

Item Name :	MARSHALLING KIOSK AND JUNCTION BOX
Enquiry No. :	25Q2100144
Project :	TSGENCO YADADRI TPS
Type of project	THERMAL Transmission / Thermal (Coal or Gas) / Hydro
Applicable percentage of Local Content	50%

Format for Affidavit of Self certification regarding Minimum Local Content in line with PPP-MII order, 2017 if applicable.

Date: / /2020

I _____ S/o, _____ D/o, _____ W/o, _____ Resident of _____ hereby solemnly affirm and declare as under:

That I will agree to abide by the terms and conditions of the Public Procurement (Preference to Make in India) Order, 2017 (*hereinafter PPP-MII order*) of Government of India issued vide Notification No:P-45021/2/2017 -BE-II dated 15/06/2017, its revision dated 28/05/2018 and any subsequent modifications/ Amendments, if any and

That the information furnished hereinafter is correct to the best of my knowledge and belief and I undertake to produce relevant records before the procuring entity/BHEL or any other Government authority for the purpose of assessing the local content of goods/services/works supplied by me for (Enter the name of the Equipment/Item for Project).

That the local content for all inputs which constitute the said goods/services/works has been verified by me and I am responsible for the correctness of the claims made therein.

That the goods/services/works supplied by me for (Enter the name of the Equipment/Item for Project) meets the 'Minimum Local Content' as defined in the PPP-MII order.

That the value addition for the purpose of meeting the 'Minimum Local Content' has been made by me at (Enter the details of the location(s) at which value addition is made).

That in the event of the local content of the goods/services/works mentioned herein is found to be incorrect and not meeting the prescribed Minimum Local Content criteria, based on the assessment of procuring agency (ies)/BHEL/Government Authorities for the purpose of assessing the local content, action shall be taken against me in line with the PPP-MII order and provisions of the Integrity pact/ Bidding Documents.

I agree to maintain the following information in the Company's record for a period of 8 years and shall make this available for verification to any statutory authority.

- i Name and details of the Local Supplier
(Registered Office, Manufacturing unit location, nature of legal entity)
- ii. Date on which this certificate is issued
- iii. Goods/services/works for which the certificate is produced
- iv. Procuring entity to whom the certificate is furnished
- v. Percentage of local content claimed and whether it meets the Minimum Local Content prescribed
- vi. Name and contact details of the unit of the Local Supplier (s)
- vii. Sale Price of the product
- viii Ex-Factory Price of the product
- ix. Freight, insurance and handling
- x. Total Bill of Material
- xi List and total cost value of input used to manufacture the Goods/to provide services/in construction of works
- xii. List and total cost of input which are domestically sourced. Value addition certificates from suppliers, if the input is not in-house to be attached
- xiii. List and cost of inputs which are imported, directly or indirectly

For and on behalf of..... (Name of firm/entity)

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

<Insert Name, Designation and Contact No.>

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**No. 11/05/2018-Coord
Government of India
Ministry of Power**

**Shram Shakti Bhawan, New Delhi
Dated: 27.12.2018**

ORDER

Subject: Public Procurement (Preference to Make in India) to provide for Purchase Preference (linked with local content) in respect of Thermal Power Sector.

Reference: Department of Industrial Policy and Promotion (DIPP) Notification No. P-45021/2/2017-PP (BE-II) dated 28.05.2018

- 1.0** The Government of India has issued Public Procurement (Preference to Make in India) Order 2017 vide Department of Industrial Policy and Promotions (DIPP) Notification quoted above to encourage "Make in India" and to promote manufacturing and production of goods and services in India with a view to enhancing income and employment.
- 2.0** In furtherance of the Public Procurement (Preference to Make in India) Order 2017 notified vide reference cited above, and in supersession of any existing policy on the subject, Ministry of Power hereby notifies that preference shall be given by all public procuring entities to domestically manufactured products used in the Thermal Sector as per the aforesaid order of DIPP quoted above.
- 3.0** In pursuance of the aforesaid order of Department of Industrial Policy & Promotion (DIPP), the following products associated with the Thermal sector are hereby notified under the Public Procurement (Preference to Make in India) Order 2017 for procuring local:

A. Coal/lignite based thermal power projects:

Sl. No.	Item	Minimum Local Content (%)	
		Year 2018-19	Over next five years in phased manner
1	Boiler System & its Auxiliaries		
i)	Boiler pressure parts (tubes/ pipes/ headers/ separator shell etc.), membrane wall, fittings/ forged tees etc.	40%	50%
ii)	Safety valves / critical valves	0%	0%
iii)	Boiler recirculation pumps	0%	0%
iv)	Air pre-heaters (RAPH & SCAPH)	95%	95%
	Air pre-heaters (RAPH & SCAPH) - having CE enamelled element	65%	75%
v)	Steam soot blowers (wall blowers & LRSB)	100%	100%

Sl. No.	Item	Minimum Local Content (%)	
		Year 2018-19	Over next five years in phased manner
vi)	Auxiliary Steam PRDS	100%	100%
vii)	Burners (Coal/ Oil Burners)	100%	100%
viii)	Coal Mills & coal feeders	85%	90%
ix)	Mill reject system	100%	100%
x)	Fuel oil system	100%	100%
xi)	PA /FD/ ID/ Seal air Fan	40%	60%
xii)	Gas / air duct dampers	70%	75%
xiii)	Gas/ air duct expansion joints	100%	100%
Overall Boiler Package (on finished Product basis):		70%	75%
2	Electro- static precipitators (ESPs)		
i)	Casings	100%	100%
ii)	Electrodes	100%	100%
iii)	Rapping system	100%	100%
iv)	Hopper heaters	100%	100%
v)	Transformer rectifiers	100%	100%
vi)	Insulators	100%	100%
Overall ESP Package (on finished Product basis)		100%	100%
3	Turbine-Generator (TG) System & its Auxiliaries		
a.	Turbine and & its Auxiliaries		
i)	HP/ IP/ LP turbine casings, rotors, turbine blades, blade rings, diaphragms, sealing rings, bearings, thick plates etc.		
	– Forgings for turbine Shafts	0%	10%
	– Casting for IP Outer casing	0%	10%
	– LP guide/ moving blades	20%	30%
	– Seal ring	0%	0%
	– Stationary blade ring- HPT & IPT	0%	0%
	– Bearings/ Bearing pedestals	50%	60%
	– Plates	75%	85%
	– Bars	20%	30%
	– Anchor rod, Anchor nuts & Torque nut	20%	30%
ii)	Hydraulic turning motor/ Barring gear system	0%	0%
iii)	Turbine steam inlet valves	50%	70%
iv)	Governing system & protection system	0%	0%
v)	Gland sealing system	40%	50%
vi)	Lub oil system & purification system	25%	35%
vii)	Drain system & flash tanks	25%	40%

Sl. No.	Item	Minimum Local Content (%)	
		Year 2018-19	Over next five years in phased manner
viii)	HP/ LP bypass valves	0%	10%
ix)	Condensate extraction pumps	100%	100%
x)	Condenser tubes	20%	30%
xi)	Condenser tubes (sea water application)	0%	10%
xii)	Condenser Support Arrangement/ springs	20%	30%
xiii)	Ti Cladded Plate for condenser (Applicable for sea water only)	0%	10%
xiv)	Vaccum Pumps	0%	10%
xv)	Condenser On line Tube Cleaning System (COLTC)	100%	100%
xvi)	Debris filters, CW butterfly valves & RE joints etc.	100%	100%
xvii)	Heaters (HP heaters, deaerator, LP heaters & drain coolers)	80%	90%
xviii)	Boiler Feed Pumps (BFPs) & accessories	40%	50%
xix)	BFP Drive turbines	40%	50%
xx)	BFP Hydraulic coupling	30%	50%
xxi)	Condensate polishing units (CPUs)	80%	90%
xxiii)	ECW system (Primary & secondary cooling water pumps, PHEs, self-cleaning filters etc.)	30%	40%
xxiii)	Air cooled condenser	40%	60%
b.	Generator System & its Auxiliaries		
i)	Thick Plates for Stator Casing	80%	90%
ii)	Forgings for Generator Rotor	0%	10%
iii)	Copper Profiles for stator bars		
	– Solid & Hollow Copper Profile	40%	50%
	– Hollow SS Profile	20%	30%
iv)	Stampings for Stator Core		
	– CRNGO Grade 270/ 350	25%	30%
	– Magnetic steel sheet Grade 700	25%	30%
v)	Rotor Hollow Copper Conductor	0%	10%
vi)	Rotor Wedges	0%	10%
vii)	Retaining / Support Rings	0%	10%
viii)	Static excitation system	40%	50%
ix)	Insulating Tapes		
	– Mica Paper Glass Tape	0%	20%
	– Epoxy Glass Fabric Tape	20%	40%

Sl. No.	Item	Minimum Local Content (%)	
		Year 2018-19	Over next five years in phased manner
	– Conductive Polyester Fleece	20%	40%
x)	Seal oil system		
	– Vacuum Pump	0%	10%
	– Temperature control valve	0%	10%
	– Differential pressure gauge	0%	10%
xi)	– Filters for Stator cooling system	0%	10%
xii)	Gas system	0%	20%
Overall TG system (on finished product basis)		60%	65%
4	Electrical Works		
i)	Power & Auxiliary service transformers	65%	75%
ii)	HT & LT bus ducts	100%	100%
iii)	HT & LT motors	100%	100%
iv)	HT & LT switchgears	100%	100%
v)	Power & control cables	100%	100%
vi)	Control and metering equipment	90%	95%
vii)	Protective relays	90%	95%
viii)	Switch yard equipment - Insulators, Circuit Breakers, Isolators, Conductors, CTs, PTs, Bushings, PLCC etc.	90%	95%
ix)	Earthing & lightning protection system	100%	100%
x)	DC batteries & battery charger system	70%	90%
xi)	Electrical laboratory & testing equipment	70%	80%
xii)	Emergency DG sets	100%	100%
xiii)	Plant illumination system	100%	100%
xiv)	Generator Circuit Breaker & fittings	0%	0%
Overall Electrical system		70%	80%
5	Control & Instrumentation System (C&I System)		
i)	Distributed digital control, Monitoring and Information System (DDCMIS)	50%	60%
ii)	Thermocouples (for sensing Temperature/ Pressure)	50%	60%
iii)	Measuring instruments	50%	60%
iv)	Burner management system	50%	60%
v)	Furnace TV Camera & Flame Monitoring System	20%	40%
vi)	Actuators	50%	60%
vii)	Automation and Control Cards	50%	60%
viii)	PLC System	50%	60%

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Sl. No.	Item	Minimum Local Content (%)	
		Year 2018-19	Over next five years in phased manner
ix)	SWAS system	30%	40%
x)	Inter plant communication system	50%	60%
xi)	Vibration monitoring system	10%	20%
Overall C&I system		40%	50%
6	Coal Handling Plant		
i)	Conveyors, Feeders, Shuttle feeders, conveyor gallery, etc.	100%	100%
ii)	Hydraulic drives, hydraulic motor and split bearing for pulleys	70%	80%
iii)	Wagon Tippler	90%	95%
iv)	Side Arm Charger	90%	95%
v)	Paddle feeder	85%	90%
vi)	Junction and transfer towers	100%	100%
vii)	Crushers & Screens	90%	95%
viii)	Boiler bunker feeding system	100%	100%
ix)	Dust suppression (dry fog & plain water) system	100%	100%
x)	Compressors for DSS	100%	100%
xi)	Magnetic separators & metal detectors	100%	100%
xii)	Coal sampling system	60%	70%
xiii)	Stacking and reclaiming facilities (Stacker cum Reclaimer)	70%	80%
xiv)	Belt weighing & monitoring system.	100%	100%
xv)	Coal Analyser	0%	20%
Overall Coal Handling Plant(CHP)		85%	90%
7	Ash Handling System		
i)	Wet Bottom Ash handling system	100%	100%
	Wet Bottom Ash handling system with scraper chain conveyor	70%	80%
	Dry Bottom Ash handling system	0%	20%
ii)	Ash disposal system for economiser, APH & duct hoppers	100%	100%
iii)	Dry fly ash vacuum extraction system and pressure pneumatic conveying system	80%	100%
iv)	Wet fly ash disposal system for ESP	100%	100%
v)	Ash slurry disposal system - Lean ash slurry system	100%	100%
	Ash slurry disposal system - High concentration slurry system	70%	80%

Sl. No.	Item	Minimum Local Content (%)	
		Year 2018-19	Over next five years in phased manner
vi)	Ash water system	100%	100%
vii)	Ash pond water recovery system	100%	100%
viii)	Instrument air system comprising of compressors, air dryers & air receivers.	80%	85%
Overall Ash Handling Plant (AHP)		75%	85%
8	Raw water intake & supply system		
i)	Travelling water screens, stop log gates and coarse screens	100%	100%
ii)	Raw water supply pumps and AHS supply pumps	100%	100%
iii)	Piping, valves, RE joints etc.	100%	100%
Overall Raw water intake & supply system		100%	100%
9	Water Treatment System and Effluent Treatment System		
i)	Clarification plant	100%	100%
ii)	Filtration plant	100%	100%
iii)	Ultra-filtration plant	40%	60%
iv)	Reverse osmosis plant	55%	60%
v)	DM plant	80%	90%
vi)	Chlorination plant	100%	100%
vii)	Chemical dosing system	100%	100%
viii)	Effluent Treatment Plant	90%	95%
ix)	DM Water storage tanks & transfer pumps	100%	100%
Overall Water Treatment Plant & ETP etc.		80%	90%
10	CW & ACW System		
i)	CW & ACW Pumps	100%	100%
ii)	Piping, BF valves, NRVs, RE joints & air release valves	100%	100%
Overall CW and ACW system		100%	100%
11	Cooling towers (NDCT/ IDCT)		
i)	Water distribution system, spray nozzles, packing, drift eliminators	100%	100%
ii)	CT Fans (for IDCT)	100%	100%
iii)	Gear boxes & shafts (for IDCT)	100%	100%
Overall Cooling towers (NDCT/ IDCT)		100%	100%
12	Air Conditioning & ventilation system		
i)	Split & window air conditioners	100%	100%
ii)	Chilling/ condensing unit (500 TR & below)	100%	100%

Sl. No.	Item	Minimum Local Content (%)	
		Year 2018-19	Over next five years in phased manner
	Chilling/ condensing unit (above 500 TR)	65%	80%
iii)	AHU and Fresh air unit	100%	100%
iv)	Cooling towers	100%	100%
v)	AWUs, axial fans, roof extractors	100%	100%
vi)	Ducts, louvers & dampers	100%	100%
Overall Air Conditioning & Ventilation system (upto 500TR capacity)		100%	100%
Overall Air Conditioning & Ventilation system (more than 500 TR capacity)		85%	90%
13	Cranes & Hoisting facilities		
i)	Cranes	100%	100%
ii)	EOT Cranes	100%	100%
iii)	Monorail & Hoists	100%	100%
Overall Cranes & hoisting facilities		100%	100%
14	Fire Protection and Detection System		
i)	Fire water pumps (motor driven & diesel engine driven) including hydrant, spray & jockey pumps.	100%	100%
ii)	Hydrant system for the power plant.	100%	100%
iii)	High velocity water spray system for transformers, oil tanks, boiler burner front etc.	100%	100%
iv)	Medium velocity water spray system for cable galleries, conveyor galleries, fuel oil tanks & pump house etc.	100%	100%
v)	Automatic fire detection, alarm & control system for control rooms, electrical premises & conveyor galleries etc.	100%	100%
vi)	Foam system for LDO/ LSHS tanks and foam/ water monitors for fuel oil storage, ESP & switch yard area.	100%	100%
vii)	Inert gas flooding system for control room, RC Equipment room & panels etc.	100%	100%
viii)	Fire tenders and Portable fire-extinguishers	100%	100%
ix)	Fire Alarm Panels, Detection components including detectors and Modules.	85%	90%
x)	Clean Agent gas Based Systems	90%	95%
xi)	Special Cables such as Mineral Insulated Cables	90%	95%
xii)	Linear Heat Sensing Cables	90%	95%
Overall Fire Protection, detection & Alarm system		90%	95%
15	Flue Gas Desulphurization (FGD)		

Sl. No.	Item	Minimum Local Content (%)	
		Year 2018-19	Over next five years in phased manner
i)	Spray Nozzles, Spray header etc.	0%	75%
ii)	Limestone Wet Ball Mill	0%	75%
iii)	Vacuum Belt Filter	0%	50%
iv)	Oxidation Blowers	50%	70%
v)	Limestone slurry handling pumps	40%	50%
vi)	Agitator	0%	50%
vii)	Mist Eliminator	0%	50%
viii)	GGH	0%	20%
ix)	C276 Clad plate	0%	20%
x)	Titanium Clad plate	0%	20%
Overall FGD system		30%	45%

B. Gas based thermal power projects:

Sl. No.	Item	Minimum Local Content (%)	
		Year 2018-19	Over next five years in phased manner
1	Gas turbine generating set and auxiliaries :		
i)	Gas turbine unit		
	< 44MW	80	90
	44 – 145 MW	50	70
	> 150 MW	10	20
ii)	Combustion unit (Standard)		
	< 44MW	90	95
	44 – 145 MW	50	65
	> 150 MW	0	0
iii)	Combustion unit (Dry low nox)		
	< 44MW	30	40
	44 – 145 MW	0	25
	> 150 MW	0	0
iv)	Compressor unit		
	< 44MW	90	90
	44 – 145 MW	30	50
	> 150 MW	0	0

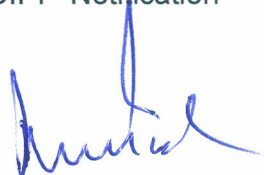
Sl. No.	Item	Minimum Local Content (%)	
		Year 2018-19	Over next five years in phased manner
v)	Lubrication and control oil system		
	< 44MW	80	85
	44 – 145 MW	80	85
	> 150 MW	80	80
vi)	Oil purification and cooling system		
	< 44MW	80	80
	44 – 145 MW	80	80
	> 150 MW	80	85
vii)	Turbine governing and protection system		
	< 44MW	0	0
	44 – 145 MW	0	0
	> 150 MW	0	0
viii)	Turning gear system		
	< 44MW	0	0
	44 – 145 MW	0	0
	> 150 MW	0	0
ix)	Compressor cleaning system		
	< 44MW	100	100
	44 – 145 MW	100	100
	> 150 MW	100	100
x)	Inlet air system		
	< 44MW	75	80
	44 – 145 MW	75	80
	> 150 MW	50	60
2.	Exhaust gas system		
	Ducting, Silencers, Bypass stack, Guillotine gates, Diverter damper and Expansion joints		
	< 44MW	100	100
	44 – 145 MW	100	100
	> 150 MW	100	100
3.	Heat Recovery Steam Generator (HRSG)		
i)	Drums	30	35*
ii)	Evaporators & superheaters	85	90**
iii)	Condensate preheater	100	100
iv)	Feed regulating station	100	100
v)	Superheater temperature control system	100	100

Sl. No.	Item	Minimum Local Content (%)	
		Year 2018-19	Over next five years in phased manner
vi)	Blow down tank	100	100
vii)	HP chemical dosing system	100	100
viii)	HRS Stack	100	100
ix)	Supporting steelworks	100	100
x)	Nitrogen preservation system	100	100
xi)	Water washing system	100	100
* Indian vendors are not available for SA299 drum plates & SA516 Gr.70 plates above 120mm thickness.			
** Indian vendors are not available for T91 & T92 tubes.			
Overall Gas Turbine Package (on finished Product basis)			
	< 44MW	75	80
	44 – 145 MW	50	60
	> 150 MW	25	30
Overall CCGT Package (on finished Product basis)			
	< 44MW	80	85
	44 – 145MW	70	75
	> 150 MW	60	65
Notes :			
1. Raw material may be imported			
2. For high efficiency advance class Gas turbines, the first 3-5 Gas turbines shall be imported until technology is established locally.			
3. The minimum local content in %age for steam turbine, its auxiliaries and Balance of Plants (BoPs) pertaining to CCGT projects shall be same as applicable that for coal based plants as given under para (A) above.			

- 4.0** The minimum local content percentage shall be more than 70% in EPC / Turnkey projects and more than 90% in Works and Service contracts.
- 5.0** Purchase preference shall be given to local suppliers in procurements done by departments or attached or subordinate office of, or autonomous body controlled by, the Ministry of Power and includes Government companies as defined in the Companies Act, including procurements in the projects / schemes which are fully or partially funded by the Government of India and/or PFC / REC.
- 6.0** Decision on complaints relating to implementation of this Order shall be taken by a Committee constituted by Ministry of Power as under:

Chairperson	Member (Thermal), CEA
Member	Chief Engineer (Thermal), CEA

- 7.0** The complaint fee of Rs. 2 Lakh or 1% of the value of the local item being procured (subject to maximum of Rs. 5 Lakh), whichever is higher, shall be paid in the form of Demand Draft, drawn in favour of DDO, CEA. 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.
- 8.0** All other conditions shall be as per those laid down in the DIPP Notification No. P-45021/2/2017-PP (BE-II) dated 28.05.2018.



(Economic Advisor)
Ministry of Power

To:

1. All Ministries/Departments of Government of India (As per list)
2. Cabinet Secretariat
3. Prime Minister's Office
4. NITI Aayog
5. Comptroller and Auditor General of India
6. Secretary, DIPP, Chairman of Standing Committee for implementation of Public Procurement Order, 2017
7. Joint Secretary, DIPP, Member-Convener of Standing Committee for implementation of Public Procurement Order, 2017
8. All JSs/EA/CE, MoP

37. To The Secretary, Department of Public Enterprises Block No.14, CGO Complex, Lodhi Road New Delhi- 110003	38. To The Secretary Department of Official Language NDCC-II Bhawan, 'A' Wing, 3rd Floor, Jai Singh Road, New Delhi - 110001	39. To The Secretary, Department Inter State Council Secretariat/ Department of Border Management Vigyan Bhavan Annexe, Maulana Azad Road, New Delhi-110011
40. To The Secretary, Ministry of Housing & Urban Poverty Alleviation Nirman Bhawan, New Delhi-110011	41. To The Secretary Department of Higher Education C-Wing, Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi-110001	42. To The Secretary Department of School Education and Literacy, Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi-110001
43. To The Secretary Ministry of Information and Broadcasting, Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi	44. To The Secretary Ministry of Labour & Employment Shram Shakti Bhavan, Rafi Marg, New Delhi	45. To The Secretary Department of Justice, Shastri Bhawan, New Delhi
46. To The Secretary Department of Legal Affairs, Shastri Bhawan, New Delhi-110001	47. To The Secretary Legislative Department Shastri Bhawan, New Delhi-110001	48. To The Secretary Ministry of Micro, Small & Medium Enterprises Udyog Bhawan, New Delhi-110011
49. To The Secretary Department of Chemicals and Fertilizers, Ministry of Chemicals and Fertilizers, Shastri Bhawan, New Delhi-110001	50. To The Secretary Ministry of Minority Affairs 11 th Floor, Paryavaran Bhawan CGO Complex, New Delhi-110003	51. To The Secretary, Ministry of New & Renewable Energy Block-14, CGO Complex, New Delhi-110021
52. To The Secretary, Ministry of Overseas Indian Affairs, Akbar Bhawan, Chanakapuri, New Delhi-110021	53. To The Secretary, Ministry of Panchayati Raj Krishi Bhawan, New Delhi-110001	54. To The Secretary, Ministry of Parliamentary Affairs, Room No. 8, Parliament House, Sansad Marg, New Delhi-110001
55. To The Secretary, Department of Personnel & Training, North Block, New Delhi-110001	56. To The Secretary, Department of AR&PG/ Department of Pension & Pensioners, 5 th Floor, Sardar Patel Bhawan, Sansad Marg, New Delhi-110001	57. To The Secretary, Ministry of Petroleum and Natural Gas Shastri Bhawan, New Delhi-110001
58. To The Secretary, Ministry of Mines, Shastri Bhawan, New Delhi.	59. To The Secretary Ministry of Road Transport & Highways Transport Bhawan, New Delhi-110001	60. To The Secretary Department of Rural Development Krishi Bhawan, New Delhi-110001
61. To The Secretary, Ministry of Biotechnology/Department of Scientific and Industrial Research, Block 2, CGO Complex, Lodhi Road, New Delhi-110003	62. To The Secretary Department of Science and Technology, Technology Bhawan, New Mehrauli Road, New Delhi-110016	63. To The Secretary, Ministry of Shipping Transport Bhawan, Sansad Marg, New Delhi- 110001
64. To The Secretary M/o Skill Development & Enterprises 2 nd Floor, Shivaji Stadium Annexe, Shaheed Bhagat Singh Marg, Near Connaught Place, New Delhi-110001	65. To The Secretary, Department of Empowerment of Persons with Disabilities, 5th Floor, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi - 110003	66. To The Secretary Department of Social Justice & Empowerment Shastri Bhawan New Delhi-110001
67. To The Secretary Department of Space 3 rd Floor, Lok Nayak Bhawan, New Delhi-110003	68. To The Secretary, Ministry of Statistics & Programme Implementation, Sardar Patel Bhawan, Sansad Marg, New Delhi-110001	69. To The Secretary Ministry of Steel, Udyog Bhawan New Delhi-110011
70. To The Secretary, Transport Bhawan New Delhi-110001	71. To The Secretary, Ministry of Tribal Affairs, Shastri Bhawan, New Delhi-110001	72. To The Secretary, Ministry of Urban Development Nirman Bhawan, New Delhi-110011
73. To The Secretary Ministry of Water Resources, River Development & Ganga Rejuvenation, Shram Shakti Bhawan, New Delhi-110001	74. To The Secretary, Ministry of Women & Child Development, Shastri Bhawan, New Delhi-110001	75. To The Secretary, Department of Sports Shastri Bhawan, New Delhi-110001
76. To The Secretary, Department of Youth Affairs, Shastri Bhawan, New Delhi-110001	77. To The Secretary, Ministry of Home Affairs, North Block, New Delhi-110001	78. To The Secretary, Department of Land Resources, Krishi Bhawan, New Delhi-110001

1. To The Secretary, Department of Agriculture and Cooperation, Krishi Bhavan, Dr. Rajendra Prasad Road, New Delhi-110001	2. To The Secretary, Department of Agricultural Research and Education, Krishi Bhavan, Dr. Rajendra Prasad Road, New Delhi-110001	3. To The Secretary, Department of Animal Husbandry, Dairying and Fisheries, Krishi Bhavan, Dr. Rajendra Prasad Road, New Delhi-110001
4. To, The Secretary, D/o Atomic Energy Anushakti Bhavan, Chatrapathi Shivaji Maharaj Marg, Mumbai-400001	5. To, The Secretary, Department of Ayush Ayush Bhavan, B-Block, GPO Complex, INA New Delhi-110023	6. To, The Secretary Department of Chemicals and Petrochemicals A-Wing, Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi-110001
7. To, The Secretary Department of Fertilizers A-Wing, Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi-110001	8. To The Secretary, Department of Pharmaceuticals 3 rd Floor, B-Wing, Janpath Bhawan, New Delhi-110001	9. To The Secretary, Ministry of Civil Aviation Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi-110003
10. To The Secretary, Ministry of Coal A-Wing, Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi-110001	11. To The Secretary, Department of Commerce Udyog Bhawan, New Delhi-110011	12. To The Secretary, Department of Industrial Policy & Promotion Udyog Bhawan, New Delhi-110011
13. To The Secretary, D/o Electronics & Information Technology, Electronics Niketan, 6, CGO Complex, Lodhi Road., New Delhi-110003	14. To The Secretary D/o Posts Dak Bhavan, Sansad Marg, New Delhi-110003	15. To The Secretary D/o Telecommunications Sanchar Bhavan, Rafi Marg, New Delhi-110003
16. To The Secretary, D/o Consumer Affairs Krishi Bhavan Dr. Rajendra Prasad Road, New Delhi-110001	17. To The Secretary, D/o Food and Public Distribution Krishi Bhavan Dr. Rajendra Prasad Road, New Delhi-110001	18. To, The Secretary Ministry of Corporate Affairs A-Wing, Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi-110001
19. To, The Secretary, Ministry of Culture Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi-110001	20. To The Secretary, Department of Defence South Block, New Delhi- 110001	21. To The Secretary, Department of Defence Production, South Block, New Delhi-110001
22. To The Secretary Department of Defense Research & Development South Block, New Delhi- 110001	23. To The Secretary, Department of Ex-Servicemen Welfare South Block, New Delhi- 110001	24. To The Secretary, Ministry of North Eastern Region, Vigyan Bhawan Annexe, Maulana Azad Road, New Delhi-110011
25. To The Secretary, Ministry of Drinking Water and Sanitation 9 th Floor, Paryavaran Bhawan, CGO Complex, Lodhi Road New Delhi- 110003	26. To, The Secretary, Department of Disinvestment Block No. 14, 3 rd Floor, CGO Complex, Lodhi Road New Delhi- 110003	27. To, The Secretary, Ministry of Earth Sciences Mahasagar Bhawan, Block-12, C.G.O Complex, Lodhi Road, New Delhi- 110003
28. To, The Secretary, Ministry of Environment, Forests & Climate Change Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi-110003	29. To The Secretary, Ministry of External Affairs South Block, New Delhi-110001	30. To The Secretary, Department of Economic Affairs North Block, New Delhi-110001
31. To The Secretary, Department of Expenditure North Block, New Delhi-110001	32. To The Secretary Department of Financial Services 6B, 3 rd Floor, Jeevandeep Building, Sansad Marg, New Delhi-110001	33. To The Secretary Room No 144-B, Department of Revenue North Block, New Delhi-110001
34. To The Secretary, Ministry of Food Processing Industries Panchsheel Bhawan, August Kranti Marg, New Delhi-110049	35. To The Secretary, Ministry of Health & Family Welfare Nirman Bhawan, New Delhi-110011	36. To The Secretary, Department of Heavy Industry Block No. 14, CGO Complex, Lodhi Road, New Delhi-110003

No. P-45021/2/2017-PP (BE-II)
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Section)

Udyog Bhawan, New Delhi
Dated: 29th May, 2019

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

Subject: Public Procurement (Preference to Make in India), Order 2017 – Revision; regarding.

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 3(a) and 14 modified and Para 10A added] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' with immediate effect:-

Whereas it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

Whereas procurement by the Government is substantial in amount and can contribute towards this policy objective, and

Whereas local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

Now therefore the following Order is issued :

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions:** For the purposes of this Order:

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

'Local supplier' means a supplier or service provider whose product or service offered for procurement meets the minimum local content as prescribed under this Order or by the competent Ministries / Departments in pursuance of this order.

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'margin of purchase preference' means the maximum extent to which the price quoted by a local supplier may be above the L1 for the purpose of purchase preference.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.

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'*Procuring entity*' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

'*Works*' means all works as per Rule 130 of GFR- 2017, and will also include '*turnkey works*'.

- 3. Requirement of Purchase Preference :** Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to local suppliers in all procurements undertaken by procuring entities in the manner specified hereunder

- a. In procurement of all goods, services or works in respect of which the estimated value of procurement is less than INR 50 Lakhs, only local suppliers shall be eligible to bid. However, in procurement of all goods, services or works, in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only local suppliers shall be eligible to bid irrespective of purchase value.

Provided that for any particular item, the Nodal Ministry / Department may also prescribe an upper threshold limit, below which procurement shall be made only from local suppliers.

Further provided that in any particular case of procurement, if the procuring authority is of the view that the goods, services or works of required quality / specifications etc. may not be available in the country, or sufficient capacity or competition does not exist domestically, and it is necessary to undertake global competitive bidding, the procuring authority may allow the same after recording reasons. In such cases, the provisions of sub-paragraph b or c, as the case may be, shall apply;

- b. In the procurements of goods or works which are not covered by paragraph 3a and which are divisible in nature, the following procedure shall be followed;
- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.
 - ii. If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher local supplier within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on local suppliers, then such balance quantity may also be ordered on the L1 bidder.
- c. In procurements of goods or works not covered by sub-paragraph 3a and which are not divisible, and in procurement of services where the bid is evaluated on price alone, the following procedure shall be followed:-
- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.

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- ii. If L1 is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such local supplier subject to matching the L1 price.
 - iii. In case such lowest eligible local supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the local suppliers within the margin of purchase preference matches the L1 price, then the contract may be awarded to the L1 bidder.
4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.
5. **Minimum local content:** The minimum local content shall ordinarily be 50%. The Nodal Ministry may prescribe a higher or lower percentage in respect of any particular item and may also prescribe the manner of calculation of local content.
6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
9. **Verification of local content:**
- a. The local supplier at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum local content and shall give details of the location(s) at which the local value addition is made.
 - b. In cases of procurement for a value in excess of Rs. 10 crores, the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
 - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
 - d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.

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- e. Nodal Ministries and procuring entities may prescribe fees for such complaints.
- f. 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.
- g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9h below.
- h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
 - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
 - ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
 - iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

10. Specifications in Tenders and other procurement solicitations:

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of local suppliers who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.
- d. If a Nodal Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/ or other items relating to that Nodal Ministry. A copy of every instruction or decision taken in this regard shall be sent to the Chairman of the Standing Committee.

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- e. For the purpose of sub-paragraph 10 d above, a supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or ii) a majority of its shareholding or effective control of the entity is exercised from that country; or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India.”

- 10A. Action for non-compliance of the Provisions of the Order:** In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.
- 11. Assessment of supply base by Nodal Ministries:** The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.
- 12. Increase in minimum local content:** The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.
- 13. Manufacture under license/ technology collaboration agreements with phased indigenization:** While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.
- 14. Powers to grant exemption and to reduce minimum local content:** The administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,
- a. reduce the minimum local content below the prescribed level; or
 - b. reduce the margin of purchase preference below 20%; or
 - c. exempt any particular item or supplying entities or class or classes of items or procuring or supplying entities from the operation of this Order or any part of the Order.

A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry / Department concerned will continue to have the power to vary its notification on Minimum Local Content.

- 15. Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.

16. **Standing Committee:** A standing committee is hereby constituted with the following membership:

Secretary, Department for Promotion of Industry and Internal Trade—Chairman
Secretary, Commerce—Member
Secretary, Ministry of Electronics and Information Technology—Member
Joint Secretary (Public Procurement), Department of Expenditure—Member
Joint Secretary (DPIIT)—Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

17. **Functions of the Standing Committee:** The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee

- a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
- b. shall annually assess and periodically monitor compliance with this Order
- c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
- d. may require furnishing of details or returns regarding compliance with this Order and related matters
- e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
- f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
- g. may consider any other issue relating to this Order which may arise.

18. **Removal of difficulties:** Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.

19. **Ministries having existing policies:** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.

20. **Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.



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