

No. D-42011/4/2018-Genl.
Government of India
Ministry of Textiles

Udyog Bhawan, New Delhi
 Dated 1st February, 2019

NOTIFICATION

Subject: Public Procurement (Preference to Make in India) Order 2018-Notifying Textiles Products in furtherance of the Order

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

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

2. In furtherance of the Public Procurement (Preferences to Make in India) Order 2017 in reference cited above, the Ministry of Textiles hereby notifies minimum local content for the following items after assessing availability of local supply and local competition:-

Sl. No.	Items	Sub-categories	Minimum Local Content
1.	Fabric	Cotton	100%
		Blended	85%
2.	Apparel and Garments	Natural Fibre	90%
		MMF Blended	85%
3.	Made Ups	Natural	90%
		MMF blended	85%
4.	Carpets	-	90%

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4. The Notification will come into existence with immediate effect and would be reviewed annually or as and when the Ministry finds appropriate to do so.

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 PL (out of office) 1
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5. Any reduction in the prescribed local content cannot be made without prior approval of the Standing Committee on Public Procurement (Preference to Make in India) set up under the chairmanship of Secretary, Department of Industrial Policy and Promotion (DIPP).

6. **Procedure for calculating local content/domestic value addition**

LC shall be computed on the basis of the cost of domestic components in goods as compared to the total cost of the product. Total cost of the product shall constitute the cost of production of goods, covering direct component (material) cost, direct manpower cost; factory overhead cost and shall exclude profit, company overhead cost and taxes for the delivery of goods. Accordingly % for domestic and value addition will be calculated as under

$$\text{Percentage of domestic value addition} = \frac{\text{Domestic Bill of Material}}{\text{Total Bill of Material}} \times 100$$

Where in

Dom-BOM is Domestic Bill of Material which is sum of the costs of all domestic inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit/set-off can be taken) and which have not been imported directly or through a domestic trader or an intermediary.

Total Bill of Material is the market price of the item (excluding net domestic indirect taxes) excluding post-production freight, insurance, advertisement, and other handling costs minus profit after tax, minus warranty costs

7. **Verification of local content/Domestic Value Addition**

- a. The local supplier at the time of tender, bidding or solicitation shall provide self-certification that the item offered meets the minimum local content and shall give details of the location(s) at which the local value addition is made.
- b. In cases of procurement for a value in excess of Rs. 1 crore (one crore), the local supplier shall provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
- c. False declaration will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for upto two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

8. The public authorities procuring any item as mentioned in para 2 shall ensure that tender notice shall specify the above local content and calculation of local content along with other conditions stipulated in order no. PPP-MII No. P-45021/2/2017-BE.II dated 28.05.2018 of DIPP.

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(Jayashree Sivakumar)

Under Secretary to the Govt. of India

New Delhi, the Dated 01.02.2019

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1. All Ministries/Departments of Government of India.
2. Cabinet Secretariat.
3. PMO.
4. NITI Aayog.
5. Comptroller and Auditor General of India.
6. SS&FA, Ministry of Textiles.
7. Joint Secretary (DIPP), Member-Convener of Standing Committee of Public Procurement Order 2017.
8. All organizations under Ministry of Textiles.
9. Internal Distribution.
10. NIC Cell, M/o Textiles –for uploading on website of the Ministry.

gms 1/2/19
(Jayashree Sivakumar)

Under Secretary to the Govt. of India