bureau of Indian Standards (BIS) and Quality Council of India (QCI) and it was opined that procuring entities should not insist on Energy Star ratings and/ or EPEAT Certification, as these are not relevant to India and adequate number of testing facilities are also not available in the country.

5. BEE has provided for performance rating of laptops/ desktops, which may be prescribed by the procuring authority for compliance. Standards prescribed by BEE along with logo to be displayed by compliant manufacturer are given at Annexure 'A'. Similarly, in lieu of EPEAT certification, procurement entities may ask for compliance of Restrictions of Hazardous Substances (ROHS) and Extended Producers Responsibility (EPR) instructions issued by Ministry of Environment, Forest and Climate Change, Government of India vide e-Waste (Management) Rules, 2016, dated 23<sup>rd</sup> March 2016 and subsequent amendments on 30<sup>th</sup> October 2017.

6. All Ministries/ Departments are therefore requested to issue suitable instructions to procurement entities, including PSUs/ Statutory bodies/ Autonomous bodies under their administrative control, for strict compliance of the above instructions.

see you  
sec  
7/2/18  
Din (SAP)

JS (A)

JS (M)

JS (M)

(Sanjay Kumar Rakesh)  
Joint Secretary  
Tel.:24363071

Encl.: As above.

To: All Secretaries to Ministries/ Departments

JS (SAP)

7/2/18

sol (SAP)

Sh. Ramesh  
3/2

6-2-2018



- II. Encourage the customer to test the product for Star Label compliance.
- III. Encourage the customer, should the product no longer meet Star Label, to make use of EPA's free technical assistance that can assist with Power Management performance, which can be found at [www.energystar.gov/fedofficeenergy](http://www.energystar.gov/fedofficeenergy).

**9. USER INTERFACE:** Manufacturers are encouraged to design products in accordance with the user interface standard IEEE 1621: Standard for User Interface Elements in Power Control of Electronic Devices Employed in Office/Consumer Environments. For details, see <http://eetd.LBL.gov/Controls>.

**10. TOLERANCE LIMITS:** There is no negative tolerance in the energy consumption criteria for obtaining the BEE endorsement label. All tested products must meet the minimum threshold including manufacturing tolerance and other variations.

**11. MANNER OF DISPLAY:** All the manufacturers are required to affix the label both on carton and on products (in software or affixed on the machine).



## **12. FEES**

1. Application fee payable on application for assignment of the authority to affix label is INR 2000/- (Rupees Two thousand only)
2. Application fee payable on application for renewal of authority to affix labels is INR 500/- (Rupees Five hundred only).
3. Labelling fee for affixation of label on each piece of laptop/notebook computer is INR 10/- (Rupees Ten only)-





**13. FUTURE SPECIFICATION REVISIONS**

BEE reserves the right to revise the specification should technological and/or market changes affect its usefulness to consumers or industry or its impact on the environment. In keeping with current policy, revisions to the specification will be discussed with stakeholders. In the event of a specification revision, please note that BEE qualification is not automatically granted for the life of a product model. To qualify as Star labeled product, a product model must meet the BEE's specification in effect on the model's date of manufacture.