



PMC Cell – MM

Oil and Natural Gas Corporation Ltd

Corporate Materials Management

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Circular No. 15/2019

No: MAT/PMC/13(21)PP-LC/2019

Dated: 12.07.2019

Sub: Purchase Preference Policy (Linked with Local Content) (PP-LC)

Reference is invited to Circular No. 19/2017 dated 16.05.2017 (read with subsequent clarifications/amendments thereof) vide which Purchase Preference Policy (linked with local content) (PP - LC) was introduced in ONGC.

In continuation to said policy, MoPNG vide Order No. FP-20013/12/2018-FP-PNG dated 25.06.2019, has prescribed the minimum local content for 2019-20 for the products mentioned therein. A copy of said MoPNG Order is enclosed at **Annexure-1** for reference and compliance, wherever applicable.

Above guidelines should be meticulously followed by all concerned.

Ashwini Nagia
12/7/19

(Ashwini Nagia)
ED-Chief MM Services

Distribution: (Through ONGC's intranet website 'reports.ongc.co.in').

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2. CEA to Director (T&FS) / Director (Offshore) / Director (HR) / Director (Exploration)/ Director (Onshore) / Director (Finance), ONGC, New Delhi.
3. CVO, ONGC, New Delhi.

Annexure-1
All EC members (DCE)
C.C DKA -

FP-20013/12/2018-FP-PNG
Government of India
Ministry of Petroleum and Natural Gas

A. Prasad
4/7/19

Shastri Bhawan, New Delhi
Date 25th June, 2019

ORDER

Sub: Public Procurement (Preference to Make in India) Order, 2017- Notifying Petroleum and Natural Gas Products.

The Government has issued Public Procurement (Preference to Make in India) Order, 2017 vide Department for Promotion of Industries and Internal Trade (earlier Department of Industrial Policy & Promotion) Notification No. P-45021/2/2017-PP (BE-II) dated 28th May, 2018 to encourage "Make in India" and to promote manufacturing and production of goods and services in India.

2. In pursuant of this Order, Ministry of Petroleum and Natural Gas is the 'Nodal Ministry' to prescribe minimum local content in Petroleum and Natural Gas Sector.
3. In continuation of this Ministry's earlier Order No.FP-20013/22/2017-FP-PNG dated 06.08.2018, MoPNG hereby prescribes the minimum local content for the below mentioned products for 2019-20 as:

S. No.	Products	Minimum Local Content (%)
1	High Speed Diesel	10 (Ten)
2	Petrol	10 (Ten)
3	Lubes & Grease	40 (Forty)
4	Aviation (ATF, JP-5)	22 (Twenty Two)
5	SKO	12 (Twelve)
6	LPG (Auto LPG included)	20 (Twenty)
7	FO/LSHS/HPS	12 (Twelve)
8	Bitumen	15 (Fifteen)
9	Naphtha	10 (Ten)
10	LDO	12 (Twelve)
11	Specialty products: Hexane, MTO, JBO & solvents, Spirit, propylene, RPO, Benzene, Toluene, MTBE & Wax.	13 (Thirteen)
12	Other Petroleum Products (Petcoke, Sulphur)	10 (Ten)

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CMD's Office N. Delhi
Dy No M-1948
Date 04/07/2019



4. The method of calculation of local content for the above products will be as per Annexure.
5. This Order comes into effect immediately and would be reviewed as and when required.

ED - Chief MM, DL

Rajy
5/7/19

Sunil Kumar

(Sunil Kumar)
Joint Secretary to the Govt. of India
Tel.:23386935

To,
All Central Ministries/ Departments/ All concerned.

✓ CMD, ONAL, New Delhi

Sri Sanjay DG (M&P) Policy
Head Policy
09/07/19
9/7/19

ANNEXURE

For Products other than HSD and Petrol

	Cost Component (Rs/MT)	Local Content (A)	Foreign Content (B)	Total Cost (C=A+B)
1	Crude FOB	A1		
2	Ocean Freight			
3	Insurance			
	CIF (total C1 to C3)			
4	Customs + NCC			
5	LC charges			
6	Wharfage Disport			
7	Port Handling charges			
8	Other Charges (Surveyer Charges)			
9	Demurrage			
	Landed Cost (total C1 to C9)			
10	Inland Crude Freight upto Refinery			
11	Natural Gas and other Inputs			
12	Refinery Processing Cost			
	Total Refining Cost (total C1 to C12)			
13	Purchases Landed cost			
14	Primary freight to Depot/Terminal			
15	Marketing Cost			
16	Secondary Freight to Customers			
	Total Marketing Cost (total C13 to C16)			
17	Total Cost	A17		C17

Local content (%) = (A17-A1)/C17*100

For HSD and Petrol

	Cost Component (Rs/MT)	Local Content (A)	Foreign Content (B)	Total Cost (C=A+B)
1	Crude FOB	A1		
2	Ocean Freight			
3	Insurance			
	CIF (total C1 to C3)			
4	Customs + NCC			
5	LC charges			
6	wharfage Disport			
7	Port Handling charges			
8	Other Charges (Surveyer Charges)			
9	Demurrage			
	Landed Cost (total C1 to C9)			
10	Inland Crude Freight upto Refinery			
11	Natural Gas and other Inputs			
12	Refinery Processing Cost			
	Total Refining Cost (total C1 to C12)			
13	Primary freight to Depot/Terminal			
14	Marketing Cost			
15	Secondary Freight to Customers			
	Total Marketing Cost (total C13 to C15)			
16	Total HSD Cost	A16		C16

$$\text{Local content (\%)} = (A16-A1)/C16*100$$