Inter Office Memo

From: GM (Admn), Head Office

To: All Regional Heads
    ED (HSMI)
    ED (C&C)
    ED (IT)
    All Procurement Departments at Head Office

5th March, 2021

Sub: Restriction under Rule 144(xi) of the General Financial Rules (GFRs) – 2017 (Clarification by Ministry of Finance – 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 boarders with India

With regard to the above kindly find attached Office Memorandum dated 17.02.2021 received from Shri G Srinivasan, Director (IFD), Ministry of Housing & Urban Affairs, Integrated Finance Division, Nirman Bhawan, New Delhi along with Office Memorandum dated 8th February, 2021 received from Shri Kotluru Narayana Reddy, Deputy Secretary to the Govt. of India, Ministry of Finance, Department of Expenditure, Procurement Policy Division, 512, Lok Nayak Bhawan, New Delhi (which are self explanatory) containing 03 pages for information and further necessary action.

स्वागतः

राष्ट्रीय आरक्षक

महाप्रबंधक (प्रशासन)

स्वागतः उपरोक्तानुसार
1711176/2021/O/o DO(IFD-IV)
Ministry of Housing & Urban Affairs
Integrated Finance Division

Office Memorandum

Nirman Bhawan
Dated- 17-02-2021


2. The undersigned is directed to circulate the above reference OM dt. 8th Feb, 2021 received from Ministry of Finance on the subject mentioned above inviting Department Order (Public Procurement No. 1) with reference to the OM F. No. 6/18/2019 – PPD dt. 23.07.2020 and 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 procurement of goods, services etc..

3. MoF has clarified in para 3 of the above reference OM dt. 8th February, 2021 on the 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.

4. Therefore, in view of above, all divisions of MoHUA including all PSUs, attached and Subordinate offices the above reference OM dt. 12-11-2021 of Ministry of Finance is circulated for information and take necessary action urgently.

(G. Srinivasan)
Dir(IFD)

Tele. 23062127

All JSs & ds/ Dirs as listed below:

1. Joint Secretary (PMAY)
2. JS (Admn)
3. Joint Secretary (HFA)
4. Joint Secretary (NLUM)
5. Joint Secretary (SBM)
6. Joint Secretary (AMRUT)
7. JS(PSP)
8. Economic Advisor (Housing)

9. JS(SC)
10. JS(W)
11. OSD(U)
12. DG(CPWD)
13. CCA, MoHUA
14. DG(NBO)
15. Dir (L&DO)
16. Dir (DPE of Printing)
17. Dir, Dte of Estates

All PSUs

(i) CMD, NBCC  (ii) CMD (HUDCO)  (iii) CMD, Hindustan Prefab Limited

Copy for information to Sr.PPS to JS&FA/ PS to DS(IFD),

Copy to SO(IT Cell) for uploading in e-offices
OFFICE MEMORANDUM


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”. 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).

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

To

O/o JS & FA Mohua

18 FEB 2021
Dy. No... R 0 6 0...

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