

File No. SY-24015/2/2018-SBR (332405)  
Government of India  
Ministry of Shipping  
(SBR Section)

Transport Bhawan, Parliament Street  
New Delhi – 110001

Dated the August 31, 2018

**NOTIFICATION (1)**

**Subject: Public Procurement (Preference to Make in India) Order 2017-  
Notification of prescribed local content regarding Shipbuilding.**

**Reference: Department of Industrial Policy & Promotion (DIPP) Notification  
No. P-45021/2/2017-B.E.-II dated 15.06.2017**

The Government has issued Public Procurement (Preference to Make in India) Order 2017 vide Department of Industrial Policy & Promotion (DIPP) Notification No. P-45021/2/2017-B.E.-II dated 15.06.2017 and 28.05.2018 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 above-mentioned objectives and in compliance of the above-mentioned order, it is hereby notified that in all cases of procurement by Government, every procuring entity shall ensure minimum local content for the shipbuilding/ship repair items as indicated below:

1 Sl. No.	2 Shipbuilding Item	3 Minimum Percentage of local content
1	Ship Building Grade-Steel	50
2	Welding electrode	70
3	Sacrificial anodes	60
4	Gratings, Chequered Plates	100
5	Filters & Strainers	50
6	Paint & thinner	50
7	Hand tools	100
8	Fasteners	70
9	Hand rails/Storm rails	90
10	Manhole Cover, Hatch cover	80
11	Pipes (Gl, CS, ERW, SS)	60
12	Cable Installation Materials (Cable rack/saddle/hanger/tray, etc)	100
13	Pipe Strap	60

(Contd-P/2)

1	2	3
Sl. No.	Shipbuilding Item	Minimum Percentage of local content
14	Distribution Boards	60
15	Gaskets	50
16	Steel Door	60
17	Pump	10
18	Valves	20
19	Bollard	50
20	Chocks and Fair leads	10
21	Fire Extinguisher	50
22	Fire Hoses	20
23	Fire Hose Boxes	50
24	Galley and Laundry Equipment	20
25	Anchor	10
26	Anchor Chain	20
27	Air Conditioner	20
28	Cabin/Ventilation Fan	70
29	Switch Board	20
30	Cable ties/cable hangers	100
31	Galvanized sheets	100
32	Rubber and Steel Fenders	100
33	Mooring Rope	50
34	Diesel Generating Sets	10
35	Hydrophore Systems	50
36	Calorifier	50
37	Lighting Fixtures and Lights	50
38	UPS and Computers	100
39	Console(wheelhouse and ECR)	20
40	Steel shelves	100
41	Entertainment equipment	100
42	Wooden and steel furniture	50
43	Steel angles & channels	80
44	Steel racks	80
45	Vertical/inclined ladders, steps, hand grips	80
46	Blasting & painting materials	90
47	Ventilation trunking/ducting (GI/MS/SS)	90
48	Deck covering	70

Note: 'Local content' means the amount of value added in India; which shall be the total value of the items 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.

(Contd-P/3)

3. The notification shall come into effect immediately and it would be applicable to all shipbuilding / ship-repair orders placed by Government entities (Ministry / Departments / attached office / subordinate office / autonomous bodies controlled by government / PSU)
4. The Directorate General of Shipping [DG(S)] shall be the Nodal organization to monitor the implementation of this notification.
5. Verification of local content/domestic value addition:
  - a) DG(S) 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 procurement related complaints.
  - b) DG(S) may prescribe fee for the administrative cost of handling such complaints.
  - c) In case of a product manufactured in India under a licence from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement or a transfer of technology agreement for indigenous development of a product developed abroad, the supplier concerned would be exempted from meeting the stipulated local content.
6. Ministry of Shipping may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising from implementation of this notification.
7. The other terms and conditions will be as per the DIPP Order no-P-45021/2/2017-B, E-II dated 15 June, 2017 and 28th May, 2018.
8. In case of a question whether an item being procured is a shipbuilding/ship repair product to be covered under the Public Procurement (Preference to Make in India) Order 2017, the matter would be referred to Ministry of Shipping.
9. This issues with the approval of Competent Authority.

  
31/8/2018  
(Dashrath Prasad)  
Director  
Tel No. 23321672  
[prasad.dashrath@gov.in](mailto:prasad.dashrath@gov.in)

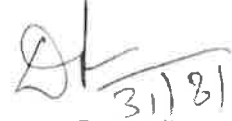
**Copy to:**

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 (DIPP), Member-Convener of Standing Committee of Public Procurement Order 2017
7. NITI Aayog
8. Director General of Shipping, Mumbai – with a request to constitute a Technical Committee as mentioned in Para 5 of the Order.

9. Chairman, IWAI
10. Chairman, DGLL, Noida
11. Chairman of All Major Port Trusts
12. CMDs of SCI, CSL DCI, HDPE Ltd., Kamrajar Port Ltd., Vallur Port Chennai-6000120
13. Secretary/President, Shipyards Association of India

Copy also to:

- 1) PS to Secretary
- 2) PS to AS (S)
- 3) PS to JS (S)
- 4) Guard File

  
31/8/2018

(Dashrath Prasad)  
Director

Tel No. 23321672

[prasad.dashrath@gov.in](mailto:prasad.dashrath@gov.in)