

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

Shastri Bhawan, New Delhi  
Dated the 25<sup>th</sup> May, 2018

**ORDER**

**Subject: Public Procurement (Preference to Make in India) Order 2017 – Notifying Chemical & Petrochemical Products in furtherance of the Order.**

**Reference: Department of Industry Policy & Promotion (DIPP) Notification No.P-45021/2/2017-BE.II dated 15<sup>th</sup> June, 2017**

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-BE.II dated 15<sup>th</sup> June, 2017 to encourage "Make in India" and to promote manufacturing and production of goods and services in India with a view to enhance income and employment.

2. 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 and prescribing minimum local content or the manner of its calculation, with a view to avoid cost increase from the operation of this Order.

3. In furtherance of the Public Procurement (Preference to Make in India) Order 2017 notified vide reference cited above, Department of Chemicals and Petrochemicals hereby notifies that preference shall be provided by all procuring entities to domestically manufactured Chemical and Petrochemical products, as specified under along with minimum local content for each product.

**MINIMUM LOCAL CONTENT FOR CHEMICAL & PETROCHEMICAL PRODUCTS**

S.No.	Chemicals/Petrochemicals	Minimum Local Content (%)			
		2018-19	2019-21	2021-23	2023-25
1	Soda Ash	50	60	70	80
2	Caustic Soda	50	60	70	80
3	Aluminum Fluoride	50	60	70	80
4	Carbon Black	50	60	70	80
5	Formaldehyde	50	60	70	80
6	Chlorine	50	60	70	80

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

COST COMPONENT	CALCULATION BY MANUFACTURER Cost per one unit of product		
	Cost (Domestic Component) (a)	Cost (Imported Component) (b)	Total Cost (in Rs.) (c= a+b)
I. Direct material cost			
II. Direct labour cost			
III. Factory overhead			
IV. Total production cost			

$$\% \text{ Local Content} = \frac{\text{Total cost (IV.c)} - \text{Total imported component cost (IV.b)}}{\text{Total Cost (IV.c)}} \times 100$$

5. Department of Chemicals and Petrochemicals may constitute a Committee with internal and external experts for independent verification of self-declarations and auditor's/accountant's certificates on random basis and in the case of complaints.
6. Department of Chemicals & Petrochemicals and procuring entities may prescribe fees for the administrative costs of handling such complaints.
7. 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.
8. All other terms & conditions will be as per the Department of Industrial Policy and Promotion (DIPP) Order No.P-45021/2/2017-BE.II dated 15<sup>th</sup> June, 2017.
9. The Notification comes into effect immediately and would be reviewed as and when required. This Notification shall remain valid till revised Notification is issued.

  
(Samir Kumar Biswas)

Joint Secretary to Government of India

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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. Internal Distribution

Director (Ch. I)