

No.E-44433/FD/F3/A3/2025-26
GOVERNMENT OF PUDUCHERRY
FINANCE DEPARTMENT

Puducherry, dated 05/01/2026

I.D. NOTE

Sub: Finance Department – Procurement of Goods and Services through GeM Portal – Advisories received from Chief Buyer Officer, GeM, Govt. of India emphasizing the avoidance of restrictive clauses in the Bids - Convening of Meeting to obtain the views of Administrative Departments – Reg.

Ref: D.O. letter No.GeM/CBO/2025-26/123 dated 03/11/2025 of Chief Buyer Officer(States), Government E-Market Place, Ministry of Commerce & Industry, Govt. of India.
(Copy enclosed)

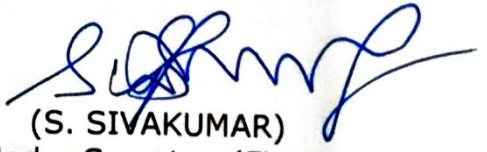
The Chief Buyer Office (States), Government E-Market Place, Ministry of Commerce & Industry, Govt. of India vide reference cited has stated that based on the analysis of various bids floated through the GeM portal, it has been observed that certain eligibility conditions incorporated while creating bids may lead to limited competition and therefore requested the DC- cum - Secretary(Finance), Government of Puducherry to examine such aspects and issue suitable instructions to all buyers to ensure that there is no restrictive bidding for better participation and price discovery. Some of such restrictive conditions cited therein are outlined below:

- o Turnover or experience requirements
- o Production experience
- o Brand specific technical specifications
- o Mandatory local presence
- o Mandatory Service Centres within the State
- o Submission of Hard Copies
- o GST registration in the State

2. In this regard, as directed by the DC-cum-Secretary (Finance), a meeting under the **chairmanship of Joint Secretary (Finance)** has been scheduled on **06/01/2026 at 5.00 P.M. in the Conference Hall, Chief Secretariat, Puducherry** to discuss the above advisories received from the Chief Buyer Officer (States), GeM Portal and obtain the views thereof from the Administrative Departments of this UT Administration.

3. All Heads of Department are requested to attend the meeting with all relevant inputs on the above mentioned subject.

-/By Order/-


(S. SIVAKUMAR)
Under Secretary(Finance)

Encl.: As above.

To
All Heads of Department

ए.वी मुरलीधरन
मुख्य क्रेता अधिकारी (राज्य)
A.V Muralidharan
Chief Buyer Officer (States)



भारत सरकार
वाणिज्य और उद्योग मंत्रालय
गवर्नमेंट ई मार्केटप्लेस
Government of India
Ministry of Commerce & Industry
Government E Marketplace
www.gem.gov.in

DO No. GeM/CBO/2025-26/123

3rd November 2025

Dear Sir,

As you are aware, Government e-Marketplace (GeM) has been established as the national portal for procurement of goods and services for Central and State Governments, Departments, CPSUs/PSUs, and Autonomous Bodies. Various State Government buyers are also using the GeM portal to meet their procurement requirements for goods and services. Till date, procurement by State Government organizations through GeM has crossed ₹2.65 lakh crore since its inception.

2. In order to ensure that the core objectives of the GeM portal—transparency, efficiency, and inclusiveness—are maintained, it is necessary that bids floated through GeM are not restrictive and provide a level playing field for all potential suppliers to participate. Accordingly, a few checkpoints are indicated below, which may be circulated to buyers from various departments for their guidance:

2.1 GeM has already included 17 disclaimers in the bid templates, with a stipulation that if any of these disclaimers are violated, the bid and resultant contracts shall be treated as null and void, and such bids may be cancelled by GeM at any stage of the bidding process without any notice. These clauses are based on the provisions of the Department of Expenditure's Procurement Manuals for Goods and Services, GFR, GeM GTC, and in line with best public procurement practices. These disclaimers are enclosed as an Annexure. Buyers may be advised to ensure that no clauses are included in the bids that violate these disclaimers.

2.2 DPIIT's Office Memorandum dated 20.12.2022 on Common Examples of Restrictive Bidding lists certain restrictive conditions that are to be avoided. Buyers may be sensitized about the same through suitable guidelines.

2.3 Based on the analysis of various bids floated through the GeM portal, it has been observed that certain eligibility conditions incorporated while creating bids may lead to limited competition. Some of these conditions are discussed below:

- i. Turnover or experience requirements: Bids may not be floated with excessively high annual turnover or prior experience requirements. Similarly, demanding experience with a specific organization is to be avoided.
- ii. Production experience: Stipulating conditions that the manufacturer should have been in production for 10 years, 15 years, etc., may be avoided.
- iii. Brand-specific technical specifications: Technical specifications inclined towards a few brands or products, thereby shutting out functionally equivalent alternatives, may be avoided.

- iv. **Mandatory local presence:** Conditions requiring a local branch office or warehouse in a specific state for a specific period preceding the bid opening restrict out-of-state suppliers and may be avoided.
- v. **Mandatory service centres within the state:** Requirements for bidders to have a functional service centre in the consignee's location or in all districts may restrict competition by favouring businesses with a physical presence in that state. Such requirements may only be imposed when the nature of the item genuinely demands such presence.
- vi. **Submission of hard copies:** While GeM promotes a paperless process and does not levy any tender fee, many buyers still demand hard copies of documents or tender fees to be submitted by a specific deadline. This practice may be avoided.
- vii. **GST registration in the state:** Buyers often stipulate that bidders must have GST registration in the state—sometimes even requiring such registration to have been in place for the last 3 to 5 years. Since GeM is a national portal, insisting that a bidder must already have GST registration in a particular state to qualify for a bid may introduce restrictiveness. If such registration is essential, buyers may consider allowing bidders to obtain it after award of contract within a reasonable timeframe.

3. It is requested that the above aspects may be examined, and suitable instructions be issued to all buyers to ensure that there is no restrictive bidding for better participation and price discovery.

Enclosure: As above

Thanking You



A V Muralidharan

Shri Krishna Mohan Uppu, IAS
Secretary (Finance)
 Chief Secretariat, Goubert Avenue, Puducherry - 605001
 Email: secyfin@py.gov.in

GeM Bid Disclaimers

Any clause(s) is / are incorporated by the Buyer regarding following, the bid and resultant contracts shall be treated as null, and void and such bids may be cancelled by GeM at any stage of bidding process without any notice: -

1. Definition of Class I and Class II suppliers in the bid not in line with the extant Order / Office Memorandum issued by DPIIT in this regard.
2. Seeking EMD submission from bidder(s), including via Additional Terms & Conditions, in contravention to exemption provided to such sellers under GeM GTC.
3. Publishing Custom / BOQ bids for items for which regular GeM categories are available without any Category item bunched with it.
4. Creating BoQ bid for single item.
5. Mentioning specific Brand or Make or Model or Manufacturer or Dealer name.
6. Mandating submission of documents in physical form as a pre-requisite to qualify bidders.
7. Floating / creation of work contracts as Custom Bids in Services.
8. Seeking sample with bid or approval of samples during bid evaluation process. (However, in bids for attached categories, trials are allowed as per approved procurement policy of the buyer nodal Ministries)
9. Mandating foreign / international certifications even in case of existence of Indian Standards without specifying equivalent Indian Certification / standards.
10. Seeking experience from specific organization / department / institute only or from foreign / export experience.
11. Creating bid for items from irrelevant categories.
12. Incorporating any clause against the MSME policy and Preference to Make in India Policy.
13. Reference of conditions published on any external site or reference to external documents/clauses.
14. Asking for any Tender fee / Bid Participation fee / Auction fee in case of Bids / Forward Auction, as the case may be.
15. Any ATC clause in contravention with GeM GTC Clause 4 (xiii)(h) will be invalid. In case of multiple L1 bidders against a service bid, the buyer shall place the Contract by selection of a bidder amongst the L-1 bidders through a Random Algorithm executed by GeM system.
16. Buyer added ATC Clauses which are in contravention of clauses defined by buyer in system generated bid template as indicated above in the Bid Details section, EMD Detail, ePBG Detail and MII and MSE Purchase Preference sections of the bid, unless otherwise allowed by GeM GTC.
17. In a category-based bid, adding additional items, through buyer added additional scope of work/ additional terms and conditions/or any other document. If buyers need more items along with the main item, the same must be added through bunching category-based items or by bunching custom catalogs or bunching a BoQ with the main category-based item, the same must not be done through ATC or Scope.

P-45014/33/2021-BE-II (E-64737)
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Section)

Udyog Bhawan, New Delhi
Dated December 20th, 2022

OFFICE MEMORANDUM

Subject: Common examples of "Restrictive and discriminatory conditions against the local suppliers" and "Other conditions which make the bid non-compliant to PPP-MII Order" – reg.

The undersigned is directed to state that repeated references are being received in this Department for alleged violation of Public Procurement (Preference to Make in India) Order, 2017 (PPP-MII Order). The subject matter was reviewed in the 14th Standing Committee meeting held on 20.09.2022 (copy of minutes enclosed) on implementation of PPP-MII Order and it was decided that:-

"DPIIT, DoE and GeM may jointly draft a common advisory to be issued to all Ministries/ Departments regarding nature of grievances commonly observed in the tendering process."

2. Accordingly, DPIIT in consultation with Department of Expenditure and GeM has identified the "Common examples of restrictive and discriminatory conditions against the local suppliers" and "Other conditions which make the bid non-compliant to PPP-MII Order", enclosed as Annexure "A".

3. Is requested to kindly publicize above amongst all procuring agencies under your control and direct them to ensure that their tenders are compliant with PPP-MII Order and don't include restrictive and discriminatory conditions against the local suppliers.

4. This issues with the approval of competent authority
Encl: As Above


(Pritam Kumar)

Under Secretary to the Government of India
Email: pritam.k@gov.in
Tel: 2306 1306

To:

All Ministries/ Departments concerned

Annexure "A"**Common examples of "Restrictive and discriminatory conditions against the local suppliers" and "Other conditions which make the bid non-compliant to PPP-MII Order"****1. Restrictive and discriminatory eligibility criteria/ Tender conditions**

- a) Mandatory Presence in Gartner Magic Quadrant/ Forrester Wave/ IDC/ Frost and Sullivan/ or any other similar foreign body / magazine / rating agency's certification or review or validation in procurement of IT and Telecom Products.
- b) Mandatory USFDA / European CE or any other similar Foreign Certification without specifying any equivalent Indian Certification as alternative in procurement of Medical Devices.
- c) Mandatory UL / CSA Certification or any other similar Foreign Certification without specifying any equivalent Indian Certification as alternative in procurement of Electronic Devices.
- d) Excessive turnover requirement as a pre-qualifying criteria, not commensurate with financial capacity required for executing the contract i.e. much in excess of Estimated Bid Value.
- e) Excessive past experience requirement, not commensurate with the proven experience expected from bidder for successful execution of contract.
- f) Specific experience of supplying to other Nations being sought for e.g. export experience of G8 countries
- g) Additional requirement of Bank Guarantee for local supplier
- h) Delayed Payment Terms for local suppliers

2. Restrictive and discriminatory technical specifications - Foreign brands specified either for finished products or for part of scope of work / component of scope of supply such as:

- a) CISCO, NEC, Alcatel, Siemens being asked in Telecom Products
- b) HP, Dell, Lenovo being asked in IT products
- c) OTIS, Mitsubishi, Schindler, Kone, Johnson being asked in Lifts
- d) Siemens, Schneider, GE Power being asked in Electrical Equipment

Contd....2/

-2-

3. Restrictive and discriminatory technical specifications - Pre-approved foreign brands in works/turnkey projects whereas local manufacturers not included in pre-approved list. Examples of pre-approved brands:-

- a) Cameras- Honeywell, Bosch, Pelco
- b) Network Switches- D-Link, Cisco, Brocade
- c) Axial Fan- Kruger, Nicotra, Greenhinch

4. Restrictive discriminatory technical specifications - Foreign technical standards indicated in technical specification. Also, specification tailor made to suit foreign products like:-

- a) Minus 25-degree temperature compatibility for EPBX equipment being procured for airport in Central India
- b) Any other similar specification parameter being incorporate to eliminate MII products form competition without any recorded justification of requirement of that specification value for intended end use of the product / service.

5. Other conditions which make the bid non-compliant to PPP-MII Order

- a) Not incorporating suitable clause in the bid documents for giving purchase preference to Class-I local suppliers.
- b) Changing the minimum local content requirement for Class-I or Class-II local supplier without approval of competent authority.
- c) Stipulating in the bid document that the particular goods/ works / service category is exempted from the provisions of PPP-MII Order since concerned nodal ministry has not issued any notification for the same. It is clarified that provisions of PPP-MII Order applies on procurement of all categories of goods/ works / service, exceeding Rs. 5.0 Lakh in value. For the items, for which nodal Ministry has not issued any notification, default provisions of PPP-MII Order apply.
- d) Not evaluating bidders' status (viz. Class-I/ Class-II/ Non-local supplier) during bid evaluation process based upon documents submitted by bidders in their bid/ granting them rights/ privileges as defined in PPP-MII Order. Categorizing Class-II local supplier as MII bidder in bid evaluation process and giving them purchase preference is a very common mistake and need to be checked very diligently for proper implementation of the policy.

6. The above list is only indicative in nature.
