

GOVERNMENT OF INDIA (भारत सरकार)  
MINISTRY OF RAILWAYS (रेल मंत्रालय)  
(RAILWAY BOARD) (रेलवे बोर्ड)

520/1/18  
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23/1/18

No. 2015/RS(G)/779/5

New Delhi, dated : 01.02.2018

General Manager, All Indian Railways/PUs, NF(C), CORE  
DG/RDSO/Lucknow and NAIR/Vadodara  
CAOs, DMW/Patiala, WPO/Patna, COFMOW/New Delhi, IROAF/New Delhi  
CMDs/MD All Railway PSUs, KRCL, MRVC

works  
on  
local  
content

Sub : Public Procurement (Preference to Make in India) Order - 2017.

Ref : i) Railway Board Letter No. 2015/RS(G)/779/5, Dtd. 03.08.2017.  
ii) Railway Board Letter No. 2015/RS(G)/779/5, Dtd. 27.12.2017.

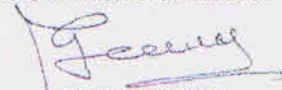
Railway Board Vide letter under reference (i) above, have issued detailed instructions for implementation of Public Procurement (Preference to Make in India) Order - 2017. Zonal Railways/PUs/Railway PSUs were also advised for ensuring the compliance from time to time.

In the recent meeting of Standing Committee for implementing the policy related to "Public (Preference to Make in India) order, 2017" held on 6th December, 2017, it was highlighted that some of Railway Units are not sensitive to 'Make in India' policy resulting in elimination of deserving domestic manufacturers.

In order to ensure that every participating vendor indicate local content along with their offer, a suitable mandatory provision has been made in IREPS website. All Railway units/PUs/PSUs should make changes in their tender conditions to align with Preference to Make in India policy wherever applicable.

It is also to be mentioned that the Public Procurement (Preference to Make in India) Order 2017 is not limited in its scope to mere supply of either goods or services alone, and that the contracts for procurement of works are also covered by this order. To ensure strict implementation of the Policy it is therefore desired that:

- (1) Tender Committees and TAAs to evaluate the tenders as per the above policy only.
- (2) The Public Procurement (Preference to Make in India) order 2017 shall supersede existing tender conditions wherever applicable.
- (3) Policy directives circulated by Railway Board on Public Procurement (Preference to Make in India) Order 2017, should be implemented in letter and spirit without any exception and compliance be submitted to Board.

  
(A.K. GOEL)

Director General (Railway Stores)  
Railway Board

Copy to:

1. FC, ME, MTR, MRS, MS, MT, DG (S&T), DG(Personnel), DG (RHS), DG (RPF)
2. All AMs, PEDs & Executive Directors of Railway Board

Apph  
20/1/18  
Am  
21/1/18

No. 2015/RS(G)/779/5

Dated: 03.08.2017

The General Manager, All Indian Railways/PUs, NF(C), CORE  
The DG/RDSO/Lucknow & NAIR/Vadodara  
CAOs, DMW/Patiala, WPO/Patna, COFMOW/NDLS,  
CMD/MD/All Railway PSUs

**Sub: Public Procurement (Preference to Make in India), Order 2017.**

1. In pursuant to Rule 153 (iii) of the General Financial Rules 2017, Ministry of Commerce and Industry, Department of Industrial Policy and Promotion has issued Public Procurement (Preference to Make in India), Order 2017. This order is in pursuance to the policy of the Government of India to promote manufacturing and production of goods and services in India with a view to enhancing income and employment. These orders are applicable to all Ministries/departments/CPSUs etc. Copy of subject order issued by Ministry of Commerce and Industry, Department of Industrial Policy and Promotion is enclosed as **Annexure-A** for guidance and compliance.
2. The order contemplates for decisions on certain issues to be taken by Nodal Ministry. Accordingly the decision of Ministry of Railways (as nodal Ministry) on such issues are as under:
  - (a) **Local content:** The minimum local content shall ordinarily be 50%. PHOD/CHOD of procuring department (Stores/Engineering), in consultation with indenting department shall however be competent to vary the minimum local content below the prescribed level on case to case basis. Requisite action as per para 14 of the subject order, shall be ensured. Such power should not be further delegated.
  - (b) **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
  - (c) **Verification of Local Content :**
    - (i) Para 9 (c) of the subject order, empowers the authority competent to look into the procurement related complaints, relating to the procuring entity, to take decisions on complaints in implementation of subject order. Accordingly, PHOD/CHOD of procuring department shall have full power to take decisions on complaints relating to implementation of this order. These powers can further be delegated by PHOD/CHOD to one level

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higher than the tender accepting authority or PHOD/CHOD of procuring department, whichever is lower in hierarchy of procuring department.

(ii) PHOD/CHOD of procuring department may constitute committee with internal and external experts (as provided in Para 9(d) of the subject order) to assist the competent authority to take decision on the complaints. The authority to constitute this committee shall not be further delegated.

(iii) Powers of the General Manager to hire professionals, like Chartered Accountants, Cost Accountants, etc., can be used to hire external experts.

(iv) Same delegation shall also apply for constitution of committee for independent verification on random basis (as provided in Para 9(d) of the subject order).

(d) **Fee for complaints:** Fee for filing a complaint under the order shall be Rs.10,000/-, per case. The complaint shall be filed in the office of the PHOD/CHOD of procuring department concerned. The fee shall be deposited with the office of the Associate Finance of the concerned PHOD/CHOD of procuring department.

(e) **Debarment of bidders:** In this regard, following process may be adopted:

(i) All procuring entities will upload the name of debarred bidder/supplier along with duration and reasons of debarment on their own website. Apart from this, they will also send this information to Member-Convener of the Standing Committee in DIPP and Government e-Marketplace (GeM) & Central Public Procurement Portal (CPPP) for uploading such information on their portals. GeM/CPPP will create one separate page on their portal for displaying this information.

(ii) In respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on CPPP so as ongoing procurements are not disrupted. (This is in replacement of para 9(h)(iii) of the subject order).

(f) **List of Nodal Ministries:** As per Annexure-B.

Other provisions/conditions as stipulated in the subject order shall remain unchanged.  
This is issued with the concurrence of Finance Directorate of Ministry of Railways.

Santosh Mittal  
(Santosh Mittal)  
Dy. Dir. Rly. Stores(G)-I  
Railway Board  
Dated: 03.08.2017

No. 2015/RS(G)/779/5

1. PFAs, All Indian Railways & Production Units
2. The ADAI(Railways), New Delhi
3. The Directors of Audit, All Indian Railways

  
for Financial Commissioner / Railways

1. PCMMs, PCEs, CMEs, CEEs, CSTE, All Indian Railways & PUs, RCF/RBL/NDLS, COFMOW, CORE, WPO and RWP/Bela
2. The Directors—
  - a. Indian Railway Institute of Sig. Engg. & Telecom, Secunderabad
  - b. Indian Railway Institute of Mech. & Elec. Engg., Jamaipur
  - c. Indian Railway Institute of Elect. Engg., Nasik
  - d. St. Prof. (Material Management), NAIR, Vadodara
  - e. Indian Railway Institute of Civil Engg., Pune
  - f. Indian Railway Institute of Traffic Management, Lucknow
3. MD, CRIS, Chanakya Puri, New Delhi
4. MD, RITES, RITES Bhavan, Sector-29, Gurugram
5. Director, Iron & Steel, 3, KoilaGhat Street, Kolkata
6. Executive Director (Stores), RDSO, Lucknow
7. Chief Commissioner, Railway Safety, Lucknow
8. Zonal Railway Training Institute, Sukadia Circle, Udaipur

*Santosh Mittal*  
(Santosh Mittal)  
Dy. Dir. Rly. Stores(G)-I  
Railway Board

No. 2015/RS(G)/779/5

Dated: 03.08.2017

Copy to :

1. The Genl. Secy., AIRF, Room No. 248, & NFIR Room No. 256-C, Rail Bhavan
2. The Secy. Genl., IRPOF, Room No. 268, FROA, Room No. 256-D & AIRPFA, Room No. 256-D Rail Bhavan

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(Santosh Mittal)  
Dy. Dir. Rly. Stores(G)-I  
Railway Board

Copy to:- Sr. PPSs / PPS / PS to :

1. MR, MoS(S), MoS(G)
2. CRB, FC, ME, MTR, MRS, MS, MT, SECY., DG(RS), DG(S&T), DG(Personnel), DG (RHS), DG (RPF)
3. All AMs, Advisors & Executive Directors of Railway Board