

Government of India
Ministry of Shipping
(Ports Wing)

Transport Bhawan,
1, Parliament Street,
New Delhi-110 001

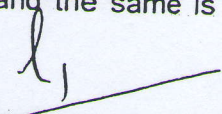
No. PD-24018/4/2010-PD.I

Dated the 19th December, 2012

Office Memorandum

Subject: Streamlining of procedures in the award of Public Private Partnership (PPP) projects in the Port sector- Procedure to be followed for security clearance in respect of bidders procedures.

The undersigned is directed to say that Cabinet in its meeting held on 6/12/2012 (copy enclosed) has approved the guidelines prepared for the procedure to be followed for security clearance for bidders in respect of port projects including dredging projects and the same is forwarded herewith for strict compliance with immediate effect.


(N. Muruganandam)
Joint Secretary to the Government of India
Tel. No. 23711873

GUIDELINES FOR PROCESSING THE SECURITY CLEARANCE OF BIDDERS IN RESPECT OF PORT PROJECTS INCLUDING DREDGING PROJECTS.

DREDGING PROJECTS:

1. In respect of Dredging projects, the Ministry of Shipping would share the list of dredging companies/bidders with the Ministry of Home Affairs, Ministry of Defence, Intelligence Bureau, Cabinet Secretariat and Ministry of External Affairs on a case to case basis for seeking security inputs. On receipt of the details, security agencies would provide their inputs on such a list to Ministry of Shipping within 12(twelve) weeks. Security clearance accorded to the dredging companies would be valid for three years for a particular port. However, during this period, the concerned dredging companies would communicate to the Ministry of Shipping information regarding

(a) Any change in management control of the company and

(b) Change of more than 10% in shareholding in the company by any shareholder.

The dredging companies will be bound to communicate information on changes in management control or shareholding to the Ministry of Shipping within two weeks and any lapse can result in withdrawing the security clearance already granted.

This information will be communicated to the security agencies by the Ministry of Shipping within one month of the change taking place. In case, as a result of any change as mentioned above, if any security concern is raised in the course of enquiry, the Ministry of Shipping would immediately take necessary action on the findings.

2. Approval for any change in equipment or vessel involving foreign origin and clearance for engagement of foreign personnel will be obtained from all security agencies. In this regard, Ministry of Shipping would share all such information with the Ministry of Home Affairs, Ministry of Defence, Ministry of External Affairs and Research and Analysis Wing. If a dredging company, which has already been cleared, wishes to

bid for another Port, it would require clearance only from the Ministry of Defence/Indian Navy. However, the information regarding award of the dredging project including particulars of the vessels and the foreign personnel should be shared with MHA, MEA and R&AW. These provisions are also to be appropriately incorporated in the contract to be signed by Major Ports with the selected dredging companies so that action could be initiated on grounds of security considerations, if required.

PORT PROJECTS:

3. In respect of Port projects, the Ministry of Shipping would share the list of companies/bidders with the Ministry of Home Affairs, Ministry of Defence, Intelligence Bureau, Cabinet Secretariat and Ministry of External Affairs on a case to case basis for seeking security inputs. The security agencies will provide the inputs within 12 weeks and price bids would not be opened till security clearance is accorded by Ministry of Shipping.

4. The Ministry of Shipping would also separately prepare and circulate a list of all Indian and Foreign companies who normally bid for Port projects to the concerned security agencies. On receipt of the details, security agencies would provide their inputs on such a list to Ministry of Shipping within 12(twelve) weeks.

5. Once security clearance is accorded by Ministry of Shipping to any company, based on inputs from the relevant Ministries/ Departments/ Organizations for any Port project, such clearance in respect of the company would be valid for three years with the following conditionality:-

(i) During this period, the concerned companies would communicate the information to the Ministry of Shipping regarding:-

(a) Any change in management control of the company, and

(b) Change of more than 10% in shareholding in the company by any shareholder.

The concerned companies would be liable to inform the above change to the Ministry of Shipping/ concerned Port within 2 weeks failing which the security clearance already accorded can be withdrawn. This information will be communicated to the security agencies by the Ministry of Shipping within one month of the change taking place. In case, as a result of any change as mentioned above, if any security concern is raised in the course of enquiry, the Ministry of Shipping would immediately take necessary action on the findings.

(ii) Clearance for engagement of foreign personnel will be obtained from Ministry of Home Affairs and this information would be shared with Ministry of Defence, Ministry of External Affairs and Research & Analysis Wing.

6. In case of any delay in receiving security inputs from the agencies concerned, an Inter-Ministerial Committee, chaired by Secretary, Ministry of Home Affairs would ascertain the cause of delay and take necessary action. The status would be reviewed by the Empowered Committee chaired by the Cabinet Secretary at regular intervals.

7. As more than one third of India's shipping trade takes place through non major ports, security clearance is essential for non-major ports, including private ports, set up in Public Private Partnership (PPP) mode in the State sector due to the sensitiveness of the Port sector. Accordingly, all States/UTs will also have to seek necessary security inputs for new projects being developed by them as per the provisions of these guidelines. The State Maritime Boards/ State Governments may apply to Ministry of Home Affairs in Government of India which will coordinate with the other security agencies to get security inputs on the bidders of the projects at non-major Ports.
