18(2)/19/PPO-Notification/DP(Plg-MS)

**MINISTRY OF DEFENCE**
**DEPARTMENT OF DEFENCE PRODUCTION**
**DIRECTORATE OF PLANNING & COORDINATION**
**MS DIVISION**

'B' BLOCK, ROOM NO. 175
NEW DELHI- 110 011
Dated: 21st May, 2020

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## NOTIFICATION

**Subject: Public Procurement (Preference to Make in India) Order 2017-Notifying Defence Products under clause 3(a)**

**References:**

1. **Department for Promotion of Industry and Internal Trade (DPIIT) Notification No.P-45021/2/2017-PP(BE-II) dated 29.05.2019**

2. **Department of Defence Production Notifications No. 59011/8/2015-D(HAL-II) dated 27.08.2018, 26.07.2018, 29.06.2018 and 18(2)/19/PPO/Notification/DP(Plg-MS) dated 20.02.2020.**

The Government has issued Public Procurement (Preference to Make in India) Order 2017 vide Department of Industrial Policy and Promotion (DIPP) Notification No.P-45021/2/2017-B.E.-II dated 15.06.2017(as amended on 29/05/2019) 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. With regard to clause 3(a) of the Public Procurement (Preference to Make in India) Order,2017, it is hereby notified that sufficient local capacity and local competition is available for the items/category of items given below and henceforth, procuring entities shall procure these items only from local suppliers, irrespective of purchase value, provided that the local suppliers meet the Minimum Local Content(MLC) as prescribed for each item:

| Sl. No. | Items | Minimum Local Content |
|---|---|---|
| **Items used in Shipbuilding Industry** | | |
| 1. | Helo Landing Grid | 60% |
| 2. | Doors (Water tight & Weather tight) | 60% |
| 3. | Gemini Inflatable Boat | 60% |
| 4. | Oil Pumps | 50% |
| 5. | Battery Loading Trolley | 50% |

| | | |
|---|---|---|
| **6.** | Sacrificial Zinc Anode Flanges | 50% |
| **7.** | Fibre Glass Cloth –E Grade | 50% |
| **8.** | High temperature Gasket | 50% |
| **Other items used in defence manufacturing Industry** | | |
| **9.** | 6mm to 100mm thickness Weldox Plate | 50% |
| **10.** | 6mm to 100mm thickness Hardox Plate | 50% |
| **11.** | Electric Motor (474175410130) | 40% |
| **12.** | Cable Assemblies (486872360154,486872400506, 487072020686,487072021268,487072130102) | 40% |
| **13.** | MASS -R118)( 455611150102) | 40% |
| **14.** | MODULATOR (212362440179) | 40% |
| **15.** | Dual Switched Amplifier (455610540360) | 40% |
| **16.** | Belleville Springs No. 2A46M 109-55 | 50% |
| **17.** | Sealing Ring 008-012-25 GCF TM-589C | 50% |
| **18.** | Sealing Ring 012-016-25 GCF TM-589C | 50% |
| **19.** | Sealing Ring 030-038-46 GCF TM-589C | 50% |
| **20.** | Sealing Ring 038-046-46 GCF TM-589C | 50% |
| **21.** | Sealing Ring 046-048-46 GCF TM-589C | 50% |
| **22.** | Sealing Ring 048-056-46 GCF TM-589C | 50% |
| **23.** | Sealing Ring 060-070-58 GCF TM-589C | 50% |
| **24.** | Sealing Ring 065-075-58 GCF TM-589C | 50% |
| **25.** | Sealing Ring 085-095-58 GCF TM- | 50% |
| **26.** | Sealing Ring 100-110-58 GCF TM-589C | 50% |

3. The Notification shall come into effect immediately and would be reviewed as and when required. This Notification shall remain valid till the revised Notification is issued.

4. No Defence Product Notification under the Public Procurement (Preference to Make in India) Order 2017 shall have retrospective effect.

5. **Procedure for calculating local content/ domestic value addition**

The percentage of the local content shall be calculated as per the definition of Indigenous Content (IC) given in extant Defence Procurement Procedure (DPP) notified by Ministry of Defence.

6. **Verification of local content/ Domestic Value Addition**

a. Department of Defence Production (DDP) may constitute a Technical Committee with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis in the case of complaints.

b. Department of Defence Production (DDP) and procuring entities may prescribe fee for the administrative cost of handling such complaints.

c. 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.

d. Department of Defence Production (DDP) may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising from implementation of this Order.

e. The other terms and conditions will be as per the Public Procurement (Preference to Make in India) Order 2017.

7. DDP shall be the Nodal Department to monitor the implementation of the Public Procurement (Preference to Make in India) Order 2017 in respect of Defence Sector.

8. This notification shall supersede previous notifications issued under Public Procurement (Preference to Make in India) Order 2017 in respect of the items mentioned at para-2 above.

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**Copy to:**

**1. All Ministries/Departments of Government of India**

**2. Cabinet Secretariat**

**3. PMO**

**4. Comptroller and Auditor General of India**

**5. Department of Expenditure**

**6. Joint Secretary (DPIIT), Member-Convener of Standing Committee of Public Procurement Order 2017**

**7. CGDA, Ministry of Defence**

**8. NITI Aayog**

9. **Secretary, DRDO**

10. **DGOF and Chairman, OFB**

11. **The CMDs of the All DPSUs**

12. **JS(Aero), JS(LS), JS(P&C), JS(NS), OSD(SK)**

13. **Guard File**

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