

**HEAVY ENGINEERING CORPORATION LIMITED
MARKETING DIVISION**

No.: HQ/MKTG/EOI/2022/-1625,

Date: 15.02.2022

**Notice Inviting Expression of Interest (EOI)
for Technical tie-up for manufacturing of Cast Rolls with Indian Firm under Make In India.**

Heavy Engineering Corporation Ltd situated in Ranchi, Jharkhand is a Public Sector Enterprise under Ministry of Heavy Industry, Government of India. It has one of the largest integrated manufacturing facilities in India.

HEC has huge and compatible infrastructure for manufacturing of forged rolls including melting, refining, forging, heat-treatment and machining, all under one roof. We have well established and world class proven technology for manufacturing of Forged Rolls – both HRM & CRM. Further, HEC also has well established casting facility with capability of iron foundry up to 65T piece weight, steel foundry up to 70T piece Wt. and non ferrous foundry up to 4T piece Wt. (For more information, refer to our website: www.hecltd.com).

In order to enhance business activities in Steel Sector, HEC is looking for technological tie up/ licensing agreement for manufacture of Cast Rolls in the following grades:

Sl. No.	Grade	Mechanical Property	Application
1.	High Speed Steel	Barrel Hardness : 75-85 °Sh'C' Tensile Strength: 700-800 MPa Neck Hardness : 35-45 °Sh'C' Core Strength : 350-450 Mpa	Initial finishing stand of flat rolling (CSP, DSP,HSM).
2.	Super Nickel Grain Rolls	Barrel Hardness : 70-85 °Sh'C' Tensile Strength : 400-500 MPa Neck Hardness : 35-45 °Sh'C' Core Strength : 350-450 Mpa	Final finishing stand of flat rolling (CSP, DSP, HSM, STECKEL)
3.	Spheroidal Graphite (Accicular) Cast Iron Rolls	Barrel Hardness : 65-75/70-80 °Sh'C' Neck Properties Tensile Strength : 500-600 N/mm ² Neck Hardness : 35-45 °Sh'C' Impact : 3.00 – 5.00 J/cm ²	Skin Pass and Temper Mill rolls for cold rolling. Finishing rolls for wire rod and strip mills
4	Indefinite Chill Cast Iron Rolls	Barrel Hardness : 55-65/65-75 °Sh'C'	Roughing rolls for merchant mills and billet

		<p>Neck Properties</p> <p>Tensile Strength : 200-300 N/mm²</p> <p>Neck Hardness : 30-40 °Sh'C'</p> <p>Impact : 1.80 J/cm² (max)</p>	<p>mills. Intermediate & Finishing rolls for wire rod mills, merchant mills & structural mills. Edger rolls for universal beam mills. Finishing rolls for non-ferrous sheet rolling.</p>
5	Cast Iron Rolls For Rubber Mills	<p>Barrel Hardness : 65-70/70-75 °Sh'C'</p> <p>Neck Properties</p> <p>Tensile Strength : 200-250 N/mm²</p> <p>Neck Hardness : 30-40 °Sh'C'</p> <p>Impact : 1.80 J/cm² (max)</p>	<p>Rolls for mixing, calendering, cracking and refining in rubber mills</p>
6	Alloy Chilled Cast Iron Rolls	<p>Barrel Hardness : 65-70/70-75 °Sh'C'</p> <p>Neck Properties</p> <p>Tensile Strength : 200-250 N/mm²</p> <p>Neck Hardness : 30-40 °Sh'C'</p> <p>Impact : 1.80 J/cm² (max)</p>	<p>Finishing rolls for sheet, plate and strip mills. Intermediate and Finishing rolls for small section, bar and wire rod mills. Also used as cold mill rolls for ferrous and non-ferrous sheets</p>
7	Double Poured Indefinite Chill Cast Iron Rolls (Static Cast)	<p>Barrel Hardness : 65-70/70-75 °Sh'C' (In steps of 5 °Sh'C')</p> <p>Neck Properties</p> <p>Tensile Strength : 200-250/ 300 - 350 N/mm²</p> <p>Neck Hardness : 35-45 °Sh'C'</p> <p>Impact : 2.00 / 3.50 J/cm² (max)</p>	<p>Rolling of flat products in Hot Strip Mills, Plate mills and the first stand of Tinplate Tandem cold mills. Suitable for the finishing stands of wire rod mills as well. Can also be used for cold rolling of non-ferrous sheets</p>
8	Graphitic Steel Cast Rolls	<p>Barrel Hardness : 40-55 °Sh'C' (In steps of 5 °Sh'C')</p> <p>Neck Properties</p> <p>Tensile Strength : 600-780 N/mm²</p> <p>Neck Hardness : 35-40 °Sh'C'</p> <p>Impact : 3.00 - 3.50 J/cm²</p> <p>Elongation : 1 – 3 %</p>	<p>Rolling of Medium & Heavy Section Mills, Intermediate and Finishing stands, Rail Finishing Mills, Merchant Mills, Intermediate stands of Bar Mills.</p>
9	Alloy Steel Cast	<p>Barrel Hardness : 30-35/35-40</p>	<p>Rolls for blooming and</p>

	Rolls	<p>°Sh'C'</p> <p>Neck Properties</p> <p>Tensile Strength : 600-700/ 650 - 750 N/mm²</p> <p>Neck Hardness : 30-40 °Sh'C'</p> <p>Impact : 3.00 -8.00 J/cm²</p>	slabbing mills. Roughing and Intermediate rolls for heavy section mills
10	Double Poured High Chromium Steel Rolls (Spun Cast)	<p>Barrel Hardness : 65-75/75-85 °Sh'C' (In steps of 5 °Sh'C')</p> <p>Neck Properties</p> <p>Tensile Strength : 400-500 N/mm²</p> <p>Neck Hardness : 35-45 °Sh'C'</p> <p>Impact : 3.50 J/cm² (max)</p>	Work rolls for roughing stands of Hot Strip Mills & Plate Mills. Also used as Work rolls in the initial stands of Hot Strip Finishing Mills
11	Double Poured Indefinite Chill Cast Iron Rolls (Spun Cast)	<p>Barrel Hardness : 65-75/75-85 °Sh'C' (In steps of 5 °Sh'C')</p> <p>Neck Properties</p> <p>Tensile Strength : 200-250/ 350-500 N/mm²</p> <p>Neck Hardness : 35-45 °Sh'C'</p> <p>Impact : 2.00/ 3.50 J/cm² (max)</p>	Finishing stands of Hot Strip Mills, Plate Mills, first and second stands of Tandem Cold Mills, Skin Pass Mills and Steckel Mills. These rolls are also suitable for the finishing stands of Wire Rod Mills, for Cold Rolling of non-ferrous sheets.
12	Spheroidal Graphite (Pearlitic) Cast Iron Rolls	<p>Barrel Hardness : 45-55/55-65 °Sh'C'</p> <p>Neck Properties</p> <p>Tensile Strength : 400-600 N/mm²</p> <p>Neck Hardness : 35-40 °Sh'C'</p> <p>Impact : 2.00- 4.00 J/cm²</p>	Roughing and Intermediate rolls for blooming, slabbing and wire rod mills. Roughing, Intermediate and Finishing rolls for rail and structural mills. Finishing rolls for sheet and plate mills. Skin-pass and Scale Breaker rolls for hot strip mills.
13	Double Poured Indefinite Chill Enhanced Carbide (TEK) Rolls (Spun Cast)	<p>Barrel Hardness : 65-75/75-85 °Sh'C' (In steps of 5 °Sh'C')</p> <p>Neck Properties</p> <p>Tensile Strength : 400-500 N/mm²</p> <p>Neck Hardness : 35-45 °Sh'C'</p>	Finishing stands of Hot Strip Mills, Plate Mills and Steckel Mills

		Impact : 3.50 J/cm ² (max)	
14	Double Poured High Chromium Iron Rolls (Spun Cast)	Barrel Hardness : 65-75/75-85 °Sh'C' (In steps of 5 °Sh'C') Neck Properties Tensile Strength : 400-500 N/mm ² Neck Hardness : 35-45 °Sh'C' Impact : 3.50 J/cm ² (max)	Initial finishing stands of Hot Strip Mills, Plate Mills, Skin Pass Mills, finishing stand for Checker Plate rolling. These rolls can also be used in the first & second stands of Cold Tandem Mills.
15	Steel Base (Adamite) Cast Rolls	Barrel Hardness : 40-45/45-50/50- 55 °Sh'C' Neck Properties Tensile Strength : 700-750/700 – 850/ 750-850 N/mm ² Neck Hardness : 30-40 °Sh'C' Impact : 3.00- 6.00 J/cm ²	Roughing, Intermediate and Finishing rolls for section and structural mills. Applications include heavy section and rail mills, universal beam mills, medium section mills & billet mills. Roughing rolls for plate and sheet mills. Pilger rolls for seamless tube mills.
16	Double Poured Semi High Speed Steel Rolls (Spun Cast)	Barrel Hardness : 60-70/70-80 °Sh'C' (In steps of 5 °Sh'C') Neck Properties Tensile Strength : 400-500 N/mm ² Neck Hardness : 35-45 °Sh'C' Impact : 3.50 J/cm ² (max)	Roughing stands of Hot Strip Mills and initial finishing stands of CSP Mills
17	Double Poured High Chromium Iron Rolls-Anti Banding (Spun Cast)	Barrel Hardness : 65-75/75-85 °Sh'C' (In steps of 5 °Sh'C') Neck Properties Tensile Strength : 400-500 N/mm ² Neck Hardness : 35-45 °Sh'C' Impact : 3.50 J/cm ² (max)	Initial finishing stands of Hot Strip Mills, Plate Mills, Skin Pass Mills and finishing stand for Checker Plate rolling.

Note: Minimum and maximum diameter of the rolls are respectively 350mm to 1350mm

1. Expression of Interest (EOI) is invited from resourceful, reputed and financially sound Indian firms having experience of manufacturing and supplying of Cast Rolls and willing to transfer the manufacturing technology or jointly work with HEC for manufacture of Cast Rolls of the above stipulated grades.

2. Eligibility Criteria:

2.1 The firm should have qualified experience of Design & Engineering and during the last five years (considered up-to publishing date of this EOI), manufactured successfully and supplied Cast Rolls (Min. Dia. 350 mm; Max. Dia.1350 mm). The firm is required to submit Self-attested copy of Purchase Order associated with Copy of Bill of Lading or Dispatched/ Delivery Challan or Tax Invoice.

2.2 Any bidder from a country which shares a land border with India will be eligible to bid, only if the Bidder is registered with the Competent Authority as per Order (Public Procurement No.1) issued by Ministry of Finance, Department of Expenditure Public Procurement Division vide F. No. 6/18/2019-PPD, dated 23rd July 2020 regarding GFR Rule 144 (xi) and the subsequent Office Memorandum no. F. 18/37/2020-PPd dated 08th Feb 2021 and OM no. F.12/1/2021-PPD (Pt) dated 02nd March 2021 (Copies enclosed as **Annexure VI**).

The bidder must submit an undertaking that the bidder fulfills all the requirements in this regard and is eligible to be considered.

2.3 The Company should agree to sign collaboration agreement with HEC and provide necessary Design & Engineering documents, GA drawings and depute engineers for supervision of manufacturing process Cast roll at the HEC facility as per the requirement of end customer. **The bidder must submit an undertaking regarding confirmation.**

2.4 The bidder should not have been blacklisted/ debarred by any Foreign / Indian Government /Semi-Govt./ PSU Organization in India during last 03 years. **An undertaking in this regard shall be submitted by the bidder.**

2.5 The bidder must not be under liquidation, court receivership or similar proceedings. **An undertaking has to be submitted by the bidder in this regard.**

3. Information/ documents to be submitted:

Interested bidders shall submit their EOI along with the following details and documentary evidence to establish their credentials:

3.1 General Information: (Annexure-I to be filled in for Clause no-3.1.1 to 3.1.8)

3.1.1 Name of Firm

3.1.2 Details about registered office of the firm with phone, fax, email, website etc.

3.1.3 Name and details of contact person

3.1.4 Registration / License details / Official incorporation of the firm

3.1.5 Status of the firm: Registered Company / Public limited company / Privately controlled company / partnership firm / any other.

- 3.1.6 Details about Directors/Partners
- 3.1.7 Total experience in terms of years
- 3.1.8 Name of clients served
- 3.1.9 List of key personnel of the organization with their background and experience in particular field: **(Annexure-II to be filled up)**.
- 3.1.10 Detail list of plant and equipments available with the firm: **(Annexure-III to be filled up)**.
- 3.2 **Technical credentials: (Annexure-IV to be filled in for Clause no-3.2.1 to 3.2.3)**
 - 3.2.1 Documentary evidence in support to the Eligibility criteria: Copy of major orders executed (copy of purchase order of customer) in last five (05) years (considered up-to publishing date of this EOI) indicating value, description and customer's name – 5 nos.
 - 3.2.2 Documentary proof of supply.
 - 3.2.3 List of major pending orders/ orders in hand indicating value, description, customer name.
- 3.3 **Financial credentials: (Annexure-V to be filled in for Clause no-3.3.1 to 3.3.4)**
 - 3.3.1 Audited Profit & Loss Account for the last 3 years. i.e 2018-19, 2019-20 & 2020-21
 - 3.3.2 Audited Balance sheet for the last 3 years i.e 2018-19, 2019-20 & 2020-21
 - 3.3.3 Bankers solvency certificate from a reputed Bank
 - 3.3.4 Certificate towards registration with Tax authorities, as applicable
- 3.4 **Others**
 - 3.4.1 Presence in Indian market at present
 - 3.4.2 Proposed modality of tie-up

4. Instruction for the bidders:

- 4.1 All correspondences shall be in English language only. Information in any other language shall be accompanied by its translation in English duly signed by its authorized representative.
- 4.2 Proposal in hard copy should be bounded and placed in an envelope with subscription over it mentioning the bid notice number, addressed to, address of the sender.
- 4.3 Power of attorney/ letter of authority in the name of person authorized to execute/ submit EOI on their behalf issued by competent authority of the company.

5. HEC reserves the right to:

- 5.1 Ask for further qualification / clarification before/after short listing or as and when required.
 - 5.2 Postpone / change the date of submission of EOI, modify the terms and conditions of contract, include new terms and conditions of contract etc. as and when required.
 - 5.3 Reject any or all proposals received, at its discretion, without assigning any reason whatsoever.
6. HEC Ltd. will not be responsible or liable to pay for expenses or losses which may be incurred by any Bidder in the preparation and submission of their expression of interest.
7. For any clarification, regarding EOI before submission, could be obtained by contacting the following person:-

Shailesh Anandwar,
Dy. General Manager, Marketing
Heavy Engineering Corporation Ltd.
Plant Plaza Road, Dhurwa,
Ranchi – 834004,
Tel.: +91 651 2446858, Mob: +91 9234590095,
Fax: +91 651 2401276
E-mail: ssanandwar@hecltd.com, steel.mktg@hecltd.com

8. Bidders shall send their offer with the required information as per Sr.No. (3) to the address mentioned below:

Place for submission of offer	Shailesh Anandwar, Dy. General Manager, Marketing Heavy Engineering Corporation Ltd. Plant Plaza Road, Dhurwa Ranchi - 834004 Tel.: +91 651 2446858, Mob: +91 9234590095, Fax: +91 651 2401276. E-mail: ssanandwar@hecltd.com, steel.mktg@hecltd.com corpmktg@hecltd.com
Mode of bid submission	By post / courier / in person (for hard copy) Hard copy of bid can be submitted on all working days between 09:00 to 17:00 Hrs
Last date of submission of offer March, 2022 before 16:00 Hrs (Indian Standard Time);
Date & time of opening of offer March, 2022 before 17:00 Hrs (Indian Standard Time)

Annexure-I: - General Information: Complete particulars of the company

Name of firm	
Details about registered office of the firm with phone, fax, email, website etc.	
Name and details of contact person.	
Registration / License details / Official incorporation of the firm/ Registered company / Public limited company / Privately controlled company / partnership firm / any other.	
Details about Directors/Partners	
Total experience for manufacture and supply of Cast Rolls in terms of years.	
Name of clients served.	

Annexure-II: - List of key personnel of the organization with their background and experience in particular field.

SI. No	Name of official	Qualification	Experience

Annexure-III: - Detail list of plant and equipments available with the firm:

SI. No	Description of Plant & equipment	Qty	Specification	Year of Installation

Annexure-IV:- Technical credentials

SI. No.	Grade	Mechanical Property	No. of Rolls Supplied with Customer detail	Details of Purchase Order	Detail of Documentary proof for supply (Bill of Lading or Dispatched/ Delivery	List of major pending orders/orders in hand indicating value/ No. of Rolls, &

					Challan or Tax Invoice.)	Customer
1.	High Speed Steel	Barrel Hardness : 75-85 °Sh'C' Tensile Strength: 700- 800 MPa Neck Hardness : 35-45 °Sh'C' Core Strength : 350-450 Mpa				
2.	Super Nickel Grain Rolls	Barrel Hardness : 70-85 °Sh'C' Tensile Strength : 400-500 MPa Neck Hardness : 35-45 °Sh'C' Core Strength : 350-450 Mpa				
3.	Spheroidal Graphite (Accicular) Cast Iron Rolls	Barrel Hardness : 65-75/70-80 °Sh'C' Neck Properties Tensile Strength : 500-600 N/mm ² Neck Hardness : 35-45 °Sh'C' Impact : 3.00 – 5.00 J/cm ²				

4	Indefinite Chill Cast Iron Rolls	<p>Barrel Hardness : 55-65/65-75 °Sh'C'</p> <p>Neck Properties</p> <p>Tensile Strength : 200-300 N/mm² Neck</p> <p>Hardness : 30-40 °Sh'C'</p> <p>Impact : 1.80 J/cm² (max)</p>				
5	Cast Iron Rolls For Rubber Mills	<p>Barrel Hardness : 65-70/70-75 °Sh'C'</p> <p>Neck Properties</p> <p>Tensile Strength : 200-250 N/mm² Neck</p> <p>Hardness : 30-40 °Sh'C'</p> <p>Impact : 1.80 J/cm² (max)</p>				
6	Alloy Chilled Cast Iron Rolls	<p>Barrel Hardness : 65-70/70-75 °Sh'C'</p> <p>Neck Properties</p> <p>Tensile Strength : 200-250 N/mm² Neck</p> <p>Hardness :</p>				

		30-40 °Sh'C' Impact : 1.80 J/cm ² (max)				
7	Double Poured Indefinite Chill Cast Iron Rolls (Static Cast)	Barrel Hardness : 65-70/70-75 °Sh'C' (In steps of 5 °Sh'C') Neck Properties Tensile Strength : 200-250/ 300 - 350 N/mm ² Neck Hardness : 35-45 °Sh'C' Impact : 2.00 / 3.50 J/cm ² (max)				
8	Graphitic Steel Cast Rolls	Barrel Hardness : 40-55 °Sh'C' (In steps of 5 °Sh'C') Neck Properties Tensile Strength : 600-780 N/mm ² Neck Hardness : 35-40 °Sh'C' Impact : 3.00 - 3.50 J/cm ² Elongation : 1 - 3 %				

9	Alloy Steel Cast Rolls	Barrel Hardness : 30-35/35-40 °Sh'C' Neck Properties Tensile Strength : 600-700/ 650 - 750 N/mm ² Neck Hardness : 30-40 °Sh'C' Impact : 3.00 -8.00 J/cm ²				
10	Double Poured High Chromium Steel Rolls (Spun Cast)	Barrel Hardness : 65-75/75-85 °Sh'C' (In steps of 5 °Sh'C') Neck Properties Tensile Strength : 400-500 N/mm ² Neck Hardness : 35-45 °Sh'C' Impact : 3.50 J/cm ² (max)				
11	Double Poured Indefinite Chill Cast Iron Rolls (Spun Cast)	Barrel Hardness : 65-75/75-85 °Sh'C' (In steps of 5 °Sh'C') Neck				

		<p>Properties</p> <p>Tensile Strength : 200-250/ 350-500 N/mm²</p> <p>Neck Hardness : 35-45 °Sh'C'</p> <p>Impact : 2.00/ 3.50 J/cm² (max)</p>				
12	Spheroidal Graphite (Pearlitic) Cast Iron Rolls	<p>Barrel Hardness : 45-55/55-65 °Sh'C'</p> <p>Neck Properties</p> <p>Tensile Strength : 400-600 N/mm²</p> <p>Neck Hardness : 35-40 °Sh'C'</p> <p>Impact : 2.00-4.00 J/cm²</p>				
13	Double Poured Indefinite Chill Enhanced Carbide (TEK) Rolls (Spun Cast)	<p>Barrel Hardness : 65-75/75-85 °Sh'C' (In steps of 5 °Sh'C')</p> <p>Neck Properties</p> <p>Tensile Strength : 400-500 N/mm²</p> <p>Neck</p>				

		<p>Hardness : 35-45 °Sh'C'</p> <p>Impact : 3.50 J/cm² (max)</p>				
14	<p>Double Poured High Chromium Iron Rolls (Spun Cast)</p>	<p>Barrel Hardness : 65-75/75-85 °Sh'C' (In steps of 5 °Sh'C')</p> <p>Neck Properties</p> <p>Tensile Strength : 400-500 N/mm²</p> <p>Neck Hardness : 35-45 °Sh'C'</p> <p>Impact : 3.50 J/cm² (max)</p>				
15	<p>Steel Base (Adamite) Cast Rolls</p>	<p>Barrel Hardness : 40-45/45-50/ 50- 55 °Sh'C'</p> <p>Neck Properties</p> <p>Tensile Strength : 700-750/700 – 850/ 750- 850 N/mm²</p> <p>Neck Hardness : 30-40 °Sh'C'</p> <p>Impact : 3.00- 6.00 J/cm²</p>				
16	Double	Barrel				

	Poured Semi High Speed Steel Rolls (Spun Cast)	<p>Hardness : 60-70/70-80 °Sh'C' (In steps of 5 °Sh'C')</p> <p>Neck Properties</p> <p>Tensile Strength : 400-500 N/mm²</p> <p>Neck Hardness : 35-45 °Sh'C'</p> <p>Impact : 3.50 J/cm² (max)</p>				
17	Double Poured High Chromium Iron Rolls- Anti Banding (Spun Cast)	<p>Barrel Hardness : 65-75/75-85 °Sh'C' (In steps of 5 °Sh'C')</p> <p>Neck Properties</p> <p>Tensile Strength : 400-500 N/mm²</p> <p>Neck Hardness : 35-45 °Sh'C'</p> <p>Impact : 3.50 J/cm² (max)</p>				

Annexure-V: - Financial credentials

Description	2018-19	2019-20	2020-21
Value from Audited Profit & Loss Account.			
Value from Audited Balance sheet			
Bankers solvency certificate	Enclosed (Y/N)		
Certificate towards registration with Tax authorities	Enclosed (Y/N)		

ANNEXURE-VI

No.F.12/1/2021-PPD(Pt.)
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

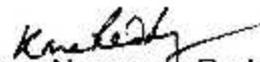
512, Lok Nayak Bhawan,
New Delhi. Dated the 2nd March, 2021

OFFICE MEMORANDUM

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

Attention is invited to this Department's OM F.No.6/18/2019-PPD dated 23.07.2020, regarding restrictions under Rule 144(xi) of the General Financial Rules (GFRs), 2017. The OM stipulates necessity of registration of bidders, from a country which shares a land border with India, with the competent authority.

2. In this regard, it is now decided that 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 as mandated under Rule 144(xi) of GFRs 2017 and Public Procurement orders issued in this regard.



Kotluru Narayana Reddy
Deputy Secretary to the Govt. of India
Tel.: 24621305
Email: kn.reddy@gov.in

To

1. All the Secretaries and Financial Advisors to the Government of India
2. All Chief Secretaries of State Governments

No. F.18/37/2020-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

512, Lok Nayak Bhawan,
New Delhi. Dated the 8th February 2021

OFFICE MEMORANDUM

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

Attention is invited to this Department's Order (Public Procurement No.1) issued vide OM F.No.6/18/2019-PPD dated 23.07.2020. As per para 11 of the Order, in case of 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. However, no such restriction is stipulated in the Order regarding other procurements i.e. procurement of Goods, Services, etc.

2. This office is in receipt of representations seeking clarification whether it is permitted for the bidders to procure raw material or components/ sub-assemblies or the finished goods etc. from the vendors from the countries sharing land borders with India.

3. In this context following is hereby clarified:

- i. A bidder is permitted to procure raw material, components, sub-assemblies etc. from the vendors from countries which shares a land border with India. Such vendors will not be required to be registered with the Competent Authority, as it is not regarded as "sub-contracting".
- ii. However, in case a bidder has proposed to supply finished goods procured directly/ indirectly from the vendors from the countries sharing land border with India, such vendor will be required to be registered with the Competent Authority.

4. This is issued with the approval of Secretary (Expenditure).


Kotluru Narayana Reddy
Deputy Secretary to the Govt. of India
Tel.: 24621305
Email: kn.reddy@gov.in

To

- (1) Secretaries of All Ministries/ Departments of Government of India;
- (2) Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi.

F.No.6/18/2019-PPD
Ministry of Finance
Department of Expenditure
Public Procurement Division

161, North Block,
New Delhi
23rd July, 2020

Office Memorandum

Subject: Insertion of Rule 144 (xi) in the General Financial Rules (GFRs), 2017

Rule 144 of the General Financial Rules 2017 entitled 'Fundamental principles of public buying', has been amended by inserting sub-rule (xi) as under:

Notwithstanding anything contained in these Rules, Department of Expenditure may, by order in writing, impose restrictions, including prior registration and/or screening, on procurement from bidders from a country or countries, or a class of countries, on grounds of defence of India, or matters directly or indirectly related thereto including national security; no procurement shall be made in violation of such restrictions.

(Sanjay Prasad)
Joint Secretary (PPD)
Email ID: js.pfc2.doe@gov.in
Telephone: 011-23093882

To,
(1) Secretaries of All Ministries/ Departments of Government of India
(2) Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi

F.No.6/18/2019-PPD
Ministry of Finance
Department of Expenditure
Public Procurement Division

161, North Block,
New Delhi
23rd July, 2020

Order (Public Procurement No. 1)

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

Attention is invited to this office OM no. 6/18/2019-PPD dated 23rd July 2020 inserting Rule 144 (xi) in GFRs 2017. In this regard, the following is hereby ordered under Rule 144 (xi) on the grounds stated therein:

Requirement of registration

1. 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 **Annex I**.
2. This Order shall not apply to (i) cases where orders have been placed or contract has been concluded or letter/notice of award/ acceptance (LoA) has been issued on or before the date of this order; and (ii) cases falling under **Annex II**.

Transitional cases

3. Tenders where no contract has been concluded or no LoA has been issued so far shall be handled in the following manner: -
 - a) *In tenders which are yet to be opened, or where evaluation of technical bid or the first exclusionary qualificatory stage (i.e. the first stage at which the qualifications of tenderers are evaluated and unqualified bidders are excluded) has not been completed:* No contracts shall be placed on bidders from such countries. Tenders received from bidders from such countries shall be dealt with as if they are non-compliant with the tender conditions and the tender shall be processed accordingly.
 - b) *If the tendering process has crossed the first exclusionary qualificatory stage:* If the qualified bidders include bidders from such countries, the

entire process shall be scrapped and initiated *de novo*. The *de novo* process shall adhere to the conditions prescribed in this Order.

- c) As far as practicable, and in cases of doubt about whether a bidder falls under paragraph 1, a certificate shall be obtained from the bidder whose bid is proposed to be considered or accepted, in terms of paras 8, 9 and 10 read with para 1 of this Order.

Incorporation in tender conditions

4. In tenders to be issued after the date of this order, the provisions of paragraph 1 and of other relevant provisions of this Order shall be incorporated in the tender conditions.

Applicability

5. Apart from Ministries / Departments, attached and subordinate bodies, notwithstanding anything contained in Rule 1 of the GFRs 2017, this Order shall also be applicable
 - a. to all Autonomous Bodies;
 - b. to public sector banks and public sector financial institutions; and
 - c. subject to any orders of the Department of Public Enterprises, to all Central Public Sector Enterprises; and
 - d. to procurement in Public Private Partnership projects receiving financial support from the Government or public sector enterprises/ undertakings.
 - e. Union Territories, National Capital Territory of Delhi and all agencies/ undertakings thereof

Definitions

6. "Bidder" for the purpose of this 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.
7. "Tender" for the purpose of this Order will include other forms of procurement, except where the context requires otherwise.
8. "Bidder 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

9. "Beneficial owner" for the purpose of paragraph 8 above 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.

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

Sub-contracting in works contracts

11. 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 8 above. This shall not apply to sub-contracts already awarded on or before the date of this Order.

Certificate regarding compliance

12. A certificate shall be taken from bidders in the tender documents regarding their compliance with this Order. If such certificate given by a bidder whose bid is accepted is found to be false, this would be a ground for immediate termination and further legal action in accordance with law.

Validity of registration

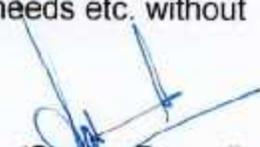
13. In respect of tenders, registration should be valid at the time of submission of bids and at the time of acceptance of bids. In respect of supply otherwise than by tender, registration should be valid at the time of placement of order. If the bidder was validly registered at the time of acceptance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

Government E-Marketplace

14. The Government E-Marketplace shall, as soon as possible, require all vendors/ bidders registered with GeM to give a certificate regarding compliance with this Order, and after the date fixed by it, shall remove non-compliant entities from GeM unless/ until they are registered in accordance with this Order.

Model Clauses/ Certificates

15. Model Clauses and Model Certificates which may be inserted in tenders / obtained from Bidders are enclosed as **Annex 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. without making any reference to this Department.


(Sanjay Prasad)
Joint Secretary (PPD)
Email ID: js.pfc2.doe@gov.in
Telephone: 011-23093882

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 of Public Enterprises.
- (3) Secretary DPIIT with a request to initiate action as provided under Annex I
- (4) Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi

Annex I: Competent Authority and Procedure for Registration

- A. The Competent Authority for the purpose of registration under this Order shall be the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade (DPIIT)*.
- 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.
- C. DPIIT shall lay down the method of application, format etc. for such bidders as stated in para 1 of this Order.
- D. On receipt of an application seeking registration from a bidder from a country covered by para 1 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 shall not be granted unless the representatives of the Ministries of Home Affairs and External Affairs on the Committee concur*.
- H. Registration granted by the Competent Authority of the Government of India shall be valid not only for procurement by Central Government and its agencies/ public enterprises etc. but **also for procurement by State Governments and their agencies/ public enterprises etc. No fresh registration at the State level shall be required.**

- I. 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.
- J. For national security reasons, the Competent Authority shall not be required to give reasons for rejection / cancellation of registration of a bidder.
- K. In transitional cases falling under para 3 of this Order, where it is felt that it will not be practicable to exclude bidders from a country which shares a land border with India, a reference seeking permission to consider such bidders shall be made by the procuring entity to the Competent Authority, giving full information and detailed reasons. The Competent Authority shall decide whether such bidders may be considered, and if so shall follow the procedure laid down in the above paras.
- L. Periodic reports on the acceptance/ refusal of registration during the preceding period may be required to be sent to the Cabinet Secretariat. Details will be issued separately in due course by DPIIT.

[*Note:

- i. In respect of application of this 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 and paragraph G above shall not apply. 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.]

Annex II: Special Cases

- A. Till 31st December 2020, procurement of medical supplies directly related to containment of the Covid-19 pandemic shall be exempt from the provisions of this Order.
- B. *Bona fide* procurements made through GeM without knowing the country of the bidder till the date fixed by GeM for this purpose, shall not be invalidated by this Order.
- C. *Bona fide* small procurements, made without knowing the country of the bidder, shall not be invalidated by this Order.
- D. 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.
- E. This Order shall not apply to procurement by Indian missions and by offices of government agencies/ undertakings located outside India.

Annex III

Model Clause /Certificate 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.)

Model Clauses for Tenders

- I. Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the 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 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.

Model Certificate for Tenders (for transitional cases as stated in para 3 of this Order)

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I hereby certify that this bidder is not from such a country and is eligible to be considered."

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 work 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 Certificate for GeM:

"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 or, if 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.]"
