

CONSORTIUM

A. Consortium - Definition:

A consortium is an association of entities with an objective of getting recognised as an AB/AA to specifically perform skill development activities by pooling their resources and expertise.

Entities in this case should hold the 'Legal Status' individually as defined in Para 1 of Section 3.9 of the 'Guidelines for Recognition & Regulation of Awarding Bodies'.

B. Formation:

Consortium should be setup specifically for the purpose of becoming an AB/AA with no other mandate. Members of the Consortium shall enter into a binding Agreement (the "Consortium Agreement") for the purpose of making and submitting the application for recognition. The Consortium Agreement shall, inter alia:

- i. Convey the intent to form an SPV with Shareholding/Equity commitment(s) in accordance with these guidelines, which would enter into the Agreement and subsequently carry out all the responsibilities as per the terms of the Agreement, in case the recognition is awarded to the Consortium.
- ii. Clearly outline the proposed roles and responsibilities of each member particularly with reference to financial, technical and Operations & Maintenance obligations.
- iii. Commit that the Consortium members shall collectively hold 100% (one hundred per cent) of the Equity of the SPV for the tenure of recognition.
- iv. Commit the minimum Equity stake (10%) to be held by each member.
- v. Commit that each of the members, whose experience will be evaluated for the purpose of determining eligibility, shall subscribe to 26% (twenty six per cent) or more of the Equity of the SPV and shall further commit that each such member shall during the Term, hold Equity share capital not less than 26% (twenty six per cent) of the equity share capital of the SPV.

- vi. Include a statement to the effect that all members of the Consortium shall, for the entire term of the recognition, be liable jointly and severally for all obligations in relation to the activities performed by SPV.
- vii. There shall not be any amendment to the Consortium Agreement without the prior written consent of the NCVET.

C. Application Process:

- i. A Consortium with a clearly identified lead partner can apply in the format listed at section 2 of this document. A well defined Consortium Agreement as explained in Para 1B shall also be submitted along with the application.
- ii. Eligibility Criteria to be fulfilled as per Guidelines for Recognition & Regulation of Awarding Bodies/Assessment Agencies are as below:
 - a. Legal: The details need to be submitted by all the members in case of Consortium along with the Consortium Agreement.
 - b. All other Criteria including 'Prior Experience' and 'Financial Requirements': For all other criteria combined strength of those partners is admissible, who intend to have an at least 26% (twenty six percent) share of the total equity individually in the SPV.
- iii. Members of the Consortium shall nominate one member as the '**Lead Member**' for the purpose of representing Consortium with respect to all activities of the application & recognition process. The nomination shall be supported by a Power of Attorney, signed by all the other members of the Consortium.
- iv. Key Role & Responsibilities of the Lead Member are as follows:
 - a. Should commit to subscribe & hold at least 26% (twenty six per cent) of the equity of the SPV
 - b. Should have been in business as defined in the AB Recognition Guidelines i.e. for the period of at least 5 years in case of an AB and 3 years in case of an AA with no gap/s exceeding 6 months between operations of the entity. (exemptions as in guidelines)

- c. Nodal contact for all communications with NCVET with respect to recognition process.
- d. Representative of consortium with respect to recognition process at NCVET empowered via Power of Attorney
- v. Application of consortium for recognition as an Awarding Body/Assessment Agency will be processed as per the detailed processes and timelines as mentioned in “Guidelines for Recognition & Regulation of Awarding Bodies” & “Guidelines for Recognition & Regulation of Assessment Agencies”. An Applicant entity once recognised will be awarded a letter of Intent (LoI). Such recognized body must form a SPV (Special Purpose Vehicle) as mentioned in Para 1D of this document within three months from the date of issue of LoI and submit the relevant documents including Certificate of Incorporation, Memorandum of Association and Articles of Association. In case of an AB, the body must also submit the qualification/s for approval within this time frame i.e. three months from the date of issue of LoI.

D. Special Purpose Vehicle:

Consortium partners shall form an appropriate Special Purpose Vehicle under the Indian Companies Act 1956/Companies Act, 2013 (the "SPV"), to get recognised as an AB/AA. However they shall directly hold 100% of the equity of the SPV throughout the tenure of recognition.

E. Composition:

- i. Number of members in a Consortium initially and then SPV should be limited to 5 (five), whereby each Member individually holds at least [10% (ten per cent)] of the paid up and subscribed equity of the SPV.
- ii. Any change in the composition of Consortium /SPV to be pre-approved by NCVET.
- iii. A member of a particular Consortium and SPV formed thereafter cannot be member of any other Consortium applying for recognition or SPV recognized by NCVET. Also such member/s cannot apply independently for recognition as an AB/AA.
- iv. Applicant entity can be a private entity, government-owned entity or any combination of them under an existing agreement in the form of a Consortium.

F. Tenure:

As per the NCVET guidelines, the initial recognition will be granted for a period of three years with a provision of fast track renewal for another two years.

As explained earlier, tenure of consortium will commence from the date of signing of Agreement with AB/AA as mentioned in the guidelines.

G. Conflict of Interest:

Entities applying as consortium shall not have any conflict of interest (the "Conflict of Interest") that affects their recognition as an AB/AA. Entities found to have a Conflict of Interest shall be disqualified. Entities shall be deemed to have a Conflict of Interest if:

- i. A Consortium/SPV, its Member/s have common controlling shareholders or other ownership interest in the other recognized AB/AA or any entity applying for NCVET recognition, its Member or Associate; or
- ii. A constituent of such Consortium/SPV is also a constituent of another Consortium/SPV; or
- iii. Such Consortium/SPV, or any Member/s thereof receives or has received any direct or indirect subsidy, grant, concessional loan or subordinated debt from any other AB/AA/Consortium, or any Member/s thereof or has provided any such subsidy, grant, concessional loan or subordinated debt to any other AB/AA/Consortium or its any Member thereof;

H. Certification: Certificates will be issued on the name and logo of SPV and as per the Certificate templates & guidelines issued by NCVET from time to time.

I. Earning & Sharing of Experience by the Consortium Partners:

Experience earned by a Consortium while functioning as an AB/AA will be shared in the equity shareholding pattern of SPV as on the date when experience is being counted. Such experience certificates shall be ratified by NCVET. Equity/Shareholding pattern is to be

mentioned both in the Consortium Agreement initially during application and later reflected in the SPV documents. Any change in the same shall be pre approved by NCVET.

J. Blacklisting/Barring:

- i. Any entity which has been barred by the Central/ State Government, or any entity controlled by it, from participating in any project/scheme/program, and the bar subsists as on the date of submission of the application, would not be eligible, either individually or as member of a Consortium.
- ii. Any Consortium Member or Associate should, in the last 3 (three) years, have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Consortium Member or Associate, as the case may be, nor has been expelled from any project or contract by any public entity nor have had any contract terminated by any public entity for breach by such Consortium Member or Associate
- iii. No entity shall submit more than one application for recognition as an AB/AA/Member of consortium. An entity applying individually or as a member of a Consortium shall not be entitled to submit another application either individually or as a member of any Consortium, as the case may be.
- iv. The self-certification / undertaking with respect to point I (ii & iii) above needs to be provided by all the members of a Consortium.

Apart from the provisions mentioned above all the other provisions of Guidelines for Recognition & Regulation of AB/AA like timelines, processes, formats etc. shall be applicable to the entities applying as consortium.