



PMC Cell – MM

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**Circular No. 58/2018**

No: MAT/PMC/13(21)PP-LC/2018

Dated: 01.11.2018

**Sub: Modification to the provisions of Purchase Preference Policy (linked with Local Content) (PP - LC).**

Reference is invited to circular No. 19/2017 dated 16.05.2017, whereby tender conditions pertaining Govt. policy for providing Purchase Preference (linked with Local Content) (PP - LC), have been notified for incorporating in ONGC tenders.

In accordance with the decisions taken in the EPC meetings (11/2018 and 20/2018) held on 10.05.2018 and 20.09.2018 respectively, certain tender conditions notified vide aforesaid circular stand modified as per enclosed **Appendix-1**.

Above guidelines should be meticulously followed by all concerned in all tenders covered under PP-LC policy.

*Ashwini Nagia*  
1/11/18

(Ashwini Nagia)  
ED-Chief MM Services

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Appendix-I

**Existing vis-à-vis modified provisions notified vide circular No. 19/2017 dated 16.5.2017**

Clause No.	Existing provisions	Modified Provisions
2.2 of Annexure - II	<p>Above undertaking shall be supported by the following certificate from Statutory Auditor engaged by the bidder, on the letter head of such Statutory Auditor:</p> <p><i>"We _____ the statutory auditor of M/s. _____ (name of the bidder) hereby certify that M/s. _____ (name of manufacturer) meet the mandatory Local Content requirements of the Goods and/or Services i.e. _____ (to be filled by the work center as notified at Enclosure I of the policy) quoted vide offer No. _____ dated _____ against ONGC tender No. _____ by M/s _____ (Name of the bidder)."</i></p> <p>Note:</p> <p>a. In case of bidder(s) for whom Statutory Auditor is not required as per law, required certificates shall be provided by a practicing Chartered Accountant.</p> <p>b. In case the manufacturer himself is bidding then the certificate shall be submitted by the Statutory Auditors of the manufacturer who shall provide the break-up of the cost component as per Enclosure – A (Work center to enclose Enclosure – II of the policy document renaming the same as Enclosure-A).</p> <p>c. In case the bidder is a supplier quoting on behalf of manufacturer then the certificate shall be submitted by the</p>	<p>Above undertaking shall be supported by the following certificate from Statutory Auditor engaged by the bidder <u>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),</u> on the letter head of such Statutory Auditor <u>etc.:</u></p> <p><i>"We _____ the statutory auditor (or as the case may be) of M/s. _____ (name of the bidder) hereby certify that M/s. _____ (name of manufacturer) meet the mandatory Local Content requirements of the Goods and/or Services i.e. _____ (to be filled by the work center as notified at Enclosure I of the policy) quoted vide offer No. _____ dated _____ against ONGC tender No. _____ by M/s _____ (Name of the bidder)."</i></p> <p>Note:</p> <p>a. <u>In case of a foreign bidder, certificate (with regard to the fulfillment of minimum mandatory local content requirement) from Statutory Auditor of their office in India is required to be submitted. In case office does not exist or is not required to appoint Statutory Auditors, certificate from a practicing Chartered Accountant in India or practicing cost accountant in India shall be acceptable.</u></p> <p>b. In case the manufacturer himself is bidding then the certificate shall be submitted by the Statutory Auditors <u>etc.</u> of the manufacturer who shall provide the break-up of the cost component as per Enclosure – A (Work center to enclose Enclosure – II of the policy document renaming the same as</p>

Clause No.	Existing provisions	Modified Provisions
	<p>Statutory Auditors of the supplier who shall provide the break-up of the cost component of the manufacturer as per Enclosure –A (Work center to enclose Enclosure – II of the policy document renaming the same as Enclosure- A). The responsibility for the certificate provided by the statutory auditor of the supplier shall be that of the supplier.</p> <p>d. In case the tender scope covers testing, installation and commissioning and any other services in respect of the supplied goods/equipments then such costs shall also be considered in LC for which the bidder shall provide certificate from the Statutory Auditors or the Chartered Accountant as the case may be.</p>	<p>Enclosure-A).</p> <p>c. In case the bidder is a supplier quoting on behalf of manufacturer then the certificate shall be submitted by the Statutory Auditors <u>etc.</u> of the supplier who shall provide the break-up of the cost component of the manufacturer as per Enclosure –A (Work center to enclose Enclosure – II of the policy document renaming the same as Enclosure- A). The responsibility for the certificate provided by the statutory auditor of the supplier shall be that of the supplier.</p> <p>d. In case the tender scope covers testing, installation and commissioning and any other services in respect of the supplied goods/equipments then such costs shall also be considered in LC for which the bidder shall provide certificate from the Statutory Auditors or the Chartered Accountant etc as the case may be.</p>
2.2 of Annexure-III	<p>Above undertaking shall be supported by the following certificate from Statutory Auditor engaged by the bidder, on the letter head of such Statutory Auditor:</p> <p><i>“We _____ the statutory auditor of M/s._____ (name of the bidder) hereby certify that M/s._____ (name of bidder) meet the mandatory Local Content requirements of the Services i.e. _____(to be filled by the work center as notified at Enclosure I of the policy) quoted vide offer No. _____ dated _____ against ONGC tender No._____ by M/s _____ (Name of the bidder).”</i></p>	<p>Above undertaking shall be supported by the following certificate from Statutory Auditor engaged by the bidder <u>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)</u>, on the letter head of such Statutory Auditor <u>etc.:</u></p> <p><i>“We _____ the statutory auditor (or as the case may be) of M/s._____ (name of the bidder) hereby certify that M/s._____ (name of bidder) meet the mandatory Local Content requirements of the Services i.e. _____(to be filled by the work center as notified at Enclosure I of the policy) quoted vide offer No. _____ dated _____ against ONGC tender No._____ by M/s _____ (Name of the bidder).”</i></p>

Clause No.	Existing provisions	Modified Provisions
	<p>Note: In case of bidder(s) for whom Statutory Auditor is not required as per law, required certificates shall be provided by a practicing Chartered Accountant</p>	<p>Note: <u>In case of a foreign bidder, certificate (with regard to the fulfillment of minimum mandatory local content requirement) from Statutory Auditor of their office in India is required to be submitted. In case office does not exist or is not required to appoint Statutory Auditors, certificate from a practicing Chartered Accountant in India or practicing cost accountant in India shall be acceptable.</u></p>
<p>1.2 of Annexure-IV</p>	<p>Above undertaking shall be supported by the following certificate from Statutory Auditor engaged by the bidder, on the letter head of such Statutory Auditor:</p> <p><i>“We _____ the statutory auditor of M/s. _____ (name of the bidder) hereby certify that M/s. _____ (name of bidder) meet the mandatory local content requirements of the LSTK contract i.e. _____ (to be filled by the work center) quoted vide offer No. _____ dated _____ against ONGC tender No. _____ by M/s _____ (Name of the bidder).”</i></p> <p>Note : In case of bidder(s) for whom Statutory Auditor is not required as per law, required certificates shall be provided by a practicing Chartered Accountant</p>	<p>Above undertaking shall be supported by the following certificate from Statutory Auditor engaged by the bidder <u>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),</u> on the letter head of such Statutory Auditor <u>etc.:</u></p> <p><i>“We _____ the statutory auditor (or as the case may be) of M/s. _____ (name of the bidder) hereby certify that M/s. _____ (name of bidder) meet the mandatory local content requirements of the LSTK contract i.e. _____ (to be filled by the work center) quoted vide offer No. _____ dated _____ against ONGC tender No. _____ by M/s _____ (Name of the bidder).”</i></p> <p>Note : <u>In case of a foreign bidder, certificate (with regard to the fulfillment of minimum mandatory local content requirement) from Statutory Auditor of their office in India is required to be submitted. In case office does not exist or is not required to appoint Statutory Auditors, certificate from a practicing Chartered Accountant in India or practicing cost accountant in India shall be acceptable.</u></p>