



भारत सरकार / GOVERNMENT OF INDIA पत्तन, पोत परिवहन और जलमार्ग मंत्रालय MINISTRY OF PORTS, SHIPPING AND WATERWAYS नीवहन महानिदेशालय, मुंबई

DIRECTORATE GENERAL OF SHIPPING, MUMBAI

F. No. SD-9/CHART(82)/97-VI

Dated: 11.02.2021

DGS Circular No. 05 of 2021 (Shipping Development)

Sub.: Clarification to DGS Circular 02 of 2021 dated 14.01.2021 on Guidelines for exercise of Right of First Refusal-grant of license to foreign flag vessels.

Whereas, DGS Circular 02 of 2021 dated 14.01.2021 was issued on the Guidelines for exercise of Right of First Refusal-grant of license to foreign flag vessels.

- 2. Whereas a doubt has been raised on implementation of para 21.3.4, read with para 21, 21.3.1 and 21.3.2 of said circular.
- 3. Whereas a need has been felt to clarify the grant of ROFR including the order of preference therein to avoid any ambiguity at the implementation stage.
- 4. Now therefore it is clarified that the intent of Para 21 read with Para 21.3 is that 'the Right of First Refusal' shall under all circumstances, whether the bidder is a foreigner or an entity registered outside India or a citizen of India or company registered in India or society registered in India, shall be offered to the vessels mentioned in Para 21.3.4 of DGS Circular 02 of 2021 dated 14.01.2021, in the same order as mentioned in the said Para.
- 5. Further, the following para shall be added as proviso 3 to para 21.3.4. as under:
 - "3. Where a bidder offering a vessel not falling within the categories specified in para 21.3.4 gives an undertaking to convert such vessel to the categories specified in para 21.3.4 (a) or (b) prior to commencement of operations but later than the price bid opening, such vessel can be considered only when and if a bidder offering any vessel falling within the categories specified in para 21.3.4 has failed to match the lowest price. In such event the tender-awarding authority shall incorporate deterrent penalties in the award of tender to ensure that the bidder giving the undertaking will convert the vessel to any of categories specified in para 21.3.4 (a) or (b) before commencement of operations as undertaken."

6. The other terms and conditions as mentioned in DGS Circular 02 of 2021 dated 14.01.2021 shall remain same.

(Amitabh Kumar)

Director General of Shipping

& Additional Secretary to the Gol.

To,

- 1. All stakeholders/All Charterers/Shippers/All Indian Shipping Companies, through the official website of the DGS, GoI.
- 2. INSA/ICSSA/FOSMA/MASSA/Shipyards Association of India/CSL/ISBA/NUSI/MUI/IMF
- Indian Private Ports and Terminals Association.
- Shipyard Association of India.

Copy also forwarded for kind information to the:

- PS to Hon'ble Minister of State (Independent Charge) for Ports, Shipping, and Waterways. Gol.
- Secretary to the Govt. of India, Ministry of Ports, Shipping, and Waterways, Transport Bhawan, 1, Sansad Marg. New Delhi-110001
- 3. CEO, NITI Aayog, New Delhi.
- 4. Secretary, Department of Defence, South Block, Ministry of Defence, New Delhi.
- Secretary, Department of Defence Production, Ministry of Defence, South Block, New Delhi- 110011.
- Secretary, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi-110011.
- Secretary, Ministry of Petroleum and Natural Gas, A-Wing, Shastri Bhawan, Dr. Rajendra Prasad Road, New De1hi- 110011.
- 8. Secretary, Ministry of Chemicals and Fertilizers, A-Wing Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi-110011.
- Secretary, Ministry of Steel, Udyog Bhawan, Dr. Maulana Azad Road, New Delhi,110011.
- Secretary, Ministry of Home Affairs, North Block, Central Secretariat, New Delhi,110001.





भारत सरकार / GOVERNMENT OF INDIA पत्तन, पोत परिवहन और जलमार्ग मंत्रालय MINISTRY OF PORTS, SHIPPING AND WATERWAYS नीवहन महानिदेशालय, मुंबई

DIRECTORATE GENERAL OF SHIPPING, MUMBAI

F. No. SD-9/CHART(82)/97-VI

Dated: 14.01.2021

DGS Circular No. 02 of 2021 (Shipping Development)

Sub.: Guidelines for exercise of Right of First Refusal-grant of license to foreign flag vessels.

Background, Legal Provisions and Policy:

Whereas Section 406 of Part XIV of the Merchant Shipping Act, 1958 [Control of Indian ships and ships engaged in Coasting Trade], mandates that Indian ships and other ships chartered by Indian citizen or a company or a society, needs to be licensed by the Director General of Shipping. Such license can be granted subject to such conditions as may be specified by the Director General of Shipping.

- 2. Whereas section 407 of the same Part of the Act mandates that ships other than Indian ships or ships chartered by Indian entities, intending to engage in coastal trade of India, need to be licensed by the Director General of Shipping. Such license can be granted subject to such conditions as may be specified by the Director General of Shipping.
- 3. Whereas, in exercise of powers under the above sections of the Act, the Director General of Shipping has by way of Shipping Development Circular No.-2/2002 dated 08.11.2002 [F.No. SD-9/CHRT (82)/97-II], issued guidelines to provide the right of first refusal to the Indian flag vessels before grant of license to foreign flag vessels.
- 4. Whereas, as of now, the Right of First Refusal (RoFR) is available to Indian flag vessels, as stipulated under Shipping Development Circular 02 of 2002 dated 08.11.2002, issued by the Director General of Shipping, Gol.
- 5. Whereas, in addition to the existing policy to encourage flagging of ships in India, it is also the express policy of the Government of India to encourage and promote manufacture and production of goods in India under 'Make in India', with a view to enhance income and employment. To give effect to this policy, the Department of Industrial Policy and Promotion (DIPP) has issued Public Procurement and 'Make in India' orders dated 15.6.2017 and 28.05.2018, and 04.06.2020.
- 6. Whereas, Government of India has taken several steps to promote shipbuilding in India especially by providing long term subsidy for ship building under the shipbuilding financial assistance policy (2016-2026).

9वीं मंज़िल, बीटा बिल्डिंग, आई थिंक टेक्नो कैम्पस, कांजुर गाँव रोड, कांजुरमार्ग (पूर्व) मुंबई- 400042 9th Floor, BETA Building, I-Think Techno Campus, Kanjur Village Road, Kanjurmarg (E), Mumbai-400042 फोन/Tel No.: +91-22-2575 2040/1/2/3 फैक्स/Fax.: +91-22-2575 2029/35 ूई-मेल/Email: dgship-dgs@nic.in वेबसाइट/Website: www.dgshipping.gov.in

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- 7. Whereas, Government of India intends to further incentivise shipbuilding by providing additional market access and business support to ships built in India.
- 8. Whereas, it is felt that demand for the ships built in India can be promoted if some preference is given to Ships built in India, in chartering of vessels and for engaging in coastal trade.
- 9. Whereas, a need has also been felt to review the licensing conditions keeping in view, (i) the Government of India's policy of promoting the Make in India initiative, (ii) the Ministry's existing policy to promote flagging of ships in India (iii) the Public Procurement and Make in India orders dated 15.6.2017, 28.05.2018 and 04.06.2020 issued by DIPP, (iv) the need to give a long term strategic boost to the domestic shipping and shipbuilding industry, (v) the need to encourage the domestic shipping industry to support the domestic shipbuilding industry, and (vi) the need to develop self- reliance and a strong synergy among these vital industries for the overall long term development and economic growth of the country.
- 10. Whereas, the Notification No. 2 of 'Make in India' dated 13.02.19 [F.No. SY-13017/4/2017-SBR], was issued by the Ministry of Shipping, Govt. of India, requiring the review of the guidelines on RoFR issued by the Director General of Shipping.
- 11. Whereas, the Shipping Development Circular 02 of 2002 was superseded by Shipping Development Circular No. 02 of 2019 dated 22.03.19.
- 12. Whereas, members of INSA were having certain objections on the provision covered in the circular on RoFR and the said Circular No 02 of 2019 was challenged in the Hon'ble Delhi High Court.
- 13. Whereas, the Notification No. 2 of 'Make in India' dated 13.02.19 [F.No. SY-13017/4/2017-SBR] has been withdrawn by the then Ministry of Shipping, GoI (now Ministry of Ports, Shipping and Waterways) on 20.07.2020.
- 14. Whereas, the Shipping Development Circular No. 02 of 2019 dated 22.03.19, has also been withdrawn by the DG Shipping, GoI on 07.08.2020.
- 15. Whereas, the Ministry of Shipping (now Ministry of Ports, Shipping and Waterways), Gol, has issued a Notification No. SY-13017/4/2017-SBR dated 23rd October, 2020 on promotion of Make in India initiative- RoFR for Indian built and Indian flagged ships through amendments to Guidelines for chartering of vessels done through tender process for all types of requirements.
- 16. Whereas, the said Notification of the Ministry dated 23rd October, 2020 provides the manner for exercise of Right of First Refusal.
- 17. Whereas, the said Notification of the Ministry dated 23rd October, 2020 provides that all vessels flying the flag of India (i.e. registered in India) up to the date of issue of new circular

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by the Director General of Shipping shall be deemed to be Indian built vessels and will fall in category (i) of the RoFR hierarchy given under Para 7 of the said Notification.

- 18. Whereas, in view of the above background a need has been felt to review the guidelines on Right of First Refusal under Shipping Development Circular 02 of 2002 and Shipping Development Circular No 02 of 2019 (now withdrawn), to balance the interests of the shipping and ship building industries keeping in view of the policy of the Government to make India, Self-Reliance India [Atma Nirbhar Bharat) in maritime sector.
- 19. Now therefore in exercise of powers conferred under Section 406 and 407 of the Merchant Shipping Act, 1958, the Director General of Shipping, in supercession of previous guidelines relating to chartering and licensing of the vessels, is pleased to issue the following guidelines, for Right of First refusal in chartering or engagement of foreign flag vessels.
- 20. Chartering or engagement of foreign flag vessels done through tendering process, for all types of requirements: -
- 20.1. The chartering/engagement of vessels through "tender process" as mentioned above shall only be applicable for open/global tenders and chartering/engagement by other means shall be considered as "chartering/engagement through non-tender processes". The "tender process" shall be considered valid within the following definition:
- 20.1.1. Tenders shall be open or global tender, for which a tender advertisement has been duly published in a national or international newspaper or commercial websites or website of the agency/organization/company floating the tender;
- 20.1.2. Tender contains technical specifications and commercial terms and conditions of the vessel provided in the tender advertisement. If there is a dispute relating to technical specifications of the vessel given in the tender advertisement, the matter may be referred to DGS for decision as to whether the Indian vessel with a slight difference in specifications should be chartered/engaged, and not the foreign flag vessel. As far as practicable, this decision will be taken after discussion with the concerned parties.
- 21. Right of First Refusal: "Right of first refusal" is a right which accrues to a bidder in a tendering process, who offers a vessel from the category listed at Para 21.3.4, subject to his matching of the lowest rate offered by a bidder who offers a vessel not listed under Para 21.3.4. The order of preference for right of first refusal will be as indicated at para 21.3.4. This right is conferred based upon the practices of the industry, and the deliberate intention of the Central Government towards encouragement and development of the Indian ship-building industry and the Indian shipping industry.
- 21.1. Unless the vessel offered is successful in the evaluation of technical bid, the bidder concerned will not be eligible to exercise the Right of First Refusal under this circular.
- 21.2. Whenever charter/engagement of vessel is undertaken through a tender process specified in Para 20, the provisions of these guidelines are required to be incorporated.

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Whether the guidelines have been incorporated in any tender or not, the said guidelines would be deemed to have been incorporated as a part of the tender documents.

- 21.3. The instances under which the RoFR may be exercised are:
- 21.3.1. The L1 bidder is a Foreigner or an entity registered outside India, offering a vessel not listed at Para 21.3.4.
- 21.3.2. The L1 bidder is a Citizen of India OR company registered in India OR Society registered in India with a vessel not listed at Para 21.3.4.
- 21.3.3. From amongst the bidders eligible to exercise RoFR, the priority to exercise this Right would lie in sequence mentioned in Para 21.3.4 below and in case more than one bidder is available in a particular category, then from the lowest to the highest bidder within the margin of purchase preference. The exercise of RoFR would cease as soon as an eligible bidder in order of priority matches L1. The first priority would be given to any bidder who offers an Indian built, Indian flagged and Indian owned vessel. In the absence or unavailability of Indian built, Indian flagged and Indian Owned vessel, the RoFR will move to Foreign built, Indian flagged, Indian owned vessel and then to Indian built, foreign flagged and foreign owned vessel.
- 21.3.4. For further clarity the order of grant of RoFR would be as follows:-
- a) Indian built, Indian flagged and Indian owned,
- b) Foreign built, Indian flagged and Indian owned,
- c) Indian built, foreign flagged and foreign owned.

Provided that:

- 1. All vessels flying the flag of India (i.e. registered in India) up-to the mid night of **15.01.2021** shall be deemed to be Indian built vessel and will fall in category [a] above.
- 2. The Foreign flagged vessels permitted by the DG Shipping, under section 406 of the MS Act, 1958, for chartering by an Indian citizen/company/society, who is building a ship in an Indian shippard for registration under Indian flag, as a temporary substitute for the Indian Ship under construction, meeting the following two condition, shall be deemed to fall under category [a] above:
- a) The 25% of the contract money has been paid to Indian shipyard.
- b) The 50% of the hull fabrication has been completed, as may be certified by a Recognized Organization.

The duration of licences to such chartered vessel shall be limited to period of building of the Ship, as mentioned in the shipbuilding contract.

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- 21.3.5. Further, RoFR shall be applicable to all inquiries for in-charter of foreign flagged vessels with in a 20% margin of purchase preference (price band) i.e. the maximum extent to which the price quoted by an Indian Company may be above the L1 for the purpose of purchase preference.
- 21.3.6. In case none of the bidders eligible to exercise RoFR matches the L1 quote, then the charter shall be awarded to the L1 bidder.
- 21.4. The bidder who exercises RoFR should meet the commercial requirement by matching the lowest Composite Effective Price. It is further clarified that there shall be no price preference in favour of any vessel. The Composite Effective Price is the derived figure from the various price inputs submitted by a bidder/participant in a tender process, wherein all the costs/inputs are summarized. While working out such Composite Effective Price, inputs such as daily hire/daily rate, mobilization/demobilization charges, call out rates and conversion charges etc. are taken into account.
- 22 Any grievance arising out of implementation of these guidelines shall be referred to the DG Shipping, Gol.

23. This Circular will come into force w.e.f. 16.01.2021 and shall supersede all the previous DGS circulars on Right of First Refusal.

(Amitabh Kumar)

Director General of Shipping & Additional Secretary to the Gol.

To,

- All stakeholders/All Charterers/Shippers/All Indian Shipping Companies, through the official website of the DGS, Gol.
- INSA/ICSSA/FOSMA/MASSA/Shipyards Association of India/CSL/ISBA/NUSI/MUI/IMF
- 3. Indian Private Ports and Terminals Association.
- 4. Shipyard Association of India.

Copy also forwarded for kind information to the:

- PS to Hon'ble Minister of State (Independent Charge) for Ports, Shipping, and Waterways. Gol.
- Secretary to the Govt. of India, Ministry of Ports, Shipping, and Waterways, Transport Bhawan, 1, Sansad Marg. New Delhi-110001
- CEO, NITI Aayog, New Delhi.
- 4. Secretary, Department of Defence, South Block, Ministry of Defence, New Delhi.
- Secretary, Department of Defence Production, Ministry of Defence, South Block, New Delhi- 110011.
- Secretary, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi-110011.

- 7. Secretary, Ministry of Petroleum and Natural Gas, A-Wing, Shastri Bhawan, Dr. Rajendra Prasad Road, New De1hi- 110011.
- 8. Secretary, Ministry of Chemicals and Fertilizers, A-Wing Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi-110011.
- 9. Secretary, Ministry of Steel, Udyog Bhawan, Dr. Maulana Azad Road, New Delhi,110011.
- 10. Secretary, Ministry of Home Affairs, North Block, Central Secretariat, New Delhi,110001.

Government of India Ministry of Ports, Shipping and Waterways (SBR Section)

Transport Bhawan, Parliament Street
New Delhi - 110001
Dated 1744 September, 2021

No. SY-13017/4/2017-SBR, part3

NOTIFICATION

Subject: Implementation of "Public Procurement (Preference to Make in India) Order, 2017" regarding the items where there is sufficient local capacity and competition in shipbuilding components and where public procurement shall be done only from class-I local suppliers.

In pursuance of Department for Promotion of Industry and Internal Trade (DPIIT)'s Order No. P-45021/2/2017-PP(B.E.II) dated 15.06.2017, 28.05.2018 and 29.05.2019, this Ministry had issued a Gazette notification dated 05.05.2020 regarding implementation of "Public Procurement (Preference to Make in India) Order, 2017" regarding the items where there is sufficient local capacity in shipbuilding components and competition and where public procurement shall be done only from local suppliers.

- 2. Further DPIIT had issued a revised Public Procurement(Preference to Make in India), Order 2017 dated 04.06.2020 and subsequently on dated 16.09.2020.In furtherance of above mentioned objective and in compliance of above mentioned order, this ministry had also issued Notification dated October,13 2020 for Minimum Local Content (MLC) in respect of Shipbuilding/Ship repairs.In light of above Orders, this Ministry's above Gazette notification dated 05.05.2020 for the items where there is sufficient local capacity in shipbuilding components and competition and where public procurement shall be done only from local suppliers, stands withdrawn.
- 3. In continuation of this Ministry's Notification dated 13.10.2020 and in terms of Para 3(a)) of DPIIT's PPP-MII Order No. P- 45021/2/2017-PP(B.E.II) dated 16.09.2020, the following items in shipbuilding are notified as items where there is sufficient local capacity and competition in shipbuilding and where public procurement is to be carried out only from class-I local suppliers, irrespective of purchase value:
 - Rubber/Steel Fenders
 - b. Cable Installation Material (Cable Rack/Saddle/Hanger/Tray etc)
 - c. Grating, Chequered Plates
 - d. Hand Tools

- e. Cable Ties/Cable hangers
- f. Galvanised Sheet
- 4. The list of probable class-I suppliers of above items is annexed. The list is only indicative in nature. There may be other class-I local suppliers also available in the market. Also, suppliers indicated in the list may offer products which do not offer MLC requirement for Class-I local supplier. As such procuring entities may follow all prescribed procurement procedure without relying on the annexed list.
- 5. This issues with the approval of the Competent Authority.

(Vanlalthuom)
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- 1. All Ministries/Department of Government of India
- 2. Secretary (Coordination), Cabinet Secretariat
- 3. PS to PM, Prime Minister's Office
- 4. Vice Chairman, NITI Aayog
- 5. Director General, Comptroller and Auditor General of India
- 6.Secretary, DPIIT, Chairman of Standing Committee for implementation of Public Procurement Order, 2017
- 7. Joint Secretary, DPIIT, Member-Convener of Standing Committee for implementation of Public Procurement Order, 2017
- 8. Department of Expenditure
- 9. Director General of Shipping, Mumbai
- 10. Chairman, IWAI
- 11. Chairman, DGLL, Noida
- 12. Chairman of All Major Port Trusts
- 13. CMDs of SCI, CSL, HDPE Ltd.
- 14. MD IPA
- 15. Secretary/President, Shipyards Association of India
- 16. CEO, INSA
- 17. Director (Works), Indian Port Rail & Ropeway Corporation Ltd. (PRCL)
- 18. Managing Director & Director (Projects), Sagarmala Development Company Limited

Copy also to: 1) PS to Secretary 2) PS to AS (S) 3) PS to all JS / Sr.Economic Advisor/ Adviser 4) Guard File

Government of India Ministry of Ports, Shipping and Waterways (SBR Section)

No. SY-13017/4/2017-SBR, part3

Transport Bhawan, Parliament Street
New Delhi - 110001
Dated 12th September, 2021

NOTIFICATION

Sub: Implementation of "Public Procurement (Preference to Make in India) Order, 2017" with respect to the items, being manufactured in India under license from a foreign manufacturer holding intellectual property rights and where there is technology collaboration /transfer of technology agreement.

In pursuance of Department For Promotion of Industry And Internal Trade (DPIIT)'s Order No. P- 45021/2/2017-PP(B.E.II) dated 15.06.2017, 28.05.2018 and 29.05.2019, this Ministry had issued a gazette notification dated 05.05.2020 regarding implementation of "Public Procurement (Preference to Make in India) Order, 2017" with respect to the items, being manufactured in India under license from a foreign manufacturer holding intellectual property rights and where there is transfer to technology agreement.

- 2. Further DPIIT had issued a revised Public Procurement(Preference to Make in India), Order 2017 dated 04.06.2020 and subsequently on dated 16.09.2020. In light of mentioned Order, this Ministry's had also issued a Notification for Public Procurement (Preference to Make in India) to provide for Purchase Preference (linked with local content) in respect of Shipbuilding / Ship repairs. In pursuance of above Orders, this ministry's Gazette notification dated 05.05.2020, for the items, being manufactured in India under licence from foreign manufacturer holding intellectual property right and where there is transfer to technology agreement, stands withdrawn.
- 3. In continuation of this Ministry's notification dated 13.10.2020 and in terms of para 13 of DPIIT's Order No. P- 45021/2/2017-PP(B.E.II) dated 16.09.2020, the following items are notified as shipbuilding items being manufactured / assembled in India under licence from / collaboration with a foreign manufacturer with clear phasing of increase in local content:
 - a. Valves
 - b. Engines
 - Diesel generators
 - d. Engine Auxiliaries such as service tanks & piping

- e. Switch Gears
- f. Gas Turbine Assembly, Testing
- g. Sewage Treatment Plant
- h. Oily Water Separator
- 4. The suppliers of these items are exempted from meeting the stipulated Local Content. The list of aforesaid suppliers will undergo regular review and the percentage of Local Content can be increased progressively over the years.
- 5. This issues with the approval of the Competent Authority.

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- 1. All Ministries/Department of Government of India
- 2. Secretary (Coordination), Cabinet Secretariat
- 3. PS to PM, Prime Minister's Office
- 4. Vice Chairman, NITI Aayog
- 5. Director General, Comptroller and Auditor General of India
- 6.Secretary, DPIIT, Chairman of Standing Committee for implementation of Public Procurement Order, 2017
- 7. Joint Secretary, DPIIT, Member-Convener of Standing Committee for implementation of Public Procurement Order, 2017
- 8. Department of Expenditure
- 9. Director General of Shipping, Mumbai
- 10. Chairman, IWAI
- 11. Chairman, DGLL, Noida
- 12. Chairman of All Major Port Trusts
- 13. CMDs of SCI, CSL, HDPE Ltd.
- 14. MD IPA
- 15. Secretary/President, Shipyards Association of India
- 16, CEO, INSA
- 17. Director (Works), Indian Port Rail & Ropeway Corporation Ltd. (IPRCL)
- 18. Managing Director & Director (Projects), Sagarmala Development Company Limited

Copy also to: 1) PS to Secretary 2) PS to AS (S) 3) PS to all JS / Sr.Economic Advisor/ Adviser 4) Guard File

File No: P-20028/19/2018-PAPER

Government of India Ministry of Commerce & Industry Department for Promotion of Industry & Internal Trade (Paper Section)

Udyog Bhawan, New Delhi Dated: 4 February 2021

ORDER

Subject: Public Procurement (Preference to Make in India), Order 2017-Notifying Paper in furtherance of the Order.

The Government of India has issued Public Procurement (Preference to Make in India), Order 2017 vide the Department for Promotion of Industry & Internal Trade (DPIIT) Notification no. P-45021/2/2017-B.E.-II dated 15.06.2017 (as amended on 16/09/2020) 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. In reference to clause 3(a) of Public Procurement (Preference to Make in India), Order 2017 (as amended on 16/09/2020), it is hereby notified that there exists sufficient local capacity and local competition in respect of following types of paper and only Class-I Local Suppliers shall be eligible to bid for all public procurement irrespective of purchase value:

S.No.	Type of Paper	Relevant BIS Standard	Minimum Local Content for Class-I Supplier (%)
1	Writing & Printing Paper (WPP),	IS 1848: 2018	80
2	Copier paper (cut size)	IS 14490:2018	75
3	Art Paper	IS 4658:2019	50
4	Art Card	IS 4658:2019	50
5	Kraft Paper	IS 1397:2020	60
6	Newsprint	IS 11688:2016	50
7	Security Paper (MICR, Check Paper	IS:11087:2016	70

- This Order shall come into effect immediately.
- 4. DPIIT shall be the Nodal Ministry to monitor the implementation of Order on Paper.

Joint Secretary to Government of India

Tele: 23063838

Copy to:

- 1. All Ministries/Departments of Government of India
- 2. Cabinet Secretariat
- 3. Prime Minister Office
- 4. NITI Aayog, New Delhi
- 5. Joint Secretary(DPIIT), Member-Convenor of Standing Committee of Public Procurement(Preference to Make in India), Order, 2017
- 6. Comptroller and Auditor General of India
- 7. AS & FA, Department for Promotion of Industry & Internal Trade
- 8. Internal Distribution

(Anil A

Joint Secretary to Government of India

Tele: 23063838

No. P-45021/2/2017-B.E.-II Government of India Ministry of Commerce and Industry Department of Industrial Policy and Promotion

Dated 15th June, 2017 Udyog Bhawan, New Delhi

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

Subject: Public Procurement (Preference to Make in India), Order 2017

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.

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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.

- 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 goods in respect of which the Nodal Ministry has communicated that there is sufficient local capacity and local competition, and where the estimated value of procurement is Rs. 50 lakhs or less, only local suppliers shall be eligible. If the estimated value of procurement of such goods is more than Rs. 50 lakhs, the provisions of sub-paragraph b or c, as the case may be, shall apply.
 - b. In the procurements of goods 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 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:
 - 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.
 - 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.
- 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.
- 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:
 - 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.
- 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 that 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."

- 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
- 14. Powers to grant exemption and to reduce minimum local content: Ministries /Departments of Government of India and the Boards of Directors of Government companies or autonomous bodies may, by written order,
 - a. reduce the minimum local content below the prescribed level;
 - b. reduce the margin of purchase preference below 20%;
 - c. exempt any particular item or procuring 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 marked to the Member-Convenor of the Standing Committee constituted under this Order.

- 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 of Industrial Policy and Promotion—Chairman

Secretary, Commerce-Member

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Secretary, Ministry of Electronics and Information Technology-Member

Joint Secretary (Public Procurement), Department of Expenditure—Member

Joint Secretary (DIPP)—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.

(B. S. Nayak)

Under Secretary to Government of India

Ph. 2306 257

No. P-45021/2/2017-PP (BE-II) Government of India Ministry of Commerce and Industry Department of Industrial Policy and Promotion

(Public Procurement Section) ***

> Dated 28th May, 2018 Udyog Bhawan, New Delhi

To All Central Ministries/Departments/CPSUs/All concerned

ORDER

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

Department of Industrial Policy and Promotion, in partial modification of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017, 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.

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'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. 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 goods, services or works in respect of which the Nodal Ministry has communicated that there is sufficient local capacity and local competition, and where the estimated value of procurement is Rs. 50 lakhs or less, only local suppliers shall be eligible. If the estimated value of procurement of such goods or services or works is more than Rs. 50 lakhs, 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":=
 - 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.

- 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.
- 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 that 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."
- 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: Ministries /Departments of Government of India and the Boards of Directors of Government companies or autonomous bodies may, by written order,
 - a. reduce the minimum local content below the prescribed level;
 - b. reduce the margin of purchase preference below 20%;
 - c. exempt any particular item or procuring 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 marked to the Member-Convenor of the Standing Committee constituted under this Order.

- 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 of Industrial Policy and Promotion—Chairman

Secretary, Commerce—Member

Secretary, Ministry of Electronics and Information Technology—Member

Joint Secretary (Public Procurement), Department of Expenditure—Member

Joint Secretary (DIPP)—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.
 - 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
 - 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.

(B. S. Navak) Under Secretary to Government of India

Ph. 23061257