

F.No.24018/12/2014-SCC
Government of India
Ministry of Shipping
Ports Wing

Transport Bhawan,
1, Parliament Street,
New Delhi – 110 001
Date: 31st January, 2018

OFFICE MEMORANDUM

Subject:- Streamlining of procedures in the award of Public Private Partnership(PPP) projects in the Major Ports - Modified procedure to be followed for security clearance in respect of bidders – Reg.

The undersigned is directed to say that Cabinet Committee on Security in its meeting held on 3.1.2018 has approved the modified guidelines prepared for the procedure to be followed for security clearance for bidders in respect of port projects under PPP mode including dredging projects in Major Ports and the same is forwarded herewith for strict compliance with immediate effect.

2. All State Governments/UTs/State Maritime Boards may follow the para 8 of the above guidelines strictly with immediate effect in respect of non-major ports/minor ports/private ports under their jurisdiction.



[A.K. SARAN]
Director

Tel. No. 011-23714714

Encl: as above

1. Cabinet Secretariat (SGP Verghese, Director), Rashtrapati Bhawan, New Delhi with reference to their OM No.620/1/1/2017-TS dated 08.01.2018.
2. Cabinet Secretariat, (Shri Anil Dhasmana, Secretary (RAW)), Paryavaran Bhawan, New Delh.
3. Ministry of Home Affairs (Shri Mukesh Mangal, Director(IS.I), North Block, New Delhi.
4. Ministry of Defence [Smt Devika Raghuvanshi, Joint Secretary(Navy)] South Block, New Delhi.

5. Ministry of External Affairs (Shri A.K. Singh, Under Secretary), Jawahar Lal Nehru Bhawan, Janpath, New Delhi.
6. National Security Council Secretariat, [Shri A P Golaya, Captain, Senior Defence Specialist), 3rd Floor, Sardar Patel Bhawan, Sansad Marg, New Delhi.
7. Intelligence Bureau, (Shri Anshul Sharma, Director), 35, Sardar Patel Marg, New Delhi.
8. Chairman, All Major Port Trusts for strict compliance.
9. CMD, Kamarajar Port Limited for strict compliance.
10. Managing Director, Indian Ports Association, New Delhi.
11. Chief Secretary of all maritime states and UTs [West Bengal, Odisha, Andhra Pradesh, Tamil Nadu, Kerala, Karnataka, Goa, Maharashtra, Gujarat, Puducherry, Andaman & Nicobar Islands, Lakshadweep, Daman & Diu, Dadra & Nagar Haveli].

Copy to:

- (i) OSD to Hon'ble Minister of Shipping.
- (ii) PS to Minister of State(Shipping) (PR),
- (iii) PS to Minister of State(Shipping) (MM),
- (iv) PS to Secretary(Shipping),
- (v) PS to AS&FA/PS to JS(P)/PPS to JS(S&A)/PS to JS(SM)/PS to Adviser(Economic)/PS to Adviser (Transport)
- (vi) Dir(DKR)/Dir(SS)/Dir(AC)/DS(AC)/CO(PB)
- (vii) US(SRD)/US(SC)/US(SK)/US(RK)/US(KBH)/US(NK)/US(RN)
- (viii) PD.I/PD.II/PD.III/PD.IV/PD.V/PD.VII/Security Clearance Cell/ Sagarmala Cell
- (ix) NIC for uploading the Security Clearance Guidelines in the Ministry of Shipping's website.

GUIDELINES FOR PROCESSING THE SECURITY CLEARANCE OF BIDDERS IN RESPECT OF PUBLIC PRIVATE PARTNERSHIP (PPP) PROJECTS AND DREDGING PROJECTS IN MAJOR PORTS AS APPROVED BY CCS ON 10.11.2017.

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 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 five years for a particular port. 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

In such cases, fresh security clearance shall be obtained. The dredging companies will be bound to communicate the information on changes in management control 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 for seeking fresh security clearance.

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

In such cases, the dredging companies will be bound to communicate information on changes in shareholding of the company 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 in shareholding of the company, 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 and Ministry of External Affairs. 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 MoD. 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 UNDER PUBLIC PRIVATE PARTNERSHIP (PPP) MODE:

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 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 five years with the following conditionalities:-

(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**

In such cases, fresh security clearance shall be obtained. 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 for seeking fresh security clearance.

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

In such cases, the concerned companies would be liable to inform the change in shareholding of the company 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.

6. To harmonise the validity period of security clearance for both PPP projects and dredging projects in Major Ports with the guidelines issued by MHA from time to time, Ministry of Shipping would follow the validity period of security clearance as prescribed

by MHA from time to time as security clearance matter is under exclusive domain of MHA. Any subsequent changes in the validity period of security clearance by MHA would be adopted by Ministry of Shipping with the approval of Minister in-charge of Ministry of Shipping.

7. 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.

8. 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 provision of these guidelines. As all non-Major Ports are under the purview of concerned State Government/UT in which the port is situated, the State Maritime Boards/ State Governments may apply to Ministry of Home Affairs, Ministry of Defence and Ministry of External Affairs in Government of India to get security inputs on the bidders of the projects at non-Major Ports and shall consider the inputs received from the security agencies in consonance with the security clearance guidelines issued by MHA from time to time. In case of change in management control of company for both dredging and port projects under PPP mode, fresh security clearance as per procedure laid down at Para 1 and Para 5 above will be required.
