October 29, 2026

DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE

GFR Rule 144(xi): registering bidders from land-border countries

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GFR RULE 144(XI) LETS the Department of Expenditure restrict public buying from bidders linked to certain countries, on defense and national security grounds. Its order of February 23, 2023 requires a bidder from a country that shares a land border with India to register with DPIIT's Registration Committee before it bids (para 2).

KEY FACTS

FDI POLICY

Consolidated FDI Policy Circular of 2020

LAND-BORDER RULE

Press Note No. 2 (2026 Series)

PROCUREMENT

Public Procurement (Preference to Make in India), Order 2017

UPDATED

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What does GFR Rule 144(xi) require?

GFR Rule 144(xi) lets the Department of Expenditure restrict public buying from bidders linked to certain countries, on defense and national security grounds. Its order of February 23, 2023 requires a bidder from a country that shares a land border with India to register with DPIIT's Registration Committee before it bids (para 2).

The Department of Expenditure, in the Ministry of Finance, owns the rule and rewrote it by an office memorandum of February 23, 2023, issued with the order. The registration sits with DPIIT, the Department for Promotion of Industry and Internal Trade in the Ministry of Commerce and Industry (order of February 23, 2023, Annexure I, A).

- **What it covers:** goods, services and works, turnkey projects included (para 2). The registration requirement has applied since July 23, 2020 (para 4).
- **Who it binds:** central ministries and their bodies, autonomous bodies, public sector banks, central public sector enterprises, public-private partnership projects receiving government or public sector funding, and the Union Territories (para 6).
- **Who decides:** a committee chaired by an officer of Joint Secretary rank or above whom DPIIT designates. It includes officers from the Home Affairs and External Affairs ministries, the departments whose sectors an application covers, and the National Security Council Secretariat (Annexure I, B).
- **What it replaced:** the three procurement orders of July 2020 and the 2021 clarifications (para 1).

Who counts as a bidder from a land-border country?

A bidder counts if it's registered in a land-border country, or its parent, controlling entities or beneficial owner are there. So does an agent of an entity there, a citizen of such a country, or a consortium with a member that counts (para 12). A company's or LLP's beneficial owners hold over 25%, alone or together, or control (para 13(i)).

Who counts as a bidder from a land-border country (order of February 23, 2023, paras 12 to 14)

Test	What the order says	Paragraph
Registered there	Incorporated, established or registered in a country that shares a land border with India	Para 12(a)
Parent	A subsidiary of such an entity	Para 12(b)
Control	Substantially controlled through entities registered in such a country	Para 12(c)
Beneficial owner	An owner situated in such a country: more than 25% of a company or LLP, alone or together, or control; more than 15% of a partnership firm or an unincorporated association; for trusts and other cases, para 13(iv) and (v)	Para 12(d) and para 13
Agent	An Indian or other agent of such an entity, including a supplier of its finished goods	Para 12(e) and para 14
Citizen	A natural person who is a citizen of such a country	Para 12(f)
Consortium	A consortium or joint venture with any member that meets a test above	Para 12(g)

The FDI rule draws its line lower: citizens or entities of a land-border country holding more than 10% of the investor company, or control (DPIIT's land-border FAQ, Q3). The procurement line for a company is more than 25% (para 13(i)), so a group can pass one test and fail the other. See Press Note 3, the land-border investment rule.

Does a technology deal bring Indian bidders into the rule?

Yes, in sensitive sectors. In tenders issued after April 1, 2023, any bidder, Indian bidders included, must register if it has a specified transfer of technology deal with an entity from a land-

border country (paras 3 and 4). It's specified if it's in a listed sector or technology and dates from July 23, 2020 or later (para 11).

- **Category I sectors** (atomic energy; broadcasting, print and digital media; defense; space; telecommunications): a deal in any technology needs registration (order of February 23, 2023, para 15(ii) and Schedule I).
- **Category II sectors:** only a deal in a Schedule III technology needs registration (para 15(iii)). Schedule II lists the sectors: power and energy; banking, finance and insurance; civil aviation; building ports, dams and river valley projects; electronics and microelectronics; meteorology and ocean observation; mining and extraction; railways; pharmaceuticals and medical devices; agriculture; health; and urban transportation.
- **Schedule III technologies:** additive manufacturing; equipment with electronic programmable components or autonomous systems, such as SCADA systems; data uploading and streaming, including broadcasting and satellite communication; chemical technologies; biotechnologies; information and communication technologies; software.

In a Category II sector, the Secretary of the ministry concerned may waive registration for an item or a class of items (para 15(iv)). DPIIT's Registration Committee settles what counts as a transfer of technology (para 10).

Can you use components or subcontractors from land-border countries?

Yes, for raw materials and components. A bidder that buys them from a land-border entity and makes other goods from them isn't that entity's agent (para 14, Note ii). A bidder that supplies finished goods bought from such an entity is deemed its agent, whatever its tie to the maker, so it must register (Note i).

In works contracts, a contractor can't subcontract works to a land-border contractor unless that contractor is registered (order of February 23, 2023, para 17). Buying raw materials or components isn't subcontracting.

Local content in central government buying is a separate rule: the Make in India procurement order.

How do you apply for registration?

You apply to DPIIT's Public Procurement Division in the format DPIIT revised on April 28, 2023: one signed hard copy, and an identical PDF emailed to dpiit.144@gov.in. The Registration Committee then seeks political and security clearances from the Ministries of External Affairs and Home Affairs, and registers no one until both arrive.

1. Fill in the April 28, 2023 format

Its appendices cover the bidder, any separate maker or technology partner, the items and the security clearance details (DPIIT's format, covering letter, para 1).

2. Get the figures certified

A practicing Chartered Accountant in India must certify your turnover, net profit and net worth for the last five financial years, and your beneficial owners (Appendix A). The same goes for your contracts from buyers in India over the last five years (Appendix D).

3. Send one hard copy and an identical PDF

Deliver it to the office of the Joint Secretary (Public Procurement Division), DPIIT, Room No. 237, Vanijya Bhawan, 16 Akbar Road, New Delhi. Email the same PDF to dpiit.144@gov.in (April 28, 2023 memorandum, para 1). An incomplete application isn't processed (covering letter, para 2).

4. Wait for both clearances

The committee asks the two ministries first. Its decision is final (order of February 23, 2023, Annexure I, D and F).

5. Show the certificate when you bid

DPIIT publishes the certificates it grants and asks buyers to check them before a bidder takes part (memorandum of April 30, 2024, paras 2 and 3).

DPIIT's procurement FAQ still links the 2021 format (Question 12). The April 28, 2023 format replaced it.

How long does registration last, and where does it apply?

DPIIT's application format says a registration ordinarily lasts 3 years, or less in special cases. It lapses on its own with a new director, a new shareholder above 10% or a change of control. A central registration also counts in state government tenders. It must be valid when you bid and when the bid is accepted.

- The 3 years and the lapse are in the format's covering letter, para 5. The order lets the committee register you for all tenders or set items, for a set or open period (order of February 23, 2023, Annexure I, F).
- A central registration needs no fresh state one (Annexure I, G), but one a state grants counts only in that state (Annexure I, note).
- Once you're validly registered at acceptance, registration doesn't matter during the contract (para 19).
- The committee can cancel a registration for sufficient cause, and suspend it until then; a suspended bidder can't bid. A cancellation doesn't touch contracts already awarded (Annexure I, H). For national security reasons, the committee needn't give reasons for refusing or canceling one (Annexure I, I).
- GeM, the government's online marketplace, must remove sellers that aren't registered as the order requires (para 20).

What doesn't the order say?

The order of February 23, 2023 sets no time limit for a decision, and we found none elsewhere. Registration waits on clearance from the Ministries of External Affairs and Home Affairs (Annexure I, D). The order names no country, and doesn't say whether Hong Kong, Macau or Taiwan count as land-border countries.

- **No list of countries.** DPIIT's FDI texts don't give one either. Press Note 2 (2026), dated March 15 and in force from May 2, 2026 (S.O. 2174(E)), names only Pakistan (para 3.1.1(a)). DPIIT's land-border FAQ names none (Q1 to Q14).

- **What "situated" means.** Para 12(d) of the order of February 23, 2023 counts a beneficial owner "situated" in a land-border country, but the order doesn't define the word. On the FDI side, a citizen of another country who merely lives in such a country needs no approval on that ground alone (land-border FAQ, Q1(c)). The procurement order has no such line.
- **Exceptions for named companies.** None of the order's exceptions names a company (Annexure II; para 15(iv)). Yet on July 23, 2026 the Ministry of Power told the Lok Sabha that four entities owned in substantial part from land-border countries had been allowed to bid for power projects. The permission runs two years from June 24, 2026, if they meet the domestic content requirements, and the answer doesn't name the rule behind it (Unstarred Question No. 860).

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Frequently asked questions

What should I answer to the land-border declaration in a government tender?

The order's model certificate has you certify that you aren't from a land-border country or, if you are, that you're registered (order of February 23, 2023, Annexure III). Attach proof of registration

where it applies. Each buyer may word its own clause (para 21), and a false certificate from a winning bidder is ground for debarment and legal action (para 18).

Do spares and maintenance contracts from a Chinese maker need registration?

No, if you buy them from the original equipment maker or its authorized agent. The order exempts spare parts and essential service support, such as annual or comprehensive maintenance contracts and consumables for closed systems, bought that way (order of February 23, 2023, Annexure II, D). The exemption doesn't depend on the country: the order names none.

Which countries are outside the bidder registration rule?

Bidders from countries to which India has extended lines of credit, or in which India runs development projects, are outside it (order of February 23, 2023, Annexure II, C). That holds even if those countries share a land border with India. The order names none and points to the Ministry of External Affairs' website for the lists.

Sources

- Department of Expenditure, No. F.7/10/2021-PPD, February 23, 2023: Amendment to Rule 144(xi) of the General Financial Rules, 2017, and Order (Public Procurement No. 4), paras 1 to 21, Schedules I to III and Annexures I to III
- DPIIT, No. P-45021/112/2020-PP (BE-II) (E-43780), April 28, 2023: Revised format for registration of bidders from countries sharing land border with India, para 1, the covering letter (paras 1, 2 and 5) and Appendices A and D
- DPIIT, No. P-45018/6/2022-BE-II (E-69546), April 30, 2024: Registration Certificates issued by DPIIT in accordance with DoE order dated 23.02.2023, paras 2 and 3
- DPIIT, Public Procurement Division: PPP-MII FAQs (answers to RTI applicants), Question 12
- DPIIT: Frequently Asked Questions (FAQs) on Guidelines for Investments from Countries Sharing Land Bordering with India (LBCs), updated October 23, 2026, Questions 1 to 14 (Q1(c) and Q3 cited)
- DPIIT: Press Note No. 2 (2026 Series), March 15, 2026: Review of FDI Policy on Investments from Countries Sharing Land Border with India, para 3.1.1(a)
- Ministry of Finance (Department of Economic Affairs), S.O. 2174(E), May 1, 2026 (Gazette of India, May 2, 2026): Foreign Exchange Management (Non-debt Instruments) (Amendment) Rules, 2026, rule 1(2) (PDF, 723 KB)

- Ministry of Power: Lok Sabha Unstarred Question No. 860, answered July 23, 2026, parts (a) and (b)

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