



PMC Cell – MM

Oil and Natural Gas Corporation Ltd

Corporate Materials Management
2nd Floor, Tower-A, Deendayal Urja Bhawan,
5, Nelson Mandela Marg, Vasant Kunj, New Delhi -110 070
Tel – (011)26752004 Fax – (011) 26129091

Circular No. 39/2018-cum BL Amendment No. BL/01/110, 02/85 and 03/43

No: MAT/PMC/13(13)/13(7)/2018

Dated: 01.08.2018

Sub: Financing of trade receivables of MSEs through TReDS (Tread Receivable Discounting System) platform in ONGC Procurements.

Ministry of Micro, Small and Medium Enterprises vide DO letter no. E.15(16)/2016 dtd. 17.11.2016 has made registration to TReDS mandatory for PSUs and Government Departments. Accordingly ONGC has registered with M/s RXIL and M/s MYND Solution, for MSME vendors to avail trade receivable discounting services on TReDS platform. In case new service provider for TReDs is added subsequently, same shall be included in the tender conditions, based on the advice of Corp Finance. No separate approval shall be required.

EPC, in its meeting (16/2018) held on 24.07.2018 examined the issue and directed to insert suitable provisions in respect of TReDS in Tender documents/Contracts for Micro and Small Enterprises (MSEs).

In accordance, with the decisions taken in the aforesaid meeting of EPC, relevant provisions of Standard Booklet No. ONGC/MM/01, 02, 03 and 'Model Contract & General Contract Conditions' for Service Contract stand modified as per Appendix-1.

Above guidelines should be meticulously followed by all concerned.

(Ashwini Nagia)
ED-Chief MM Services

Distribution: (Through ONGC's intranet website 'reports.ongc.co.in').

All concerned may download the circular from the site. Hard copies are not distributed separately.

Copy through e-mail:

1. EO to CMD, ONGC, New Delhi.
2. CEA to Director (T&FS) / Director (Offshore) / Director (HR) / Director (Exploration)/Director (Onshore) / Director (Finance), ONGC, New Delhi.
3. CVO, ONGC, New Delhi.

Appendix-1

Statement showing existing vis a vis modified provisions of Standard Booklet ONGC/MM/01, 02, 03 and Model Contract & General Contract Conditions for Service Contract

Clause No.	Existing Provision	Proposed Modified Provision	Remarks
55.0 of ITB of MM01	No provision exists	Financing of trade receivables of Micro and Small Enterprises (MSEs) through Trade Receivables Discounting System(TReDS) platform:	New Clause incorporated
54.0 of GCC of MM01		Based on the initiatives of government of India to help MSME vendors get immediate access to liquid fund based on Buyers (i.e. ONGC's) credit rating by discounting MSMEs trade receivables through an auction mechanism where multiple financers can participate and bid, ONGC has registered itself on TReDS platform with M/s RXIL and M/s MYND Solution. Now MSE vendors can avail this benefit by registering themselves with any of the exchanges providing e-discounting/ electronic factoring services on TReDS platform and following the procedures defined therein, provided ONGC is also participating in such TReDS Platform as a Buyer. Such exchanges with participation of ONGC will be notified from time to time. Currently the exchanges are M/s RXIL and M/s MYND Solution.	
51.0 of ITB of MM02			
44.0 of GCC of MM02			
36.0 of GCC of MM03 (existing 36.0 clause shall be renumbered as 37.0)		<p>1. MSE Vendor should be aware that all costs relating to availing the facility of discounting on TReDS platform including but not limited to Registration charges, Transaction charges for financing, Discounting Charges, Interest on financing, or any other charges known by any name shall be borne by <u>MSE</u> Vendor.</p> <p>2. MSE Vendor hereby agrees to indemnify, hold harmless and keep ONGC and its affiliates, Directors, officers, representatives, agents and employees indemnified, from any and all damages, losses, claims and liabilities (including legal costs) which may arise from Sellers submission, posting or display, participation, in any manner, on the TReDS Platform or from the use of Services</p>	

	<p>or from the Buyer's breach of any of the terms and conditions of the Usage Terms or of this Agreement and any Applicable Law on a full indemnity basis.</p> <p>3. ONGC shall not be liable for any special, indirect, punitive, incidental or consequential damages or any damages whatsoever (including but not limited to damages for loss of profits or savings, business interruption, loss of information), whether in contract, tort, equity or otherwise or any other damages resulting from using TReDS platform for discounting their (MSE Vendor's) invoices.</p> <p>Note:</p> <p>(i) Buyer means ONGC who has placed NOA/Purchase Order/ Contract on a MSE Vendor (Seller).</p> <p>(ii) Seller means a MSE vendor, who has been awarded NOA/Purchase Order/Contract by the ONGC (Buyer).</p>	
--	--	--