

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

'B' BLOCK, ROOM NO. 175
NEW DELHI- 110 011
Dated: 25th Aug, 2020

NOTIFICATION

Subject: Public Procurement (Preference to Make in India) Order 2017-Re-notification of 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. DPIIT Notification No.P-45021/2/2017-PP(BE-II) dated 04.06.2020
3. Department of Defence Production (DDP) Notifications No. 59011/8/2015-D(HAL-II) dated 16.11.2018, 27.08.2018, 26.07.2018, 29.06.2018, 01.05.2019 and 18(2)/19/PPO/Notification/DP(Plg-MS) dated 20.02.2020.
4. DDP Notifications No. 18(2)/19/PPO-Notification/DP(Plg-MS) dated 21.05.2020
5. DDP Notifications No. 18(2)/19/PPO-Notification/DP(Plg-MS) dated 31.7.2020

The Government of India, Department for Promotion of Industry and Internal Trade (DPIIT) issued Public Procurement (Preference to Make in India), Order 2017 for encouraging 'Make in India' and promoting manufacturing and production of goods and services in India with a view to enhancing income and employment. Further, DPIIT vide order No.P-45021/2/2017-PP (BE-II) dated 4th June, 2020, have issued the revised Public Procurement (Preference to Make in India) Order 2017.

2. In the light of the Public Procurement (Preference to Make in India) Order 2017, this Department had notified purchase preference (linked with local content) for defence items vide notifications at reference 3 above and notified items under para 3(a) of the Order dated 29.5.2020 vide reference 4 also & subsequent amendment vide reference 5 above.

3. In furtherance of DPIIT Notification No.P-45021/2/2017-PP(BE-II) dated 04.06.2020 and in supersession of all the aforementioned orders/notifications issued by this Department on the subject, the following has been decided:

3.1 For the purpose of this order, the definitions of various terms used in the order, and provisions relating to (i) Eligibility of 'Class-I local supplier'/'Class-II local supplier'/'Non-local suppliers' for different types of procurement, (ii) purchase preference, (iii) exemption to small

purchases, and (iv) margin of purchase preference, shall be the same as in DPIIT order dated 04.06.2020 referred to above.

3.2 In procurement of all goods and services or works in respect of which there is sufficient local capacity and local competition as in the **Annexure**, only “Class-I local supplier”, shall be eligible to bid irrespective of purchase value.

3.3 In procurement of all goods, services or works not covered by sub-para 3(ii) above, and with estimated value of purchases less than Rs.200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global Tender Enquiry (GTE) shall not be issued except with the approval of the competent authority as designated by Department of Expenditure. Only ‘Class-I local supplier’ and ‘Class-II local supplier’ 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’.

3.4 For the purpose of this order, 'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works'.

4. The list of items, in respect of which, local capacity with sufficient competition exists as per the **Annexure**, will be reviewed at regular intervals with a view to increase number of items in this list.

5. Purchase preference shall be given to local suppliers in accordance with para 3(a) of DPIIT Order dated 04.06.2020,

6. The Notification shall come into effect immediately and shall remain valid till the revised Notification is issued.

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

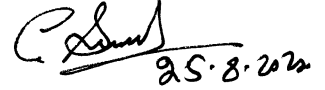
8. Procedure for calculating local content/ domestic value addition

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.

9. 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.

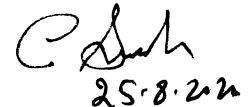
- d. Department of Defence Production (DDP) may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising from implementation of this Order.
- e. The other terms and conditions will be as per the Public Procurement (Preference to Make in India) Order 2017.
10. DDP shall be the Nodal Department to monitor the implementation of the Public Procurement (Preference to Make in India) Order 2017 as per the 'list of approved product categories & associated Ministry/Department' issued by DPIIT.



(Chandandeep Singh)
Planning Officer (MS)
Tele: 2301 6619

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



(Chandandeep Singh)
Planning Officer (MS)
Tele: 2301 6619

Annexure

Sl. No.	Items
	Items used in Shipbuilding Industry
1.	Helo Landing Grid
2.	Doors (Water tight & Weather tight)
3.	Inflatable Boat
4.	Oil Pumps
5.	Battery Loading Trolley
6.	Sacrificial Zinc Anode Flanges
7.	Fibre Glass Cloth –E Grade
8.	High temperature Gasket
	Other items used in defence manufacturing Industry
9.	Extra high strength structural steel plates UTS 790MPa (6 mm to 100 mm thickness)
10.	Abrasion resistant Extra high strength , hardened and tempered steel plates (6 mm to 100 mm thickness)
11.	Electric Motor (474175410130)
12.	Cable Assemblies (486872360154,486872400506, 487072020686,487072021268,487072130102)
13.	Modulator (212362440179)
14.	Belleville Springs No. 2A46M 109-55
15.	Sealing Ring 008-012-25 GCF TM-589C
16.	Sealing Ring 012-016-25 GCF TM-589C
17.	Sealing Ring 030-038-46 GCF TM-589C
18.	Sealing Ring 038-046-46 GCF TM-589C
19.	Sealing Ring 046-048-46 GCF TM-589C
20.	Sealing Ring 048-056-46 GCF TM-589C
21.	Sealing Ring 060-070-58 GCF TM-589C
22.	Sealing Ring 065-075-58 GCF TM-589C
23.	Sealing Ring 085-095-58 GCF TM- 589C
24.	Sealing Ring 100-110-58 GCF TM-589C
