

No. C.I-43012/52/2017-Chem-1(B)
Government of India
Ministry of Chemicals & Fertilizers
Department of Chemicals & Petrochemicals

Shastri Bhawan, New Delhi

Date: 01st June, 2020

Order

Subject: Public Procurement (Preference to Make in India) Order 2017 – Notifying Chemicals and Petrochemicals Products in furtherance of the Order

Reference: (1) Department for Promotion of Industry and Internal Trade (DPIIT) Order No. P-45021/2/2017-B.E.-II dated 15.06.2017 and its revisions dated 28.05.2018 and 29.05.2019

(2) Department of Chemicals and Petrochemicals Orders No. C.I.-43012/52/2017-Chem-I(B) dated 25.5.2018, 23.10.2018 and 13.03.2020 in this regard

The Government has issued Public Procurement (Preference to Make in India) Order, 2017 vide DPIIT Order No. P-45021/2/2017-B.E.-II dated 15.06.2017 and subsequent revisions vide Orders No. 45021/2/2017-PP(BE-II) dated 28.05.2018 and 29.05.2019 to encourage “ Make in India” and to promote manufacturing and production of goods, services and works in India with a view to enhance income and employment. The Department of Chemicals and Petrochemicals has issued Orders No. C.I.-43012/52/2017-Chem-I(B) dated 25.5.2018, 23.10.2018 and 13.03.2020 for the chemicals and petrochemicals in accordance with the DPIIT Order No. P-45021/2/2017-B.E.-II dated 15.06.2017. In view of the revised order issued by DPIIT, the Department now rescinds the earlier orders and hereby notifies this order in furtherance of the DPIIT Orders referred above with immediate effect.

2. The Department of Chemicals and Petrochemicals has assessed the domestic manufacturing/supply base and the available capacity and the extent of local competition while identifying chemicals, prescribing minimum local content and the manner of calculation, with a view to achieve the stated objectives in the most efficient manner.



3. The minimum local content for the chemicals and petrochemicals for application of this Order shall be as follows:-

S.No.	Chemicals/Petrochemicals	Minimum Local Content (in %)		
		2020-21	2021-23	2023-25
Chemicals				
1.	Titanium Dioxide	60	70	80
2.	Red Phosphorus	60	70	80
3.	Menthol	60	70	80
4.	Aluminum Fluoride	60	70	80
Petrochemicals				
5.	Polyester Staple Fibre fill	60	70	80
6.	Polypropylene Staple Fibre	60	70	80
7.	Polyester Industrial Yarn	60	70	80
8.	Polystyrene	60	70	80
9.	Styrene Acrylonitrile	60	70	80
10.	Mixed Xylene	60	70	80
Pesticides				
11.	Malathion	60	70	80
12.	Quinalphos	60	70	80
13.	Phosphamidon	60	70	80
14.	Phorate	60	70	80
15.	Acephate	60	70	80
16.	Triazophos	60	70	80
17.	Deltamethrin	60	70	80
18.	Permethrin Tech	60	70	80
19.	Imidacaloprid Tech	60	70	80
20.	Hexaconazole	60	70	80
21.	2,4-D	60	70	80
22.	Thiamethoxam Technical	60	70	80
23.	Pendimethalin	60	70	80
24.	Metribuzin	60	70	80
25.	Isoproturon	60	70	80
26.	Zinc Phosphide	60	70	80
Dyestuff				
27.	Oil Soluble (Solvent Dyes)	60	70	80

4. For procurement of 27 chemicals and petrochemicals mentioned above in paragraph 3, undertaken by procuring entities, in respect of which the estimated value of procurement is less than INR 50 Lakhs but more than INR 5 Lakh, only local suppliers shall be eligible to bid. In other cases when the estimated value of procurement is more than or equal to INR 50 Lakhs, the procedure prescribed in paragraph 3(b) of the DPIIT order dated 29.05.2019, shall be followed by all procuring entities.

Sarvek

5. In respect of the 28 chemicals and petrochemicals indicated below, the Department has concluded, based on available data that there is sufficient local capacity and local competition. Therefore, the procuring entities shall make procurement only from local suppliers in respect of these 28 items indicated below irrespective of purchase value, after minimum local content requirement is met:-

S.No.	Chemicals/Petrochemicals	Minimum Local Content (in %)		
		2020-21	2021-23	2023-25
Chemicals				
1.	Soda Ash	60	70	80
2.	Caustic Soda	60	70	80
3.	Carbon Black	60	70	80
4.	Formaldehyde	60	70	80
5.	Liquid Chlorine	60	70	80
6.	Acetic Anhydride	60	70	80
7.	Nitrobenzene	60	70	80
8.	Acetaldehyde	60	70	80
9.	Ethyl Acetate	60	70	80
Petrochemicals				
10.	Polyester Filament Yarn	60	70	80
11.	Polyester Staple Fibre	60	70	80
12.	Expandable Polystyrene	60	70	80
13.	Polyester Chips/PET Chips	60	70	80
14.	Butadiene	60	70	80
15.	Benzene	60	70	80
Pesticides				
16.	D.D.V.P.	60	70	80
17.	Monocrotophos	60	70	80
18.	Fenvalerate	60	70	80
19.	Cypermethrin	60	70	80
20.	Chlorpyrifos	60	70	80
21.	Lambda Cyhalothrin	60	70	80
22.	Glyphosate	60	70	80
Dyestuff				
23.	Azo Dyes	60	70	80
24.	Acid Direct Dyes (other than Azo)	60	70	80
25.	Disperse Dyes	60	70	80
26.	Optical Whitening Agents	60	70	80
27.	Organic Pigment	60	70	80
28.	Reactive Dyes	60	70	80

Sauri

6. Procedure for calculating local content/domestic value addition will be as under:-

Cost Component	CALCULATION BY MANUFACTURER Cost per unit of the product		
	Cost (Domestic Component) (in Rs.) (a)	Cost (imported Component) (in Rs.) (b)	Total Cost (in Rs.) (c)
I. Direct material cost			
II. Direct labour cost			
III. Factory overhead			
IV. Total Production cost			

$$\text{local content (in \%)} = \frac{\text{Total Cost(IV.c)} - \text{Total Imported component Cost(IV.b)}}{\text{Total Cost(IV.c)}} \times 100$$

7. Every procuring entity shall constitute a Committee with internal and external experts for independent verification of self-declaration and auditor's/accountant's certificates on random basis and for the complaints that are received/referred. In case any clarification is needed by the Committee on any particular point, the matter may be referred to the following Committee in the Department of Chemicals and Petrochemicals:-

- | | |
|--|---------------|
| (i) Joint Secretary (Chemicals) | - Chairperson |
| (ii) Representative of the PSU/Autonomous Body | - Member |
| (iii) Dr. Vishal Choudhary, Deputy Ind. Adviser | - Member |
| (iv) Mr. Varun Singh Poonia, Deputy Ind. Adviser | - Member |

8. There will be a complaint fee to be decided by procuring entity, which is to be deposited with the said procuring entity along with the complaint filed by the complainant. In case, the complaint is found to be incorrect, the complaint fee will be forfeited. In case, the complaint is found to be upheld in part or full, the deposited fee of the complaint will be refunded without any interest. False declaration will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rule(GFR), 2017 for which the bidder or it's successors can be debarred for up to two years as per Rule 151(iii) of GFR, 2017 along with such other actions as may be permissible under law.

9. The Department of Chemicals and Petrochemicals may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising from implementation of this order.

10. It is specified that for all Central Schemes(CS)/Central Sector Schemes(CSS), for which procurement is made by States and / or Local Bodies, would also come within the purview of this order, if that project or scheme is fully or partially funded by Government of India.

11. All definitions, other terms & conditions will be as per the DPIIT Order no. P-45021/2/2017-B.E. II dated 29.05.2019.



12. This order shall come into effect immediately and would be reviewed as and when required. This notification shall remain valid till revised notification is issued.

13. This order supersedes the orders No. C.I.-43012/52/2017-Chem-I(B) dated 25.5.2018, 23.10.2018 and 13.03.2020 in this regard.

14. Hindi version follows.



(Samir Kumar Biswas)

Joint Secretary to the Government of India

To:-

1. All Ministries/Departments of Government of India
2. Cabinet Secretariat
3. Prime Minister's Office
4. NITI Aayog
5. Comptroller & Auditor General of India
6. Chief Secretaries to all State Governments/ UTs
7. All chemicals and petrochemicals industries Associations
8. Internal Distribution