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File No. 9/45/2017-HE&MT (E 13365)  
Ministry of Heavy Industries & Public Enterprises  
Department of Heavy Industry

Udyog Bhawan, New Delhi  
Dated the 10<sup>th</sup> August, 2018

OFFICE MEMORANDUM

Sub: Public Procurement (Preference to Make in India) Order 2017 – Notifying specified Capital Goods (relating to textile machinery sub sector) in furtherance of the Order.

Reference: Department of Industrial Policy & Promotion (DIPP) Notification No. P-45021/2/2017 – B.E. II dated 15.06.2017.

The Government 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-BE.II dated 15.06.2017 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 (Preference to Make in India) Order 2017 notified vide reference cited above, the Ministry of Heavy Industries & Public Enterprises (HI & PE) hereby notifies that preference shall be provided by all Government Procuring Entities to domestically manufactured Capital Goods as per the aforesaid Order.

3. Capital Goods (relating to textile machinery sub sector) notified under the Public Procurement (Preference to Make in India) Order 2017, are annexed.

4. The Notification comes into effect immediately and would be reviewed as and when Department feels appropriate to do so.

5. This Notification shall remain valid till the revised Notification is issued.

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

6.1 Bill of Material sourced from domestic manufacturers (Dom- Bom) may be calculated based on one of the followings depending on data available. Each of these calculations should provide consistent result.

a. Sum of the costs of all 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 traders or an intermediary.

b. Ex- factory Price of product minus profit after tax minus sum of Imported Bill of Material used (directly or indirectly) as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit/set off can be taken) minus warranty costs.

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c. Market price minus post- production flight, insurance and other handling costs minus profit after tax minus warranty costs minus sum of Imported Bill of Material used as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit/set- off can be taken) minus sales and marketing expenses.

6.2 Total Bill of Material (Total – BOM) may be calculated based on one of the following depending on data available. Each of these calculations should provide consistent result.

a. Sum of the cost of all 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).

b. Ex- factory price of product minus profit after tax, minus warranty costs.

c. Market price minus post- production freight, insurance and other handling costs minus profit after tax, minus warranty costs minus sales and marketing expenses.

6.3 The percentage of domestic value addition may be calculated based on information furnished as per the following as per the following formula:

$$\text{Percentage of domestic value- addition} = (\text{Dom- Bom}/\text{Total- BOM}) * 100$$

It is recommended that each agency assessing should calculate the domestic local content/ value addition using at least two of the above formulae so as to validate the assessments in this regard and ensure that the domestic value addition that is claimed is consistent.

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. 10 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.

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 up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

8. Ministry of Heavy Industries & Public Enterprises shall be the Nodal Ministry to monitor the implementation of the Notification.



(N. Sivanand)

Joint Secretary to the Government of India

Tel: 23062367

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1. All Ministries/ Departments to the Government of India
2. Cabinet Secretariat
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5. Comptroller and Auditor General of India
6. SS & FA, DHI
7. Joint Secretary (DIPP), Member – Convener of Standing Committee of Public Procurement Order 2017
8. Internal Distribution



(N. Sivanand)

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S.No	Item Description	Technical Specification	ITC_HS Code	Minimum Local Content % - 18-19	Minimum Local Content % - 19-20	Minimum Local Content % - 20-21
1	1 Metre Carding Machine with Chute	WITH 1000MM WORKING WIDTH FOR CHUTE FEED SYSTEM, BUILT IN MULTILEVEL SENSING, AUTO CAN CHANGER, SHORT & LONG TERM REGULATION WITH PRE/POST CARDING ELEMENTS, CONTINUOUS, LINEAR CAN CHANGER 24X48", ROTARY CAN CHANGER 40 X 48" with CHUTE and Fine Feed Chute for the 1 Mtr Carding Machine	8445.11 10	74	75	77
2	1.5 Metre Carding Machine with Chute	MACHINE WITH 1500MM WORKING WIDTH, WITH SINGLE LICKER-IN ARRANGEMENT, BUILT IN AUTO-LEVELLER SENSING ARRANGEMENT, LINEAR AUTO CAN CHANGER FOR 40X48" CAN SIZE, WITH IN-BUILT PRE/POST CARDING ELEMENTS, CONTINUOUS WASTE COLLECTION SYSTEM & CHUTE and Fine Feed Chute for the 1.5 Mtr Carding Machine	8445.11 10	67	68	70

3	Combing Machine	WITH SINGLE DELIVERY, LINEAR AUTO CAN CHANGER, T.S. DISPLAY SYSTEM AND EXCEL TOP COMB	8445.12 10	52	54	55
4	Draw Frame - Breaker	FOR COTTON & SYNTHETIC APPLICATION, WITH 40"X48" DELIVERY CAN, TWO DELIVERIES, 4 OVER 3 PRESSURE BAR DRAFTING SYSTEM, WITHOUT AUTO CAN CHANGER AND 8 ROW CREEL ARRANGEMENT S SUITABLE FOR CANS UPTO 40"X48"	8445.20 11	64	66	69
5	Draw Frame - Finisher	FOR COTTON & SYNTHETIC APPLICATION, WITH DELIVERY CAN SIZE UPTO 24"X48", SINGLE DELIVERY SYSTEM, DIGITAL SHORT TERM AUTO LEVELLING SYSTEM, INVERTER CONTROLLED MAIN DRIVE, AUTOMATIC CAN CHANGER WITH IN-BUILT SLIVER CUTTING DEVICE, POWER CREEL ARRANGEMENTS SUITABLE FOR CANS UPTO 40" x 48"	8445.201 1	52	54	55

6	Speed Frame - 200 spindleage Machine	FOR COTTON AND SYNTHETIC - SERVO DRIVER FOR DRAFTING - SINGLE SIDE, INVERTER CONTROLLED DRIVE FOR FLYER, BOBBIN AND TROUGH MOVEMENT, SUCTION DEVICE FOR BROKEN END ROVING, PHOTOCELL FOR ROVING STOP MOTION FOR BROKEN END AND WITH 4 ROLLER DRAFTING SYSTEM WITH BCD, SHORT CRADLE, AND WITH AUTOMATIC TENSION CONTROL SYSTEM / BOBBIN TILTING MECHANISM/ RESERVE BOBBIN STORAGE	8445.201 4	72	73	75
7	Ring Frame - 1632 Spindleage Machine	70 MM /75MM GAUGE, 36 MM CAGE, EMPEROR V RINGS, DUOFLEX DRIVE SYSTEM FOR 624 SPINDLES & ABOVE, INVERTOR DRIVE FOR MAIN MOTOR AND DRAFTING SYSTEM, 2QM/4QM DRIVE FOR DRAFTING, AUTOMATIC DOFFING SYSTEM, RYC, 6 ROW CREEL, LMW ALUCORE COTS AND APRONS, AND PROVISION FOR LINK WINDER, T-FLEX & DUO SUCTION	8445.201 3	72	73	74