

P-45021/69/2023-BE-II (E-183080)
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Section)

Udyog Bhavan, New Delhi
Date: 13.11.2024

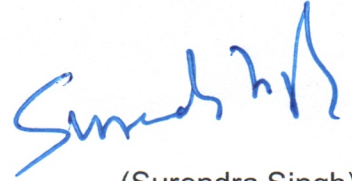
OFFICE MEMORANDUM

Subject: Minutes of 17th Meeting of Standing Committee held on 05.11.2024 at 04:00P.M in Room No. 225 at Vanijya Bhawan under the chairmanship of Secretary, DPIIT to review the implementation of Public Procurement (Preference to Make in India) Order 2017- reg.

The undersigned is directed to forward herewith minutes of the 17th Meeting of Standing Committee (physical mode) held on 05.11.2024 at 04:00P.M in Room No. 225 at Vanijya Bhawan under the chairmanship of Secretary, DPIIT to review the implementation of Public Procurement (Preference to Make in India) Order 2017, for necessary action. Action taken report may be sent to this Department (Email IDs, pps-dipp@gov.in; ssingh.dopt@nic.in; rakesh.k72@gov.in) on priority.

2. This issue with the approval of the Competent Authority.

Enclosure: - as above



(Surendra Singh)

Under Secretary to the Government of India

Tele: 23061592

Email: ssingh.dopt@nic.in

To:

1. The Secretary, Department of Expenditure, North Block, New Delhi [email: secyexp@nic.in]
2. The Secretary, Deptt of Commerce, Vanijya Bhawan New Delhi-110011 [email: csooffice@nic.in]



3. The Chairman, Railway Board, Rail Bhawan, Rafi Marg, New Delhi [email: crb@rb.railnet.gov.in]
4. The Secretary, Department of Pharmaceuticals, Shastri Bhawan, New Delhi – 110001. {email: secy-pharma@nic.in]
5. The Secretary, Ministry of Electronics & Information Technology, Electronics Niketan, 6 CGO Complex, Lodhi Road New Delhi [email: secretary@meity.gov.in]
6. The Secretary, Department of Telecommunications, Room No. 210, Sanchar Bhawan, Rafi Marg, New Delhi – 110001, [email:secy-dot@nic.in]
7. The Secretary, Ministry of Heavy Industries, Udyog Bhawan, New Delhi, [email: shioff@nic.in]
8. The Secretary, Ministry of Petroleum and Natural Gas, Shastri Bhawan. Dr Rajendra Prasad Road, New Delhi [email: sec.png@nic.in]
9. The Secretary, Department of Chemicals & Petrochemicals, Shastri Bhawan, New Delhi, [email: sec.cpc@nic.in]
10. The Secretary, Ministry of Housing & Urban Affairs, Nirman Bhawan, New Delhi [email: secyurban@nic.in]
11. The Secretary, Ministry of Textiles, Udyog Bhawan, New Delhi [email: secy-textiles@nic.in]
12. The Secretary, Ministry of Shipping, Transport Bhawan, Parliament Street, New Delhi [email: secyship@nic.in]
13. The Chief of Defence Staff, 101-A, South Block, New Delhi. Email: defsecy@nic.in
14. The Secretary, Department of Defence Production, 136, South Block, New Delhi -110001 [email: sdpns@nic.in]
15. The Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi [email: secy-power@nic.in]
16. The Secretary, Ministry of New and Renewable Energy, CGO Complex, Lodhi Road, New Delhi [email: secy-mnre@nic.in]
17. The Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarganj Airport, New Delhi [email: secy.moca@nic.in]

18. The Secretary, Ministry of Steel, Udyog Bhawan, Dr. Maulana Azad Road New Delhi [email: secy-steel@nic.in]
19. The Secretary, Ministry of Mines, Shastri Bhawan, New Delhi [email: secy-mines@nic.in]
20. The Secretary, Department of Fertilizers, Ministry of Chemicals & Fertilizers, Dr. Rajendra Prasad Road, New Delhi [email: fertsec@nic.in]
21. The Secretary, Department of Science & Technology, Technology Bhawan, New Delhi. [email: dstsec@nic.in]
22. The Secretary, Department of Atomic Energy, Anushakti Bhavan, Chhatrapati Shivaji Maharaj Marg, Mumbai- 400 001 [Email: chairman@dae.gov.in]
23. The CEO, GeM, Jeevan Bharti /Jeevan Tara Building, Delhi, [Email: ceo-gem@gov.in]
24. Ms. Jyoti Vij, Director General, Federation of Indian Chamber of Commerce and Industry (FICCI), [Email: jyoti.vij@ficci.com]
25. Shri. Deepak Sood, Secretary General, Associated Chamber of Commerce & Industry of India, [Email: sg@assochem.com, assochem@nic.in, yashpal@assochem.com]
26. Shri. Ranjeet Mehta, CEO & Secretary General, PHD Chamber of Commerce & Industry, [Email: president@phdcci.in, ranjeet@phdcci.in, sg@phdcci.in, spsharma@phdcci.in]
27. Shri. Chandrajit Banerjee, Director General, Confederation of Indian Industry (CII), [Email-cb@cii.in, subash.sapru@cii]
28. Ms. Nivruti Rai, MD & CEO, Invest India, New Delhi, [Email id: nivruti.rai@investindia.org.in, raja.khurana@investindia.org.in]
29. All Nodal Officers of concerned Ministries/ Departments

Copy to:

1. The Secretary, DPIIT, Vanijay Bhawan, New Delhi [Email: secy-ipp@nic.in]
2. The Additional Secretary, DPIIT, PP Division-Member Convenor, Vanijay Bhawan, New Delhi [Email: ashp.dpiit@gov.in]
3. DDG(RK), DPIIT

Minutes of 17th Meeting of Standing Committee to review the implementation of Public Procurement (Preference to Make in India) Order, 2017 held on 05.11.2024 at 04.00 PM at Vanijya Bhawan, New Delhi

1. Initiating the discussion, the Chairperson Shri Amardeep Singh Bhatia, Secretary, DPIIT, welcomed all the participants. Additional Secretary, DPIIT briefed the committee on the revised PPP-MII Order issued by DPIIT on 19.07.2024. Thereafter, various agenda points of 17th SCM were discussed in the meeting as detailed below.

The list of participants is annexed in Annexure-I;

Agenda of the meeting is attached as Annexure –II.

2. The Standing Committee advised all the nodal Ministries/Departments to issue their own new/revised PPP-MII Order in line with PPP-MII Order dated 19.07.2024 of DPIIT and also issue necessary instructions to all procuring entities including CPSUs/CPSEs/Autonomous Bodies, under their respective administrative control to comply with revised Order in letter and spirit.

(Action: All nodal Ministries/Departments)

3. The Committee advised all Nodal Ministries/Departments to issue fresh notifications incorporating the HSN code as per Paragraph 3(a) of the revised PPP-MII Order dated July 19, 2024.

(Action: All Nodal Ministries/ Departments)

4. The Committee felt that the items notified under 3(a) is miniscule and needs revision. Committee advised that sincere efforts should be made to manufacture items in India and to regularly notify additional items in line with Paragraph 3(a) of the PPP-MII Order, 2017 (dated July 19, 2024). The Ministry of Petroleum and Natural Gas (MoP&NG) and the Department of Atomic Energy, which have not yet issued any orders, were requested to do so at the earliest.

(Action: All Nodal Ministries/ Departments)

5. The Committee advised all PLI Ministries/Departments to issue their list/notification in line with paragraph 2A of PPP-MII Order, 2017 at the earliest. Further, Committee advised that DPIIT may examine the issue of granting the benefit of deemed Class-II local supplier status to a company that gets an item manufactured by its contract manufacturer, who is a beneficiary under the PLI scheme.

(Action: PLI Ministries/ Departments and DPIIT)

6. The Committee advised all administrative Ministries/Departments that:

- i. While seeking exemption under Para 14 of PPP-MII Order dated 19.07.2024, administrative Ministries/Departments shall certify that such an item(s) has not been notified by the concerned Nodal Ministry/Department concerned under Para 3 (a) of the Order. Exemption must be tender specific and for specific period limited to the tender duration.
- ii. For procurement of imported items, Administrative Ministries/ Departments shall follow the procedures as prescribed in GFR Rule 161(iv).

(Action: All Ministries/ Departments)

7. The committee advised all Ministries/Departments to identify and consolidate a list of items required by the procuring entities that lack domestic manufacturing facilities and are currently sourced internationally. Approval for relaxation of Global Tender Enquiry for a specified period, until indigenous manufacturing is operational, should be sought from the Competent Authority i.e. Secretary (Coordination), Cabinet Secretariat. The committee further advised that the Nodal Ministry/Department may regularly engage with the domestic industry to expedite the development of these items within India.

(Action: All Ministries/Departments)

8. The Committee noted that various Ministries/Departments/PEs have conducted over 185 Vendor Development Programmes (VDP) since 2018. However, the outcomes of these VDPs have not been made available to DPIIT. The Standing Committee directed all nodal Ministries/Departments/PEs to conduct Vendor Development Programmes on regular basis to promote indigenization and submit report to DPIIT for review by the Standing Committee.

The committee also directed all relevant Ministries/Departments that have sought exemptions for issuing global tender inquiries under Rule 161(iv) of GFR, 2017 to submit an action-taken report on the steps they have taken towards the indigenization of items.

(Action: All nodal Ministries/ Departments/PEs)

9. Regarding Impact assessment exercise undertaken by DPIIT, the remaining 28 Procuring Entities (PEs) were requested to provide data in requisite format by 05.12.2024 to DPIIT to carry out Impact Assessment 4.0. The committee further advised to include all PEs under all Ministries/Departments for collection of data. The Standing Committee also directed GeM to collect data from the GeM portal across all categories, do data analysis in respect of procurement from Class I local suppliers, Class-II local suppliers and others and submit report to DPIIT.

(Action: Concerned Ministries/ Departments/PEs, GeM)

10. The Committee directed all Ministries/Departments to submit reply to a grievance/non-compliant tenders through PMIIG Portal i.e. (<https://pmiig.dpiit.gov.in>) / through email at (pps-dipp@gov.in) within a period of 15 days.

(Action: All Ministries/ Departments/DPIIT)

11. The Committee directed all Ministries/Departments to send reply with explicit recommendation to DPIIT in respect of all pending registration applications of bidders from land boarder sharing countries within a period of 30 days.

(Action: All Ministries/ Departments)

12. During meeting, MoPNG stated that MHI has notified certain items with sufficient local capacity and competition, but these items do not address their requirements, and requested that they may be notified as Nodal Ministry for items related to gas and oil sectors. The representative of Department of Heavy Industries informed that the matter is already under consideration with MoPNG and the matter may be resolved at the earliest. The Standing Committee directed MoPNG and MHI to resolve the issue and submit report to DPIIT within 30 days.

(Action: D/o Heavy Industries & MoPNG)

List of Participants of 17th Standing Committee Meeting held on 05.11.2024 at 04:00 P.M in Room No. 225 at Vanijya Bhawan under the Chairmanship of Secretary, DPIIT to review the implementation of Public Procurement (Preference to Make in India) Order, 2017

1. Shri Amardeep Singh Bhatia, Secretary, DPIIT-Chairman
2. Smt. Himani Pande, AS, DPIIT
3. Shri Rakesh Kumar, DDG, DPIIT
4. Shri Surendra Singh, US, DPIIT
5. Shri Srikant.N, Addl. Secretary, M/o Power
6. Shri Sanjay Aggarwal, Advisor (PPD), D/o Expenditure
7. Shri Kanwalpreet, EDRS (G), M/o Railways
8. Shri Rajesh Jain, Addl. CEO, GeM
9. Shri Chandandeep Singh, DDG, D/o Defence Production
10. Shri R.S Shukla, Director, M/o Textiles
11. Shri Yogesh Antil, Director, MoHUA
12. Ms. Asha Nangia, Scientist 'G' , MeitY
13. Shri Alaxhendra, Scientist 'C', MeitY
14. Group Capt. B.Biswas, Director Procurement, Indian Air force, Ministry of Defence
15. Capt. Anil Kumar Singh, Director, Department of Military Affairs
16. Shri. Sureshwar Singh Bonal, Director, M/o Heavy Industries
17. Wg Capt. Shanta, Indian Air force, Ministry of Defence
18. Shri Anurag Grover, Joint Director, Railway Board
19. Shri J.Natrajan, Joint Director, Railway Board
20. Shri Manoj Kumar, DS, D/o Fertilizers
21. Shri Anurag Chandra, DS, DCPC, D/o Chemicals & Petrochemicals
22. Shri N.S Venkateshwaran, Under Secretary, M/o Steel
23. Ms. Pratibha Pandey, Scientist 'G', D/o Science & Technology
24. Shri A.K Jha, NRBPSU, DPS, D/o Atomic Energy
25. Shri Sachin Kumar Poria, SO, DCPC, D/o Chemicals & Petrochemicals
26. Shri. Jitendra Singh, General Manager, AAI, M/o Civil Aviation
27. Dr. Chanchal Gupta, YP-II, D/o Science & Technology
28. Dr. Amrita Chaudhary, YP-II, D/o Science & Technology
29. Shri Surata Ram, Chief Engineer, CEA, Ministry of Power
30. Shri Ashok Saigal, Co-Chairman, CII
31. Shri Ananthanarayan, Sr. VP, Invest India
32. Shri Chetan Bijesure, DSG, FICCI

Agenda for 17th Meeting of the Standing Committee to review the implementation of "Public Procurement (Preference to Make in India) Order, 2017", scheduled to be held on 05.11.2024 at 04:00 PM in Room No 225 at Vanijya Bhawan, New Delhi

Agenda No.1

Implementation of the revised Public Procurement (Preference to Make in India) Order, 2017

DPIIT has issued revised PPP-MII Order, 2017 on 19.07.2024. The revised Order excludes imported items sourced locally from resellers/distributors, license fees/royalties paid/ technical charges paid out of India, procurement/supply of repackaged/refurbished/rebranded from the calculation of local content. It also addressed the concerns of the stakeholders regarding import of refurbished/rebranded/repackaged goods and services being shown as Make in India and also being included in the local content calculation for becoming Class-I local supplier. The weighted average of all items to be taken while calculating the local content in a contract involving multiple items.

Proposal: Standing Committee may direct the following:

- a) All Ministries/Departments are requested to issue their own new/revised PPP-MII Order in align with DPIIT's PPP-MII Order dated 19.07.2024.
- b) All Ministries/Departments are requested to issue necessary instructions to all procuring entities including CPSUs/CPSEs/Autonomous Bodies, under their respective administrative control to comply with revised Order in letter and spirit.

Agenda No.2

Nodal Ministry notification under Para 3(a) of PPP-MII Order dated 19.07.2024

1. PPP-MII Order 2017, as amended on 19.07.2024, categorizes suppliers into the following three categories:

a. 'Class-I local supplier'	–	More than 50% local content (LC)
b. Class-II local supplier'	–	20-50% LC

c. 'Non local supplier'	–	Less than 20% LC
-------------------------	---	------------------

2. The eligibility of different categories of suppliers for different types of procurement is as under:

Sr. No.	Category of Purchase	Eligible suppliers
1.	Items - Nodal Ministry has notified sufficient local capacity and competition	a. Class-I local suppliers
2.	Domestic / National bidding	a. Class-I local suppliers b. Class-II local suppliers
3.	Global bidding	a. Class-I local suppliers b. Class-II local suppliers c. Non-local suppliers

3. In the earlier versions of the Order, i.e. PPP-MII Order notified on 15.06.2017, 28.05.2018, 29.05.2019, Class-I local suppliers were designated as local suppliers and minimum local content requirement (MLC) was ordinarily 50% but nodal Ministries/ Departments were authorized to **increase/decrease it**. However, as per revised Order issued on 16.09.2020, MLC requirement is a minimum of 50/ 20% for Class-I/ Class-II local suppliers respectively across items. Nodal Ministries have been authorized to **notify it on the higher side only**.

4. As such, it is important that **all the nodal Ministries/ Departments to review and align all their notifications as per DPIIT's PPP-MII Order dated 19.07.2024.**

5. Committee of Secretaries vide its Minutes of the meeting dated 04.06.2024 recommended that all Nodal Ministries to update the consolidated lists of Class-I notified items having sufficient local capacity and competition **with specific HSN codes**. In this regard DPIIT held various meetings on 26.07.2024, 05.08.2024 & 28.08.2024 with all the Nodal Ministries/Departments and requested them to issue a revised Order/list of Class-I items **with specific HSN codes** having sufficient local capacity and competition.

Proposal: Standing Committee may direct the following:

- a) Nodal Ministries/Departments to issue a revised Order/list of Class-I items having sufficient local capacity and competition with **specific HSN codes**.
- b) All Nodal Ministries/Departments to make efforts to develop items in accordance with Para 3 (a) of PPP-MII Order, 2017 dated 19.07.2024 and issue fresh notification/list with additional items from time to time.
- c) MoP&NG, and Department of Atomic Energy have not issued any Order till date. These Ministries/Departments are requested to issue the notification with **HSN code** at the earliest.

Agenda No.3

Publications of list of PLI manufacturers by the respective PLI Ministry

Para 2A of DPIIT revised PPP-MII Order dated 19.07.2024 states that the manufacturers manufacturing an item under PLI scheme shall be treated as deemed Class II local supplier for that item unless they have minimum local content equal to or higher than that notified for Class-I local supplier for that item, provided the manufacturer has received incentive from the concerned PLI Ministry for the item. The above shall be applicable for the specific time period only, as notified by concerned PLI Ministry.

Proposal: Standing Committee may direct all Ministries/Departments to publish the list of all such PLI manufacturers mentioned as per Para 2A of PPP-MII Order on their respective website and share a copy of the same with DPIIT.

Agenda No. 4

Administrative Ministry/Department relaxation under Para 14 PPP-MII Order

1. Para 14 of the PPP-MII Order allows the administrative ministry to grant exemptions and reduce Minimum Local Content, with the approval of their Minister-In-Charge, for reasons such as reducing MLC, margin of purchase preference, or exempting specific items or supplying entities from the operation of the order. The PPP-MII Order stipulates that a copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department.

2. A few references have been received in DPIIT from administrative Ministries/ Departments intimating that exemption from applicability of the PPP-MII Order has been granted with the approval of the Minister-in-Charge as per Para 14 of the PPP-MII Order for procurement of imported items.

3. Following cases are placed for information of the Standing Committee in terms of Para 14 of the Order:

S.NO	Ministry/ Department	Broad Category of items	Suggestion
1	Ministry of Power (NHPC Division)	Procurement of 50nos. of AutoCAD software.	<p>1. Nodal Ministries may be consulted for seeking any exemptions under Para 14 of PPP-MII Order, 2017.</p> <p>2. The exemption is to be applied on case-specific basis i.e. specific to a particular tender.</p> <p>3. In case the items are of imported origin, the relaxation for Global Tender Enquiry under Rule 161(iv) of General Financial Rules (GFR) 2017 may be sought from (Competent authority - Secretary (Coordination), Cabinet Secretariat for purchase value less than INR 200 Crores</p>
2	Ministry of Home Affairs (CIS Divison)	Renewal of 02 expired licenses for proving online services to States/UTs/LEAs at an estimated cost of Rs. 1174.10 Lakh.	
3	Ministry of Information and Broadcasting, B(Finance Section)	Exemption for Procurement of Professional Broadcast Equipments with total cost of Rs. 2.32 Crore.	
4	Ministry of Finance, Department of Revenue, (CEIB)	Exemption granted for procurement of HCI infrastructure for NEOR project.	
5	Ministry of Home Affairs (Foreigners-1 Division)	Procurement of Various hardware and software items in respect of Immigration, Visa and foreigners Registration & Tracking (IVFRT) project.	
6.	M/o Electronics and Information Technology	Procurement of Mackbook Pro (10 in nos) at UIDAI Technology, Bengaluru	
7.	M/o Electronics and Information Technology	Procurement of various ICT infrastructure H/w and S/w items for various NIC.	

Proposal: Standing Committee may direct all administrative Ministries to note the following criteria for granting relaxation under Para 14 of the PPP-MII Order:

- The Administrative Department, while seeking exemption under this para, shall certify that such an item(s) has not been notified by Nodal Ministry/ Department concerned under para 3 (a) of the PPP-MII Order, dated 19.07.2024.

- b) In case there are local manufacturers for the items, but they are not meeting the minimum local content requirement then the Ministry/Department may exercise powers to grant an exemption under clause 14 of PPP-MII Order, 2017. The exemption is to be applied on case-specific basis i.e. specific to a particular tender. Exemptions granted shall remain valid for a period of maximum 01 year only. If the same items are procured again within the aforesaid period of 01 year, fresh approval of Minister-in-charge is not required. If any administrative Ministry/ Department intends to grant exemption beyond a period of 01 year, it shall do so only with prior written concurrence of concerned nodal Ministry.
- c) However, in case the items are of imported origin, the relaxation for Global Tender Enquiry under Rule 161(iv) of General Financial Rules (GFR) 2017 may be sought from (Competent authority - Secretary (Coordination), Cabinet Secretariat for purchase value less than INR 200 Crores.

Agenda No. 5

Procurement of imported items for which manufacturing facilities are not there in the country

1. For many items, manufacturing facilities are not available in the country. Presently, these items are being sourced from foreign sources. Under the existing guidelines, each of the procuring entity is seeking relaxation from the Secretary Coordination, Cabinet Secretariat for inviting Global Tender Enquiry for procurement of these items for value up to INR 200 Cr.
2. Ministry of Health and Family Welfare identified 120 drugs/medicine and 354 medical devices/equipment items at the Nodal Ministry level for which manufacturing facilities are not available and accordingly, exemption has been granted for floating Global Tender Enquiry across all procuring entities till 31.03.2027 by DoE vide OM dated 07.06.2024 and 28.06.2024.
3. Industry Association and Invest India may provide input on the availability of domestic manufacturers within the set timeline.

Proposal: Standing Committee may direct all nodal Ministries/Departments the following:

- a) Identify and consolidate the list of such items which are required at each of the procuring entities for which manufacturing facilities are not available in the country and which are sourced from foreign sources at nodal Ministry level and seek approval from Competent Authority for relaxation for Global Tender Enquiry for a definite period of time till

indigenous manufacturing facility becomes operational. A half-yearly report on this action may be shared with DPIIT.

- b) Nodal Ministries are also requested to regularly engage with domestic industry to develop such items at the earliest.
- c) Industry Association and Invest India to provide input on the availability of domestic manufacturers within the set timeline.

Agenda No. 6

Vendor Development Programs (VDPs) conducted by various Procuring Entities

As per Impact Assessment 3.0 of PPP-MII Order, 2017, the procuring entities have taken up Vendor Development Programs to generate awareness related to PPP-MII Order, 2017 and promote indigenization. The VDPs organized by procuring entities have increased from 111 in FY18 to 185 in FY23, highlighting procuring entities have taken steps to promote local manufacturing. Ministry/Department wise details of VDPs are given below:

Vendor Development Programs(VDPs)								
S.No.	Procuring Entity	Ministries/Departments	Apr17-Mar18	Apr18-Mar19	Apr19-Mar20	Apr20-Mar21	Apr21-Mar22	Apr22-Mar23
1	Bharat Heavy Electricals Limited (BHEL)	Ministry of Heavy Industries	23	21	16	27	22	30
2	Bharat Sanchar Nigam Limited(BSNL)	Ministry of Communications	0	0	0	0	3	2
3	Central Organization for Modernization of Workshops (COFMOW)	Ministry of Railways	0	0	0	1	1	0
4	Delhi Metro Rail Corporation Limited (DMRC)	Ministry of Housing and Urban Affairs	0	0	1	0	0	0
5	Gas Authority of India Limited	Ministry of Petroleum and Natural Gas	15	26	13	14	10	16

	(GAIL)							
6	Hindustan Aeronautics Limited(HAL)	Ministry of Defence	14	28	19	21	21	35
7	Indian Oil Corporation Limited(IOCL)	Ministry of Petroleum and Natural Gas	53	72	73	82	71	93
8	IRCON Limited	Ministry of Railways	4	1	1	1	2	1
9	Mazagaon Dock Shipbuilders Limited(MDSL)	Ministry of Defence	2	4	1	2	3	1
10	Power Grid	Ministry of Power	0	1	1	1	2	6
11	Rural Electrification Corporation Limited(REC)	Ministry of Power	0	0	0	1	2	1
Total			111	153	125	150	137	185

Proposal: Standing Committee may direct the following:

- a. All procuring entities are requested to conduct Vendor Development Program before seeking relaxation to float Global Tender Enquiry (GTE) under Rule 161(iv) of GFR, 2017 for procurement of item/s required at Agency/Ministry/Departments and to share the outcomes with DPIIT.
- b. Nodal Ministries are requested to review the outcomes of the VDPs before granting permission to issue a GTE.
- c. Nodal Ministries/Departments are requested to notify the items developed indigenously as a result of Vendor Development Programs under 3(a) of the PPP-MII Order, 2017 (as last amended on 19.07.2024).
- d. Remaining Nodal Ministries/Departments that have not been conducting Vendor Development Programs (VDPs) are advised to plan and implement VDPs, and based on the outcomes; engage with manufacturers to promote indigenization and to share the same with DPIIT.

Agenda No.7

Impact Assessment of PPP-MII Order 2017

1. A study regarding impact assessment of PPP-MII Order has been conducted by DPIIT. The study focuses on 30 Procuring entities across 12 Ministries, covering an estimated procurement of ~INR 2.85 lakh crore for FY 2023. For the purpose of this study, a detailed questionnaire was designed and shared with procuring entities. The data shared by entities forms the fulcrum of this study.
2. The study captures the procurement trends from (a) Local/Class-I/ Class-II/ Non-local suppliers; (b) Global Tender Enquiry (GTE). The study also captures the innovative steps undertaken by participating entities to promote indigenization; and difficulties faced (if any) by them during public procurements. The analysis of the responses also indicates that the majority of these entities actively adopted innovative measures to promote local manufacturing and adhere to the PPP-MII Order, 2017 and its latest amendment.

Proposal: The findings of the report are being placed before the Standing Committee for kind information please. Additionally, Standing Committee may direct Procuring Entities to send data in the format share by DPIIT vide email dated 12.09.2024 and provide the same to DPIIT at the by 30.09.2024.

Agenda No. 08

Grievances for alleged violation of PPP-MII Order, 2017

1. DPIIT regularly receives grievances from stakeholders for alleged violation of PPP-MII Order. As and when such grievances are received, DPIIT forwards these to procuring entity and concerned Ministry/ Department for necessary corrective action in line with PPP-MII Order, 2017.
2. Administrative Ministries/Departments undertaking the procurement (including procurement by any entity under its administrative control) are responsible for the appropriate disposal of grievances as per the extant policy guidelines.
3. Action taken report (ATR) for pending grievances on PMIIG portal was requested from all concerned Ministries/Departments/Procuring Entities and webinar was also held on 11.09.2024 to discuss the pending grievances. 18 Ministries/Departments had not provided ATR on the grievances

4. Also, high-value tenders of Central Government procuring entities, published on Central Public Procurement and GeM Portals, are scrutinized by DPIIT for their compliance with the provisions of PPP-MII Order, 2017. The restrictive and discriminatory practices including discrepancies, if any, are communicated to procuring entities and concerned Ministries/ Department for appropriate corrective actions. So far, DPIIT scrutinized more than **3590** tenders' worth procurement of goods/works/services for INR **1,74,145/-** Crores. Out of these **3590** tenders, **1502** tenders' worth procurement for INR **63,911/-** Crores were not compliant with PPP-MII Order. The tenders are scrutinized based upon the following parameters with a figure in bracket indicating a number of tenders non-compliant on account of this parameter:

- a. MII Order - Whether provisions of PPP-MII order have been incorporated (**982** tenders non-compliant on account of this violation)
- b. Turnover - Whether turnover sought is restrictive (**152** tenders non-compliant on account of this violation)
- c. Specific Brands - Whether the tender is asking for specific brands (**450** tenders non-compliant on account of this violation)
- d. Foreign Certification - Whether the tender is asking for specific foreign certification (**40** tenders non-compliant on account of this violation)
- e. Specific Experience - Whether the requirement for experience being sought may be considered restrictive (**15** tenders non-compliant on account of this violation)
- f. Prior Experience - Whether prior experience of supplying to specific nations/ entities is asked (**28** tenders non-compliant on account of this violation)
- g. Nodal Ministries Notification - Whether Nodal Ministries notification is followed (**22** tenders non-compliant on account of this violation)
- h. Global tenders - Whether opting for global tender despite available local capacity or falling below the ₹ 200 crore threshold (**52** tenders non-compliant on account of this violation)

Proposal: Standing Committee may direct the following:

- a) All administrative Ministries/Departments to dispose the grievance/references within 15 days under intimation to DPIIT and send a compiled periodical report (including **NIL** report) on monthly basis and ensure that fair and equal opportunities are given to the local suppliers in the bidding process.
- b) All the concerned Ministries/ Departments to process grievance related to non-compliance of PPP-MII Order via <https://pmiig.dpiit.gov.in/>

Agenda no.9 (A)

Registration of bidders from countries sharing land border with India under Rule 144(xi) of GFR, 2017 – Status update

1. Department of Expenditure (DoE) amended General Financial Rules (GFR 2017) by inserting Rule 144 (xi) in GFR 2017, which inter alia states as under:

“Notwithstanding anything contained in these Rules, Department of Expenditure may, by order in writing, impose restrictions, including prior registration and/or screening, on procurement from bidders, or bidders having commercial arrangements with an entity from a country or countries, or a class of countries, on grounds of defence of India, or matters directly or indirectly related thereto including national security; no procurement shall be made in violation of such restrictions”

2. DoE issued the Order (Public Procurement No. 4) dated 23rd Feb 2023 under this Rule, which mandates that

i. Any bidder from a country that shares a land border with India will be eligible to bid in any procurement whether of goods, services (including consultancy services and non-consultancy services) or works (including turnkey projects) only if the bidder is registered with the competent Authority.

ii. Any bidder (including an Indian bidder) who has a Specified Transfer of Technology (ToT) arrangement with an entity from a country that shares a land border with India will be eligible to bid in any procurement whether of goods, services (including consultancy services and non-consultancy services) or works (including turnkey projects) only if the bidder is registered with the competent Authority.

3. The Order further defines that the competent authority for the purpose of registration shall be Registration Committee, constituted by DPIIT. As per directions of DoE's Order (Public Procurement No.4) No. F. 7/10/2021-PPD (4) dated 23.02.2023, DPIIT reconstituted Registration Committee vide OM dated 28.04.2023 and issued revised format dated 28.04.2023 for registration of bidders under Rule 144 (xi).

4. A total of 775 applications were received out of which 269 were processed, 506 applications were incomplete and a deficiency letter was issued to applicants. Out of 269 applications 148 were closed and 17 registrations were granted and the remaining 104 applications are in process either with Nodal Ministries or with NSCS, MHA and MEA.

3. 269 applications, which were complete in all respects, have been forwarded to concerned Ministries for demand-supply-related inputs. Comments from some of the Ministries/ Departments on the subject are awaited. Details of Ministry-wise pending cases as of 30.08.2024 are as under:

Ministries/Departments	Number of Pending Applications
M/o Health & Family Welfare	16
M/o Petroleum & Natural Gas	14 (6 cases of non-explicit recommendations. 8 cases where comments are awaited.)
M/o Steel	11
D/o Financial Services	8 (DPIIT has not received any input/comments to date)
M/o Power	6
M/o Heavy Industries	5
M/o Civil Aviation	5
M/o Electronics & Information Technology	5
D/o Telecommunication	4
M/o Chemicals & Fertilizers	3
D/o Pharmaceuticals	3
M/o Coal	2
M/o Housing & Urban Affairs	2
Light Engineering Industry, DPIIT	2

M/o New & Renewable Resources	2
D/o Space	1
D/o Agriculture	1
M/o Earth Science	1
M/o Micro, Small and Medium Enterprise	1
M/o Railways	1
D/o Chemicals & Petrochemicals	1

Proposal: Standing Committee may direct all the concerned Ministries/ Departments to give their explicit recommendations regarding the grant of registration or otherwise within 30 days for further processing of the application. Standing Committee may also direct the concerned Ministries/ Departments to expedite their recommendations/ comments, on the pending applications.

Agenda No. 9 (B)

Action on alleged violations of Rule 144(xi) of GFR, 2017-As per the meeting held under the Chairmanship of SIIT on 07.01.2022 and DPIIT OM No. P-45021/23/2019-BE-II-Part (2) (E-52919) dated 14.03.2022, it was decided that all references including grievances/queries/clarifications/complaints received by DPIIT in respect of Rule 144(xi) shall be dealt by DoE, who will apprise DPIIT on suitable action taken against each grievance/reference etc. DPIIT has forwarded 105 nos of such grievances/references from May 2022 to August 2024 as per the table given below:

Month	Year	No of grievances forwarded to DoE
May	2022	12
June	2022	7

July	2022	8
August	2022	2
September	2022	2
October	2022	4
November	2022	4
December	2022	6
January	2023	9
February	2023	4
March	2023	3
April	2023	5
May	2023	3
June	2023	3
July	2023	2
August	2023	10
September	2023	5
October	2023	3
November	2023	2
December	2023	1
January	2024	0
February	2024	3
March	2024	2
April	2024	3
May	2024	0
June	2024	1
July	2024	1
Total		105

Proposal: DoE may be requested to expedite the Action Taken Report on the above-mentioned representations received from Manufacturers, Individuals and Industry Associations.

Agenda 10

Updation of category “Petroleum & Natural gas and sector specific items related to P&NG” in Appendix – ‘A’ (Approved Product Categories and Associated Ministry/Department).

1. MoP&NG vide its OM dated 04.09.2024 observed Ministry of Heavy Industries, being the Nodal Ministry for Capital Goods (Heavy Machinery, Machine tools etc.) has notified some items as having sufficient local content and capacity under Para 3 (a) of PPP-MII Order. The items names given in the MHI notifications are generic and do not address specific requirements of this sector where very limited vendors are available for most of these items.
2. The OM further requested that MoP&NG may be assigned as Nodal Ministry for ‘Petroleum & Natural gas and sector specific items related to P&NG’ and additionally, notifications issued by other Ministries considering generic names (without mentioning any specification) shall not be applicable on the sector specific items being procured by procuring entities under this Ministry.

Proposal: Standing Committee may direct a way forward to arrive at a conclusion.