

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 : 28th January, 2014

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

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

I am directed to say that the Government has approved the following measures for Procurement Quota to M/s Indian Telephone Industries Ltd. (M/s. ITI Ltd.) on procurements made by BSNL and MTNL:-

- a) To continue the Reservation Quota policy for M/s ITI Ltd. by reserving 30% of the procurement orders placed by BSNL and MTNL for the products manufactured by M/s ITI Ltd. and 20% of the network roll out orders for the turn key projects (like GSM network roll-out) of BSNL and MTNL.
- b) ITI would accept orders under reservation quota only after the price is known and if the same is commercially viable.
- c) BSNL/MTNL will give 10% advance against the orders placed on ITI, subject to liquidation of advances outstanding against previous projects awarded to M/s ITI Ltd. by BSNL/MTNL, so that ITI does not face the problem of working capital for the execution of the orders subject to adequate safeguards for proper utilization of these advances.
- d) ITI shall exercise its option under Reservation Quota within 15 days of bid opening.
- e) The aforesaid policy measures shall remain in force for a period of one year w.e.f. 21.09.2013 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.

H.P. Sharma
28-1-2014
(H.P. Sharma)
ADG (SU)
Tel. No. 2303 6898

Copy for information to :-

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