

RP ISSUE  
Rail  
16/12/2013

GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
(RAILWAY BOARD)

No.2010/RS(G)/363/1

New Delhi, dated 16.12.2013

GMs of All Indian Railways/PUs/CORE/NF(C)  
CAOs of COFMOW, DMW,RCF, RBL/RWP, Patna, WPO/Patna

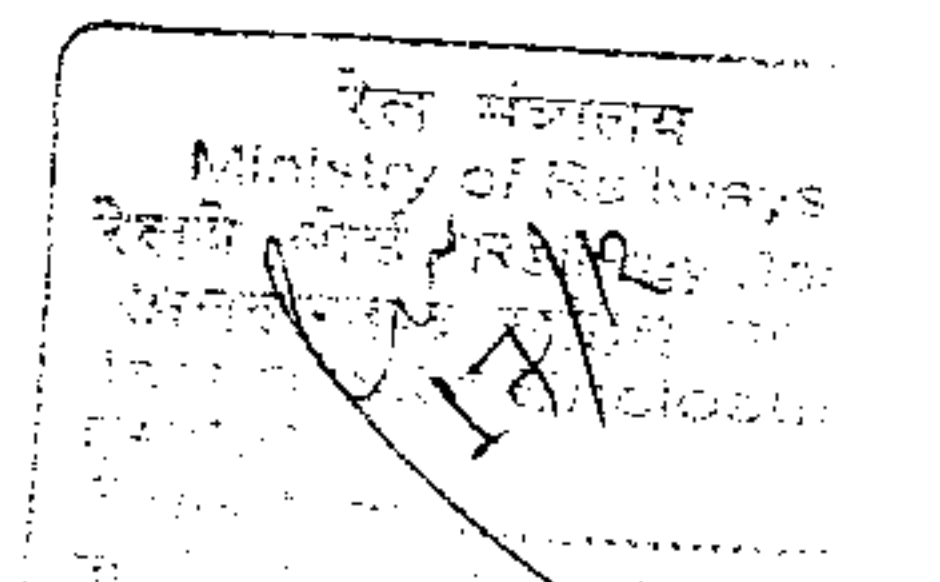
**Subject:** Public Procurement Policy for goods produced and services rendered by Micro and Small Enterprises (MSEs) by Central Ministries/Departments/Public Sector Undertakings (PSUs).

**Ref:** Railway Board's letter No.2010/RS(G)/363/1 dated 5.7.2012 circulating the policy.

In exercise of the powers conferred on it in Section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act 2006, the Central Government, by Order, notified the Public Procurement Policy in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries, Departments and Public Sector Undertakings. Vide reference above, the policy was circulated for implementation by Board to all Railway units .

The Policy envisages extending certain benefits/preferential treatment to MSEs and making efforts for development of appropriate vendors and enhancement of their participation in government procurements.

The policy also envisages that every central Ministry or Department or Public Sector Undertaking shall set an annual goal of procurement from Micro and Small Enterprises from the financial year 2012-13 and onwards, with the objective of achieving an overall procurement of minimum of 20 %, of total annual purchases of products produced and services rendered by Micro and Small Enterprises in a period of three years. After a period of three years i.e. form 01-04-2015, overall procurement goal of minimum 20 percent shall be mandatory.



It may be noted that procurement of goods from small scale industries (now being termed as MSEs) has been approximately 6 % since last many years and it has remained same even in year 2012-13 i.e. even after issue of the policy.

The position of implementation of policy and achievement of target of 20 % by 31-03-2015 shall be monitored by a committee chaired by Cabinet Secretary each year. Railway is way behind target of 20 % and there is a need to make special efforts for development of appropriate vendors and enhancement of their participation in Railway procurements.

Railways were asked to capture and report the data of procurement from MSEs (indicating separately the value of procurement from MSEs owned by SC/ST) to Railway Board at the end of each financial year along with the annual figures. However it is noted that data of only purchase of goods for stores department is provided and goods purchases for Civil Engineering department is not provided by any of the units.

Further, data for procurement of services has not yet been provided by any of the units. Thus, for tapping of data of procurement of services from MSE vendors (including MSEs owned by SC/ST) and reporting to Ministry of MSME, suitable mechanism may please be developed so that all the orders for services placed by your Railway on MSEs (including MSEs owned by SC/ST) are identified and captured and accounted for every month in the manner as annexed.

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

**Annexure-I**

<b>PROCUREMENT OF SERVICES FROM MSEs</b> <b>(For the month of .....)</b>		
<b>S.No.</b>	<b>Particulars</b>	
1.	Total value of orders placed ( in Rs. Crs.)	
2.	Total value (in Rs. Crs.) of orders placed on MSEs (including MSEs owned by SC/ST entrepreneurs)	
3.	Total value of orders placed on only MSEs owned by SC/ST	
4.	% of value of orders placed on MSE (including MSEs owned by SC/ST entrepreneurs ) out of total procurement.	
5.	% of value of orders placed on only MSE owned by SC/ST entrepreneurs out of total procurement.	
6.	Total number of MSE vendors approved/registered.	
7.	Confirmation of uploading annual MSE procurement profile on your website.	
8.	Total number of orders placed	
9.	Orders placed on MSEs other than owned by SC/ST	
10.	Orders placed on MSEs owned by SC/ST	
11.	No. of cases in which preferential order placed on MSE as per MSE policy (i.e. order placed by counter offering to the higher MSE bidder at the rate of L-1 large scale unit)	