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F.No.14023/4/2018- FP  
Government of India  
Ministry of Chemicals and Fertilizers  
Department of Fertilizers

SD (AMB) Sri KC  
May 13 see  
1. In person  
4/8/18  
4/8/18

Shastri Bhawan, New Delhi  
Dated : 27<sup>th</sup> July, 2018

ORDER

Subject: Public Procurement (Preference to Make in India) Order (PPO), 2017 (revised) - related to procurement of Goods, Services & Works in Fertilizer Sector.

Reference: Department of Industry Policy & Promotion (DIPP) Notification No. P-45021/2/2017-B.E.-II dated 15.06.2017 revised vide DIPP Order No. P-45021/2/2017-PP (B.E.-II) dated 28.05.2018.

The Government has issued "Public Procurement (Preference to Make in India) Order 2017" vide the Department of Industrial Policy and Promotion (DIPP) Notification No. P-45021/2/2017-B.E.-II dated 15.06.2017 revised vide DIPP Order No. P-45021/2/2017-PP (B.E.-II) dated 28.05.2018 to encourage 'Make in India' and to promote manufacturing and production of goods, services and works in India with a view to enhancing income and employment.

2. The Department of Fertilizers has assessed the domestic manufacturing/supply/services base and the available capacity and the extent of local competition while identifying goods, services & works and prescribing minimum local content and the manner of its calculation, with a view to avoid cost increase from the operation of this Order.

3. In furtherance to the Public Procurement (Preference to Make in India) Order 2017 notified vide reference above, Department of Fertilizers hereby notifies that purchase preference shall be given to local suppliers by all procuring entities so as to ensure local content of at least 50% in the following commonly used items by fertilizer industry as per Para 3 (a) of DIPP Order 2017:

S. No.	Items
1	Bags
2	Neem Oil
3	Electrical fittings of general nature
4	All services excluding consultancy services of licensor
5	Cleaning materials
6	Paints of general nature
7	Rails and sleepers
8	Loco and spares
9	Belt conveyers
10	Structural Steel
11	Gratings
12	Switchgear
13	Sulphuric Acid
14	Poly aluminum chloride
15	Liquid Chlorine
16	LDPE sheets
17	PP thread
18	Rubber Goods
19	Insulating Materials
20	Paints and Varnishes
21	Firefighting equipment
22	Industrial Gases
23	Low Voltage Transformers
24	Conductors, Cables & Wires
25	Pipes and pipe fittings for general use
26	Steel fabricated structures (tanks, vessels etc.)
27	Building Materials (Sand, stone, bricks, cement)
28	Horticulture & Agriculture Stores and equipments
29	Tarpaulin
30	Office furniture
31	Linen
32	Stationary and cutlery Items

4. In terms of clause 13 of DIPP Order 2017, in case the product is being manufactured in India under foreign collaboration/ a license from a foreign manufacturer who holds intellectual property rights, where there is a technology



collaboration agreement/ transfer of technology agreement for indigenous manufacture of product developed abroad with clear phasing on increase in local content, the party may be treated as Indian Party provided they have met the targeted indigenous content as per collaboration agreement, on applicable date.

5. As per provisions of clause 14 (c) of PPO 2017, the Department of Fertilizers further exempts following items being used in fertilizer industry from provision of Public Procurement (Preference to Make in India) Order 2017. These items are either of critical nature, patented/ proprietary items or are in shortage in India.

S.No.	Items
1	All chemical fertilizers
2	Rock phosphate & Potash
3	LNG
4	Precious metals like Platinum rhodium, palladium
5	Proprietary items & chemicals of foreign vendors
6	Process licensor's proprietary items/ Procurement from recommended vendors of licensors
7	Consultancy services from licensor
8	Catalysts except Low temperature & High Temperature shift conversion
9	Critical pumps & Valves
10	Urea grade equipment , fittings, fasteners
11	Reformer Catalyst tubes
12	Critical Bearings
13	Automation Instrumentation
14	High voltage transformers
15	High end hardware and proprietary software
16	Critical Refractory Material
17	Critical Filter/Filter Cartridges
18	High Voltage Generators

6. Procuring entity shall constitute a Committee with representatives not below the rank of Sr. Managers (E-5 scale) from technical, finance, materials/commercials for independent verification of self-declarations and auditor's/accountant's certificates on random basis. In case a complaint is received

by the procuring entity, the Committee of procuring entity shall have full rights to inspect and examine all the related documents and take a decision. In case of any clarification, the matter may be referred to the Committee constituted at Department of Fertilizers.

Committee proposed at Department of Fertilizers:

*Chairperson- Additional Secretary / Joint Secretary (Fertilizers)*

*Member- Director (PSU)*

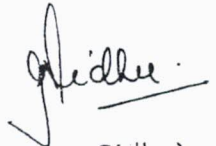
*Member- Director (Technical from concerned PSU)*

7. As per clause 9 (e) of the DIPP Order 2017, a fee of Rs. 1000/- will be charged for each complaint filed under the DIPP Order 2017.

8. Department of Fertilizers may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising from implementation of this order.

9. All other terms and conditions shall be as per the DIPP Order No. P-45021/2/2017-B.E.-II dated 15.06.2017 revised vide DIPP Order No. P-45021/2/2017-PP(B.E.-II) dated 28.05.2018.

10. The notification comes in to effect immediately and would be reviewed as and when required. This Notification shall remain valid till revised notification is issued.



(Gurveen Sidhu)

Joint Secretary to Government of India

Copy to:

1. All Ministries/Departments of Government of India
2. Cabinet Secretariat
3. Prime Minister's Office
4. Niti Aayog
5. Controller and Auditor General of India
6. All Fertilizer CPSEs
7. Internal distribution