

PROJECT EXPORTS PROMOTION COUNCIL OF INDIA

SCREENING COMMITTEE- GUIDELINES (2016)

Objectives

The objective of screening by the Screening Committee is to assess the suitability of an Indian engineering contracting company from all points of view- technical, financial and managerial competence- before it is allowed to participate in tenders for overseas construction engineering contracts (civil/ electro-mechanical etc.).

Screening Committee approval is generally accorded selectively for activities for which applicant companies have established capability in one or more of the following construction engineering/ consultancy activities involving:

- i. Dams, canals, irrigation works, tunnels and earthworks.
- ii. Roads, bridges, flyovers, airports.
- iii. Water and sewage treatment plants, pipelines.
- iv. Buildings including commercial and factory complexes, hotels, schools and hospitals.
- v. Special foundations and structural works, docks and sea water works/ports.
- vi. Electrification, air-conditioning and utilities.
- vii. Any other structure, infrastructure, utility or activity to be determined by the Screening Committee.
- viii. General contractors with capabilities in combination of two or more areas in the above range of activities.

Scope

The coverage of Screening Committee includes all companies wishing to undertake

- overseas construction engineering projects involving design, construction, erection and/or commissioning;
- consultancy services
- export of project construction items

Types of Clearance

Clearance may be accorded to an applicant company for one or more of the following:

- i. Civil Construction and/or Turnkey Engineering Projects
- ii. Consultancy & Engineering Services
- iii. Project Construction Items

The clearance may be given for regular overseas operations, depending on the track record within the country, financial position, management expertise and in-house capability.

Minimum Criteria:

Contractors are normally expected to fulfill following requirements before they can gain approval of the Screening Committee.

- i) company should be a member of PEPC

- ii) company should be a limited company - either private limited or public limited or a Government undertaking/department
- iii) **company should have a minimum turnover/ networth/ operating experience as follows for getting approval by the screening committee.**

Category	Minimum Turnover (last three years)	Networth	Experience
Civil Construction and/or Turnkey Engineering Projects	Rs. 10 Crore	10% of the turnover	3 years
Consultancy & Engineering Services	Rs. 1 Crore	Not applicable	3 years (As Company or Individual Consultant)
Project Construction Items	Rs. 50 Lacs	Not applicable	Not Applicable

- iv) **company should not be blacklisted or debarred from undertaking contracts by Indian Government or Foreign Government or by a multilateral funding agency at the time of submission of screening committee form**
- vii) In respect of newly formed firms/companies, joint-ventures or SPV's created with a view to undertaking and executing overseas projects, the criteria for any one of the Indian or overseas constituents / partners would form the basis for granting approvals

Screening Procedure:

Applications from applicant company should be submitted in 10 copies in the prescribed form. PEPC will scrutinise and supplement data to the extent necessary to make the facts complete and ensure that the applications reach the Committee Members atleast 5 working days before the scheduled date of the meeting.

Screening Committee accords clearance after taking into account the following factors:

- i) Constitution of Board of Directors of a company including the qualifications, background and experience of directors;
- ii) Track record of a company regarding projects executed in India and overseas, as also the nature of works undertaken. Particular emphasis is placed on record of timely completion; and value of single largest contract executed;
- iii) Exposure of a company's management and personnel in dealing with international organisations, and in executing works to international specifications. This is of particular relevance if the company seeks clearance as Sub-contractor to a foreign company (from a third country);
- iv) Qualifications and experience of key-personnel currently in full - time employment of company.
- v) Financial position of a company, including contingent liability and bank loans as a proportion to the net-worth; and paid up capital;

- vi) Approach to international marketing and information systems. Ability of the company to furnish information required by institutions, from time to time.
- vii) The plant and machinery owned by the company, the nature and size of which would commensurate with the volume of business proposed to be undertaken. Though these equipments may not be of use overseas, considering their unsuitability to the job proposed, this factor will give the Committee an idea of the applicant company's status in the business and his familiarity in handling equipment, a factor that is very important for the purpose of deciding his suitability for undertaking contracts overseas.

These are broad criteria for approval of companies. However, the Screening Committee in its discretion may approve a particular company to take up jobs abroad or renew the approval.

Validity of Clearance:

Clearance accorded by the **Screening Committee is valid for a period of one year** after which company must approach Screening Committee afresh.

Renewal applications shall have to be submitted in the prescribed format for clearance by the Screening Committee of the Council.

Review of Companies already screened

Review occurs in the following situations:

- i) Companies whose guarantees have been invoked, or where recurring disputes have arisen either with clients or with Sub-contractors, leading to litigation etc.
- ii) Company whose management/ownership has undergone major change since the date of original approval.

For the above, PEPC works out a procedure for obtaining information from their members on a quarterly basis.

In case of adverse reports about a screened firm reported to the Screening Committee by any of its members, the Screening Committee will be entitled to take such action as it may deem fit including reduction in value limits approved or de-listing from the approved list.

Quorum of the Meeting:

Three members shall be the quorum of the Meeting of the Screening Committee provided the three members shall include one member representing Government Department/Financial Institution and two members from the industry.

Presence of Company's representative :

The committee may ask the applicant company to depute its representative at the meeting for clarifications or the company may depute its representative with the permission of the Committee.