

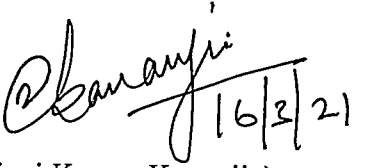
**No.19-113/2020-SA**  
**Government of India**  
**Ministry of Communications**  
**Department of Telecommunications**  
**Sanchar Bhawan, 20, Ashok Road**  
**New Delhi-110 001**  
**(Security Assurance Wing)**

New Delhi, Dated the 16<sup>th</sup> March, 2021

**Subject: Implementation of Public Procurement (Preference to Make in India) Order 2019 for Cyber Security Products.**

Kindly find enclosed herewith Ministry of Electronics & Information Technology's (MeitY) O.M. No.1(10)/2017-CLES dated 04.03.2021 on the subject cited above.

2. Preference has to be given to Make in India cyber security products in public procurement by Central Government Ministries/Departments, PSUs and Government organizations
3. This is issued with the approval of Member(S).

  
16/3/21

(Vinai Kumar Kanaujia)  
Director (Security Audit)  
Telephone: 2303 6509

Enclosure: MeitY's O.M. No.1(10)/2017-CLES dated 04.03.2021.

**To,**

1. DGT & CGCA
2. Administrator, USOF; Sr. DG, TEC; Sr. DDG, NTIPRIT; Sr. DDG, NCCS; DG, NICF; Wireless Advisor
3. All Sr. DDG/ DDG/CVO/JS level Officers of DoT Hq.
4. Head of all Statutory bodies (TDSAT & TRAI)/Subordinate Office (WMO)/Autonomous body (C-DoT)/ CPSEs (BSNL, MTNL, BBNL, TCIL & ITI) of DoT

**Copy to:**

1. PSO to Secretary (T)
2. PPS to Member(S), Member(T), Member(F), Additional Secretary (T)
3. Sr. PPS/ PPS to Advisor(O), Advisor(T), Advisor(F)

संख्या 1(10)/2017-CLES  
No.....

दिनांक 04/03/2021  
Date.....

OFFICE MEMORANDUM

**Subject: Implementation of Public Procurement (Preference to Make in India) Order 2019 for Cyber Security Products**

Ministry of Electronics and Information Technology (MeitY) vide Notification No 1(10)/2017-CLES dated 06/12/2019 has issued **Public Procurement (Preference to Make in India) Order 2019 for cyber security products**. The same was published on MeitY website and also circulated to all Ministries/Departments for compliance (Copy enclosed).

2. MeitY has been receiving several complaints from cyber security product companies that Procuring Agencies are mentioning restrictive and discriminatory conditions (e.g. Turnover, Gartner quadrant or other certifications etc.) in their tender which is restrictive for the indigenous supplier to participate in bids.
3. Preference has to be given to Make in India cyber security products in public procurement by Central Government Ministries/Departments, PSU's and Government organizations.

This issues with the approval of competent authority.

JSL  
04/03/2021

(Jacqueline Lall)  
Dy Director, CS Division

To

All Secretaries (Central Government)



File No.1(10)/2017-CLES  
Government of India  
Ministry of Electronics and Information Technology

Electronics Niketan, New Delhi  
Dated: 6<sup>th</sup> December 2019

**NOTIFICATION**

**Subject: Public Procurement (Preference to Make in India) Order 2019 for Cyber Security Products**

**Reference: i. Department of Promotion of Industry & Internal Trade (DPIIT) Notification No. P-45021/2/2017-B.E.-II dated 15.06.2017 and revised notification P-45021/2/2017-PP(BE-II) dated 28.05.2018**

**ii. Ministry of Electronics and Information Technology (MeitY) Notification No 1(10)/2017-CLES dated 02.07.2018**

The Government has issued Public Procurement (Preference to Make in India) Order 2017 vide the Department for Promotion of Industry and Internal Trade (DPIIT) erstwhile Department of Policy Industrial and Promotion (DIPP) Notification No. P-45021/2/2017-B.E.-II dated 15.06.2017 and partially modified order no No.P-45021/2/2017-PP(BE-II) was issued on 28.05.2018 to encourage 'Make in India'.

2. In furtherance to the Public Procurement (Preference to Make in India) Order 2017 notified vide reference cited above, Ministry of Electronics and Information Technology (MeitY) notified Public Procurement (Preference to Make in India) Order No 1(10)/2017-CLES dated 02.07.2018 for cyber security products. Ministry of Electronics and Information Technology (MeitY) hereby issues revised Public Procurement (Preference to Make in India) Order 2019 for cyber security products with immediate effect.

**3. Definition of Cyber Security Product:**

For the purpose of this Notification, **Cyber Security Product** means a product or appliance or software manufactured/produced for the purpose of protecting information, equipment, devices, computer, computer resource, communication device and information stored therein from unauthorized access, use, disclosure, disruption, modification or destruction, and also for the purpose of cyber forensics and cyber incident response.

*For definitions of aforementioned terms, Information Technology Act 2000 may be referred.*

Indicative categories of cyber security products are given in Annexure I.

#### 4. Definition of 'local supplier' of domestically manufactured/ produced Cyber Security Products

4.1 For the purpose of this Notification, the 'local supplier' is defined as follows:

(A) A company incorporated and registered in India as governed by the applicable Act (Companies Act, LLP Act, Partnership Act etc.) or startup that meet the definition as prescribed by DPIIT, Ministry of Commerce and Industry Government of India under the notification G.S.R. 364 (E) dated 11<sup>th</sup> April 2018 and recognized under Startup India initiative of DPIIT. DPIIT has since revised the definition of startup vide G.S.R 127(E) dated 19<sup>th</sup> February 2019 which is applicable in this notification.

**AND**

(B) Revenue from the product(s) in the India and revenue from Intellectual Property (IP) licensing shall accrue to the aforesaid company/Startup in India. The entity claiming benefits under the Public Procurement Order 2017 in addition to being an Indian registered/ incorporated entity, and supplying products should satisfy the conditions of IP ownership as under:

(B)(i) Domestically manufactured/produced Cyber Security product means a product, whose intellectual property is owned by the Indian Company/Startup (as defined above) such that it has rights to:

- (a) Use and commercialize without third party consents; and
- (b) Distribute; and
- (c) Modify

(B)(ii) Products with multiple sub-components can be covered under this notification. The minimum local content of cyber security product shall ordinarily be 60% of total cost of the product. Total licensing/royalty fee paid by the manufacturer to third party for such product shall not exceed 20% of the total cost of the product.

(B)(iii) The Indian Company/Startup shall demonstrate ownership of intellectual property associated with the product, in addition to trademarks applicable, if any. IP ownership rights would need to be substantiated by adequate proof, such as

- (a) adequate documentation evidencing ownership OR (b) IP registrations.

#### 4.2 Exclusion:

- (a) Resellers, Dealers, Distributors, implementation/ support services agencies of products, who have limited rights to IP to enable transfer of rights to use, distribute and modify.
- (b) Digital content is not considered a product e.g. audio, videos, e-books, computer based training platforms etc.

5. Definition of domestically developed/manufactured/produced Cyber Security product and Indian Company should be applied in conjunction with conditions 3 and 4 outlined above and read along with the aforesaid exclusion criteria. to suppliers of products to identify Indian Product Company/Startup.

#### 6. Product List

In furtherance to this notification, the cyber security product companies are required to comply with the clause 3 and 4 of this notification and shall produce self-declaration as per the prescribed format given in Annexure II. Procurement agencies/bodies are responsible for technical evaluation of the security product(s) and its validation for compliance with this order. Furthermore, GeM will enlist the security products under the Head 'Domestic Cyber security Products' on the GeM Portal.

#### 7. Verification of 'local supplier' of domestically manufactured/ produced Cyber Security Products

- a. The local supplier at the time of tender, bidding or solicitation shall provide self-declaration that the item offered meets the definition of 'local supplier' of domestically developed/manufactured/produced Cyber Security Products, as per para 4 above. Format of self-certification is available in Annexure II.
- b. In cases of procurement for a value in excess of Rs. 10 crore, the local supplier shall provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) that the item offered meets the definition of 'local supplier' of domestically manufactured/ produced Cyber Security Products, as per para 4 above.
- c. In case a complaint is received by the procuring agency or the concerned Ministry/ Department against the claim of a bidder regarding supply of domestically manufactured/ produced Cyber Security Product, the same shall be referred to STQC, an attached office of MeitY.

d. In terms of clause 9(d) of PPP-MII Order order no No.P-45021/2/2017-PP(BE-II) was issued on 28.05.2018, the following committee is constituted with the mandate for independent verification of self-declarations and auditor's/accountant's certificates:

- |      |  |              |
|------|--|--------------|
| i.   | DG STQC Directorate                                | -Chairperson |
| ii.  | Director CLES Group                                | - Member     |
| iii. | Any other member(s) as co-opted by the chairperson | - Member     |
| iv.  | Director (Finance), MeitY                          | - Member     |
| v.   | Director, C-DAC                                    | - Member     |
| vi.  | Director, STQC                                     | - Convener   |

e. The product company/organization shall provide product details and such other relevant information as may be required to STQC for investigation and analysis. The company shall provide information within one month after receiving communication from STQC.

f. In order to avoid frivolous complaint designed to overreach the preference given to local supplier, it is proposed to strengthen and make accountable the entire complaint process. Accordingly, a complaint fee of Rs.2 Lakh or 1% of the value of the domestically manufactured/produced Cyber Security Product being procured (subject to a maximum of Rs. 5 Lakh), whichever is higher, shall 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.

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

8. In any procurement process, the procuring entity shall not specify any mandatory qualification criteria, any eligibility specifications or certification(s) issued by any foreign testing/security lab(s)/analyst reviews which restricts eligibility of Indian cyber security products as defined in this order.

9. The cyber security products notification shall also be applicable to the domestically developed/manufactured/produced cyber security products covered in turnkey/system integration projects. In such cases the preference to domestically developed/manufactured/produced cyber security products would be applicable only for the

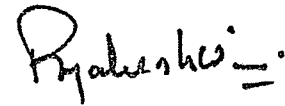
value of cyber security product forming part of the turnkey system-integration projects and not on the value of the whole project.

10. In case of a doubt, whether an item being procured is a cyber security product to be covered under the Public Procurement (Preference to Make in India) Order 2019 for cyber security products, the matter would be referred to the Ministry of Electronics and Information Technology for clarification. For vetting the restrictive and discriminating terms and conditions against domestic manufactures of cyber security products, a committee is constituted with the following composition:

- |      |                                 |                   |
|------|---------------------------------|-------------------|
| i.   | GC CLES Group, MeitY            | - Chairperson     |
| ii.  | Rep R&D (CS), MeitY             | - Member          |
| iii. | Director, e-Gov Division, MeitY | - Member          |
| iv.  | Rep STQC                        | - Member          |
| v.   | Rep CERT-In                     | - Member          |
| vi.  | Rep DSCI                        | - Member          |
| vii. | Rep CLES Group, MeitY           | - Member Convener |

11. The notification has two Annexures - Annexure I: Indicative categories of Cyber security Products, Annexure II: Format for Self-Declaration regarding 'local supplier' for Cyber Security Products.

12. The notification comes into effect immediately.



(Rakesh Maheshwari)

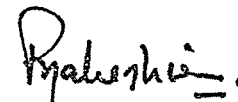
Senior Director & Group Co-ordinator (Cyber Laws & E-Security)

Tel.: 011-24361814

New Delhi, Dated: 06.12.2019

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. Controller and Auditor General of India
7. AS&FA, Ministry of Electronics and Information Technology
8. Internal Distribution



(Rakesh Maheshwari)

Senior Director & Group Co-ordinator (Cyber Laws & E-Security)

Tel.: 011-24361814

Indicative categories of Cyber security Products

| Sl. No | Product Category                                      |
|--------|---|
| 1.     | Anti-Virus  |
| 2.     | End Point Security                                    |
| 3.     | Cloud Security  |
| 4.     | Mobile Security                                       |
| 5.     | System Information and Event Management               |
| 6.     | Identity and Access Management                        |
| 7.     | Incident Response Management                          |
| 8.     | Encryption / Cryptographic Key Distribution           |
| 9.     | IoT Security  |
| 10.    | Firewall / UTM / DDoS                                 |
| 11.    | Penetration Testing Simulations                       |
| 12.    | OTP Gateway   |
| 13.    | Data Destruction and Disposal                         |
| 14.    | Cyber Risk Assessment and Analysis / Risk Management  |
| 15.    | Data Rights Management                                |
| 16.    | Network traffic monitoring and Network Access Control |
| 17.    | Web Application Security                              |
| 18.    | Forensic Tools  |
| 19.    | Data Classification                                   |

*Ryabovskii.*



**Format for Self-Declaration regarding 'local supplier' for  
Cyber Security Products**

Date:

This is to Certify that the organization \_\_\_\_\_ registered as \_\_\_\_\_ with registration number \_\_\_\_\_ do hereby solemnly affirm and declare as under:

That we agree to abide by the terms and conditions of the Notification issued by Ministry of Electronics and Information Technology (MeitY), Government of India no: ..... dated .....

That the information furnished hereinafter is correct and w undertake to produce relevant records before the procuring entity or any other authority so nominated by the Ministry of Electronics and Information Technology (MeitY), Government of India for the purpose of establishing ownership of the Intellectual Property Rights(IPR), legal existence and revenue accrual, local content for the cyber security products nominated by the aforesaid organization.

That all IPR which constitute the said cyber security product has been verified by us and we are responsible for the correctness of the claims made therein and we take complete responsibility of the same.

We agree to maintain all information regarding our claim(s) for IPR ownership, legal existence and revenue accrual, local content in the organization's record throughout the existence of the product and shall make this available for verification to any authorities specified by Government of India.

In case of any change in the IPR ownership, legal existence and revenue accrual, local content we will be accountable to inform Ministry of Electronics and Information Technology, Government of India within one week or before applying for any public procurement or before referring this order for taking any advantage which so ever occurs first.

That in the event of the cyber security product mentioned herein is found to be incorrect and not meeting the prescribed norms, based on the assessment of an authority so nominated by the MeitY, Government of India and we will be liable as under clause 7 (f) of Public Procurement (Preference to Make in India) Order 2019 for cyber security product.

1. Name and details of the organization nominating product under this order  
(Registered Office, Manufacturing unit location, nature of legal entity)
2. Entity Registration Certificate number
  - a. Type of registration
3. Date on which this certificate is issued
4. Percentage of Royalty/License fee to be paid to other entity with respect to  
estimated cost of the product
5. Name and contact details of the unit of the manufacturer

For and on behalf of \_\_\_\_\_ (Name of firm/entity)

Authorize signatory (To be duly authorized by the Board of Directors)

<Insert Name, Designation and Contact No. and date>