

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

Udyog Bhawan, New Delhi  
Dated 23<sup>rd</sup> October 2019

To

All Ministries/ Departments of Gol

**ORDER**

**Subject : Public Procurement (Preference to Make in India) Order 2017-  
prescribing Minimum Local purchase Content for Technical  
Textiles items for government procurement- reg.**

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The Government of India has issued Public Procurement (Preference to Make in India) Order 2017 vide the Department for Promotion of Industry and Internal Trade (DPIIT) 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, after having stakeholders meeting, it has been decided that Minimum Local Content for the following items, will be :-

S.No.	Segment of Technical Textiles	Minimum local content
1	Buildtech	80%
2	Agrotech	80%
3	Geotech	50%
4	Sportech	50%
5	Packtech	80%
6	Mobitech	50%
7	Clothtech	80%
8	Homotech	80%
9	Indutech	50%
10	Oeotech	60%

3. This 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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4. 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 for Promotion of Industry and Internal Trade (DPIIT).

5. **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 sun 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

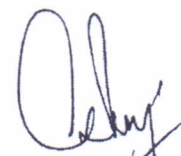
6. **Verification of Local content/ Domestic Value Addition**

- 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 locations(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(I) (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.

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8. The public authorities procuring nay 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 DPIIT.

9. This is issued with the approval of competent authority.



(G.K. Rajnish)

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Copy to

1. Cabinet Secretariat/ PMO/ NITI Aayog/ C&AG
2. AS&FA, MoT
3. Joint Secretary(DPIIT), Member – Convener of Standing Committee of Public Procurement order 2017
4. All organizations under Ministry of Textiles.
5. All JSs/ Dir/DSs/ USs/ SOs
6. NIC Cell, MoT for uploading on the website of the Ministry.