



क्रमा संदेश संख्या 2001 / भा.क.अ.प. सं.पा.
 दिनांक 24/3/2014
 पृष्ठ संख्या 02

**INDIAN COUNCIL OF AGRICULTURAL RESEARCH
 KRISHI BHAVAN: NEW DELHI**

F.No. 12(1)/2011-CDN (A&A)

Dated the 11th February, 2014

ENDORSEMENT

A copy of O.M .No. 29(1)2014-PPD dated 28th January, 2014 regarding Clarification in Rule 160(xiv) of General Financial Rules, 2005- regarding award of contract to a firm which has quoted "NIL" consideration in the bid has been posted on the ICAR Web-Site www.icar.org.in for information, guidance and strict compliance.

(Handwritten Signature)
 11/02/2014

(Rajesh Sahay)

Sr. Finance & Accounts Officer

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6. Sr. PPS to Secretary, DARE & DG, ICAR/PPS to Additional Secretary, DARE & Secretary, ICAR/PPS to AS&FA, DARE/ICAR
7. Sh. Hans Raj, Information System Officer, DKMA, KAB-1 for placing the above Office Memorandum on ICAR Web-site.
8. Secretary (Staff Side), CJSC, NRC on Meat, Hyderabad.
9. Guard file.
10. Spare copies (10).

S No 2 (R)
for 30/1/14

Order No. 403/14
Dy. No. 31/1/14
Date 31/1/14

TS-99069
30/1/14

AS & FA
31/1/14

No.29(1)/2014-PPD
Ministry of Finance
Department of Expenditure
P.P. Division

North Block, New Delhi,
Dated 28th January, 2014

OFFICE MEMORANDUM

Subject - Clarification in Rule 160(xiv) of General Financial Rules, 2005 - regarding award of contract to a firm which has quoted "NIL" consideration in the bid.

The undersigned is directed to invite attention to the provision of Rule 160 (xiv) of GFRs, 2005 which inter-alia states that the "Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding bidding document". Attention is also invited to Para 3.6 of the Manual on Policies and Procedures for Purchase of Goods issued by this Department which inter-alia state that "Inadequacy of consideration is not a ground for avoiding the contract".

2. A doubt has arisen as to whether award of a contract can be made against a bid with "NIL" consideration. In a recent case of hiring of manpower services, it was seen that the lowest bidder had quoted 'Nil' charges over and above the minimum wages. The issue was referred to Ministry of Law which has advised that in such cases, an agreement without consideration becomes null and void.

3. It is, therefore, decided that the Ministries/ Departments may consider inclusion of the clause in the bid documents itself that "If a firm quotes 'Nil' charges / consideration, the bid shall be treated as unresponsive and will not be considered.

28-1-14

(Sanjay Aggarwal)
Director (PPD)
T.No. 23094961

All the Secretaries & the Financial Advisers of Ministries / Departments of the Government of India.

Copy forwarded to C&AG (with usual No. of spare copies) and to Secretary, Union Public Service Commission, etc. as per standard endorsement list).

28-1-14

(Sanjay Aggarwal)
Director (PPD)
23094961

31/1

AS & FA
31/1/14
DIRECTOR TO
SECRETARY
All officers of
ICAR HQ.

S.O. CDN (P.P.)

Pl. put up for circulation.

G.R.
7/2/14

06/02/2014