



Indian Electrical & Electronics Manufacturer's Association
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Director General

SEC/REP/JP/2021/070

11/03/2021

Shri D. Prabhakar Rao
Chairman and Managing Director
TSTRANSCO

Dear Sir,

Sub: TSTRANSCO Repeat Purchase Order No 538 (SAP P.O.No. 4500002992)/CPT130/SE-Const/F.Sifang/RM-329/2021 dated 05.01.2021

TSTRANSCO is amongst the more forward looking State Transmission Utilities in the country. Many State Transcos follow TSTRANSCO, and adopt your best technical and commercial practices.

We understand that TSTRANSCO have released the above subject purchase order dt 05.01.2021 on M/s Sifang Automation India Pvt Ltd, a company having Chinese parentage. We further understand that TSTRANSCO are processing more such order on Chinese companies, which are at different stages of order process / evaluation.

Government of India, in the last few months, has announced a number of policy initiatives to boost domestic manufacturing and reduce import dependency under Aatma Nirbhar Bharat. Various Ministries have issued orders in this direction, including the following:

1. Public Procurement (Preference to Make In India) Order 2017 issued by DPIIT under the Ministry of Commerce and Industry.
2. Ministry of Power Order of 2nd July 2020 on imported items to be used in power system.
3. Ministry of Finance, Department of Expenditure Order of 23rd July 2020, stipulating restrictions on bidders from countries sharing land border with India, and clarification dated 24th July 2020.

Ministry of Finance Order of 23rd July 2020 stipulates restrictions on bidders from China from eligibility to participate in bids for procurement of any goods, services or works unless registered with the Competent Authority notified therein. Copy of the Order is attached for your reference. Also attached is copy of the clarification order issued by Department of Expenditure on 24th July 2020, illustrating applicability of the Order under different stages of tendering with examples.

Provisions of the Order of 23rd July 2020 are applicable to the procurements in PPP projects receiving financial support from the Government or public sector enterprises/ undertakings. Kindly refer clause 5(d) on page no. 3. Note (i) and (ii) of the Annexure I (on page no. 8) to the Order of 23rd July 2020 explain its applicability on the procurements done by/ under State Governments who must designate a specific department or authority to carry out all functions assigned to DPIIT at the central level. No registration of bidders from countries sharing land border with India is to be given at state level without political and security clearance as per para D of the order.



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We wish to draw your attention that any kind of public procurement are covered under these orders, including repeat orders. We also would like to draw your attention of the recent report from CERT-In (Indian Computer Emergency Response Team) a nodal agency under Ministry of Electronics & Information Technology stating that Chinese hackers were active and Telangana SLDC was the target. With this, it becomes necessity to be more proactive in protecting our grid from Chinese products and systems.

The spirit of Ministry of Power and Ministry of Finance orders of 2nd July 2020 and 23rd July 2020 regarding restrictions/ prior approval on imports from China is to support "Atmanirbhar Bharat" initiative of the Government of India making India a manufacturing Hub. We therefore request you not to proceed with buying Chinese material in future unless the vendor is approved by the designated competent authority in the state of Telangana, or by DPIIT in accordance with the provisions of the 23rd July 2020 order of the Ministry of Finance, Department of Expenditure.

With Best Regards

Yours sincerely

Sunil Misra

Copy to :

**Chief Secretary, Government of Telangana
Principal Secretary, Industries, Government of Telangana
Principal Secretary, Finance, Government of Telangana
Energy Secretary, Government of Telangana.
Secretary DOE - Ministry of Finance,
Secretary DPIIT, Government of India
Secretary, Ministry of Power, Government of India**