



THDC INDIA LIMITED
(Schedule-A Mini Ratna Category-I, PSU)

Invitation for Expression of Interest

FOR

Empanelment of Cost Accountants (CMA) firms for conducting Cost Audit in THDC India Limited for the next three financial years (i.e. 2022-23, 2023-24 & 2024-25).

IFB No.:2022_THDC_673876

Date: 16.02.2022

EOI No.: THDC/RKSH/CC-428

- 1.0 THDC INDIA LTD. invites expression of interest (Eoi) from reputed Indian Cost Accountants Audit firms for empanelment as Cost Auditors for carrying out cost audit of its power generating units/ projects located at Tehri, Koteshwar in the state of Uttarakhand and Dhukwan in the State of UP and Patan, Dwarika in the State of Gujarat and Kasargod in the State of Kerala.
- 2.0 The Format of Application, Terms of Reference (TOR), Selection Criteria etc. are available on NIC's CPP Portal (<http://eprocure.gov.in/eprocure/app>). Interested applicants may access the same from above website for as per the following schedule:

Issuance of Eoi	16.02.2022
Type of Bidding:	e-tendering/ Single Stage, Single Envelope
Documents download Dates & Timings	From 17:00 Hrs on 16.02.2022 (date) to 15.03.2022(date) up to 15:00 Hrs. (IST)
Last date of receipt of queries on EOI document from prospective parties	Upto 15:00 Hrs.on 04.03.2022 (date)
Eoi receipt date & time	Up to 15:00 Hrs. (IST) on 15.03.2022(date)
Date & Time for opening of Eoi	16.03.2022(date) at 15:00 Hrs.(IST)
Response validity	120 days

- 3.0 Applications for Eoi with relevant documents as per the detailed documents should be uploaded on the NIC's CPP Portal (<http://eprocure.gov.in/eprocure/app>) by 15:00 Hrs on 15.03.2022.
- 4.0 All future corrigenda / addenda / amendments and clarifications to the invitation of Eoi, if any, shall be hosted on above website only. Applicants are therefore advised to keep themselves updated with all such amendments while submitting the Eoi.
- 5.0 Interested applicants may obtain further information from the contact details given below during office hours on working days from 10:00 hrs. to 17:00 Hrs.
- 6.0 THDCIL reserves the right to accept or reject any or all applications/Bid, cancel/withdraw the invitation of Eoi process without assigning any reason whatsoever, in case situation

arises, and in such a case no applicant / intending applicant shall have any claim arising out of such action.

- 6.0 Bids (Eols) shall be opened on 16.03.2022 at 15:00 Hrs. in presence of the applicants/bidders who wish to be present at the below venue. The Eol/bids received after closing date and time will not be considered.

7.0 Address for Communication:

GM (Corporate Contracts)
THDC India Ltd.,
Pragati Bhawan, Bye-Pass Road,
Pragatipuram, Rishikesh - 249 201
Ph. No. 0135-2431461 /2473229/ 2473447
E-mail: corpcontract@thdc.co.in
Websites: [https:// www.eprocure.gov.in](https://www.eprocure.gov.in) or www.thdc.co.in

8.0 Registered Office

India Limited
BHAGIRATHI BHAWAN, (THDC TOP TERRACE),
BHAGIRATHIPURAM, TEHRI GARHWAL-249001
Corporate Identification Number: U45203UR1988GOI009822
Website: www.thdc.co.in

Terms of Reference (TOR)

Invitation of Proposal for Empanelment and Appointment of Cost Auditor(s) for conducting Cost Audit in THDC India Limited for the next three financial years (i.e. 2022-23, 2023-24 & 2024-25).

1. Introduction :

THDC India Limited (formerly known as Tehri Hydro Development Corporation Ltd.), is a Public Sector Enterprise under the administrative control of the Ministry of Power (MoP), Government of India (GoI). The Equity of the Company is shared between NTPC and GoUP in the ratio of 75:25. The Company was incorporated in July'88 to develop, operate & maintain the 2400 MW Tehri Hydro Power Complex (comprising 1000 MW Tehri Dam & HPP, 1000 MW Tehri Pumped Storage Plant & 400 MW Koteshwar HEP) and other hydro projects. The Company has an authorised share capital of Rs 4000 cr. THDCIL is a Mini Ratna Category-I and Schedule 'A' PSU.

THDCIL has successfully commissioned the Tehri HPP during the year 2006-07 and Koteshwar HEP during the year 2011-12. The Company has also commissioned 50 MW Wind Power Project at Patan and another Wind Power Project of 63 MW (30x2.1 MW) capacity at Dwarka, both in Gujarat, Dhukwan Small Hydro Power Project (24 MW) on Betwa river in Uttar Pradesh and Kasargod Solar Power Project(50 MW) in Distt Kasargod, Kerala.

The 1000 MW Tehri Pumped Storage Plant, which would utilize the Tehri and Koteshwar reservoirs as the pre-requisite upstream and downstream reservoirs, is presently under implementation. In addition to the 2400 MW Tehri Hydro Power Complex, THDCIL is implementing the 444 MW Vishnugad Pipalkoti Hydro Electric Project (VPHEP) on river Alaknanda in Uttarakhand. Government of UP has allotted Khurja Super Thermal Power Plant (2x 660 MW= 1320 MW) in Bulandshahar Distt to THDCIL for implementation. In addition, there are various hydro projects of THDCIL under different stages of implementation i.e. Survey & Investigation and DPR preparation.

2. Maintenance of Cost Records and Cost Audit:

Under Section 148 of the Companies Act, 2013 the Ministry of Corporate Affairs, Govt. of India have issued the Companies (Cost Records and Audit) Rules, 2014 vide notification No. G.S.R. 425 (E) dated 30.06.2014 which were amended vide No. G.S.R. 01 (E) dated 31.12.2014, vide No. G.S.R. 486 (E) dated 12.06.2015, vide No. G.S.R. 695 (E) dated 14.07.2016, vide No. G.S.R. 1498 (E) dated 07.12.2017, vide No. G.S.R. 1526 (E) dated 20.12.2017, vide No. G.S.R. 1157 (E) dated 03.12.2018 and vide No. G.S.R. 792 (E) dated 15.10.2019. THDCIL is maintaining cost records as prescribed under the said rules and is required to get its cost records audited in accordance with these rules.

3. Cost Auditors proposed to be appointed :

- 3.1** The Company intends to empanel firm of Cost Accountants for conducting cost audit for the F.Y. 2022-23 in respect of its hydro-electricity generating units located at Tehri & Koteshwar in the State of Uttarakhand and Dhukwan Small Hydro Power Project (24 MW)

in Uttar Pradesh, wind power projects for generation of electricity at Patan & Dwarka in the State of Gujarat and Kasargod Solar Power Project (50 MW) in Kerala.

- 3.2** Firms who have served in the capacity of Cost Auditors of the Company for four or more years in the period from F.Y. 2017-18 to 2021-22 at THDCIL shall not be considered for Cost Audit assignment during the proposed empanelment period.

4. Scope of Work :

The broad scope of work would be:

- 4.1** To conduct Cost audit of the Company in accordance with the provisions of the Companies (Cost Records and Audit) Rules, 2014. Cost audit shall be in adherence to the relevant orders/ clarification, issued by Cost Audit Branch, Ministry of Corporate Affairs, Govt. of India and the Cost Accounting Standards issued by the Institute of Cost Accountants of India, from time to time.
- 4.2** Cost audit team should consist of adequate number of qualified/semi-qualified Assistants (Cost/ Chartered Accountant) led by a senior partner of the Firm so as to commensurate with cost audit work requirements.
- 4.3** Verification and certification of cost records/statements/proformas maintained by the Company as per the Companies (Cost Records and Audit) Rules, 2014.
- 4.4** Checking of cost accounting records/statements/proformas of respective audit units after the consolidation of the same for the Company as a whole.
- 4.5** Verification and certification of annexure to the cost audit report.
- 4.6** Cost audit firm so appointed shall commence cost audit and submit report to the Company as per the Companies (Cost Records and Audit) Rules, 2014 and within the time schedule communicated by the Company.
- 4.7** Compliance with any other instruction issued in respect of cost audit under the Companies Act, 2013.

5. Selection Criteria :

- 5.1** Firms of Cost Accountants registered with the Institute of Cost Accountants of India (ICAI) shall be considered for appointment as Cost Auditors for conducting Cost Audit of the Company. For the purpose of better co-ordination and smooth functioning, firms having registered offices, as per registration with ICAI, in the Northern India shall be given preference for the appointment as Cost Auditors of the Company.

5.2 The following will be the basis of marks for the selection and selection will be made on the basis of attainment of highest marks (Minimum Qualifying Marks: 60) :

Sl.	Parameter	Selection Criteria	Point(s) per criteria	Max. Marks
1	Firm's Experience	No. of years experience in practice since the Date of Registration.	2 Marks per year	20
2	Employee Strength	No. of the Partners of the Audit Firm (Partners in whole time practice holding certificate of practice issued by The Institute of Cost Accountants of India)	4 Marks per Partner	08
3		Number of qualified assistants (Cost / Chartered Accountants) in the Firm. He should be a member of his respective institute	2 Mark per Qualified Assistant	06
4		Number of semi qualified assistants (Inter Cost/Chartered Accountant) in the firm	1 Mark per Semi-Qualified Assistant	06
5	Cost Audit Experience	Exposure of the Firm in the Public Sector Undertaking (PSU) in Power Sector Company under Central/ State Govt. in conducting Statutory Cost Audit (Name of the PSU, year of Audit)	3 Marks per Company per year	30
6		Exposure of the Firm in the Public Sector Undertaking (PSU) in other than Power Sector Company under Central/ State Govt. in conducting Statutory Cost Audit (Name of the PSU, year of Audit)	2 Marks per Company per year	20
7	Location of the Firm	Place of Registered Office/ Branch office of the Firm : Delhi(NCR)/ UP/ Uttarakhand = 10 Points Any other states/UT = 5 Points	10 Marks 05 Marks	10
TOTAL				100

Note :

1. Documentary evidence of all the information as stated above is to be furnished along with the offer. In absence of documentary evidence no marks will be awarded.

2. All the pages of the terms & conditions and documents submitted are to be signed with the seal of the firm and should be serially numbered.
3. Firms that secure 60 points and above as per above criteria shall be considered for empanelment. Firms will be given points and ranked in the descending order. Top 12 firms securing 60 points and above including ties shall be considered for empanelment.
4. In case of a tie, the following sequence shall be adopted for selection:
 - a) Firm with longer experience will be preferred based on the year of establishment.
 - b) Firm with a higher number of Fellow and or Associate Members of the ICAI as partners will be considered.
5. All the empanelled firms shall be treated at par irrespective of points obtained as per above criteria. However, any Audit Firm can be assigned audit work at any unit at the discretion of THDCIL.

6. Terms and Conditions :

- 6.1 The empanelment period is for three-year i.e. 2022-23, 2023-24 and 2024-25. Initially the period of audit will be for one year i.e. for the 1st year 2022-23 but it may further be extended to 2nd and 3rd year i.e. 2023-24 and 2024-25 at the same rate and terms and conditions subject to satisfactory performance. However, the above tenure of appointment is not to be interpreted as assured and THDCIL reserves the right not to re-appoint at its sole discretion without assigning any reason thereof. THDCIL also reserves the right to extend the tenure of above empanelment at its sole discretion.
- 6.2 The Company reserves the right to accept/reject any or all the offers without assigning any reason what so ever therefore.
- 6.3 Overwriting/correction/erase and/or use of white ink should be avoided in the offer. However, if any Overwriting/correction/erase is inevitable, the same should be authenticated with the signature & seal of authorized person of applicant firm.
- 6.4 The offer should be submitted strictly as per terms and conditions laid down in the document. Application documents duly sealed and signed are to be submitted in physical form as a token of acceptance of all terms and conditions. Application documents received through Facsimile/email shall not be considered.
- 6.5 The Company reserves the right to accept or reject any or all responses and to request additional submissions or clarifications from one or more applicant(s) at any stage or to cancel the process entirely at its sole discretion without assigning any reason whatsoever.
- 6.6 Application received after the due date and closing time of submission of applications shall be ignored. Any application received late due to any reason whatsoever will not be

accepted.

6.7 Company reserves the right to decide on the number of Cost Auditors to be appointed and assignment of work centers (including addition/ realignment/ removal thereof) to be audited including rotation in assignment, if necessary.

6.8 Jurisdiction of courts: Any dispute arising out of or in respect of the contract will be subject to the jurisdiction of Court of Rishikesh (Distt. Dehradun, Uttarakhand) Only.

7. Audit Fee :

The schedule of fee will be as follows:

Cost Audit Fees shall commensurate with the cost audit work and shall be decided by the Company from time to time. The Cost Audit Fees for the F.Y. 2022-23 are as under:

S. No	Units to be audited	Fees
01	Tehri HPP	Rs.75,000/- plus applicable tax.
02	Koteshwar HEP	Rs.75,000/- plus applicable tax.
03	Wind Power Projects	Rs.70,000/- plus applicable tax.
04	Dhukwan SHP	Rs.40,000/- plus applicable tax.
05	Solar Power Plant	Rs.40,000/- plus applicable tax.

The fee for consolidation and filing of Cost Audit Reports with MCA, Govt. of India in XBRL formats shall be Rs.75,000/- (plus applicable tax).

The travelling and out of pocket expenses will be as per **Annexure – X** (enclosed) and shall be at actual subject to production of documentary evidence.

8. Compliance / Declarations / Certificates by Firm(s) on appointment :

The cost audit firm(s) shall have to comply, give declarations and submit certificates as the case may be, upon appointment as cost auditor(s), as under:

8.1 The Cost Audit firm shall not sub-contract the cost audit work.

8.2 The audit team will work in strict confidence and will ensure that the information in respect of the operation of the area/unit is dealt with in strict confidence and secrecy. A certificate towards maintaining confidentiality shall have to be provided by the Cost Auditor(s) on receipt of appointment letter from the Company or before commencement of cost audit.

8.3 No partner of the Audit Firm is related to Managing Director/ Whole time Director or Part-time Director of the company within the meaning of section 2 (77) of the Companies Act, 2013.

8.4 The cost auditor(s) will be required to issue & submit certificate of Independence and arms length relationship.

- 8.5 Neither the firm nor its partner(s) or associates should have any interest in the business of the Company.
- 8.6 Cost audit firm(s) shall have prime responsibility to ensure that the maximum number of audit limits specified under Companies Act, 2013 are not violated.
- 8.7 The cost audit firm(s) shall be free from any disqualification under the Companies Act, 2013. In addition to this, cost audit firm(s) must not be holding any assignment as Statutory Auditor(s) or Internal Auditor(s) of the Company.
- 8.8 The partners holding certificate of Practice issued by ICAI are in whole time practice.
- 8.9 The Audit Firm will be debarred from getting the cost audit in future of THDCIL in the following cases:
- (a) If the firm obtains the appointment on the basis of false information/mis-statement.
 - (b) If the firm does not take up audit in terms of appointment letter.
 - (c) If the Firm fails to maintain/ honor confidentiality and secrecy of the Company's cost data, cost statement and cost information.
 - (d) If the Firm violets any of the stipulations from (8.1) to (8.8) above.

9.0 Preference to Make In India:

'Class-I Local suppliers' only are eligible to participate in this tender, as defined in the attached **Annexure-1** (Preference to Make In India and granting of purchase preference to local suppliers) to the bidding documents/ Public Procurement (Preference to Make in India), Order 2017 and its subsequent amendments/ revisions issued by DPIIT. The bidders may apprise themselves of the relevant provisions of bidding documents in this regard before submission of their bids.

For declaration regarding "Local Content" provision, declaration has been made under "Format of Application".

In case aforesaid certificate furnished by bidder is not in line with the declaration in respect of Local Content in their bid, same shall be treated as false declaration.

10.0 "Restrictions on procurement from a Bidder of a country which shares a land border with India."

- 10.1 Any Bidder from a country which shares a land border with India, as specified in order (Public Procurement No.1) of Ministry of Finance, Department of Expenditure, Public Procurement Division vide Ref. No. F. No. 6/18/2019-PPD dated 23.07.2020 (**Ref. Annexure-2**) will be eligible to bid in this tender only if bidder is registered with the

Competent Authority as mentioned in the above mentioned order. However, the said requirement of registration will not apply to bidders 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. Bidders may apprise themselves of the updated lists of such countries available in the website of the Ministry of External Affairs.

- 10.2** Bidder shall certify duly signed and stamped **Annexure-3** (enclosed) confirming that the Bidder fully comply the above clause "Restrictions on procurement from a Bidder of a country which shares a land border with India" to be submitted/uploaded along with proposal/bid.

Bidder's failure to comply with the aforesaid requirement regarding submission of "**Annexure-3**" may lead to rejection of the bid.

(Preferably to be given on the Audit Firm's Letter Head)

Format for submission of Offer

1. Name of the Cost Audit Firm:

2. Registration Number of the Cost Audit Firm
with Institute of Cost Accountants of India:
(Enclose the copy of Registration Certificate)

3. Particulars of Cost Audit Firm:

i) (a) Address of the Firm as registered with ICAI:
(b) Other address of the Firm (if different from 'a'):

ii) (a) Telephone Number with STD Code:
(b) Mobile No. of the Senior Partner (for Contact Purpose)

iii) Fax Number with STD Code:

iv) Email address of the Firm:

v) Website of the Firm, if any:

vi) PAN No. of the Firm:

vii) GSTIN of the Firm:

viii) Bank details for EFT:

	Bank Name, Address and 1. Telephone No.	
	2. Branch Name, Address & Code	
	3. Bank Account number with type of Account i.e. Saving/ Current	
	4. IFSC Code No. of the Bank	
	5. A cancelled cheque of the said Bank	

4. Technical Details:

- i) Experience in practice (No. of years) (Details to be submitted in Annexure)
- ii) Experience of PSU Audit (Details to be submitted in Annexure)
- iii) Experience of PSU Audit in Power Sector (Details to be submitted in Annexure)
- iv) No. of Partners / Members Names & Addresses of the Partners along with

their Membership Nos. to be given (Details to be submitted in Annexure)

v) No. of qualified & semi- qualified assistants in the Firm (Details to be submitted in Annexure)

5. We hereby confirm the acceptance of all provisions and the terms & conditions of the Invitation without any deviation.
6. Our firm is not debarred/disqualified/black listed by any regulatory/statutory body or Government entity or any International/National agency for corrupt or fraudulent practices.
7. We 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. We certify that we/our Collaborator/JV Partner/Consortium member are/is not from such a country or, if from such a country, have/has been registered with the Competent Authority and we will not sub-contract any work to a contractor from such countries unless such contractor is registered with the Competent Authority.

***We hereby certify that we fulfil all requirements in this regard and are eligible to be considered. *We further confirm that evidence of valid registration by the Competent Authority for us/our Collaborator/JV Partner/Consortium member, as applicable, is enclosed as Annexure... **...**

***Bidder to strike-off, if not applicable. **Bidder to mention the Annexure no.**

8. i) We confirm that we fulfil the requirements of Local content for Class-I local supplier.

The details of the location(s) at which the local value addition are as under:

Sl.NO.	Description of Goods & Services	Details of the location(s) at which the local value addition are made

- ii) We Confirm that we fulfil the requirements of Local content for Class-I local supplier for Item(s) mentioned in bidding document, as applicable. We further confirm that in case such item(s) are bought-out for us, we shall source the same from Class-I local supplier only.

We undertake that a certificate from the statutory auditor or cost auditor (in the case the bidder is a company) or from a practicing cost accountant or practicing chartered accountant (in respect of bidders other than companies) certifying the percentage of local content shall be submitted by us prior to submission of our last bill for payment.

We further confirm that we are presently not debarred/ banned by any other procuring entity for violation of 'Public Procurement (Preference to Make in India), Order 2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department for Promotion of Industry and Internal trade (DPIIT).

In case a Bidder has been banned/debarred by any other procuring entity for violation of 'Public Procurement (Preference to Make In India), Order 2017' (PPPMII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP), the same may be declared by Bidder by striking off para above and declaring the details of banning using additional sheets.

Bidder may also enclose additional sheets in similar format (if required), for providing details pertaining to local value addition.

Signature:

Name :

Designation:

Seal of the Audit Firm:.

Place: -

Date: -

List of enclosures:

1. _____

2. _____

3. _____

Travelling, boarding & lodging expenses for the assignment of Internal Audit / Physical Verification shall be reimbursed as under:-

Mode of Travel/Boarding	Partners	Qualified Assistants	Semi-Qualified Assistants	Article Assistants
1	2	3	4	5
1 Travel by Train/Air	AC-Ist Class/ Economic Air Fare	AC-II nd Tier	AC-II nd Tier	AC-II nd Tier
2 Travel by Road				
a) Places connected by train	Actual Taxi fare on production of proper cash receipt and restricted to train fare as per entitlement above.	Share Taxi -Maximum of 50 % of full taxi fare or Rs. 4/- per KM whichever is lower and restricted to train fare as per entitlement above.	Share Taxi -Maximum of 50 % of full taxi fare or Rs. 4/- per KM whichever is lower and restricted to train fare as per entitlement above.	Single seat in a taxi if used limited to Rs. 3/- per Km or actual bus/train fare as per entitlement whichever is less.
b) Places not connected by train & where road journey is customary.	Actual Taxi fare.	Share Taxi -Maximum of 50 % of full taxi fare or Rs. 4/- per KM whichever is lower.	Share Taxi -Maximum of 50 % of full taxi fare or Rs. 4/- per KM whichever is lower.	Single seat in a taxi if used limited to Rs. 3/- per Km or actual bus fare whichever is less.
c) If traveled by own car/Scooter/motor cycle to places as at (a) above (to be supported by documentary proof like petrol bill etc.)	Rs. 10.00 per KM for car/Rs 3.77 per KM for Scooter/Motor cycle restricted to train fare as per entitlement.	Rs. 10.00 per KM for car/Rs 3.77 per KM for Scooter/Motor cycle restricted to train fare as per entitlement.	Rs. 10.00 per KM for car/Rs 3.77 per KM for Scooter/Motor cycle restricted to train fare as per entitlement.	Rs 3.77 per KM for Scooter/Motor cycle restricted to train fare as per entitlement.
3 Dearness Allowance	Per Day	Per Day	Per Day	Per Day
a) When Boarding & Lodging is provided by the Company.	Rs. 180/-	Rs.160/-	Rs.140/-	Rs. 80/-
b) When Boarding & Lodging is not provided by the Company.	Rs. 720/-	Rs. 640/-	Rs.560/-	Rs. 320/-

Note:

- 1- Boarding & Lodging arrangement shall be provided by the Company either in guest house or Hotel.**
- 2. Journey from residence to Railway Station /Airport and back shall be part of Travelling and reimbursement of the same shall be made on actual basis.**
- 3. The all claims for travelling, boarding & lodging expenses shall be supported by proper bills/ticket etc. The claims for reimbursement should contain following information:**
 - (i) No. of persons deputed to conduct the Audit along with their designations as per the assignment plan.**
 - (ii) No. of days spent for audit at the project. (Stay certificate to be attached)**
 - (iii) In case of travel by Air/Train, Boarding Pass/Tickets should be enclosed with the bills.**
- 4. Charges for reservation, Tatkal charges and telegram charges for securing reservation including additional charges paid for securing “i-ticket” or “e-ticket” through internet/website if charged by railway will be reimbursable and also service charges of travel agent for providing tickets will be reimbursable.**

Sub: Preference to Make In India and Eligibility for Participation/ granting of Purchase Preference to Class-I local suppliers- regarding

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. In this regard, the following guidelines, concerning the procedure to be adopted for granting Eligibility for Participation/purchase preference to local suppliers, are hereby issued:

1.0 Definitions:

- a) **'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 goods, services or works procured (excluding net domestic indirect taxes) minus the value of imported content in the goods, services or works (including all customs duties) as a proportion of the total value, in percent.
- b) **'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.

'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'.
- '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'.
- c) **'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.
- d) **'Margin of purchase preference'** means the maximum extent to which the evaluated bid price of a 'Class-I local supplier' may be above the L1 for the purpose of purchase preference.

2.0 Eligibility for Participation/Purchase Preference:

2.1 Eligibility for Participation

- a) For tenders having lump sum evaluation:

Only Class-I local suppliers are eligible to Bid. Bids received (if any) from Class-II Local Supplier / Non Local Supplier shall be out rightly rejected.

3.0 Minimum Local Content

- 3.1 The local content requirement to categorize a Bidder/Supplier as 'Class-I local supplier' is minimum **50%**.

4.0 Verification of Local Content:

- 4.1 The 'Class-I local supplier' shall be required to provide, in the Bid Form of Techno-Commercial Bid, self-certification / declaration that the Item offered meets the local content requirement for 'Class-I local supplier' and shall give details of the location(s) at which the local value addition is made.
- 4.2 The 'Class-I 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 during execution prior to submission of last bill for payment.
- In case aforesaid Certificate furnished by Contractor/Vendor is not in line with the declaration in respect of Local content in their bid, same shall be treated as false declaration.
- 4.3 DELETED.
- 4.4 False declarations will be dealt in line with the CORRUPT OR FRAUDULENT PRACTICES as mentioned in the bidding documents.
- 4.5 In case of false declaration / violation of the provision of PPP-MII Order, if a bidder has been debarred / banned by Employer, then the fact and duration of debarment should be promptly brought to the notice of the Member-Convenor of the Standing Committee (as per para 16 of PPP-MII Order) and the Department of Expenditure through Ministry of Power, GOI.
- 4.6 A supplier who has been debarred / banned by any other procuring entity for violation of 'Public Procurement (Preference to Make In India), Order 2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP) shall not be eligible for evaluation/preference, as applicable, under the aforesaid procedures for duration of the debarment. The 'Class-I local supplier'/ 'Class-II local supplier' shall be required to furnish a confirmation in this regard in the Bid Form/relevant Attachment of Techno-Commercial Bid.

5.0 Local Sourcing

- 5.1 The Bidder/its Sub-vendors must be Class-I local supplier for Item(s) mentioned at clause no. 40.00.00 of GTR in Technical Specifications, as applicable, in case such item(s) are Self Manufactured/Bought-out.
- 5.2 The Bidder / Contractor are requested to encourage and promote domestic manufacturing and production of goods and services by sourcing goods and services applicable under the contract / package from domestic suppliers / service providers. In this regard, Bidder shall also follow guidelines / advisory issued by Government of India from time to time, to the extent applicable to them, regarding promotion of local sourcing of goods including Bought out Items and services.

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.

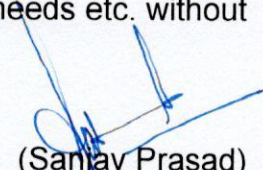
Government E-Marketplace

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.

5/12

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

6/12

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.**

7/12

- 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.]

8/12

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.

9/12

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;

10/12

- 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

11/12

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.]”

12/12

(Certificate of compliance to “Restrictions on procurement from a Bidder of a country which shares a land border with India”)

Bidder's Name and Address:

To,

Corporate Contracts,
THDC India Ltd.,
Pragati Bhawan, Bye-Pass Road,
Pragatipuram, Rishikesh – 249201

Dear Sirs,

- (1) With reference to our Proposal for **Empanelment of firms of Cost Accountants (CMA) for conducting Cost Audit in THDC India Limited for the next three financial years (i.e. 2022-23, 2023-24 & 2024-25)** -Tender no. THDC/RKSH/CC-428, we hereby confirm and certify that we fully comply clause titled **“Restrictions on procurement from a Bidder of a country which shares a land border with India”**. We have read, understood and accepted the Clause titled “Restrictions on procurement from a Bidder of a country which shares a land border with India” and our bid is in compliance to this clause.
- (2) We confirm that if it is established that we have provided any false information in pursuance of the aforesaid clause, while competing for this contract, then our bid shall be rejected.
- (3) We further confirm that, if it is established that we have not complied with terms of aforesaid clause, during execution of contract, this would be a sufficient ground for immediate termination of the contract as per tender provision and shall be dealt accordingly.

Date :

(Signature).....

Name:

Place:

(Designation).....

(Company seal).....