

MISHRA DHATU NIGAM LIMITED

A Govt. of India Enterprise

P. O Kanchanbagh, Hyderabad – 500058, Telangana, India.

Corporate Identity Number: L14292AP1973GOI001660

Phone: 040-24184348/24184578

E-Mail ID: diptimoy.mohanty@midhani-india.in website: www.midhani-india.in

INVITATION EXPRESSION OF INTEREST
TO IDENTIFY OEM AUTOMOBILE PARTNER(S)
FOR

**SUPPLYING BASE VEHICLES SUITABLE FOR UP-ARMOURING
AT
MIDHANI ARMOUR-UNIT (ROHTAK)**

Ref: MDN/BASE_VEHICLES/RM/EOI/323/26-27 Date: 16-09-2026

Due date for Submission EOI is 15-10-2026 Time: 11:00 Hrs

Due date for Opening of EOI is 15-10-2026, Time: 11:30 Hrs

All the interested Bidders need to submit the Documents as listed in a
Sealed Cover with Title as "EOI for OEM Automobile partner(s) for
supplying base vehicles suitable for Up-Armouring at MIDHANI Armour-
unit (Rohtak)",

To:
AGM (I/C-PURCHASE)
MISHRA DHATU NIGAM
LIMITED
PO: KANCHANBAGH
HYDERABAD – 500 058
TELANGANA

Note:

Detailed Invitation for Expression of Interest is enclosed herewith.

Any Corrigendum to the EOI shall be published in MIDHANI website only.


के राज कुमार / K Raj Kumar
अपर महाप्रबंधक (सामग्री)
Addl. General Manager (Materials)
मिश्र धातु निगम लिमिटेड/Mishra Dhatu Nigam Limited
कंचनबाग, हैदराबाद-58 / Kanchanbagh, Hyd-58

CONTENTS

- 1. INTRODUCTION**
- 2. SCOPE OF EOI**
- 3. BRIEF DETAILS OF THE RESPONSIBILITIES OF PARTNER(S)**
- 4. INDICATIVE LIST OF VEHICLE SPECIFICATION FOR UPARMOURING PURPOSE**
- 5. MIDHANI'S OBLIGATION**
- 6. TIME PERIOD**
- 7. PARTNER'S OBLIGATION**
- 8. ELIGIBILITY CRITERIA**
- 9. APPLICATION FORM**
- 10. INSTRUCTIONS TO APPLICANTS**
- 11. SELECTION CRITERION**
- 12. PROCEDURE FOR SELECTING SUITABLE PARTNER**
- 13. NON-DISCLOSURE AGREEMENT**
- 14. GENERAL TERMS AND CONDITIONS**
- 15. REQUEST FOR STATUS UPDATE ON EVALUATION PROCESS**
- 16. OWNERSHIP OF EOI DOCUMENTS AND INFORMATION THEREIN**
- 17. PAYMENT TERMS**
- 18. NO CONTRACTUAL OBLIGATION**
- 19. LIQUIDATED DAMAGES**
- 20. CLARIFICATION & SUBMISSION OF BIDS**
- 21. DISCLAIMER**
- 22. ARBITRATION**
- 23. JURISDICTION**
- 24. CERTIFICATE TO BE GIVEN BY APPLICANTS WITH BID/RESPONSE FOR LOCAL CONTENT**

1.0 INTRODUCTION

Mishra Dhatu Nigam Limited (MIDHANI) is a Mini-Ratna Public Sector Enterprise under Ministry of Defense with its headquarter located in Hyderabad, Telangana, India. Manufacturing unit at Hyderabad is basically a metallurgical production plant having wide range of facilities for manufacturing armor steel, low alloy steels, high alloy steels, special steels, stainless steels, super alloys, titanium & titanium alloys in various forms and sizes.

Another manufacturing unit of MIDHANI at Rohtak-Haryana is dedicated for fabrication of various personnel protection and vehicle protection armour products. It is equipped with all the state of art equipment for catering the requirements of various armour products for the security forces across India and abroad by using indigenously developed materials. More information can be obtained from our website, www.midhani-india.in.

With the rise in threat levels across international border areas and to cater internal insurgencies in India, there has been a sustained rise in demand of armoured vehicles from Indian Armed Forces, Para-Military Forces and State Police Forces. MIDHANI's Armour-Unit desires to tap and make a stronghold in the vehicle armouring market segment for catering the rising demand of Light/Medium Weight Bullet Resistant combat vehicles/troop carriers and Up-armoured vehicles *by using in-house developed armour products like MIDHANI make Armour steel and composite solutions.*

2.0 SCOPE OF EOI

MIDHANI desires to identify suitable OEM Automobile Business Partner(s) for providing base vehicle for carrying out the Vehicle Armouring work including Up-armouring of vehicles and fabrication of Light Weight Bullet Resistant combat vehicles at Armour-unit, Rohtak.

The potential partner shall have an adequate network of Authorised Service / Workshops with well-stocked spare parts, and be in a position to undertake both mechanical and body shop repairs within reasonable timelines. The business partner shall have a core team of expert technicians in the network spread across the Country.

The partner shall work with MIDHANI in project mode as per following indicative scope of work:

- a) Provisioning of Base vehicles:** Partner shall provide the base vehicle (indicative list of vehicle technical parameters for up-armoured vehicle are provided in clause 4.0) for the up-armouring/ vehicle armouring fabrication work as per MIDHANI's finalised technical specification & drawing (Qualitative Requirements or QRs). Pricing would be worked out separately (model wise) after suitably accounting for the returned Body parts and sub-assemblies and also incorporating for warranty coverage.
- b) Removal and Return of Parts / Sub-assemblies:** Once the base vehicle has been up-armoured, all the removed parts and sub-assemblies need to be returned to OEM as per a mutually agreed mechanism and commercials so as to ensure optimization of cost and scrap generation. Here it may be noted that OEM help will be required for the proper removal of the Parts / Sub-assemblies so as to ensure their re-usability.
- c) Provisioning of Warranty on up-armoured vehicle:** Partner / Authorised Service Network should be able to provide standard Warranty on the up-armoured vehicle as per the MIDHANI QRs per project. Additionally, Partner should provide a list of fast moving parts and consumables that need be adequately stocked in the Authorised Service Network so as to minimize downtime.
- d) CMVR Certification of the developed Armoured Vehicle** – Partner technical / R&D team

shall work closely with MIDHANI Armour team so as to achieve CMVR compliance of the model developed (specifically defined as per MHA QRs).

- e) Product Support:** Indian OEMs/service centers of OEMs should be available for All India After Sales Service, Maintenance and Repairs, particularly in J&K, North East Region, LWE affected States comprising of Chhattisgarh, Jharkhand, West Bengal, Bihar, Odisha, Maharashtra, Andhra Pradesh and UP, or any other States where such activities may spread in future (At least one such facility where all types of repairs comprising rectification/replacement of major assemblies and components can be carried out shall be available in all of these States).
- f) Service Level Agreement:** Vehicle OEM would sign MoU with the MIDHANI for service level agreement for ensuring that guarantee/warranty and servicing of base vehicle could be carried out across India as per specific project requirements. The accessories/fitments/spares and technical expertise of automobile should be easily available at various places. OEM should be in a position to provide Product Support in terms of service and Maintenance, Materials and essential Spares for a minimum period of 10 years.

Note:

- a) Intellectual Property Rights (IPRs):** All the IPRs (including development of novel materials & armoured vehicle, copy-rights and Trade-marks etc.) generated through up-armouring /armoured vehicle fabrication project shall be registered in the name of MIDHANI. Suitable mention would be provided for the services provided by the partner in respective project.
- b) Joint Sales and Marketing efforts:** In the complete tenure of the contract, the partner(s) shall conduct marketing efforts jointly with MIDHANI Armour team for the requirement of vehicle up-armouring/ armoured vehicle fabrication – for Domestic as well as International Businesses. *(AN UNDERTAKING IS REQUIRED FROM EACH BIDDER IN THIS REGARD)*

Hence applications are invited through this EOI, from OEM Automobile Partners who are interested in working with MIDHANI.

3.0 BRIEF DETAILS OF THE RESPONSIBILITIES OF PARTNER(S):

- a)** Provide the required version of the Model as per MIDHANI QRs.
- b)** Pricing to be worked out separately (model wise) after suitably accounting for the returned Body parts and sub-assemblies and also incorporating for warranty coverage.
- c)** Assist in the proper removal of the Body parts / Sub-assemblies for the up-armouring process.
- d)** Assist in proper re-packing and stowage of the Body parts / Sub-assemblies that will not be required post up-armouring for subsequent return to OEM designated agency.
- e)** During and post the up-armouring process conducted by MIDHANI, appropriate Service and Workshop attention for the proper working of the engine, sensors, electricals, Airconditioning etc as and when required.
- f)** The prototype model(s) so prepared needs to be examined by Partner's Technical team before submission for CMVR certification.
- g)** Partner's technical team to organize the CMVR certification of the fabricated prototype(s).
- h)** Roadworthy certificate needs to be generated post the CMVR certification.
- i)** Test report should be mentioning the name of MIDHANI and the Partner OEM as per mutually agreed terms.

- j) Partner OEM and MIDHANI shall provide all the necessary support during testing of armoured vehicle for CMVR certification.
- k) Against the Market demand, subsequent vehicles will be fabricated in exactly the same way as the CMVR certified model(s).
- l) Onsite Service Support and Break-down Maintenance in spite of the up-armoured addition on the base vehicle: The accessories/fitments/spares/reinforcement spares and technical expertise of the automobile shall be easily available at customer location during warranty period.
- m) Warranty: Standard Warranty of the base vehicle along with reinforcement spares e.g. heavy duty hinges, heavy duty suspension etc. shall be for 3 years or 30,000Km whichever is earlier, from the date of delivery of vehicles to end customer.

NOTE: List mentioned above is indicative in nature. Actual requirement and detailed specification of work with the approved Partner OEM(s) may vary slightly as per Market demand.

4.0 INDICATIVE LIST OF VEHICLE SPECIFICATION FOR UPARMOURING PURPOSE:

- a) Light Vehicle with provision of four Wheel Drive i.e. 4WD.
- b) Transmission should be 4X4 i.e., 4WD with limited slip differential/differential lock/equivalent or better technology on rear axle for preventing the loss of traction and thereby ensuring transfer of some torque/traction to both the rear wheels during movement on slippery/muddy surfaces and provision of shift on the fly for shifting the power from 4X2 to 4X4 mode i.e., the shifting can be done while on the move itself. Transmission shall be Manual/Automatic transmission or both.
- c) Right Hand Power Steering System should be provided. Power assisted brakes consisting of disc brakes on front wheels and drum/disc brakes on rear wheels should be provided. Vehicle should have parking brakes and 'parking brake ON', Indication. Parking brakes to hold a fully laden vehicle at a 25° gradient.
- d) Warranty of 30,000 Kms or three years whichever is earlier for automobile.
- e) Base vehicle shall be able to fulfill following technical requirement after up-armouring work with total weight of vehicle around 3500 Kg.
 - I. Max-Speed: Maximum speed with total vehicle weight around 3500 Kg (i) On Road (NH/SH): Not less than 80 kmph with full load. (ii) X Country (Unpaved, hard dry clay surface): Not less than 40 kmph with full load.
 - II. Starting from the zero the vehicle should be able to attain the speed of at least 60 kmph in not more than 18 seconds (total vehicle weight of 3500 kg (max.)).
 - III. Minimum 25 Degree Sustained Climb including side slope sustaining capability of minimum 15 Degree.
 - IV. Power to Weight Ratio should not be less than 25KW/Ton.
 - V. Turning Circle Radius (TCR) should not be more than 7.5 Meters.
 - VI. Ground Clearance Min. 200mm with full payload and water fording capability without any preparation of min. 400mm.

5.0 MIDHANI OBLIGATION

- a) MIDHANI shall provide the fabrication of the vehicle(s) using their resources and raw material for carrying out the work mentioned in detailed technical specification / QRs.
- b) MIDHANI will be wholly responsible for the Ballistic test reports of Bullet Resistant (BR) Glass, BR Steel, Underbelly protection solution and Side Mine blast (if required) as per the market requirement.
- c) Once CMVR road worthiness certificate is obtained, MIDHANI to ensure the same version

of up-armouring (model wise) is maintained.

6.0 TIME PERIOD

Minimum period of the contract/agreement will be for 5 years and extendable for another 2 years on mutual consent basis subject to satisfactory performance of the partner(s).

7.0 PARTNER'S OBLIGATION.

- a) Partner shall comply, at his own cost and expense, with all the existing laws or laws hereafter enacted, including but not limited to all environmental laws and ordinances; with all rules and requirements pertaining to health, fire and safety; manufacture of the base vehicle, its models and full spectrum of the Automotive Components and its aggregates.
- b) The CMVR certification and subsequent re-certifications requirement as per statutory procedures to be maintained in a timely manner.
- c) New technical developments w.r.t. Engine BHP, Gear ratios, limited slip differential and emission related statutory guidelines by Govt of India to be shared with MIDHANI as and when incorporated in regular production.
- d) Spare Parts, Accessories and Service support network as per MIDHANI QRs

8.0 ELIGIBILITY CRITERIA:

Only those Automobile OEM organizations that meet the following criteria are eligible to participate:-

S No	Criteria	Documents for confirmation
1	Should have an average Annual turnover of more than INR 240 Crore for the last three financial years.	Audited annual accounts Audited annual accounts for the financial year 23-24, 24-25, 25-26. In case of non-availability of audited account statements (FY 25-26), statements for FY 22-23 may please be submitted.
2	Should have positive net worth in each of the previous three financial years. OR Should submit solvency certificate for INR 40 Crore issued not earlier than 6 months from the date of this EO1.	Audited annual accounts Audited annual accounts for the financial year 23-24, 24-25, 25-26. In case of non-availability of audited account statements (FY 25-26), statements for FY 22-23 may please be submitted. "OR" Certificate from a Practicing Chartered Accountant for networth of the company issued not more than 6 months before the date of tender with seal and Membership Number mentioned on the certificate in Original. "OR" a) In case of Indian parties it should be issued by nationalized or scheduled bank from INDIA in Original. b) In case of foreign parties it should be issued by Nationalized or schedule bank from India having a branch in the foreign land or countersigned by Nationalized or schedule bank of India in Original.
3	a) Should be Registered Indian Company and	<u>For (a)</u>

	existing for minimum 5 years prior to the date of this EOI. b) Should be an Original Manufacturer of base vehicle.	Certificate of Incorporation issued by the Registrar of Companies clearly stating the year of establishment. OR Certificate of Incorporation issued by the Registrars of Companies "OR" Certificate of Registration by Registrar of Firms "OR" GST Registration in case of proprietary firms to be submitted. <u>For (b)</u> Self-Certified Document that the company is not a trading company.
4	Indian Registered Companies should have PAN,TAN and TIN & GST	Details & copies of PAN, TAN, TIN & GST to be submitted.
5	Should not be a trading company.	Self-certified document to be submitted.
6	Should not be a black-listed company from any Government Organization in India.	Self-certified document to be submitted.
7	Should ensure to have an All India Authorised Service / Workshop Network in major metro cities as well as all the states (State capital preferable)s	Self-certified list on Company letterhead.
8	Should have capability to manufacture in India.	Class-I /Class-II Local supplier shall be required to provide a certificate from statutory auditor or cost auditor (In 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.

9.0 APPLICATION FORM

(To be filled by the Party and submitted along with EOI)

Sr. No.	Description	Response from party
1	Name of the Partner OEM	
2	Address of the Partner OEM with website	
3	Details of contact person (a) Name: (b) Email: (c) Tel: (d) Mob: (e) FAX:	
4	Please enclose a brief about the history of company, capabilities & facilities, collaborators, manpower, marketing distributors, financial standing etc. Attach literatures/documents to Support your statements wherever necessary	
5	Please enclose the catalogue/technical literatures/brochure	
6	Is the company registered under the statutory Requirements applicable locally? Please enclose a copy of the relevant documents, GST, PF, ESI, all Licences under labour laws	
7	Nature of the company: PSU/Limited/Listed Company/Private Enterprise	
8	Please provide the company sales turnover and PBT for the last five years:	
9	Any other points, that may wish to add	

10.0 INSTRUCTIONS TO APPLICANTS:

- a) The applicant should submit the following information/documents: -
- b) Application format duly filled in, signed and stamped, as per clause No: 9. of this EOI. Expression of Interest documents in original / downloaded duly signed and stamped at each page as token of acceptance of all terms and conditions with email, phone and fax nos.

Following additional documents would be required for submission:

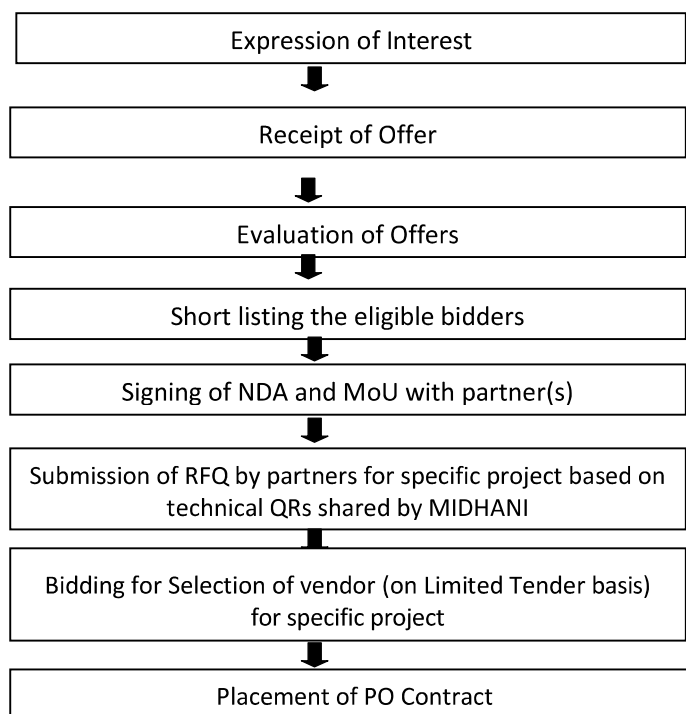
- a) Company Brochure
- b) Registration Certificate with various tax authorities or Government Departments, etc

11.0 SELECTION CRITERION

- a) Based on EoI Eligibility criteria, prospective partners would be selected as approved vendors for the supply of base vehicle(s) for up-armouring/ armoured vehicle fabrication work at MIDHANI Armour- Unit Rohtak for Five years which could be extended indefinitely for two more years each time, based on mutual consent and performance of partner.

- b) RFQ along with QRs will be issued to all approved prospective partners on Limited Tender Enquiry basis. L1 bidder will be selected as vendor against particular RFQ.
- c) Selected vendor shall have to execute the contract as per scope of work mentioned in Purchase Order. All the techno-commercial clauses of Purchase order shall be applicable on vendor.
- d) The parties interested to quote may visit MIDHANI for having a better understanding, before submission of their offers.

12.0 PROCEDURE FOR SELECTING SUITABLE PARTNER



13.0 NON-DISCLOSURE AGREEMENT:

A Non-Disclosure Agreement shall be signed and submitted along with the RFQ.

14.0 GENERAL TERMS & CONDITIONS:

- a) MIDHANI reserves the right to accept or reject any offer of Expression of Interest without assigning any reasons what so ever.
- b) Final selection of suitable applicant from the EOIs received will be done by MIDHANI at its sole discretion and the decision of MIDHANI shall be final.
- c) The selected applicant shall ensure compliance of all the Government regulations/ laws / conventions/policies /guidelines/orders etc. In force related to any or all of the above activities as amended from time to time. Applicant shall undertake to abide by the statutory requirements of the Indian Government from time to time.
- d) Eligible parties to study carefully all documents referred to herein before accepting the same.

15.0 REQUEST FOR STATUS UPDATE ON VALUATION PROCESS:

MIDHANI will not accept or respond to Proponents requests for information on the status

and progress of the EOI evaluation process. Additional information regarding the EOI process may be posted on MIDHANI website.

16.0 OWNERSHIP OF EOI DOCUMENTS & INFORMATION THEREIN:

All Expression of Interest documents will become the property of MIDHANI upon submission. Where the applicant believes that information provided in response to this EOI is, or should be kept confidential, or disclosure of this information would unreasonably affect applicant's business affairs, notice is to be given at the time of delivery of the information or document by clearly marking such information "confidential". In so far as is practicable MIDHANI will give effect to the applicant's stated wishes, and request for access to such information will be determined under the RTI Act.

17.0 PAYMENT TERMS:

Within 30 days from the date of receipt and acceptance of material/vehicle in MIDHANI (lot-wise).

18.0 NO CONTRACTUAL OBLIGATION:

MIDHANI is not bound contractually or in any other way to any applicant to this Expression of Interest. MIDHANI is not liable for any costs of compensation in relation to the consideration of this Expression of Interest.

19.0 LIQUIDATED DAMAGES:

Liquidated Damages (LD) shall be levied against suppliers in the event of unsatisfactory, delayed or non-supply of materials/execution of contract beyond the date of delivery. LD is leviable at the rate of 1% of the total Purchase Order/contract prices per week or part thereof subject to a maximum of 10% of the order/contract prices including taxes and duties except GST without prejudice to the right of the Purchaser to take any other action. The amount shall also be recoverable from any other Purchase Order/Contract on account of the supplier. The payment or deduction of such damages shall not relieve the contractor from his/her obligations to complete the work or from any other of his/her obligations and liabilities under the contract.

20.0 CLARIFICATION & SUBMISSION OF BIDS:

Clarification if any may be sought from rajkumar@midhani-india.in; diptimoy.mohanty@midhani-india.in For Technical clarifications kindly contact **Shri Piyush Paliwal** piyush.paliwal@midhani-india.in

Requests for updating the status on evaluation will not be entertained. Duly filled in bids along with the relevant Document shall be sent to the following Address:

Additional General Manager (I/c Purchase),
Purchase Department
Mishra Dhatu Nigam Limited,
Corporate Office, Kanchanbagh (PO),
Hyderabad – 500 058, Telangana, India.

21.0 DISCLAIMER:

All the Submitted Documents will be the property of MIDHANI after submission. In case of any confidentiality, the Applicant shall clearly mark "CONFIDENTIAL" on all such Documents. Such information shall, in so far as is possible be given effect to subject to certain exemption indicated as but not limited to availability of the same in public domain Government/Court directives/orders etc. MIDHANI is not bound contractually or in any other way to any Applicant for this particular tender. MIDHANI

is not liable for any Costs or compensation w.r.t the consideration or non-consideration of this application in response to this Tender. The issue of this Document does not in any way commit or otherwise obliges MIDHANI to proceed with all or any part of Tendering process. The Tender invitation is not the Subject of any Agency Contract or any contractual obligations between MIDHANI and the Applicant. MIDHANI at its absolute sole discretion may prefer, eliminate or abandon any part or whole of the process without giving prior notice to the Prospective Partners.

22.0 ARBITRATION

Any dispute(s) or difference(s) whatsoever arises under or out of or in connection with the EOI/tender notice/contract, or in respect of any defined legal relationship associated there with or derived there from, shall be resolved/settled amicably, through mutual negotiation; failing which the differences shall be resolved by way of arbitration in accordance with the India International Arbitration Centre (IIAC), New Delhi Arbitration Rules. The authority to appoint the arbitrator(s) shall be the India International Arbitration Centre (IIAC). And will provide Administrative services in accordance with IIAC Arbitration Rules. The art of arbitration shall be India. The language of the arbitration proceeding shall be English. The place of arbitration proceedings shall be Hyderabad, Telangana, India. In case of PSU/Government organization DPE guidelines in force or as amended from time to time shall be applicable.

21.0 JURISDICTION

EOI shall be subject to the exclusive jurisdiction of the courts within the local limits of Hyderabad, Telangana, India.

ANNEXURE-I

APPLICATION FORM
(To be filled by the Applicant)

Sl. No	Description	Response from the Party
1	Name of the firm	
2	Address of the firm with website	
3	Details of contact person	Name : Email : Tel/Mob : Fax :
4	Which year this organisation established	
5	How long you are in the business	
6	Please enclose a brief about the history of your company, capabilities & facilities, collaborators, manpower, financial standing etc. Attach literatures/documents to support your statements wherever necessary	
7	What are the Quality accreditations/Certifications of your company? Attach the Valid copy of such certificates.	
8	Please enclose the catalogue / brochure of your organisation.	
9	List the companies in the mentioned Segment to which you have rendered services in past 2 years	
10	Is your company rated by any of the leading rating agencies (for ex. Dun and Bradstreet)? Or any major agency. If so mention the name of the rating agency and enclose the rating report by that company	
11	Is your company registered under the statutory requirements applicable locally? Please enclose a copy of the relevant documents, namely PAN, GST etc.,	
12	Nature of the company: PSU/ Listed Company / Partnership Co. / Private Enterprise / Proprietorship Concern	
13	Please provide the sales turnover of your company for the last two years	
14	Any other points, that you may wish to add, which would highlight your capabilities in support of products to the mentioned Segment.	
15	Do you accept all terms and conditions mentioned in this Tender notice?	
16	Details of information provided to your organisation are to be used for the benefit of MIDHANI only. Non disclosure agreement (NDA) is to be signed in this regard if any order/contract is placed. Do you accept for the same? Please specify.	
17	Area of Interest with details, if required separate annexure may be attached	

ANNEXURE-II

CERTIFICATE TO BE GIVEN BY APPLICANTS WITH BID/RESPONSE FOR LOCAL CONTENT FROM STATUTORY AUDITOR OR COST AUDITOR (IN CASE OF COMPANIES) OR FROM A PRACTICING COST ACCOUNTANT OR PRACTICING CHARTERED ACCOUNTANT (IN RESPECT OF SUPPLIERS OTHER THAN COMPANIES)

EOI Ref No: MDN/BASE_VEHICLES/RM/EOI/323/26-27 Date: 16-09-2026

With reference to the above mentioned EOI, we hereby confirm that we have read the **Public Procurement (Preference to Make in India) Order No. P-45021/2/2017-PP (BE-II)-Part(4) Vol.II dated 19/7/2024** and the updates and the percentage of local (Indian) content in the offered items/service is _____ and the place/places of value addition done is/are _____.

The Class-I /Class-II local supplier shall be required to provide a certificate from statutory auditor or cost auditor (In 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.

Signature with seal No

UNDERTAKING (to be submitted by the Bidder along with Integrity Pact)

Date:

To,

PURCHASE DEPARTMENT,
MISHAR DHATU NIGAM LIMITED,
KANCHANBAGH, HYDERABAD – 58.

Sub: Procurement of _____ (Item description)

Ref: Tender no. & date: _____

- * -

- We (The Bidder / Contractor) confirm acceptance and compliance with the Integrity Pact in letter and spirit.
- We (The Bidder / Contractor) confirm that the Integrity Pact is signed without any variation (or) modification.
- We (The Bidder / Contractor) agree that Integrity Pact is deemed as part of NIT / Contract and we are bound by its provisions for the entire Pact duration as per Section. 9 of the enclosed Integrity Pact format.
- In case, if we (The Bidder / Contractor) fails to honour the above conditions, MIDHANI shall have absolute right to take action as per Section. 3 of the enclosed Integrity Pact format.

Yours faithfully,

(BIDDER)

INTEGRITY PACT

Between

Mishra Dhatu Nigam Limited (MIDHANI) hereinafter referred to as **"The Principal"**,
and

..... hereinafter referred to as **"The Bidder/
Contractor"**

Preamble

The Principal intends to award, under laid down organizational procedures, contract/s for.....The Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness / transparency in its relations with its Bidder(s) and / or Contractor(s).

In order to achieve these goals, the Principal will appoint Independent External Monitors (IEMs) who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1 – Commitments of the Principal

- (1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-
 - a. No employee of the Principal, personally or through family members, will in connection with the tender for , or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.
 - b. The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential / additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
 - c. The Principal will exclude from the process all known prejudiced persons.
- (2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.

Section 2 – Commitments of the Bidder(s)/ Contractor(s)

- (1) The Bidder(s)/ Contractor(s) commit themselves to take all measures necessary to prevent corruption. The Bidder(s)/ Contractor(s) commit themselves to observe the following principles during participation in the tender process and during the contract execution.
 - a. The Bidder(s)/ Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.

- b. The Bidder(s)/ Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
 - c. The Bidder(s)/ Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s)/ Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
 - d. The Bidder(s)/Contractors(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly the Bidder(s)/Contractors(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s)/Contractor(s). Further, as mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only. Copy of the "Guidelines on Indian Agents of Foreign Suppliers" is enclosed.
 - e. The Bidder(s)/ Contractor(s) will, when presenting their bid, disclose any and all payments made, are committed to or intend to make to agents, brokers or any other intermediaries in connection with the award of the contract.
 - f. Bidder(s) /Contractor(s) who have signed the Integrity Pact shall not approach the Courts while representing the matter to IEMs and shall wait for their decision in the matter.
- (2) The Bidder(s)/ Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3 - Disqualification from tender process and exclusion from future contracts

If the Bidder(s)/Contractor(s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put their reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or take action as per the procedure mentioned in the Purchase Policy, MIDHANI and as per "Guidelines on Debarment of firms from Bidding" issued by Procurement Policy Division, Ministry of Finance, Department of Expenditure, Government of India from time to time (current OM date 02.11.2021). Copy of "Guidelines on Banning of Business dealing" is enclosed.

Section 4 – Compensation for Damages

- (1) If the Principal has disqualified the Bidder(s) from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit/ Bid Security.
- (2) If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee.

Section 5 – Previous transgression

- (1) The Bidder declares that no previous transgressions occurred in the last three years with any other Company in any country conforming to the anti-corruption approach or with any Public Sector Enterprise in India that could justify his exclusion from the tender process.
- (2) If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or action can be taken as per the procedure mentioned in "Purchase policy MIDHANI".

Section 6 – Equal treatment of all Bidders / Contractors / Subcontractors

- (1) In case of Sub-contracting, the Principal Contractor shall take the responsibility of the adoption of Integrity Pact by the Sub-contractor. In case of subcontract (only when the contract provide for sub contracting) the clause is applicable.
- (2) The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.
- (3) The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section 7 – Criminal charges against violating Bidder(s) / Contractor(s) / Subcontractor(s)

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.

Section 8 – Independent External Monitor

- (1) The Principal appoints competent and credible Independent External Monitor for this Pact after approval by Central Vigilance Commission. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- (2) The Monitor is not subject to instructions by the representatives of the parties and performs his/her functions neutrally and independently. The Monitor would have access to all Contract documents, whenever required. It will be obligatory for him / her to treat the information and documents of the Bidders/Contractors as confidential. He/ she reports to the C&MD MIDHANI.
- (3) The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his/her request and demonstration of a valid interest, unrestricted and unconditional access to their project documentation. The same is applicable to Sub-contractors.
- (4) The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/ Contractor(s)/ Sub-contractor(s) with confidentiality. The Monitor has also signed declarations on 'Non-Disclosure of Confidential Information' and of 'Absence of Conflict of Interest'. In case of any conflict of interest arising at a later date, the IEM shall inform C&MD MIDHANI and recuse himself / herself from that case.
- (5) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- (6) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he/she will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- (7) The Monitor will submit a written report to the C&MD MIDHANI within 8 to 10 weeks from the date of reference or intimation to him by the Principal and, should the occasion arise, submit proposals for correcting problematic situations.
- (8) If the Monitor has reported to the C&MD MIDHANI, a substantiated suspicion of an offence under relevant IPC/ PC Act, and the C&MD MIDHANI has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance

Commissioner.

- (9) The word '**Monitor**' would include both singular and plural.

Section 9 – Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the contract, and for all other Bidders 6 months after the contract has been awarded. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged / determined by C&MD MIDHANI.

Section 10 – Other provisions

- (1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e. Hyderabad.
- (2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- (3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- (4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
- (5) Issues like Warranty / Guarantee etc. shall be outside the purview of IEMs.

Section 11 - Independent Monitors

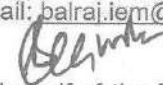
The Central Vigilance Commission (CVC) has appointed the following Independent External Monitors (IEMs) to oversee the implementation of the Integrity Pact for MIDHANI:

Address of IEMs are as follows:

- a. Shri Sunil Kumar Chourasia, IOFS (Retd.),
D-4/11, Ideal Hills Appts,
Polypather, Narmada Road, Jabalpur, M.P. 482001
Mobile No. 8004938936
e-mail: sunilkumar.chourasia@midhani-india.in/ sunilchourasia@hotmail.com
- b. Shri Bal Raj, ITS (Retd.),
12, Engineers Enclave,
Phase- I, G M S Road,
Dehradun – 247001.
Mobile No. 9412000540
e-mail: balraj.iem@midhani-india.in/ anand2149@yahoo.co.in

(For & On behalf of the Principal)

(For & On behalf of Bidder/ Contractor)


Subhadip Ghosh / Subhadip Ghosh
(Office Seal) अपर महाप्रबंधक (I/c-क्रय)

(Office Seal)

Place Add. General Manager (I/c-Purchase)
मिशन धातु निगम लिमिटेड, मिशन धातु निगम लिमिटेड
Date कंचनबाग, हैदराबाद-58 / Kanchanbagh, Hyd-58

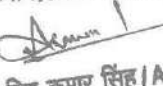
Witness 1

(Name &

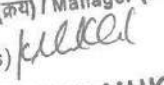
Address)

Witness 2:

(Name & Address)


अमित कुमार सिंह / AMIT KUMAR SINGH
प्रबंधक (क्रय) / Manager (Purchase)

Integrity Pact


के मुकेश / K. MUKESH
वरिष्ठ प्रबंधक (क्रय)
Sr. Manager (Purchase)

GUIDELINES FOR INDIAN AGENTS OF FOREIGN SUPPLIERS

- 1.0 There shall be compulsory registration of agents for all Global (Open) Tender and Limited Tender. An agent who is not registered with MIDHANI shall apply for registration in the registration form.
- 1.1 Registered agents will file an authenticated Photostat copy duly attested by a Notary Public/Original certificate of the principal confirming the agency agreement and giving the status being enjoyed by the agent and the commission/ remuneration/ salary/ retainer ship being paid by the principal to the agent before the placement of order by MIDHANI.
- 1.2 Wherever the Indian representatives have communicated on behalf of their principals and the foreign parties have stated that they are not paying any commission to the Indian agents, and the Indian representatives working on the basis of salary or as retainer, a written declaration to this effect should be submitted by the party (i.e. Principal) before finalizing the order.
- 2.0 **Disclosure of particulars of agents/ representatives in India, if any.**
- 2.1 Tenderers of Foreign nationality shall furnish the following details in their offers:
 - 2.1.1 The Bidder(s)/ Contractor(s) of foreign origin shall disclose the name and address of the agents/ representatives in India if any and the extent of authorization and authority given to commit the Principals. In case the agent/ representative be a foreign Company, it shall be confirmed whether it is existing Company and details of the same shall be furnished.
 - 2.1.2 The amount of commission/ remuneration included in the quoted price(s) for such agents/ representatives in India.
 - 2.1.3 Confirmation of the Tenderer that the commission/ remuneration, if any, payable to his agents/ representatives in India, may be paid by MIDHANI in Indian Rupees only.
- 2.2 Tenderers of Indian Nationality shall furnish the following details in their offers:
 - 2.2.1 The name and address of the foreign principals, if any, indicating their nationality as well as their status, i.e. whether manufacturer or agents of manufacturer holding the Letter of Authority of the Principal specifically authorizing the agent to make an offer in India in response to tender either directly or through the agents/ representatives.
 - 2.2.2 The amount of commission/ remuneration included in the price (s) quoted by the Tenderer for himself.
 - 2.2.3 Confirmation of the foreign principals of the Tenderer that the commission/ remuneration, if any, reserved for the Tenderer in the quoted price(s), may be paid by MIDHANI in India in equivalent Indian Rupees on satisfactory completion of the Project or supplies of Stores and Spares in case of operation items.
- 2.3 In either case, in the event of contract materializing, the terms of payment will provide for payment of the commission/ remuneration, if any payable to the agents/ representatives in India in Indian Rupees on expiry of 90 days after the discharge of the obligations under the contract.
- 2.4 Failure to furnish correct and detailed information as called for in paragraph 2.0 above will render the concerned tender liable to rejection or in the event of a contract materializing, the same liable to termination by MIDHANI. Besides this there would be a penalty of banning business dealings with MIDHANI or damage or payment of a named sum.

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GUIDELINES ON DEBARMENT OF FIRMS FROM BIDDING - MIDHANI

Ref: Procurement Policy Division, Ministry of Finance, Department of Expenditure, Government of India OM dated 02.11.2021.

1. The Guidelines are classified under following two types:
 - (i) In cases where debarment is proposed to be limited to a single Ministry, the appropriate Orders can be issued by that Ministry itself, thereby banning all its business dealing with the debarred firm.
 - (ii) Where it is proposed to extend the debarment beyond the jurisdiction of the particular Ministry i.e. covering to all central Ministries/ Departments, the requisite Orders shall be issued by Department of Expenditure (DoE), Ministry of Finance (MoF).

Definitions

2. **Firm:** The term 'firm' or 'bidder' has the same meaning for the purpose of these Guidelines, which includes an individual or person, a company, a cooperative society, a Hindu undivided family and an association or body of persons, whether incorporated or not, engaged in trade or business.

3. **Allied firm:** All concerns which come within the sphere of effective influence of the debarred firms shall be treated as allied firms. In determining this, the following factors may be taken into consideration:

- a. Whether the management is common;
 - b. Majority interest in the management is held by the partners or directors of banned/ suspended firm;
 - c. Substantial or majority shares are owned by the banned/ suspended firm and by virtue of this it has a controlling voice.
 - d. Directly or indirectly controls, or is controlled by or is under common control with another bidder.
 - e. All successor firms will also be considered as allied firms.
4. The terms "banning of firm", 'suspension', 'Black-Listing' etc. convey the same meaning as of "Debarment".

Debarment by a Single Ministry/ Department

5. Orders for Debarment of a firm(s) shall be passed by a Ministry/ Department/ organizations, keeping in view of the following:

- a. A bidder or any of its successors may be debarred from participating in any procurement process for a period not exceeding two years.
- b. Firms will be debarred if it is determined that the bidder has breached the code of integrity as per Rule 175 of GFRs 2017.
- c. A bidder can also be debarred for any actions or omissions by the bidder other than violation of code of integrity, which in the opinion of the Ministry/department, warrants debarment, for the reasons like supply of sub-standard material, non-supply of material, abandonment of works, sub-standard quality of works, failure to abide "Bid securing Declaration" etc.
- d. It shall not be circulated to other Ministries/Departments. It will only be applicable to all the attached/ subordinate offices, Autonomous bodies, Central Public sector Undertakings (CPSUs) etc. of the Ministry/Department issuing the debarment order.
- e. The concerned Ministry/Department before issuing the debarment order against a firm must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm).
- f. Secretary of Ministry/Department may nominate an officer at the rank of joint secretary/Additional secretary as competent authority to debar the firms.

g. Ministry/ Department that issued the order of debarment can also issue an order for revocation of debarment before the period of debarment is over, if there is adequate justification for the same. Ordinarily, the revocation of the order before expiry of debarred period should be done with approval of secretary concerned of Ministry/Department.

h. The Ministry/Department will maintain list of debarred firms, which will also be displayed on its website.

i. Debarment is an executive function and should not be allocated to vigilance department.

6. Code of integrity as contained in Rule 175 of the GFRs is reproduced as under:

No official of the procuring entity or a bidder shall act in contravention of the courts which includes

(i) Prohibition of

(a) making offer, solicitation or acceptance of bribe, reward or gift on any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process.

(b) any omission or mis-representation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation avoided.

(c) any collusion, bid rigging or anti competitive behavior that may impair the transparency, fairness and the progress of the procurement process.

(d) improper use of information provided by the procuring entity to the bidder with an intent to gain unfair advantage in the procurement process or for personal gain.

(e) any financial or business transaction between the bidder and any official of the procuring entity related to tender or execution process of the contract which can affect the decision of the procuring entity directly or indirectly.

(f) any coercion or any threat to impair or harm, directly or indirectly, any party or its property to influence the procurement process.

(g) obstruction of any investigation or auditing of a procurement process.

(h) making false declaration or providing false information for participation in a tender process or to secure a contract.

(ii) Disclosure of Conflict of interest.

(iii) Disclosure by the bidder of any previous transgressions made in respect of the provisions of the sub-clause (i) with an entity in any country during the last three years or of being debarred by any other procuring entity.

7. It is possible that the firm may be debarred concurrently by more than one ministry/department.

8. Ministries/Departments at their option may also delegate powers to debar bidders to their CPSUs, attached offices/Autonomous bodies etc. in such cases, broad principles for debarment in para 5 as above are to be kept in mind. Debarment by such bodies like CPSUs etc., shall be applicable only for the procurements made by such bodies.

9. Similarly, Government e-Market place (GeM) can also debar bidders upto two years on its portal.

10. In case of debarments under para 8 as above, revocation the debarment orders before expiry of debarred period should be done only with the approval of chief executive officer of concerned CPSUs etc.,

Debarment across all ministries/Departments

11. Where a Ministry/Department is of the view that business dealings with a particular firm should be banned across all the ministries/departments by debarring the firm from taking part in any bidding procedure floated by the central govt. ministries/departments, the ministry/department concerned, should after obtaining the approval of the secretary concerned, forward to DoE a self contained note setting out all the facts of the case and the justification for the proposed debarment, along with all the relevant papers and documents. DoE will issue the necessary orders after satisfying itself that proposed debarment across all the Ministries/Departments is in accordance with rule 151 of GFRs, 2017. This scrutiny is intended to ensure uniformity of treatment in all cases.

12. The firm will remain in suspension mode (i.e., debarred) during the interim period till the final decision taken by DoE, only in the ministry/department forwarding such proposal.

13. Ministry/Department before forwarding the proposal to DoE must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm). If DoE realizes that sufficient opportunity has not be given to the firm to represent against the debarment, such debarment requests received from ministries/department shall be rejected.

14. DoE can also give additional opportunity, at their option, to firm to represent against proposed debarment. DoE can also take suo-moto action to debar the firms in certain circumstances.

15. No contract of any kind whatsoever shall be placed on the debarred firm, including its allied firms by any Ministries/Departments/Attached/Subordinate offices of the Government of India including autonomous body, CPSUs etc. after the issue of a debarment order.

16. DoE will maintain list of such debarred firms, which will be displayed on Central Public Procurement Portal.

Revocation of Orders

17. An order for debarment passed shall be deemed to have been automatically revoked on the expiry of that specified period and it will not be necessary to issue a specific formal order revocation.

18. A debarment order may be revoked before the expiry of the order, by the competent authority, if it is of the opinion that the disability already suffered is adequate in the circumstances of the case or for any other reason.

Other provisions (Common to both types of debarment)

19. No contract of any kind whatsoever shall be placed to debarred firm including its allied firms after the issue of a debarment order by the Ministry/ Department. Bids from only such firms shall be considered for placement of contract, which are neither debarred on the date of opening of tender (first bid, normally called as technical bid, in case of two packet/two stage bidding) nor debarred on the date of contract. Even in the cases of risk purchase, no contract should be placed on such debarred firms.

20. In case, any debar firms has submitted the bid, the same will be ignored. In case such form is lowest (L-1), next lowest firm shall be considered as L-1. Bid security submitted by such debarred firms shall be returned to them.

21. Contracts concluded before the issue of the debarment order shall, not be affected by the debarment orders.

22. The department shall be automatically extended to all its allied firms. In case of joint venture/consortium is debarred all partners will also stand debarred for the period specified in debarment order. The names of partners should be clearly specified in the "Debarment Order".

23. Debarment if any manner does not impact any other contractual or other legal rights of the procuring entities.

24. The period debarment shall start from the date of issue of debarment order.

25. The order of debarment will indicate the reason(s) in brief that lead to debarment of the firm.

26. Ordinarily, the period of debarment should not be less than six months.

27. In case of shortage of suppliers in a particular group, such debarments may also hurt the interest of procuring entities. In such cases, endeavor should be to pragmatically analyze the circumstances, try to reform the supplier and may get a written commitment from the supplier that its performance will improve.

28. All Ministries/Departments must align their existing debarment Guidelines in conformity with these Guidelines within two months of issued of these guidelines. Further, bidding documents must also be suitably amended, if required.

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No. P-45021/2/2017-PP (BE-II)-Part(4)Vol.II
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Section)

Vanijya Bhawan, New Delhi
Dated: 19 July, 2024

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

**Subject: Public Procurement (Preference to Make in India), Order 2017–
Revision; regarding.**

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 2, 3, 5, 10 & 13] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018, Order No.P-45021/2/2017-B.E.-II dated 29.05.2019, Order No.P-45021/2/2017-B.E.-II dated 04.06.2020 and Order No.P-45021/2/2017-B.E.-II dated 16.09.2020 hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017" dated 19.07.2024 effective with immediate effect.

Whereas it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

Whereas procurement by the Government is substantial in amount and can contribute towards this policy objective, and

Whereas local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

Now therefore the following Order is issued:

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions:** For the purposes of this Order:
'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

Explanatory notes for calculation of local content given above

- a. Imported items sourced locally from resellers/distributors shall be excluded from calculation of local content.
- b. The license fees/royalties paid/ technical charges paid out of India shall be excluded from local content calculation.



- c. Procurement/Supply of repackaged/refurbished/rebranded imported products as understood commonly shall be treated as reselling of imported products and shall be excluded from calculation of local content. The definition of repackaged/refurbished/rebranded imported products is as follows;

'Refurbishing' means repair or reconditioning of an imported product does not amount to manufacture because no new goods come into existence.

'Repackaging' means repacking of imported goods from bulk pack to smaller packs would not ordinarily amount to manufacture of a new item.

'Rebranding' means relabeling or renaming or change in symbol or logo/makes or corporate image of a company/organization/ firm for an imported product would amount to rebranding.

- d. To ensure that imported items sourced locally from resellers/distributors are excluded from calculation of local content, procuring entities to obtain from bidders, the cost of such locally-sourced imported items (Inclusive of taxes) along with break-up on license/royalties paid/technical expertise cost etc. sourced from outside India. For items sold by bidder as reseller, OEM certificate for country of origin to be submitted.
- e. For contracts involving supply of multiple items, weighted average of all items to be taken while calculating the local content.

'Class-I local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-I local supplier' under this Order.

'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-II local supplier' but less than that prescribed for 'Class-I local supplier' under this Order.

'Non - Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than that prescribed for 'Class-II local supplier' under this Order.

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'Margin of purchase preference' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.

'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works'.

2A. Special treatment for items covered under PLI Scheme

The manufacturers manufacturing an item under PLI scheme shall be treated as deemed Class II local supplier for that item unless they have minimum local content equal to or higher than that notified for Class-I local supplier for that item, provided the manufacturer has received incentive from the concerned PLI Ministry for the item. The above shall be applicable for the specific time period only, as notified by concerned PLI Ministry.

3. Eligibility of 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local suppliers' for different types of procurement

(a) In procurement of all goods, services or works in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

(b) Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurement undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'. In procurement of all goods, services or works, not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure.

(c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

3.1 Mandatory sourcing of items, with sufficient local capacity and competition, from Class-I local suppliers in SI/EPC/Turnkey Contracts/Service Tenders

- a. The items, notified as having sufficient local capacity and competition, shall mandatory be sourced from Class-I local suppliers in SI/EPC/Turnkey Contracts/ Services tenders. This provision will be applicable only for those items which have been notified by the Nodal Ministry as Class I i.e. having sufficient local capacity and competition, with specific HSN codes."
- b. Notwithstanding above, if in any project, it is considered that it is not practically feasible to source such items from Class I local suppliers, it may take relaxation from such stipulation with the approval of Secretary of the administrative Ministry/ Department concerned or with the approval of the Competent Authority specified by the Administrative Ministry/Department, on case-specific basis.

3A. Purchase Preference

(a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurement undertaken by procuring entities in the manner specified here under.

(b) In the procurement of goods or works, which are covered by para 3(b)

above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
 - ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.
- (c) In the procurement of goods or works, which are covered by para 3(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:
- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is Class -I local supplier', the contract will be awarded to L1.
 - ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.
 - iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.
- (d) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.

3B. Applicability in tenders where contract is to be awarded to multiple bidders- In tenders where contract is awarded to multiple bidders subject to matching of L1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- a. In case there is sufficient local capacity and competition for the item to be procured, as notified by the nodal Ministry, only Class I local suppliers shall be eligible to bid. As such, the multiple suppliers, who would be awarded the contract, should be all and only 'Class I Local suppliers'.
- b. In other cases, 'Class II local suppliers' and 'Non local suppliers' may also participate in the bidding process along with 'Class I Local suppliers' as per provisions of this Order.
- c. If 'Class I Local suppliers' qualify for award of contract for at least



50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class I Local suppliers' do not qualify for award of contract for at least 50% of the tendered quantity, purchase preference should be given to the 'Class I local supplier' over 'Class II local suppliers'/'Non local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract so as to ensure that the 'Class I Local suppliers' taken in totality are considered for award of contract for at least 50% of the tendered quantity.

- d. First purchase preference has to be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier', falling within 20% margin of purchase preference, and so on.
- e. To avoid any ambiguity during bid evaluation process, the procuring entities may stipulate its own tender specific criteria for award of contract amongst different bidders including the procedure for purchase preference to 'Class-I local supplier' within the broad policy guidelines stipulated in sub- paras above.

4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurement where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

4A. Exemption in sourcing of spares and consumables of closed systems:

Procurement of spare parts, consumables for closed systems and Maintenance/ Service contracts with Original Equipment Manufacturer/Original Equipment Supplier/Original Part Manufacturer shall be exempted from this Order.

5. **Minimum local content:** The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%. Nodal Ministry/ Department may prescribe only a higher percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/'Class- II local supplier'. For the items, for which Nodal Ministry/ Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-I local supplier'/'Class-II local supplier' respectively.
6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for

display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.

9. Verification of local content:

- a. The 'Class-I local supplier'/ 'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/ 'Class-II local supplier', as the case may be. They shall also 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 crores, the 'Class-I local supplier'/ 'Class-II local supplier' shall be required to 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. The bidder shall give self-certification for local content in the quoted item (goods/works/services) at the time of tendering. However, at the time of execution of the project, for all contracts above INR 10 Crore, the contractor/ supplier shall be required to give local content certification duly certified by cost/ chartered accountant in practice. For cases where it is not possible to provide certification by Cost/Chartered Accountant at the time of execution of project, the supplier shall be permitted to provide the certificate for local content from Cost/ Chartered Accountant after completion of the contract, within time limit acceptable to the procuring entity. In case the contractor/ supplier does not meet the stipulated local content requirement and the category of the supplier changes from Class-I to Class-II/ Non-local or from Class-II to Non-local, a penalty upto 10% of the contract value may be imposed. However, contract once awarded shall not be terminated on this account.
- d. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
- e. Nodal Ministries may constitute committees 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.
- f. Nodal Ministries and procuring entities may prescribe fees for such complaints.
- g. False declarations 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.
- h. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9

2

i below.

- i. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
 - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
 - ii. On a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
 - iii. In respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurement are not disrupted.

10. Specifications in Tenders and other procurement solicitations:

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier'/ 'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.
- d. **Reciprocity Clause**
 - i. When a Nodal Ministry/Department identifies that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc., it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSUs, State Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action.
 - ii. Entities of countries which have been identified by the nodal Ministry/Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in Government procurement in India for all items related to that nodal Ministry/ Department, except for the list of items published by the Ministry/ Department permitting their participation.
 - iii. The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchases on GeM shall also necessarily have the above provisions for items identified by nodal Ministry/ Department.
 - iv. State Governments should be encouraged to incorporate similar provisions in their respective tenders.
 - v. The term 'entity' of a country shall have the same meaning as under the FDI Policy of DPIIT as amended from time to time.
- e. Specifying foreign certifications/ unreasonable technical specifications/

brands/ models in the bid document is restrictive and discriminatory practice against local suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/or for any other reason, the same shall be done only after written approval of Secretary of the Department concerned or any other Authority having been designated such power by the Secretary of the Department concerned.

- f. "All administrative Ministries/Departments *whose procurement exceeds Rs. 1000 Crore per annum* shall notify/update their procurement projections every year, including those of the PSEs/PSUs, for the next 5 years on their respective website."

10A. Action for non-compliance of the Provisions of the Order: In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.

11. **Assessment of supply base by Nodal Ministries:** The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing the higher minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.
12. **Increase in minimum local content:** The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.
13. **Manufacture under license/ technology collaboration agreements with phased indigenization:** While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.

13A. In procurement of all goods, services or works in respect of which there is substantial quantity of public procurement and for which the nodal ministry has not notified that there is sufficient local capacity and local competition, the concerned nodal ministry shall notify an upper threshold value of procurement beyond which foreign companies shall enter into a joint venture with an Indian company to participate in the tender. Procuring entities, while procuring such items beyond the notified threshold value, shall prescribe in their respective tenders that foreign companies may enter into a joint venture with an Indian company to participate in the tender. The procuring Ministries/Departments shall also make special provisions for exempting such joint ventures from meeting the stipulated minimum local content requirement, which shall be increased in a phased manner.

14. **Powers to grant exemption and to reduce minimum local content:** The administrative Department undertaking the procurement (including

procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,

- a. reduce the minimum local content below the prescribed level; or
- b. reduce the margin of purchase preference below 20%; or
- c. exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

The Administrative Department, while seeking exemption under this para, shall certify that such an item(s) has not been notified by Nodal Ministry/ Department concerned under para 3 (a) of the Order.

A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry / Department concerned will continue to have the power to vary its notification on Minimum Local Content.

15. **Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.
16. **Standing Committee:** A standing committee is hereby constituted with the following membership:
Secretary, Department for Promotion of Industry and Internal Trade - Chairman
Secretary, Commerce—Member
Secretary, Ministry of Electronics and Information Technology—Member Joint
Secretary (Public Procurement), Department of Expenditure—Member Joint
Secretary (DPIIT)—Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

17. **Functions of the Standing Committee:** The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee
 - a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
 - b. shall annually assess and periodically monitor compliance with this Order
 - c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
 - d. may require furnishing of details or returns regarding compliance with this Order and related matters
 - e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
 - f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization

g. may consider any other issue relating to this Order which may arise.

18. **Removal of difficulties:** Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.
19. **Ministries having existing policies:** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.
20. **Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.



(Himani Pande)

Additional Secretary to the Government of India

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No.F.7/10/2021-PPD (1)
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

264-C, North Block, New Delhi.
23.02.2023.

Order (Public Procurement No. 4)

Subject: Restrictions under Rule 144(xi) of the General Financial Rules (GFRs), 2017.

Attention is invited to Order (Public Procurement No. 1) issued vide F.6/18/2019-PPD dated 23.07.2020, Order (Public Procurement No. 2) issued vide F.6/18/2019-PPD dated 23.07.2020, Order (Public Procurement No. 3) issued vide F.6/18/2019-PPD dated 24.07.2020, Office Memorandum (OM) No. F.18/37/2020-PPD dated 08.02.2021, OM No. F.12/1/2021-PPD(Pt.) dated 02.03.2021 and OM No. F.7/10/2021-PPD dated 08.06.2021. In this regard, the following is hereby ordered under Rule 144(xi) (as amended vide OM No. F.7/10/2021-PPD dated 23.02.2023) on the grounds stated therein, in supersession to all of the above mentioned Orders/ clarifications:

Requirement of registration:

2. Any bidder from a country which shares a land border with India will be eligible to bid in any procurement whether of goods, services (including consultancy services and non-consultancy services) or works (including turnkey projects) only if the bidder is registered with the Competent Authority, specified in **Annexure I**.
3. Any bidder (including an Indian bidder) who has a Specified Transfer of Technology (ToT) arrangement with an entity from a country which shares a land border with India will be eligible to bid in any procurement whether of goods, services (including consultancy services and non-consultancy services) or works (including turnkey projects) only if the bidder is registered with the Competent Authority, specified in **Annexure I**.
4. The requirement of registration for cases covered by paragraph 2 above has been applicable since 23.07.2020. The requirement of registration for bidders covered by paragraph 3 above will be applicable for all procurements where tenders are issued/ published after 01.04.2023.
5. In tenders issued after 23.07.2020 or 01.04.2023, as the case may be, the provisions of requirement of registration of bidders and of other relevant provisions of this Order shall be incorporated in the tender conditions.

Applicability:

6. Apart from Ministries/ Departments, attached and subordinate bodies, notwithstanding anything contained in Rule 1 of the GFRs 2017, the Order shall also be applicable

- a) to all Autonomous Bodies;
- b) to all public sector banks and public sector financial institutions;
- c) to all Central Public Sector Enterprises;
- d) to all procurement in Public Private Partnership projects receiving financial support from the Government or public sector enterprises/ undertakings; and
- e) Union Territories, National Capital Territory of Delhi and all agencies/ undertakings thereof.

7. This order will not be applicable for cases falling under **Annexure II**.

Definitions:

8. "*Bidder*" for the purpose of the Order (including the term 'tenderer', 'consultant' 'vendor' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency, branch or office controlled by such person, participating in a procurement process.

9. "*Tender*" for the purpose of the Order will include other forms of procurement, except where the context requires otherwise.

10. "*Transfer of Technology*" means dissemination and transfer of all forms of commercially usable knowledge such as transfer of know-how, skills, technical expertise, designs, processes and procedures, trade secrets, which enables the acquirer of such technology to perform activities using the transferred technology independently. (Matters of interpretation of this term shall be referred to the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade, and the interpretation of the Committee shall be final.)

11. "*Specified Transfer of Technology*" means a transfer of technology in the sectors and/ or technologies, specified in paragraph 15, occurring on or after 23.07.2020.

12. "*Bidder (or entity) from a country which shares a land border with India*" for the purpose of the Order means

- (a) An entity incorporated, established or registered in such a country; or
- (b) A subsidiary of an entity incorporated, established or registered in such a country; or
- (c) An entity substantially controlled through entities incorporated, established or registered in such a country; or
- (d) An entity whose beneficial owner is situated in such a country; or
- (e) An Indian (or other) agent of such an entity; or
- (f) A natural person who is a citizen of such a country; or

- (g) A consortium or joint venture where any member of the consortium or joint venture falls under any of the above

13. *Beneficial owner* for the purposes of Para 12 (d) will be as under:

(i) In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person(s), has a controlling ownership interest or who exercises control through other means.

Explanation:-

- a. "Controlling ownership interest" means ownership of, or entitlement to, more than twenty-five per cent of shares or capital or profits of the company;
 - b. "Control" shall include the right to appoint the majority of the directors or to control the management or policy decisions, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;
- (ii) In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;
- (iii) In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;
- (iv) Where no natural person is identified under (i) or (ii) or (iii) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;
- (v) In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

14. "*Agent*" for the purpose of the Order is a person employed to do any act for another, or to represent another in dealings with third persons.

[Note:

- i. A person who procures and supplies finished goods from an entity from a country which shares a land border with India will, regardless of the nature of his legal or commercial relationship with the producer of the goods, be deemed to be an Agent for the purpose of this Order.
- ii. However, a bidder who only procures raw material, components etc. from an entity from a country which shares a land border with India and then manufactures or converts them into other goods will not be treated as an Agent.]

Sensitive Sectors/ Technologies (relevant only for the provisions on ToT arrangements):

15. (i) Certain sectors and technologies have been identified as sensitive from the national security point of view. The sectors listed in Schedule I to this Order are considered Category-I sensitive sectors. The sectors listed in Schedule II to this Order are considered Category-II sensitive sectors. The technologies listed in Schedule III are considered sensitive technologies.

(ii) For Category-I sensitive sectors, bidders with ToT arrangement in any technology with an entity from a country which shares a land border with India shall require registration.

(iii) For Category-II sensitive sectors, bidders with ToT arrangement in the sensitive technologies listed in Schedule III, with an entity from a country which shares a land border with India shall require registration.

(iv) In Category-II sensitive sectors, the Secretary (or an officer not below the rank of Joint Secretary to Government of India, so authorized by the Secretary) of the Ministry/ Department of the Government of India is empowered, after due consideration, to waive the requirement of registration for a particular item/ application or a class of items/ applications from the requirement of registration, even if included in Schedule III. The Ministry/ Department concerned shall intimate the Department for Promotion of Industry and Internal Trade (DPIIT) and National Security Council Secretariat (NSCS) of their decision to waive the requirement of registration. Ministries/ Departments of the Government of India are not required to consult the DPIIT/ NSCS before deciding and are only required to intimate the decision to DPIIT/ NSCS. If any point is raised by DPIIT/ NSCS, it should be considered in future procurements; ongoing procurement for which the waiver was granted need not be interrupted or altered.

16. Based on security considerations, a Ministry/ Department in a Category II sensitive sector or other Ministries/ Departments may recommend to DPIIT inclusion of any other technology in the list of sensitive technologies, either generally or for their Ministry/ Department.

Sub-contracting in works contracts

17. In works contracts, including turnkey contracts, contractors shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority. The definition of "contractor from a country which shares a land border with India" shall be as in paragraph 12 above. This shall not apply to sub-contracts already awarded on or before 23.07.2020.

[Note: Procurement of raw material, components, etc. does not constitute sub-contracting.]

Certificate regarding compliance

18. An undertaking shall be taken from bidders in the tender documents (**Annexure III**) that the extant guidelines for participation in the tenders (which should include conditions for implementation of this Order) have been complied with. If such certificate given by a bidder whose bid is accepted is found to be false, this would be a ground for debarment and further legal action in accordance with law.

Validity of registration

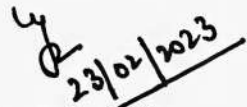
19. In respect of tenders, registration should be valid at the time of submission of bids and at the time of acceptance of bids. In respect of supply otherwise than by tender, registration should be valid at the time of placement of order. If the bidder was validly registered at the time of acceptance / placement of order, registration shall not be a relevant consideration during contract execution.

Government e-Marketplace (GeM)

20. GeM shall remove non-compliant entities from GeM unless/ until they are registered in accordance with this Order.

Model Clauses/ Certificates

21. Model Clauses and Model Certificates which may be inserted in tenders/ obtained from Bidders are given at Annexure-III. While adhering to the substance of the Order, procuring entities are free to appropriately modify the wording of these clauses based on their past experience, local needs etc.


(Kanwalpreet)
Director(PPD)

Tel.No. 2309 3811; email: kanwal.irss@gov.in

To

1. Secretaries of all Ministries/ Departments of Government of India for information and necessary action. They are also requested to inform these provisions to all procuring entities.
2. Secretary, Department of Public Enterprises with a request to immediately reiterate these orders in respect to public enterprises.
3. Secretary, Department of Financial Services with a request to immediately reiterate these orders in respect to public sector and public sector financial institutions.
4. Secretary DPIIT with a request to take action as provided under Annexure I.
5. Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi.
6. CEO/ GeM with a request to ensure implementation of this order on GeM.

List of Category-I Sensitive sectors:

Sr.No.	Sector
(i)	Atomic Energy
(ii)	Broadcasting/ Print and Digital Media
(iii)	Defence
(iv)	Space
(v)	Telecommunications

List of Category-II Sensitive sectors:

Sr.No.	Sector
(i)	Power and Energy (including exploration/ generation/ transmission/ distribution/ pipeline)
(ii)	Banking and Finance including Insurance
(iii)	Civil Aviation
(iv)	Construction of ports and dams & river valley projects
(v)	Electronics and Microelectronics
(vi)	Meteorology and Ocean Observation
(vii)	Mining and extraction (including deep sea projects)
(viii)	Railways
(ix)	Pharmaceuticals & Medical Devices
(x)	Agriculture
(xi)	Health
(xii)	Urban Transportation

List of Sensitive Technologies:

Sr.No.	Sensitive Technologies
(i)	Additive Manufacturing (e.g. 3D Printing)
(ii)	Any equipment having electronic programmable components or autonomous systems (e.g. SCADA systems)
(iii)	Any technology used for uploading and streaming of data including broadcasting, satellite communication etc.
(iv)	Chemical Technologies
(v)	Biotechnologies including Genetic Engineering and Biological Technologies
(vi)	Information and Communication Technologies
(vii)	Software

Competent Authority and Procedure for Registration

- A. The Competent Authority for the purpose of registration under this order shall be/ continue to be the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade (DPIIT)*. [This Committee was already constituted under Order (Public Procurement) No.1].
- B. The Registration Committee shall have the following members*:
- i. An officer, not below the rank of Joint Secretary, designated for this purpose by DPIIT, who shall be the Chairman;
 - ii. Officers (ordinarily not below the rank of Joint Secretary) representing the Ministry of Home Affairs, Ministry of External Affairs, and of those Departments whose sectors are covered by applications under consideration;
 - iii. Any other officer whose presence is deemed necessary by the Chairman of the Committee.
 - iv. With effect from 01.04.2023, an officer (ordinarily not below the rank of Joint Secretary) representing the National Security Council Secretariat.
- C. DPIIT shall lay down the method of application, format etc. for such bidders as covered by the Order.
- D. On receipt of an application seeking registration from a bidder covered by Para 2 and 3 of this order, the Competent Authority shall first seek political and security clearances from the Ministry of External Affairs and Ministry of Home Affairs, as per guidelines issued from time to time. Registration shall not be given unless political and security clearance have both been received.
- E. The Ministry of External Affairs and Ministry of Home Affairs may issue guidelines for internal use regarding the procedure for scrutiny of such applications by them.
- F. The decision of the Competent Authority, to register such bidder may be for all kinds of tenders or for a specified type(s) of goods or services, and may be for a specified or unspecified duration of time, as deemed fit. The decision of the Competent Authority shall be final.
- G. Registration granted by the Competent Authority of the Government of India shall be valid not only for procurement by the Central Government and its bodies specified in para 6 of this order, but also for procurement by State Governments and their agencies/ public enterprises etc. No fresh registration at the State level shall be required.
- H. The Competent Authority is empowered to cancel the registration already granted if it determines that there is sufficient cause. Such cancellation by itself, however, will

(not affect the execution of contracts already awarded. Pending cancellation, it may also suspend the registration of a bidder, and the bidder shall not be eligible to bid in any further tenders during the period of suspension.

- I. For national security reasons, the Competent Authority shall not be required to give reasons for rejection/cancellation of registration of a bidder.

[*Note:

(i) In respect of application of the Order to procurement by/ under State Governments, all functions assigned to DPIIT shall be carried out by the State Government concerned through a specific department or authority designated by it. The composition of the Registration Committee shall be as decided by the State Government. However, the requirement of political and security clearance as per para D shall remain and no registration shall be granted without such clearance.

(ii) Registration granted by State Governments shall be valid only for procurement by the State Government and its agencies/ public enterprises etc. and shall not be valid for procurement in other states or by the Government of India and their agencies/ public enterprises etc.]

Special Cases

- A. In projects which receive international funding with the approval of the Department of Economic Affairs (DEA), Ministry of Finance, the procurement guidelines applicable to the project shall normally be followed, notwithstanding anything contained in this order and without reference to the Competent Authority. Exceptions to this shall be decided in consultation with DEA.
- B. This order shall not apply to procurement by Indian missions and by offices of government agencies/ undertakings located outside India.
- C. This order will not apply to bidders (or entities) from those countries (even if sharing a land border with India) to which the Government of India has extended lines of credit or in which the Government of India is engaged in development projects. Updated lists of countries to which lines of credit have been extended or in which development projects are undertaken are given on the website of the Ministry of External Affairs.
- D. Procurement of spare parts and other essential service support like Annual Maintenance Contract (AMC)/ Comprehensive Maintenance Contract (CMC), including consumables for closed systems, from Original Equipment Manufacturers (OEMs) or their authorized agents, shall be exempted from the requirement of registration.

Model Clause/ Certificate/ Undertaking to be inserted in tenders etc.

[While adhering to the substance of the Order, procuring entities and GeM are free to appropriately modify the wording of the clause/ certificate based on their past experience, local needs etc.

The conditions relating to specified ToT (as shown in italics) should be incorporated only in the tenders which attract the restrictions due to specified ToT.]

A. Model Clauses for Tenders (including tenders issued manually or any electronic portal including GeM):

I. Any bidder from a country which shares a land border with India will be eligible to bid in any procurement whether of goods, services (including consultancy services and non-consultancy services) or works (including turnkey projects) only if the bidder is registered with the Competent Authority. *Further, any bidder (including bidder from India) having specified Transfer of Technology (ToT) arrangement with an entity from a country which shares a land border with India, shall also require to be registered with the same competent authority.*

II. "Bidder" (including the term 'tenderer', 'consultant' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.

III. "Bidder (or entity) from a country which shares a land border with India" for the purpose of this Order means: -

- (a) An entity incorporated, established or registered in such a country; or
- (b) A subsidiary of an entity incorporated, established or registered in such a country; or
- (c) An entity substantially controlled through entities incorporated, established or registered in such a country; or
- (d) An entity whose beneficial owner is situated in such a country; or
- (e) An Indian (or other) agent of such an entity; or
- (f) A natural person who is a citizen of such a country; or
- (g) A consortium or joint venture where any member of the consortium or joint venture falls under any of the above

IV. The beneficial owner for the purpose of (iii) above will be as under:

1. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation—

a. "Controlling ownership interest" means ownership of or entitlement to more than twenty-five per cent. of shares or capital or profits of the company;

b. "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;

2. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;

3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;

4. Where no natural person is identified under (1) or (2) or (3) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;

5. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

V. An Agent is a person employed to do any act for another, or to represent another in dealings with third person.

VI. [To be inserted in tenders for Works contracts, including Turnkey contracts] The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

VII. The registration shall be valid at the time of submission of bid and at the time of acceptance of bid.

VIII. If the bidder was validly registered at the time of acceptance / placement of order, registration shall not be a relevant consideration during contract execution

Model Certificate for Tenders:

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]"

Model Certificate for Tenders for Works involving possibility of sub-contracting:

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India and on sub-contracting to contractors from such countries; I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority and will not sub-contract any

rk to a contractor from such countries unless such contractor is registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]"

Model additional certificate by Bidders in the cases of specified ToT:

"I have read the clause regarding restrictions on procurement from a bidder having Transfer of Technology (ToT) arrangement. I certify that this bidder does not have any ToT arrangement requiring registration with the competent authority."

OR

"I have read the clause regarding restrictions on procurement from a bidder having Transfer of Technology (ToT) arrangement. I certify that this bidder has valid registration to participate in this procurement."

B. Model Certificate for GeM (to be taken by the GeM from seller during registration on GeM. GeM should also obtain this certificate from all existing bidders as soon as possible):

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this vendor/ bidder is not from such a country and does not have any specified Transfer of Technology (ToT) from such a country or, if from such a country or if having specified ToT from such a country has been registered with the Competent Authority. I hereby certify that this vendor/ bidder fulfills all requirements in this regard and is eligible to be considered for procurement on GeM. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]"
