



Cabinet

# Cabinet approves Policy for providing preference to domestically manufactured iron & steel products in government procurement

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the policy for providing preference to domestically manufactured iron & steel products on Government procurement

This policy seeks to accomplish the PM's vision of 'Make in India' with objective of nation building and encourage domestic manufacturing.

The policy mandates to provide preference to Domestically Manufactured Iron & Steel Products (DMI&SP), in Government Procurement. The policy is applicable on all government tenders where price bid is yet to be opened,

DMI&SP policy provides a minimum value addition of 15% in notified steel products which are covered under preferential procurement. In order to provide flexibility, Ministry of Steel may review specified steel products and the minimum value addition criterion.

While implementing who shall provide the policy, it poses trust on each domestic manufacturer who shall provide self-certification to the procuring Government agency declaring that the iron & steel products are domestically manufactured in terms of the domestic value addition prescribed. It shall not normally be the responsibility of procuring agency to verify the correctness of the claim. In few cases, the onus of demonstrating the correctness-of the same shall be on the bidder when asked to do so.

In case any manufacturer is aggrieved, a grievance redressal committee set up under the Ministry of Steel shall dispose of the complaint in a time bound manner, in four weeks

There are provisions in the policy for waivers to all such procurements, where specific grades of steel are not manufactured in the country, or the quantities as per the demand of the project cannot be met through domestic sources.

The policy is envisaged to promote growth and development of domestic steel Industry and reduce the inclination to use, low quality low cost imported steel in Government funded projects. It shall be the responsibility of every Government Agency to ensure implementation of the policy.

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