

**भारत सरकार Government of India**  
**रेल मंत्रालय Ministry of Railways**  
**रेलवे बोर्ड (Railway Board)**

No. 2021/RS(L)/779/2 (E 3346366)

Dated: 28.06.2024

The General Managers, All Indian Railways/PUs, NF(C), CORE  
DG/RDSO/Lucknow, NAIR/Vadodara  
PCAO, PLW/Patiala, COFMOW  
CAO, WPO/Patna, RWP/ Bela

**Sub: Restrictions under Rule 144(xi) of the General Financial Rules (GFRs), 2017**

Ref: Ministry of Finance (MoF), Department of Expenditure (DoE), Procurement Policy Division (PPD)'s Order (Public Procurement No. 4) issued vide No. F.7/10/2021-PPD (1) dated 23.02.2023

References have been received from various Railway units seeking certain clarifications on the DoE's Order (Public Procurement No. 4) issued vide No. F.7/10/2021-PPD (1) dated 23.02.2023 (referred to as Order hereinafter). Clarification is issued herein in form of an illustration, after due confirmation from DoE.

**2.0 Illustration**

**Situation:**

Procuring Entity: Any eligible procuring entity under Ministry of Railways (say R)

Bidder: An Indian Entity (say B)

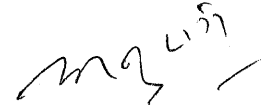
Machine Supplier: The machine, say a machine required for maintenance of Tracks maintained by Indian Railways, supplied by a vendor (say C) who has beneficial ownership in a country sharing land border with India. In case C would have intended to participate in the tender issued by R, C would have attracted restrictions under Order.

Sl. No.	Case	Interpretation/ clarification
i.	B offers services to R. For providing such services B requires a track machine (say TM) along with other inputs like labour, site engineer, transportation etc. Quality and source of TM is a critical criteria for selection of vendor by R.	
	Sub Case I - B purchases the TM from C.	B is the owner of TM and therefore the restriction under Order does not apply.
	Sub Case II - B takes the TM on lease from C.	B holds possession and authority of TM, which is one of the inputs required by B

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Contd/-

		to provide services to R. Since TM is only one of the inputs, B is not acting as an agent of C (Para 14, Note ii of the Order refers). Further, in this case only B is the bidder and not C. Hence, restrictions under the Order shall not apply on B.
ii.	B either buys or leases the TM from C. The tender by R is only for supply/ lease of TM for a particular period without any attendant services like labour etc. R shall use its own resources to operate and utilize the TM for required purposes.	In this case, B is only providing the services of lease of TM to R for a particular period. Such a case shall amount to indirect supply of goods from country sharing land border with India. Therefore, B is acting as an agent for C as per Para 14, Note i, hence the restrictions as per Order shall apply.



(Anurag Grover)

Dy. Director Railway Stores (G)

Railway Board

Email- [ddrsg1@rb.railnet.gov.in](mailto:ddrsg1@rb.railnet.gov.in)

Tele- 011-23047529

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