

No. U-37012-2/93-FAC
Government of India
Ministry of Communications & Information Technology
Department of Telecommunications
Sanchar Bhawan, 20, Ashoka Road, New Delhi – 1

Dated : 7th June, 2016

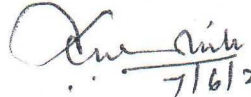
To

1. Chairman & Managing Director
Bharat Sanchar Nigam Limited
Bharat Sanchar Bhawan
Harish Chandra Mathur Lane
Janpath, New Delhi-110001.
2. Chairman & Managing Director,
Mahanagar Telephone Nigam Limited,
Mahanagar Door Sanchar Sadan,
9, CGO Complex, New Delhi-110003
3. Chairman & Managing Director,
Bharat BroadBand Network Limited,
Room No-306, 3rd Floor,
C-DOT Campus, Mandigoan Road,
Mehrauli, New Delhi -1100 30

Subject :- Procurement Quota to M/s Indian Telephone Industries Ltd. (M/s. ITI Ltd.) in procurements made by BSNL, MTNL and BBNL.

I am directed to say that the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 1st June, 2016 has approved the following measures for Procurement Quota to M/s Indian Telephone Industries Ltd. (M/s. ITI Ltd.) in procurements made by BSNL, MTNL and BBNL:-

- a) To continue the Reservation Quota policy for M/s ITI Ltd. by reserving (i) 30% of the procurement orders placed by BSNL, MTNL and BBNL for M/s ITI Ltd. for the products manufactured by it and for those outsourced items in which there is a minimum 5% value addition by M/s ITI during 2016-17 and 8% value addition in 2017-18 and ii) 20% of the orders for the turn key projects (like GSM network roll-out, etc. of BSNL & MTNL and NOFN network roll-out, etc. of BBNL).
- b) ITI would accept orders under reservation quota only after the price is known and if the same is commercially viable.
- c) ITI shall exercise its option under Reservation quota within 15 days of bid opening.
- d) The aforesaid policy measures shall remain in force for a period of two years with effect from the date of approval of CCEA and shall again be reviewed considering the financial health of ITI after the expiry of this period. However, it is mentioned that the Government has introduced Public Procurement Bill 2012 in Parliament, and under the provisions thereof, procuring entities, including CPSEs, would have to frame Rules for Public Procurement of Goods, Work and Services. Once such Public Procurement Rules for CPSEs are framed after the enactment of Public Procurement Act, the same would also be applicable to CPSEs under the administrative control of the Department of Telecommunications.


7/6/2016
(R.K. Kaushik)
Director (PSU-II)
Tel. No. 2303 6169

Copy for information to :-

Chairman & Managing Director
M/s ITI Limited, ITI Bhawan, Doorvaninagar,
Bangalore – 560 016.