



PMC Cell – MM

Oil and Natural Gas Corporation Ltd

Corporate Materials Management
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Circular No. 48/2023

No: DLI/CORP-MM/2022/PMC/13(217)/ 1131723

Dated: 13.07.2023

Sub: Public Procurement (Preference to Make in India) Order, 2017, notifying revised Minimum Local Content (MLC) for getting purchase preference and Margin of Purchase Preference (PP) for high value oil and gas LSTK/ EPC contracts/projects

Reference is invited to Circular No. 38/2022 dated 08.09.2022 (read with subsequent circulars on PPP-MII) wherein interalia relevant tender/contract conditions in respect to Public Procurement (Preference to Make in India) (PPP-MII) Order, 2017 (as amended time to time) have been stipulated.

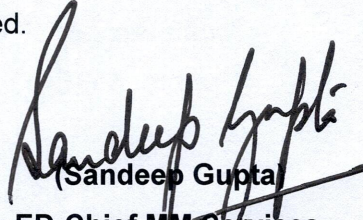
Ministry of Petroleum and Natural Gas (Flagship Programme Cell) vide letter/O.M. No. FP-20013/2/2017-FP-PNG-Part(I) (E-36682) dated 11.07.2023, has revised Minimum Local Content (MLC) for getting purchase preference and Margin of Purchase Preference (PP) for high value oil and gas LSTK/ EPC contracts/projects in order to increase competition and to incentivize progressive increase in Minimum Local Content. The said MoPNG letter dated 11.07.2023 is enclosed herewith for compliance.

As per said letter of MoPNG, the Minimum Local Content (MLC) for getting purchase preference and Margin of Purchase Preference (PP) for high value oil and gas LSTK/ EPC contracts/projects shall be as under:

Estimated cost		2023-24	2024-26	2026 onwards
Between USD 25 Million to USD 50 Million	MLC	50%	50%	50%
	PP	10%		
Between USD 50 Million to USD 100 Million	MLC	30%	50%	50%
	PP	10%		
Between USD 100 Million to USD 150 Million	MLC	30%	35%	50%
	PP	10%		
More than USD 150 Million	MLC	30%	30%	35%
	PP	10%		

Work Centres should also take provisions at para 1.8.8 of IMMM in cognizance, which stipulate that all concerned must follow/comply with all policy decisions uploaded by PMC on MM website up to two working days prior to bid closing date. If required, bid closing date can be extended suitably.

Above guidelines should be meticulously followed by all concerned.


Sandeep Gupta
ED-Chief MM Services
13/7/23

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

All concerned may download the circular from the site. Hard copies are not distributed separately.

File No.:FP-20013/2/2017-FP-PNG-Part(1) (E-36682)

Government of India

Ministry of Petroleum and Natural Gas
(Flagship Programme Cell)

Shastri Bhawan, New Delhi

Date 11th July, 2023

To,

1. Chairman, IOCL
2. CMD, ONGC/ OIL/ BPCL/GAIL/ HPCL/ EIL/ Balmer Lawrie
3. Managing Director, MRPL/ NRL/ CPCL/ BCPL/ OVL
4. DG, DGH
5. DG, PPAC
6. Secretary, OIDB
7. ED, OISD
8. ED, CHT
9. Director, RGIPT/ IPE
10. Secretary, PNGRB
11. CEO & MD, ISPRL

Subject: Public Procurement (Preference to Make in India) Order, 2017: notifying revised Minimum Local Content (MLC) for getting purchase preference and Margin of Purchase Preference (PP) for high value oil and gas LSTK/ EPC contacts/projects- reg.

Reference: MoPNG letter no. FP-20013/2/2017-FP-PNG-Part (4) (E-41432) dated 26.04.2022.

Sir/ Madam,

I am directed to refer to this Ministry's above mentioned letter and to say that in order to increase competition and to incentivize progressive increase in Minimum Local Content in high value oil and gas LSTK/EPC contracts/projects, it has been decided under para 14 of the Public Procurement (Preference to Make in India) Order, 2017, to revise Minimum Local Content (MLC) for getting purchase preference and Margin of Purchase Preference (PP) for such contacts/projects on progressive basis with predictable trajectory.

2. The Minimum Local Content (MLC) for getting purchase preference and Margin of Purchase Preference (PP) for high value oil and gas LSTK/ EPC contracts/projects shall be as under:

Estimated cost		2023-24	2024-26	2026 onwards
Between USD 25 Million to USD 50 Millions	MLC	50%	50%	50%
	PP	10%		
Between USD 50 Millions to USD 100 Millions	MLC	30%	50%	50%
	PP	10%		

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11/07/23

Estimated cost		2023-24	2024-26	2026 onwards
Between USD 100 Millions to USD 150 Millions	MLC	30%	35%	50%
	PP	10%		
More than USD 150 Millions	MLC	30%	30%	35%
	PP	10%		

3. This issues with the approval of Hon'ble Minister, P&NG.

Yours faithfully



(Kapil Kumar)

Under Secretary to the Govt. of India

Tel.:011-23383074

Copy to,

- a. PS to Hon'ble Minister, P&NG
- b. PS to Hon'ble MoS, P&NG
- c. PPS/PS to Secretary, P&NG
- d. PPS/PS to AS&FA/ AS, MoPNG
- e. PPS/PS to JS(E&BR)/ JS (M&OR)/ JS (IC)/ JS (G)/ JS (IFD)/ DDG, MoPNG
- f. Technical Director, NIC: with request to upload the letter on MoPNG website

Copy for information to,

Secretary, DPIIT