

No.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: 31st July, 2020

NOTIFICATION

Subject: Public Procurement (Preference to Make in India) Order 2017-Notifying Defence Products – Amendment of

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 Notification No. 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. In furtherance of the Public Procurement (Preference to Make in India) Order 2017, the Department vide Notification No. 18(2)/19/PPO-Notification/DP(Plg-MS) dated 20.02.2020 had notified a list of 15 items/category of items for which preference shall be provided by all procuring entities to Local suppliers as per the aforesaid Order.

3. In partial modification to the aforementioned Notification, the nomenclature of the one item mentioned at Sl No.4 stands amended. The complete list of 15 items/ category of items alongwith Minimum Local Content (MLC) for qualifying as Local Supplier with amended nomenclature in respect of item at Sl No.4 is given below:

Sl. No.	Items	Minimum Local Content
Items used in Shipping Industry		
1.	Steering Gear System	60%
2.	Fin Stabilizer	60%
3.	Doors (Water tight & Weather tight)	60%
4.	Inflatable Boat	60%
5.	Pressure Reducing Stations	50%
6.	Ventilations Valves(Water tight Butterfly valves)	50%
7.	Ventilations Valves (AOQCV)	50%
8.	Honey Comb Filter	50%
9.	Hepa filter	50%
10.	Replenishment at Sea(EAS) for Hose	50%
11.	High temperature Gasket	50%

12.	Sacrificial Anode flanges	50%
13.	Battery Loading Trolley	50%
14.	Fibre Glass Cloth-E Grade	50%
General Machinery used for testing		
15.	Electrodynamic Vibration Shaker System	50%

4. The Notification shall come into effect immediately and would be reviewed as and when required.
5. This Notification shall remain valid till the revised Notification is issued.
6. No Defence Product Notification under the Public Procurement (Preference to Make in India) Order 2017 shall have retrospective effect.
7. **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.
8. **Verification of local content/ Domestic Value Addition**
- 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.
 - Department of Defence Production (DDP) and procuring entities may prescribe fee for the administrative cost of handling such complaints.
 - 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.
 - Department of Defence Production (DDP) may issue such clarifications and instructions as may be necessary of the removal of any difficulties arising from implementation of this Order.
 - The other terms and conditions will be as per the Public Procurement (Preference to Make in India) Order 2017.
9. DDP shall be the Nodal Ministry to monitor the implementation of the Defence Products Notification.
10. In case of a question whether an item being procured is a defence product to be covered under the Public Procurement (Preference to Make in India) Order 2017, the matter would be referred to the Department of Defence Production (DDP) for clarification.


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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)
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