

**SOURCING STRATEGY & POLICY
CORPORATE OPERATIONS MANAGEMENT
BHEL – NEW DELHI**

AA:SSP:PPP-MII
Dated: 24.07.2020

(Circular No. 08 of 2020-21)

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

Ref: DPIIT Order No. P-45021/2/2017-PP (BE-II) dated 04.06.2020

Department for Promotion of Industry and Internal Trade (DPIIT) in its partial modification of the PPP-MII Order on 04.06.2020 has modified the paras 2, 3, 5, 9(a), 9(b) & 10(b) and para 3A has been added.

Accordingly, in addition to Circular no. 42 of 2018-19 dated 30.11.2018, Circular no. 25 of 2019-20 dated 02.08.2019, Circular no. 06 of 2020-21 dated 02.07.2020 and modified provisions contained in the revised PPP-MII Order, 2017 dated 04.06.2020, following is to be noted for necessary action and compliance:

1. All cases where bids are solicited from foreign bidders are treated as Global Tenders.
2. In line with DPIIT letter dated 09.07.2020 clarifying the competent authority (in case of CPSEs) for seeking prior approval, any exception for floating Global Tender as per clause 3 (b) of PPP-MII, Order 2017 dated 04.06.2020, will require well-reasoned proposal with detailed justification to be routed through COM to DHI and further to Secretary (Coordination), Cabinet Secretariat, for approval.

The proposal shall be duly recommended by the Unit Level Overseeing Committee, as per Format No. AA:SSP:PPP-MII:F02 (enclosed), and approved by Head of Unit/ Region, before it is forwarded to COM.

3. Global tenders (with estimated value less than Rs. 200 Cr.) shall not be issued after **16.06.2020** i.e. receipt of communication from administrative ministry Department of Heavy Industries (DHI) vide email dated 16.06.2020.


24/07/2020

In case bids have been sought from foreign bidders after 16.06.2020, the same shall either be retendered by seeking bids only from local suppliers **or** if there is a necessity to seek bids from foreign bidders, necessary approvals have to be taken before processing further.

4. NIT clause to be revised as below:

"For this procurement, the local content to categorize a supplier as a Class I local supplier/ Class II local Supplier/ Non-Local supplier and purchase preference to Class I local supplier, is as defined in Public Procurement (Preference to Make in India), Order 2017 dated 04.06.2020 issued by DPIIT. In case of subsequent orders issued by the nodal ministry, changing the definition of local content for the items of the NIT, the same shall be applicable even if issued after issue of this NIT, but before opening of Part-II bids against this NIT".

This issues with the approval of the Competent Authority.


(C. Venkat Rao)
GM/ SS&P

Encls.: As above

Distribution:

- All Heads of MM of Units/ Regions

Copy to:

- All Heads of Units/ Regions

- SS&P page on Corporate Office intranet

- <http://intranet.bhel.in>

- Director (HR)/(Fin)/(IS&P)/(Power)/(E, R&D)

- for kind information

- SA to CMD

- for kind information of CMD

25/09/2020
gk

RECOMMENDATIONS OF THE OVERSEEING COMMITTEE ON THE NEED TO RESORT TO GLOBAL TENDER (< Rs 200 Crores)						
AA:SSP:PPP-M/II-F02						
Reference : Public Procurement (Preference to Make in India), Order 2017 vide No. P-45021/2/2017-PP (BE-II) dated 04.06.2020						
Unit / Region	Item Description	Material Code	Projected value of procurement (Rs Crores)	Local Content declared by nodal ministry (if any) (If yes, indicate the % age, else indicate NA)	Number of Local suppliers (including class-I & class-II)	Number of Non - Local suppliers
					Chinese	Other than Chinese
Date						
Reasons to opt for Global Tender						
A	Domestic Manufacturing Capacity does not exist in India					
B	Local sources are limited thus affecting healthy competition					
C	Customer has recommended only foreign sources					
D	Collaborator recommended Purchases					
E	Proprietary Purchases					
F	Capital Items					
G	Others (reasons to be specified)					
Recommendations of the Overseeing Committee						
(				(		(
Head / Engineering				Head / Finance		Head / MM
(						
Unit / Region Head						
Head / COM						

Compliance Certificate**Public Procurement (Preference to Make in India), Order 2017**

No. AA:SSP:PPP-MII:F01

_____(Unit / Region)

Dated: __/__/__

Quarter ending: _____

With reference to Corporate SS&P Circular No. 42 of 2018-19 dated 30.11.2018, No. 25 of 2019-20 dated 02.08.2019, No. 06 of 2020-21 dated 02.07.2020 and No. 08 of 2020-21 dated 24.07.2020, following is certified:

- i. Overseeing committee is in place.
- ii. All NITs floated on or after the issue of the circular are having PPP-MII clause as per the above circular.
- iii. Certified that no restrictive or discriminatory conditions against local suppliers are included in NITs.
- iv. All ongoing tenders are compliant with Public Procurement (Preference to Make in India) Order (PPP-MII Order), 2017 vide No. P-45021/2/2017-PP (BE-II) dated 04.06.2020, issued by DPIIT, Ministry of Commerce and Industry.

()
Head/ Engineering()
Head/ Finance()
Head/ MM()
Head of Unit/ Region

Head/ COM



No.P-45021/102/2019-PP(BE-II)(E-29930)
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Section)

Udyog Bhawan, New Delhi

Dated July 09, 2020

To

Shri Arun B. Gupta
General Manager & Head
Corporate Operations Management
Bharat Heavy Electricals Limited
Email: abgupta@bhel.in

Subject: Clause 3 b) of Public Procurement (Preference to Make in India) Order, 2017 - Department of Expenditure instructions No.F.12/17/19-PPD dated 28.05.2020 - regarding.

Sir,

With reference to your letter No. AA:SSP:PPP-MII dated 01.07.2020 (copy attached), it is informed that the definition of 'procuring entity' under PPP MII Order, 2017 dated 04.06.2020 (available at <https://dipp.gov.in/public-procurements>) 'includes Government companies as defined in the Companies Act'.

2. As per DoE's extant instructions dated 28.05.2020, no Global Tender Enquiry (GTE) shall be invited for tenders up to Rs. 200 Crore except in exceptional cases, wherein competent authority for relaxation in Rule 161(iv)(b) of GFR shall be Secretary (Coordination), Cabinet Secretariat. DoE advised Ministries / Departments to send only well-reasoned proposals to Secretary (Coordination) with detailed justification and seek prior approval for relaxation. Accordingly, all CPSUs/ CPSEs may approach respective administrative Ministries / Departments for seeking requisite approval from competent authority.

3. This issues with the approval of Joint Secretary (MKN).

Encl: As above

Yours faithfully



(D.V.S.P. Varma)

Under Secretary to Govt. of India

E-mail: dvsp.varma@nic.in

Copy to:

1. Secretary, Department of Public Enterprises, New Delhi (email: secy-dpe@nic.in]
2. Sh. Sanjay Aggarwal, Director (PPD) Department of Expenditure, North Block New Delhi. [email:sanjay.aggarwal68@nic.in]
3. Shri Sanjiv Kumar Gupta and Shri Dinesh Pal Singh, Under Secretary, Department of Heavy Industry, Udyog Bhawan New Delhi. [email:sanjiv.gupta75@nic.in, dineshp.singh@nic.in]

From: "Dinesh Pal Singh" <dineshp.singh@nic.in>
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 bjconst.com, "ps cmd" <ps_cmd@bbjconst.com>, "CMD BRIDGEROOF" <cmd@bridgeroof.co.in>, info@bridgeroof.co.in, cmd@ccilttd.in, "CMD EPI" <cmd@engineeringprojects.com>, "cmd" <cmd@hecltd.com>, cmdhclkol@gmail.com, md@hnlonline.com, grrokkam104735@gmail.com, "ANANDA CHANNAKESHAIAH" <cmd@nepamills.nic.in>, grishcmd@hpf-india.com, cmd@indiansalt.com, info@indiansalt.com, cmd@hmtlimited.com, "S Girish Kumar" <cmd@hmtindia.com>, cmd@ilkota.in, ops4153@gmail.com, "Rakesh Chopra" <rakesh.chopra@reilp.com>, akv@bhel.in, richardsoncruddas@yahoo.co.in, cmd@scootersindia.com, mdhnlkerala@gmail.com, mdo@reil.co.in, yuledelhi@gmail.com, sunilkumar@fcriindia.com, director@araiindia.com, info@araiindia.com, "Team Natrip" <team@natrip.in>, director@fcriindia.com, "Director, CMTI" <director.cmti@nic.in>, "Krishna Rathod" <cmti@nic.in>
Cc: "Rama Kant Singh Director" <singh.ramakant59@nic.in>, "dhi_coord" <dhi_coord@nic.in>
Sent: Tuesday, June 16, 2020 12:19:56 PM
Subject: Recent changes in Public Procurement (Preference to Make in India) Order, 2017 (PPP-MII Order, 2017) of DPIIT - reg.

Sir/Madam,

Please find attached a copy of D.O. letter No.P-45021/2/2017-PP(BE-II)(E-1588) dated 8th June, 2020 received from Secretary, Department for Promotion of Industry and Intrnal Trade, Ministry of Commerce & Industry for compliance and report.

It is requested to interact with industry associations regarding the proposed changes, share their procurement projection with industry and advise industry to gear up their capacities/capabilities to meet projected public procurement demand in accordance with Hon'ble Prime Minister's vision of "Atmanirbhar Bharat".

With Regards,

Dinesh Pal Singh,
 Under Secretary(Coord.), DHI

डॉ. गुरुप्रसाद महापात्र
DR. GURUPRASAD MOHAPATRA
सचिव
Secretary



भारत सरकार
उद्योग संवर्धन और आंतरिक व्यापार विभाग
वाणिज्य एवं उद्योग मंत्रालय
उद्योग भवन, नई दिल्ली-110 011

Government of India

Deptt. for Promotion of Industry and Internal Trade

Ministry of Commerce & Industry

Udyog Bhawan, New Delhi-110 011

Tel. : 23061815, 23061667 Fax : 23061598

E-mail : secy-ipp@nic.in

08th June, 2020



Dear Secretary,

I am writing this regarding recent changes in Public Procurement (Preference to Make in India) Order, 2017 (PPP-MII Order, 2017) of DPIIT.

2. As you are aware, DPIIT issued PPP-MII Order, 2017 to promote procurement of made in India goods/works/services by central government procuring entities by providing purchase preference to local manufactured items in public procurement and other related measures.

3. Recently, Government of India has taken fresh initiative for "Atmanirbhar Bharat" and as a part of it Hon'ble Finance Minister announced on 12.05.2020 that no global tender shall be issued for procurement for less than Rs. 200 crore. Accordingly, as a major policy initiative, PPP-MII Order, 2017 has been amended to provide that only items with minimum 20% domestic value addition/local content can participate in public procurement unless global bid are invited. Also, items with more than 50% local content will get purchase preference over other items. A copy of the Order as amended on 04.06.2020 is enclosed for your ready reference.

4. I request you to kindly advise all procuring entities, including CPSUs/CPSEs/Autonomous Bodies, under administrative control of your Ministry/Department to comply with the revised Order. It is also requested to direct all procuring entities to interact with industry associations regarding the proposed changes, share their procurement projection with industry, and advise industry to gear up their capacities/ capabilities to meet projected public procurement demand in accordance with Hon'ble Prime Minister vision of "Atmanirbhar Bharat".

With regards,

Adv. Secy

Yours sincerely,

(Guruprasad Mohapatra)

Encl: as above.

Cap 10.6.2020

All Secretaries to the Govt. of India
As per list attached.

K. Mishra
11.6.20
AD(AS)

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: 04th June, 2020

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 2, 3, 5, 9(a), 9(b) and 10(b) modified and Para 3A 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 and Order No.P-45021/2/2017-B.E.-II dated 29.05.2019, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' dated 04.06.2020 effective 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.

'Class-I local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%, as defined under this Order.

'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content more than 20% but less than 50%, as defined under this Order.

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'Non - Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than or equal to 20%, as defined under 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 "Class-I 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.

'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. Eligibility of 'Class-I local supplier' / 'Class-II local supplier' / 'Non-local suppliers' for different types of procurement

(a) 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 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

(b) In procurement of all goods, services or works, not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure. Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'.

(c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

3A. Purchase Preference

(a) 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 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.

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(b) In the procurements of goods or works, which are covered by para 3(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
- ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I 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 Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.

(c) In the procurements of goods or works, which are covered by para 3(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.
- ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.
- iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I 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 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.

✓ (d) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.

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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 local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local supplier' shall be as defined in the Para "2" of the Order. No change is permissible on this account. However, if any nodal Ministry/ Department finds that for any particular item, pertaining to their nodal ministry/department, the definition of Local Content, as defined in the Order, is not workable/ has limitations, it may notify alternate suitable mechanism for calculation of local content for that particular item.
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 'Class-I local supplier'/ 'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/ 'Class-II local supplier', as the case may be. They shall also 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 'Class-I local supplier'/ 'Class-II 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.

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- 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.
- 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 'Class-I local supplier'/ 'Class-II local supplier' 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.

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- 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.
- 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

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- c. exempt any particular item 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.

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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.



(Rajesh Gupta)
Director

Tel: 23063211

rajesh.gupta66@gov.in