

## **Amendment to Purchase Manual (Issue 3 – 2013)**

### **Amendment - 1 :**

**i. Clause 5.2, part-II, Others, Para J is amended as below:**

- j. The exemptions/relaxations applicable to MSMEs / Start-ups should be specified in the tender notice (in line with prevailing / current Govt. directives). MSEs Public Procurement Policy 2012 is placed at Annexure-17. For definition & guidelines about startups, gazette notification no. 113 dt. 17th Feb 2016 from Ministry of Commerce and Industry, may be referred (and as amended from time to time).

Wherever RFQ stipulates qualification / eligibility criteria to be met by bidders such as prior experience and/or prior turnover, the criterion shall be relaxed w.r.t to all startups and MSEs subject to meeting of quality and technical specifications stipulated in the tender. Also vendor shall furnish documentary proof for being MSEs/Startup as stipulated by the Ministry. However, for procurement of items related to public safety, health, critical security operations and equipments etc., where vendors with prior experience are preferred rather than giving orders to new entities, in such cases, wherever adequate justification exists, prior experience/turnover criteria to start-ups and MSEs may not be relaxed.

Incase user / indenting department calls for qualification / eligibility criteria, accordingly RFQ shall stipulates the above clause.

**ii. Annexure-11,PART-II (New Para no. 34 added)**

**34. Relaxation of Prior Experience & Prior Turnover criteria for Micro & Small Enterprises (MSEs) & Startups:**

Wherever RFQ stipulates qualification / eligibility criteria to be met by bidders such as prior experience and/or prior turnover, the criterion will be relaxed w.r.t to all startups and MSEs subject to meeting of quality and technical specifications stipulated in the tender. Also vendor shall furnish documentary proof for being MSEs/Startup as stipulated by the Ministry.

**iii. Annexure-11A, (New Para no. 19 added)**

**19. Relaxation of Prior Experience & Prior Turnover criteria for Micro & Small Enterprises (MSEs) & Startups:**

Wherever RFQ stipulates qualification / eligibility criteria to be met by bidders such as prior experience and/or prior turnover, the criterion will be relaxed w.r.t to all startups and MSEs subject to meeting of quality and technical specifications stipulated in the tender. Also vendor shall furnish documentary proof for being MSEs/Startup as stipulated by the Ministry.

- iv. **Clause 8.8.3 Advance payment (Existing clauses under 8.8.3 (from 8.8.3.1 to 8.8.3.10) is deleted and replaced with following Para):**

**8.8.3 Advance Payment:** For advance payment to vendors, guidelines issued from time to time needs to be followed.

For MSMEs & Startups, 15% (of the basic price) interest free Advance shall be payable against BG of equivalent amount, balance 85% shall be paid within 30 days of receipt and acceptance at our stores. In case 15% Advance is not sought by vendor, 100% payment shall be made within 30 days of receipt and acceptance at our stores. However, in case of Global tenders, MSMEs & Startups may opt for payment through Letter of Credit.

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**Amendment - 2 :**

- i. **Clause 5.2, part-II, Others (New Para no. u added)**

**u. Import Content**

In case the item / product offered by Indian vendor has import content, then the value of import content shall be indicated in the quotation (in FE / INR as the case may be).

- ii. **Annexure-11,PART-II (New Para no. 33 added)**

**33. Import Content**

In case the item / product offered by Indian vendor has import content, then the value of import content shall be indicated in the quotation (in FE / INR as the case may be).

- iii. **Annexure-11A, (New Para no. 20 added)**

**20. Import Content**

In case the item / product offered by Indian vendor has import content, then the value of import content shall be indicated in the quotation (in FE / INR as the case may be).

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**Amendment - 3 :**

- i. **Clause 5.2, part-II, Others (New Para no. v added)**

**v. Date of reckoning of Exchange rate variation:**

If the products/items/materials quoted by the Indian vendors involves import content, then the value of import content needs to be indicated in the offer (in FE). Further, vendor should

indicate whether Exchange Rate Variation(ERV) is applicable on the FE content declared by the vendor. If ERV is applicable, ERV reckoning date shall be the last date of submission of commercial bids (i.e. due date of the tender).

For purpose of making ERV payment, actual value of import (to be supported by BOE, etc) or declared value of import in bidders quote whichever is lower to be considered for calculation of ERV based on TT selling rate on the date of BOE.

Exchange rate variation on the higher side, shall be paid by the HAL and similarly any exchange rate variation on lower side i.e. price reduction, to be passed on to HAL.

**ii. Annexure-11,PART-II (New Para no. 35 added)**

**35. Date of reckoning of Exchange rate variation:**

If the products/items/materials quoted by the Indian vendors involves import content, then the value of import content needs to be indicated in the offer (in FE). Further, vendor should indicate whether Exchange Rate Variation(ERV) is applicable on the FE content declared by the vendor. If ERV is applicable, ERV reckoning date shall be the last date of submission of commercial bids (i.e. due date of the tender).

For purpose of making ERV payment, actual value of import (to be supported by BOE, etc) or declared value of import in bidders quote whichever is lower to be considered for calculation of ERV based on TT selling rate on the date of BOE.

Exchange rate variation on the higher side, shall be paid by the HAL and similarly any exchange rate variation on lower side i.e. price reduction, to be passed on to HAL.

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**Amendment - 4 : Chapter-III, (New Para 3.5.7 added)**

3.5.7. Vendors registered in other Defence PSUs will be considered as Deemed Registered. This Deemed Registration will enable the vendors to participate in all future tenders of HAL for similar category of goods/services subject to fulfillment of other eligibility criteria indicated in the RFQ. However, prior to placing of order, in case the vendor is selected after following the due process/procedure, all the formalities relating to completion of regularization of the Registration Process as per the extant procedure of this will have to be completed.

**Amendment - 5 :**

**i. Annexure-11,PART-II, Para no. 23 is amended as below:**

23. Terms of Payment: In the event of an order, 100% payment will be made within 30 days of receipt and acceptance at our stores by RTGS or any other latest Electronic Payment remittance mode. However, incase of Global tenders, domestic vendors may opt for payment through Letter of Credit.

Applicable for MSMEs & StartUps: 15% (of the basic price) interest free Advance will be payable against BG of equivalent amount and balance 85% will be paid within 30 days of receipt and acceptance at our stores. In case advance is not sought, 100% payment will be made within 30 days of receipt and acceptance at our stores.

**ii. Annexure-11A, Para no. 11 is amendment as below:**

11. TERMS OF PAYMENT: In the event of an order, 100% payment will be made within 30 days of receipt and acceptance at our stores by RTGS or any other latest Electronic Payment remittance mode. However, incase of Global tenders, domestic vendors may opt for payment through Letter of Credit.

Applicable for MSMEs & StartUps: 15% (of the basic price) interest free Advance will be payable against BG of equivalent amount and balance 85% will be paid within 30 days of receipt and acceptance at our stores. In case advance is not sought, 100% payment will be made within 30 days of receipt and acceptance at our stores.

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