

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.

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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 |

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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.

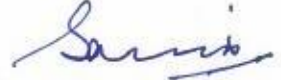
10. It is specified that for all Central Schemes(CS)/Central Sector Schemes(CSS), for which procurement is made by States and / or Local Bodies, would also come within the purview of this order, if that project or scheme is fully or partially funded by Government of India.

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