

पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड  
(भारत सरकार का उद्यम)  
POWER GRID CORPORATION OF INDIA LIMITED  
(A Government of India Enterprise)



केन्द्रीय कार्यालय : "सौदामिनी" प्लॉट सं. 2, सैक्टर-29, गुडगाँव-122 001, हरियाणा  
फोन : 0124-2571700-719, फ़ैक्स : 0124-2571760, 2571761 तार 'नेटग्रिड'  
Corporate Office : "Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001. Haryana  
Tel. : 0124-2571700-719, Fax : 0124-2571760, 0124-2571761 Gram : 'NATGRID'

संदर्भ संख्या / Ref. No.

C/CP/RTI/2015/06

Date: 8<sup>th</sup> May, 2015

Shri Mahesh Shrivastava  
C-4/10B, Lawrence Road  
Keshavpuram, Delhi-110035

Sub: **Information under Right to Information Act, 2005.**

Dear Mr. Shrivastava,

This has reference to your RTI request dated 3<sup>rd</sup> April 2015 (received on 8<sup>th</sup> April, 2015) seeking information under RTI Act, 2005.

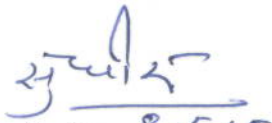
The information sought is attached at **Annex-I**.

Details of Appellate Authority, as per the provisions of RTI Act, 2005 is as under:

Shri B. Mishra  
Executive Director (CP & IT) & Appellate Authority,  
Corporate Centre, Power Grid Corporation of India Limited,  
"Saudamini", Plot No. 2, Sector-29 Gurgaon – 122007, Haryana.

Thanking You,

भवदीय,

  
(सुधीर मित्तल) 8.5.15

महाप्रबंधक(के.आ.)एवं के.लो.सू.अधिकारी

**Reply:**

It may be mentioned that the referred packages envisage requirement of OPGW along with Communication Equipment.

As per notification dated 05.10.2012 issued by Ministry of Communications and Information Technology, Department of Telecommunication for providing Preferential Market Access (PMA) to Telecom Products, 100% PMA has been specified against optical fiber cable and as such there is no reference made to OPGW in the list. Although OPGW contains optic fibers for communication purpose but it is a special type of cable which is used for communication as well as Earthwire for Electric Power Transmission Lines. Accordingly, while finalizing the methodology for implementing/operationalizing the PMA policy dated 05.10.2012 for telecom products, POWERGRID has not considered OPGW cable under the purview of the aforesaid PMA policy.

Further, implementation of PMA policy was also not considered for application for communication equipment in the referred packages in line with methodology finalized by POWERGRID for implementation/operationalization of the PMA policy as cost of Communication Equipment is minimal in comparison to overall package cost.

**Query:**

2. In the light of Para 5.5 of above referred Guidelines notified by Ministry of Communications and IT, Kindly provide the relevant extracts of minutes, tender documents, note sheets, discussions paper by which PGCIL shall ensure the compliance of PMA policy in case of above Turnkey/System Integration project.

**Reply:**

The methodology finalized by POWERGRID for implementing/operationalizing the PMA policy and as communicated to Ministry of Power is enclosed herewith.

**Query:**

3. In case of inadvertent non-compliance of PMA policy, if any, what kind of remedial action is taken or proposed to be taken by PGCIL for the above tenders issued so far to cure the violation of PMA policy, as this shall also be against the "Make in India" initiative of Hon'ble Prime Minister?

**Reply:**

Not Applicable

**Methodology for providing preference to Domestic  
Manufacturers of Electronic Products in line with Government  
Notifications**

**1.0 Government Notifications/Guidelines considered for finalization of methodology for applying the Preferential Market Access (PMA) Policy for Domestic Manufacturers of Electronic Products:**

- (i) Notification dated 10.02.2012, issued by Ministry of Communications and Information Technology, Department of Information Technology, was for providing Preferential Market Access (PMA) to Domestically Manufactured Electronic Products (DMEP).
- (ii) Notification dated 05.10.2012 issued by Ministry of Communications and Information Technology, Department of Telecommunications in compliance to the provisions at para 2.2.2 of the notification dated 10.02.2012 [para (i) above] for providing Preferential Market Access to Domestically Manufactured Telecom Products (Sector Specific Electronic Products).
- (iii) Notification dated 17.12.2012, issued by Ministry of Communications and Information Technology, Department of Electronics and Information Technology for providing Preferential Market Access to domestically manufactured Desktop PCs and Dot Matrix Printers.
- (iv) Guidelines issued by Ministry of Communications and Information Technology, Department of Electronics and Information Technology vide notification dated 12.06.2013 for implementation of above PMA Policies.
- (v) Report of the Committee constituted by Central Electricity Authority (CEA) vide letter no. CEA/5-41(II)/ Secy-2012/116 dated 29th May, 2012 under Chairmanship of Member (GO&D), CEA with representatives from NTPC, NHPC, POWERGRID, POSOCO and BHEL to prepare the guidelines mandating clearance from "security angle" and for identifying the electronic goods as security sensitive in Power Sector and for the procurement of the electronic products by Government or its agencies for Governmental purposes.

## 2.0 Basic considerations of the methodology for applying the PMA Policy

- (a) Wherever possible, efforts shall be made to give preference to Domestically Manufactured Electronic Product(s) (DMEP) and adhere with the minimum percentage of the total procurement value as per notifications issued by various departments under Ministry of Communications and Information Technology as on the originally scheduled date of bid opening.
- (b) Percentage of Domestic Value Addition, which qualifies the electronic product to be classified as domestically manufactured, shall be applicable as per notifications issued by different departments under Ministry of Communications and Information Technology as on the originally scheduled date of bid opening.
- (c) The preference to Domestically Manufactured Electronic Products shall be subject to meeting the technical specifications of POWERGRID and matching the L1 bid price.
- (d) In line with the report of the Committee constituted by Central Electricity Authority (CEA) [Para 1.0 (v) above], the Electronic Products forming part of conventional transmission system packages viz. Substation packages, Transmission line packages, Transformer/Reactor packages etc. have been excluded from application of PMA policy.
- (e) Communication equipment such as SDH, PDH etc., forming part of OPGW cable system packages, have been excluded from application of PMA policy as the cost of such equipment is normally minimal in comparison to total cost of the package.
- (f) Optical Fibre Ground Wire (OPGW) is excluded from application of PMA policy as it is a special type of cable used for dual purpose i.e. as earthwire for power transmission lines and optical fibres cable.  
  
However, the PMA policy shall be applicable for underground Fibre Optic Cable.
- (g) As Network Management Systems (NMS) for electronic equipment are vendor specific accordingly the same has not been considered separate item for application of the PMA policy.
- (h) The PMA policy, in line with the Notification dated 05.10.12 by DoT, for IT network items such as (a) Core/Edge/Enterprise Routers, (b) Ethernet Switches (L2 and L3), hubs etc. (c) Wi-Fi base access points etc shall be considered in case of bulk procurements only, as it is difficult to implement the policy for

small procurements due to compatibility and configuration issues.

Similarly the procurement of Desktop PCs is normally being done through DGS&D Rate contract based on the requirement from time to time. Since the quantity of procurement through rate contract is normally small, it is difficult to implement the policy for such procurements. Therefore, the PMA policy shall be applied only in case of bulk procurement of Desktop PCs through Open Tendering.

### 3.0 Methodology finalized for applying the Preferential Market Access (PMA) Policy in procurement of Electronic Products by POWERGRID.

#### Telecom Packages

- (a) Preference to domestically manufactured Telecom Equipment, in terms of percentage of procurement value, shall be in line with the Notification dated 5<sup>th</sup> October, 2012 or any subsequent notification issued by Ministry of Communications and Information Technology, Department of Telecommunications.
- (b) Percentage of Domestic Value Addition, which qualifies the Telecom Equipment to be classified as domestically manufactured, shall be applicable as per the Notification dated 5<sup>th</sup> October, 2012 or any subsequent notification issued by Ministry of Communications and Information Technology, Department of Telecommunications.
- (c) The preference to Domestically Manufactured Telecom Equipment shall be subject to meeting the technical specifications and matching the L1 bid price.
- (d) Among all the technically qualified bids, the bidder with lowest evaluated bid price will be termed as L1 and remaining bidders shall be ranked as L2, L3, L4 and so on.
- (e) If the L1 bidder has offered the equipment from a domestic manufacturer, the L1 bidder will be awarded the contract for the package.
- (f) If the L1 bidder has not offered the equipment from a Domestic Manufacturer, the value of the order to be awarded on L1 bidder will be Total value of the order minus value of the order to be awarded on the bidder who has offered the equipment from an eligible Domestic Manufacturer.
- (g) Only those bidders shall be considered eligible, under the PMA policy, for matching the L1 price, who have offered the equipment from a Domestic Manufacturer and whose bid price is within 20% of the L1 bid price.

- (h) The lowest ranked eligible bidder under PMA policy, as per (g) above, shall be given first opportunity to match the L1 price. If such a bidder agrees to match the L1 bid price, he will be considered for award in line with PMA policy.
- (i) If the lowest ranked eligible bidder under PMA policy, as per (g) above, refuses to match the L1 bid price, next lowest ranked eligible bidder under PMA policy, as per para (g) above, shall be given the opportunity to match the L1 bid price and the process shall be repeated. .
- (j) If all the eligible bidders under PMA policy, as per (g) above, fail to match the L1 bid price, the L1 bidder shall be considered for award.
- (k) The bidder shall furnish, along with its bid, an affidavit of self-certification from domestic manufacturer regarding the Domestic Value Addition on Rs. 100/- non-judicial stamp paper, as per format enclosed at Sl.No.22 of Section-VI, Vol.-I of the Bidding Documents (*enclosed herewith at Annexure-I for ready reference*).

The procedure for certification and assessment of the percentage of domestic value addition in the product shall be as per Annexure-B (BDS) (*enclosed herewith at Annexure-II for ready reference*).

- (l) The domestic manufacturer is required to provide a value addition certificate on half yearly basis (Sept. 30 and March 31) duly certified by the Statutory Auditor of the domestic manufacturer, that the claims of the value addition made for the product during the preceding six months are in accordance with the Government Policy in place. Such certificate is to be filed within 60 days of commencement of each half year to the concerned Ministry/Department. The bidder, in his bid, shall furnish (as per Attachment-20, Bid Forms and Price Schedules, Vol-III of Bidding Documents) his confirmation of compliance to the said requirement (*Attachment-20 enclosed herewith at Annexure-III for ready reference*)..

### Load Dispatch & Communication (LD&C) Packages

- (a) Keeping in view the integration issues which may arise during project execution [specially in case of different make PDH (Digital Cross Connect/MUX)], irrespective of the minimum PMA notified by the GoI for a particular equipment, the PMA for the equipment envisaged to be procured under LD&C packages may be kept as 100% in order to avoid complexity during evaluation and award of contract.
- (b) Percentage of Domestic Value Addition, which qualifies the Telecom Equipment to be classified as domestically manufactured, shall be applicable as per the Notification dated 5<sup>th</sup> October, 2012 or any subsequent notification issued by Ministry of Communications and Information Technology, Department of Telecommunications
- (c) The Electronic/IT equipment such as Ethernet switches, routers, Gateways, Workstation etc., covered under the packages such as SCADA/EMS and WAMS Projects, form a part of the total system design offered by respective vendor and accordingly the PMA policy may not be implemented for these equipment.
- (d) The preference to Domestically Manufactured Telecom Equipment shall be subject to meeting the technical specifications and matching the L1 bid price.
- (e) Among all the technically qualified bids, the evaluation of bids shall be done as per the evaluation criteria specified in the bidding documents without considering PMA policy. The bidder with lowest evaluated bid price will be ranked as L1 and remaining bidders shall be ranked as L2, L3, L4 and so on.
- (f) If the L1 bidder has offered the equipment, covered under PMA policy, from a domestic manufacturer, the L1 bidder will be considered for award.
- (g) If the L1 bidder has not offered the equipment (covered under PMA policy) from a Domestic Manufacturer, then those bidders who have offered the equipment (covered under PMA policy) from a Domestic Manufacturer and whose total bid price is within 20% of the total bid price of the L1 bidder, shall be considered eligible, under the PMA policy, for matching the L1 price of the equipment covered under the PMA policy.
- (h) The lowest ranked eligible bidder under PMA policy, as per (e) above, shall be given first opportunity to match the L1 price of the equipment covered under the PMA policy only when the Ex-works

price of the equipment covered under PMA policy of such bidder is more than the Ex-works/CIF price of that equipment offered by L1 bidder. If such a bidder agrees to match the L1 price of the equipment covered under PMA policy and after matching the price, such bidder becomes L1, he will be considered for award.

If the Ex-works price of the equipment, covered under PMA policy, of the eligible bidder under PMA policy is less than the Ex-works/CIF price of that equipment offered by L1 bidder, the eligible bidder shall be given an opportunity to match the overall L1 bid price and if such bidder agrees to match the overall L1 bid price, he will be considered for award.

- (i) If the lowest ranked eligible bidder under PMA policy, as per (c) above, refuses to match the L1 price, next lowest ranked eligible bidder under PMA policy, as per para (c) above, shall be given the opportunity to match the L1 price of the equipment covered under the PMA policy and the process, as per (d) above, shall be repeated.
- (j) If all the eligible bidders under PMA policy, as per (c) above, fail to match the L1 bid price, the L1 bidder shall be considered for award.
- (k) The bidder shall furnish, along with its bid, an affidavit of self-certification from domestic manufacturer regarding the Domestic Value Addition on Rs. 100/- non-judicial stamp paper, as per format enclosed at Sl.No.22 of Section-VI, Vol.-I of the Bidding Documents (*enclosed herewith at Annexure-I for ready reference*).

The procedure for certification and assessment of the percentage of domestic value addition in the product shall be as per Annexure-B (BDS) (*enclosed herewith at Annexure-II for ready reference*).

- (l) The domestic manufacturer is required to provide a value addition certificate on half yearly basis (Sept. 30 and March 31) duly certified by the Statutory Auditor of the domestic manufacturer, that the claims of the value addition made for the product during the preceding six months are in accordance with the Government Policy in place. Such certificate is to be filed within 60 days of commencement of each half year to the concerned Ministry/Department. The bidder, in his bid, shall furnish (as per Attachment-20, Bid Forms and Price Schedules, Vol-III of Bidding Documents) his confirmation of compliance to the said requirement (*Attachment-20 enclosed herewith at Annexure-III for ready reference*).



**Annexure-B(BDS)**

**Calculation of Value Addition by Domestic Manufacturer**

The Percentage of Domestic Value Addition by a Domestic Manufacturer in production of an Electronic Product may be calculated as per the formulae given herein below:

$$\text{Percentage of Domestic Value-Addition} = \frac{\text{Dom-BOM} \times 100}{\text{Total-BOM}}$$

Where

Dom-BOM = Bill of Material sourced from domestic manufacturers

Total-BOM = Total Bill of Material used in production of an Electronic Product

- 1.0 Bill of Material sourced from domestic manufacturers (Dom-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) 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 Bill of Material 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 Bill of Material 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.
- 2.0 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.

Note: *The employer/assessing agency may calculate the Domestic value addition by using at least two of the above methods so as to validate the assessments and ensure that the domestic value addition claimed is consistent.*

- 3.0 The advice of the Department of Electronics and Information Technology (DEIT) or of the Industry Committee constituted by DEIT or typical globally accepted value addition norms for each product/verticals or any other specific references made by DEIT shall be adopted for calculation of profit, freight, insurance and handling charges.

Annexure-I

Format for Affidavit of Self Certification by the Indian Manufacturer  
regarding Domestic Value Addition in an Electronic Product

Date:

I \_\_\_\_\_ S/o, D/o W/o \_\_\_\_\_,  
Resident of \_\_\_\_\_ do hereby solemnly affirm and  
declare as under:-

1. That I will agree to abide by the terms and conditions of the policies of Government of India issued vide Notification No:8(78)/2010-IPHW dated 10.02.2012 and vide Notification No. 18-07/2010-IP dated 05.10.2012.
2. That the information furnished hereinafter is correct to best of my knowledge and belief and I undertake to produce relevant records before the procuring authority or any authority so nominated by the Department of Electronics and Information Technology, Government of India for the purpose of assessing the domestic value addition.
3. That the domestic value addition for all inputs which constitute the said electronic product has been verified by me and I am responsible for the correctness of the claims made therein.
4. That in the event of the domestic value addition of the product mentioned herein is found to be incorrect and not meeting the prescribed value-addition norms, based on the assessment of an authority so nominated by the Department of Electronics and Information Technology, Government of India for the purpose of assessing the domestic value-addition, I will be disqualified from any Government tender for a period of 36 months. In addition, I will bear all costs of such an assessment.
5. That I have complied with all conditions referred to in the Notification No \_\_\_\_\_ wherein preference to domestically manufactured electronic products in Government procurement is provided and that the procuring authority is hereby authorized to forfeit and adjust my EMD and other security amount towards such assessment cost and I undertake to pay the balance, if any, forthwith.
6. I hereby furnish the following information for your consideration and agree to maintain the same in the Company's record for a period of 8 years and shall make available for verification to any statutory authorities as and when desired.

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- (i) Name and details of the Domestic Manufacturer (Registered Office, Manufacturing Unit location, Nature of Legal Entity)
- (ii) Date of the certificate for domestic value addition.
- (iii) Electronic Product for which the certificate is produced
- (iv) Procuring agency to whom certificate is furnished
- (v) Percentage of Domestic Value Addition
- (vi) Name and Contact details of the unit of the Manufacturer
- (vii) Sale price of the product
- (viii) Ex-Factory price of the product
- (ix) Freight, Insurance and handling
- (x) Total bill of material
- (xi) List and total cost value of inputs used for manufacture of the electronic product
- (xii) List and total cost of inputs which are domestically sourced. Attach certificates from the suppliers, if the input is not in-house.
- (xiii) List and cost of inputs which are imported, directly or indirectly.

For and on behalf of M/s. .... (Name of Firm/Entity)

Signature of Authorized signatory (Duly authorized by the Board of Directors):

Name:

Designation:

Contact No.:

**Note:**

1. The non-judicial stamp papers of appropriate value shall be purchased in the name of executants and the date of purchase should not be earlier than six months of date of execution of the Undertaking.

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2. The Affidavit of Self Certification by the Indian Manufacturer shall be signed on all the pages and should invariably be witnessed.
3. This Affidavit of Self Certification by the Indian Manufacturer duly certified by the Company Secretary shall be submitted along with the bid. Further, the Affidavit of Self Certification by the Indian Manufacturer attested by Notary Public of the place(s) of the respective executant(s) shall be submitted by the bidder within ten (10) days from the date of intimation of post-bid discussion.
4. The bidders shall attach the information sought at para 6. along with this undertaking duly signed by the Authorized Signatory.

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**Annexure-III**

SPEC No. ....

**Attachment-20**

Name of the Package

**(Confirmation regarding Compliance to submission of Value Addition Certificate)**

Bidder's Name and Address

Name :  
Services

To:  
Contract

Power Grid Corporation of India Ltd

Address:

It is hereby confirmed that we are complying with the provisions of ITB sub-clause 28.0 (1) BDS, Section-III, Volume-I of the Bidding Documents regarding submission of Value Addition Certificate to the concerned Ministry/ Department on half yearly basis (Sept 30 and March 31).

Date:

Printed Name:

Place:

Designation:

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पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड  
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'Saudamini' Plot No. 2, Sector-29, Gurgaon-122 001, (Haryana) Tel. : 0124-2571700-719, Fax : 0124-2571762, Web.: www.powergridindia.

Ref. No. C/CS/P&S/01

Date: 04.09.2014

To,

Dr. Ajay Kumar,  
Joint Secretary,  
Ministry of Communications and Information Technology,  
Department of Information Technology,  
Electronics Niketan, 6, C.G.O. Complex,  
New Delhi - 110 003.

Subject: **Policy for providing preference to domestically manufactured electronic goods.**

Dear Sir,

1. This has reference to Ministry of Power letter Ref. No. F.No. 1/05/2011/IT dated 19<sup>th</sup> November 2012 vide which the letter dated 30<sup>th</sup> October, 2012 from Ministry of Communications & Information Technology, Department of Electronics & Information Technology (DeitY) regarding policy for providing preference to Domestically Manufactured Electronic Products/Goods has been forwarded. Vide aforesaid letter from DeitY, copy of following notifications have been forwarded:

- (i) Notification dated 10.02.2012 issued by Ministry of Communications and Information Technology, Department of Information Technology for providing preference to Domestically Manufactured Electronic Products/Goods which inter-alia stipulated that Each Ministry/ Department will notify the sector specific electronic product(s) for which preference would be accorded to domestically manufactured electronic product(s).
- (ii) Notification dated 05.10.2012 issued by Ministry of Communications and Information Technology, Department of Telecommunications for providing Preferential Market Access to Telecom Products in furtherance of the aforesaid notification dated 10.02.2012.

Ministry of Power vide letter dated 08.01.2013 had also forwarded letter dated 24.12.2012 from DeitY along with the Notification dated 17.12.2012 issued by Ministry of Communications & Information Technology, Department of Electronics & Information Technology for providing Preferential Market Access

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(PMA) to Desktop PCs and Dot Matrix Printers in furtherance of the aforesaid notification dated 10.02.2012.

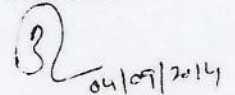
2. It may be mentioned here that POWERGRID makes procurement of some of the communication equipment covered under PMA policy notified by Department of Telecommunications, Government of India vide notification dated 05.10.2012 for its various projects and procurement of Desktop PCs for office purpose.
3. To facilitate application of aforementioned PMA policies in procurements being done by POWERGRID, a methodology has been finalized considering the provisions provided in the notifications dated 05.10.2012 and 17.12.2012, recommendations of the committee constituted by CEA for preparing the guidelines mandating clearance from "security angle" and for identifying the electronic goods as security sensitive in Power Sector & for procurement of the electronic products by Government or its agencies for Government purposes and guidelines issued by Ministry of Communications & Information Technology, Department of Electronics & Information Technology vide notification dated 12.06.2013 for implementation of aforementioned PMA policies.

Copy of the methodology finalized by POWERGRID for applying above referred PMA policies for providing preference to domestically manufactured telecom products and Desktop PCs is enclosed herewith at **Annexure-I** for your kind information, please. It is requested that the suggestions for improvement in the methodology, if any, may please be forwarded to us.

Thanking You,

Your's faithfully,

For & on behalf of POWERGRID



(Udaivir)

Chief Manager (CS)

Encl.: As above

**Copy to:**

1. Shri Girish Kumar,  
Section Officer (IT)  
Ministry of Power,  
Shram Shakti Bhawan, Rafi Marg,  
New Delhi-110 001.
2. Shri Malay Shrivastava  
Joint Secretary,  
Ministry of Communications & IT,  
Department of Telecommunications,  
Sanchar Bhawan, 20, Ashoka Road,  
New Delhi-110 001.

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पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड  
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Corporate Office : "Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001, Haryana  
Tel. : 0124-2571700-719, Fax : 0124-2571760, 0124-2571761 Gram : 'NATGRID'

संदर्भ संख्या / Ref No  
Ref. No. C/CS/P&S/01

Date: 16.02.2015

To,

Shri L.N. Khongsai,  
Section Officer (IT), Ministry of Power,  
Shram Shakti Bhawan, Rafi Marg,  
New Delhi-110 001.

CIN : L40101DL1989GO1038121

Subject: **Policy for providing preference to domestically manufactured electronic products in procurements by Government departments/PSUs.**

Dear Sir,

1. This has reference to Ministry of Power letter Ref. No. F.No. 1/05/2011/IT dated 30.01.2015 regarding the subject matter. In this regard it may be mentioned that earlier Ministry of Power vide letter Ref. No. F.No. 1/05/2011/IT dated 19<sup>th</sup> November 2012 had forwarded the copy of following notifications issued by Ministry of Communications & Information Technology, Department of Electronics & Information Technology (DeitY) for providing preference to domestically manufactured electronic products in procurements by Government departments/PSUs:
  - (i) Notification dated 10.02.2012 issued by Ministry of Communications and Information Technology, Department of Information Technology for providing preference to Domestically Manufactured Electronic Products/Goods which inter-alia stipulated that Each Ministry/ Department will notify the sector specific electronic product(s) for which preference would be accorded to domestically manufactured electronic product(s).
  - (ii) Notification dated 05.10.2012 issued by Ministry of Communications and Information Technology, Department of Telecommunications for providing Preferential Market Access to Telecom Products in furtherance of the aforesaid notification dated 10.02.2012.

Further, Ministry of Power vide letter dated 08.01.2013 had also forwarded Notification dated 17.12.2012 issued by Ministry of Communications & Information Technology, Department of Electronics & Information Technology for

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providing Preferential Market Access (PMA) to Desktop PCs and Dot Matrix Printers in furtherance of the aforesaid notification dated 10.02.2012.

2. It may be mentioned here that majority of communication equipment being procured by POWERGRID for its various projects, which are covered under the PMA policy notified by Department of Telecommunications, Government of India vide notification dated 05.10.2012, include DWDM, SDH, MUX, Switches, Routers etc. Further, POWERGRID makes procurement of Desktop PCs for office use purpose.
3. To facilitate application of aforementioned PMA policies in procurements being done by POWERGRID, a methodology has been finalized considering the following:
  - (i) Provisions provided in the notifications dated 05.10.2012 and 17.12.2012,
  - (ii) Recommendations of the committee constituted by CEA for preparing the guidelines mandating clearance from "security angle" and for identifying the electronic goods as security sensitive in Power Sector & for procurement of the electronic products by Government or its agencies for Government purposes and
  - (iii) Guidelines issued by Ministry of Communications & Information Technology, Department of Electronics & Information Technology vide notification dated 12.06.2013 for implementation of aforementioned PMA policies.

The methodology finalized by POWERGRID earlier for applying above referred PMA policies for providing preference to domestically manufactured telecom products and Desktop PCs had been forwarded to Ministry of Power vide letter Ref. No. C/CS/P&S/01 dated 04.09.2014 (copy of letter enclosed). Subsequently, minor change has been made in the methodology to bring more clarity.

- 4.0 The PMA policy for domestically manufactured electronic products is being implemented by POWERGRID by suitably incorporating the aforementioned methodology in the bidding documents for respective packages. It may also be mentioned that POWERGRID makes procurement of aforementioned communication equipment for its projects from time to time based on the requirement under the project. The award of contract for packages, in which the provisions regarding the PMA policies have been incorporated, are yet to be finalized.

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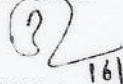
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The methodology finalized by POWERGRID, as above, is enclosed herewith at **Flag-A** for your kind information, please. The suggestions for improvement in the methodology, if any, may please be forwarded to us.

Thanking You,

Your's faithfully,  
For & on behalf of POWERGRID

  
(Udaivir)  
Chief Manager (CS)

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