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Dr Guruprasad Mohapatra
Secretary
DPIIT

Shri Ajay Prakash Sawhney
Secretary
MeitY

Subject: Hurdle in listing Electronics products on GEM Portal – Urgent Intervention Requested

Respected Sir,

Greetings from MAIT!

This Communication is in the context of Electronic H/w Products, their accessories and Consumables offered on the Government eCommerce Marketplace, GeM Portal.

The Office Memorandum that the Public Procurement Division of Department of Expenditure (DoE), Ministry of Finance released on July 23, 2020, mandated that “any bidder from a country which shares a land border with India will be eligible to bid in any procurement whether of goods, services or works only if bidder is registered with the Competent Authority.” As per the above notification, the registration is limited to bidders who qualify the following criteria, as mentioned in Point#8 of the Office Memorandum

- a) An entity incorporated, established, or registered in such a country; or
- b) A subsidiary of an entity incorporated, established, or registered in such a country; or
- c) An entity substantially controlled through entities incorporated, established, or registered in such a country; or
- d) An entity whose beneficial owner is situated in such a country; or
- e) An Indian (or other) agent of such an entity; or
- f) A natural person who is a citizen of such a country; or
- g) A consortium or joint venture where any member of the consortium or joint venture falls under of the above.

The Industry understands that the prior registration requirement from DPIIT is required for bidder from a country which shares a land border with India, and not for products manufactured / imported from the countries sharing land border with India. Our understanding is in alignment with the Point#8 of the DoE order above.

Lately, however, industry is experiencing a challenge in listing/modifying any products in the GeM portal as GeM has introduced a requirement for seller/bidder to upload “DPIIT registration certificate.” This is applicable on all new as well as existing catalogue where country of origin of the product is selected as *China even if the GeM supplier is an entity registered in India.*

The Department for Promotion of Industry and Internal Trade (DPIIT) has asked online retailers to explicitly display the ‘country of origin’ label, on all products sold on their platforms. Accordingly, GeM also now exhibits a 'Country of Origin' filter, for various goods on the platform. However, neither the ***DPIIT order nor the DoE order require any additional registration for goods manufactured in China.*** The added documentation of “DPIIT registration certificate” for products listed with country of origin as China on GeM portal is, therefore, creating barriers for the industry that are unintended by the DoE orders.

As you are aware, the global industry is already facing disruption on account of the current pandemic owing to the supply interruptions so caused. The recent development of requiring additional clearance for products based on their country of origin before registration is allowed on the GeM portal, is causing further disruption and likely have huge economic impact on small and mid-sized Indian businesses also. At a time when the industry has been hit badly and is struggling to sustain its business with a significant decline in private procurement, this move is a big blow to struggling attempts of economic revival.

Industry feels that it is imperative to share the current business scenario with your good offices that in the last 10 months, the financial liquidity of most of the companies has been badly affected to meet even their basic operational costs. The industry is putting all its best efforts to bring the business back to its normalcy and seek the Ministry's support to help sustain its operations. Any additional procedural burden or otherwise will derail the entire industry's efforts to reboot India's economy.

The revised requirements on the GeM portal is not aligned with the current DoE order such that the industry is unable to participate in any public procurement. The inability to list the products on GeM portal is not only leading to substantial business loss to the industry, but is also impacting the end consumers who need these goods to keep their operations running smoothly. This restriction is also resulting in denying fair participation to the organisations and suppliers operating in the country for many years, generating significant employment and revenue all the while upholding compliance with the laws of the land.

Our members humbly request that this new requirement put up by GeM for registration of Electronic Products be removed immediately to avoid business loss to the organizations, loss to the channel community & the eventual revenue loss for the Government and help ease the supply shortage in the Indian market.

We request DPIIT and MeitY to **give us an appointment on a day & time convenient** to seek clarity, as listing of all new products has come to a halt.

With regards,



George Paul
Chief Executive Officer

CC: Shri Saurabh Gaur, Jt. Secretary, Ministry of Electronics & IT

CC: Shri Nitin Kunkolienker, President, MAIT

CC: Shri Harish Krishnan, Vice President, MAIT

CC: Shri Rajkumar Rishi, Vice President, MAIT