

DT/DRSS/DT

No.K-14011/26/2018-MRTS-II
Government of India
Ministry of Housing and Urban Affairs
(MRTS-II Desk)

*Pl. consult
for info. and
Compliance.*

322-C, Nirman Bhavan, New Delhi
Date: 27th July, 2018

To

- 1) The Chief Secretary,
Government of Telangana,
Block-C, 3rd Floor, Telangana Secretariat,
Khairatabad, Hyderabad.
- 2) The Chief Secretary,
Government of Maharashtra,
Main Building, Mantralaya, 6th Floor,
Madame Cama Road,
Mumbai-400032
- 3) The Municipal Commissioner
Mumbai Metropolitan Region Development Authority.
MMRDA Building, Bandra-Kurla Complex,
Mumbai-400 051
- 4) The Municipal Commissioner,
Pune Metropolitan Region Development Authority (PMRDA),
Survey No. 152-153.,
Maharaja Sayaji Gaikwad Udyog Bhavan.,
Aundh, Pune - 411067
- 5) The Managing Director,
Mumbai Metro Rail Corporation Ltd.,
NaMTTRI Building, Plot No. R-13, 'E' Block,
Bandra-Kurla-Complex, Bandra (E),
Mumbai-400051
- 6) The Managing Director,
Maha Metro
Metro House, Bunglow No: 28/2,
Anand Nagar, C K Naidu Road, Civil Lines,
Nagpur-440001.
- 7) The Managing Director
Hyderabad Metro Rail Ltd. (HMRL),
Metro Rail Bhawan, Rasoolpura, Begumpet,
Hyderabad-500 003 (Telangana)

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INWARD 4-8-12
MAHA METRO RAIL
CORPORATION LIMITED
(NAGPUR METRO PROJECT) *(Signature)*
Contd.....on pg 2/

: 2:

Subject: Mandatory Conditions/guidelines applicable to metro rail projects.

Sir,

I am directed to refer to the above mentioned subject and to request that the following mandatory conditions/ guidelines should be adhered to in implementation of metro rail projects and while preparing any new proposal of metro rail project(s) seeking central financial assistance in the form of equity and sub-ordinate debt/grant or sovereign loan etc:

- (i) Metro Rail Policy 2017 - With a view to systematically augment the metro rail transport in India, the Government of India has issued the Metro Rail Policy in August, 2017. The policy enables greater private participation, innovative financing and value capture finance and provides more options of financing by the government for creation of metro rail infrastructure. This policy will enable further boost in the growth of metro rail network in the country. This policy is available at the official website of Ministry of Housing and Urban Affairs(mohua.gov.in) at the following URL:

<http://mohua.gov.in/upload/whatsnew/59a3f7f130eecMetro Rail Policy 2017.pdf>

- (ii) Appraisal Guidelines for Metro Rail Project Proposals – All new metro rail proposals will be appraised as per the appraisal guidelines framed up by this Ministry, which is available at the official website of Ministry of Housing and Urban Affairs(mohua.gov.in) at the following URL.

<http://mohua.gov.in/upload/whatsnew/59c21852a4874Appraisal%20Framework%20Sept%202017.pdf>

- (iii) Standardization of metro rail sub system. -In order to promote "Make in India" and bring down the cost of metro rail projects, the standards for metro rail signaling & telecom and rolling stock have been framed up and are available at official website of Ministry of Housing and Urban Affairs(mohua.gov.in) at the following URL:

<http://mohua.gov.in/upload/whatsnew/5ae177ce53876Final%20report%20of%20Rolling%20Stock%20Signaling%20Standardization%20-%2021.04.17.pdf>

- (iv) In order to encourage Indian manufacturers for rolling stock, ancillary manufacturers and to ensure optimum utilization of available resources in the country, the eligibility criterion for procurement of rolling stock has been framed by Government of India. This is available at the official website of Ministry of Housing and Urban Affairs(mohua.gov.in) at the following URL:

<http://mohua.gov.in/upload/whatsnew/5b06a7b80d813eligibility%20criteria%20for%20rolling%20stock%20as%20on%2024%20may%202018.pdf>

- (v)(a) Directions contained in revised Public Procurement (Make in India) Order circulated by Department of Industrial Policy and Promotion (DIPP) vide order no. P-45021/2/2017- PP (BE-II) dated 28.05.2018 should be adhered to while procuring rolling stock, systems and other components of metro rail projects.
- (b) In order to promote 'Make in India' initiative and as envisaged under Public Procurement Order, 2017 mentioned above, Ministry of Housing and Urban Affairs has rationalized minimum local content and purchase preference for procurement of metro rail systems/equipment with a definitive plan for phased indigenization to the extent as detailed below:
- i) Minimum Local Content:
- a. Rolling Stock – 40%: To be increased to 50% from financial year 2019.
 - b. Telecom – 40% which could be increased to 50% from financial year 2020.
 - c. Signaling – 30% which could be increased to 40% from financial year 2020 and 50% from financial year 2023.
 - d. Civil – 80%
 - e. Electrical-50%.
- ii) Margin of Purchase Preference to be kept at 10%.
- iii) Provision of additional bank guarantee of 10% to be submitted by the firms availing margin of purchase preferences criteria.
- iii) For any deviation from the above, the metro companies may take approval of their respective boards.
- (b) Procurement of metro coaches:
- i) Metro rolling stock should be funded through equity/ counterpart funding/ domestic funding and not from sovereign loan from multilateral / bilateral financial institutions. Only after exhausting the counterpart funding limit for procurement of rolling stock, funding of signaling and system components from remaining limit of counterpart funding should be done. As imported component is maximum in rolling stock and signaling, this will ensure that "Make in India" objectives are achieved to its utmost.
- ii) Following mandatory conditions should be incorporated in all metro rolling stock tenders:
- a. Minimum 75% of the tendered quantity of cars shall be manufactured indigenously with progressively increased indigenous content.

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- ✓ b. For manufacture of these 75% cars, the contractor may either establish independent manufacturing facility in India or partner with a suitable Indian reputed manufacturer.
- ✓ c. To facilitate ease in maintenance and easy availability of spares during post warranty period, an identified list of critical equipment/ sub-systems shall be included in the tender document. Indigenous manufacturing of the listed items shall be ensured for manufacturing of minimum 25% of the tendered quantity of metro cars. This may either be achieved by the OEM themselves by establishing a wholly owned subsidiary in India or through a suitable Indian reputed manufacturer.

Yours faithfully,



(Ambuj Bajpai)

Under Secretary to the Government of India

Tele: 011-23061294

F.No.K-14011/09/2014/UT-II/MRTS-Coord
Government of India
Ministry of Housing and Urban Affairs

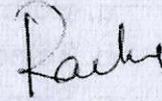
311 B Wing, Nirman Bhawan
New Delhi-110 011
Dated the 14th November, 2017

OFFICE MEMORANDUM

Subject: Minutes of meeting held on 17.10.2017 at New Delhi under the chairmanship of Secretary (HUA) regarding Minimum Local Content in Procurement of Metro Rail Systems.

The undersigned is directed to refer to the above cited subject and to enclose herewith the minutes of the meeting held on 17.10.2017 regarding Minimum Local Content in Procurement of Metro Rail Systems for information and compliance.

Encls: As above.



(Rachna Kumar)

Under Secretary to the Government of India

Tele:23062935

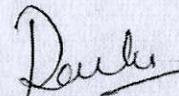
Email: rachna.kumar@nic.in

To

1. Shri Mangu Singh, Managing Director, DMRC, Delhi.
2. Shri P.S. Kharola, Managing Director, BMRCL, Bangalore.
3. Smt. Ashwini Bhide, Managing Director, MMRCL, Mumbai.
4. Shri Pankaj Kumar Bansal, Managing Director, CMRL, Chennai
5. Shri I.P. Gautam, Managing Director, MEGA Co. Ltd. Gandhinagar.
6. Shri Kumar Keshav, Managing Director, LMRC, Lucknow.
7. Shri Elias George, Managing Director, KMRL, Kochi.
8. Shri Vinay Kumar Singh, Managing Director, NCRTC, Delhi.
9. Shri S. Sivamathan, Director (Finance), Maha-Metro, Mumbai.

Copy to:

Secretary, DIPP, Ministry of Commerce, Udyog Bhawan, New Delhi. (with reference to DIPP's Public Procurement (Preference to Make in India) Order 2017 dated 15th June, 2017.



(Rachna Kumar)

Under Secretary to the Government of India

Government of India
Ministry of Housing and Urban Affairs

Subject: Minutes of Meeting held on 17.10.2017 regarding Minimum Local Content in Procurement of Metro Rail Systems.

The list of officers present during the meeting is annexed.

2. The issue of minimum percentage of local contents to be adopted in procurement of items by metro rail companies was discussed. After detailed deliberations, the following was decided:

- i) Minimum local content to be adopted for various systems for which, the quantity to be procured is above 100, should be as below:-
 - a. Rolling Stock – 40%: To be increased to 50% after one year.
 - b. Telecom – 40%: To be increased to 50% in two years.
 - c. Signalling – 30%: To be increased to 40% in two years and 50% in five years.
 - d. Civil – 60%.
 - e. Electrical-50%.
- ii) The above should be made part of eligibility criteria.
- iii) Provision of submission of additional bank guarantee of 10% by the firms availing margin of purchase preferences, should be included in the conditions.
- iv) For any deviation from the above, the metro companies may take approval of their respective boards.
- v) Margin of Purchase Preference should be kept at 10%.

List of Participants

Meeting regarding Minimum Local Content in Procurement of Metro Rail Systems held on 17.10.2017 at 10.00 AM under the chairmanship of Secretary (HUA) in the Conference Room No.123, C-Wing, Nirman Bhawan, New Delhi.

Ministry of Urban Development

1. Shri D.S. Mishra, Secretary
2. Shri Manoj Kumar, Additional Secretary (D&C)
3. Shri M.K. Sinha, OSD (UT) & EO JS
4. Shri Janardan Prasad, Director
5. Shri V.S. Pandey, Dy. Secretary
6. Smt. Rachna Kumar, Under Secretary

Delhi Metro Rail Corporation Limited

7. Shri Mangu Singh, Managing Director
8. Shri H. S. Anand, Director/ Rolling Stock
9. Shri Anoop Gupta, Director/ Electrical
10. Shri Manuj Singhal, CEE/Plg.

Chennai Metro Rail Limited

11. Shri Pankaj Kumar Bansal, Managing Director

Bangalore Metro Rail Corporation Limited

12. Shri P.S. Kharola, Managing Director

Mumbai Metro Rail Corporation Limited

13. Ms. Ashwini Bhide, Managing Director

MEGA Co. Ltd., Gandhinagar

14. Shri I.P. Gautam, Managing Director

Lucknow Metro Rail Corporation Limited

15. Shri Kumar Keshav, Managing Director

National Capital Territory

16. Shri Vinay Kumar Singh, Managing Director

Maha-Metro Rail Corporation Limited

17. Shri S. Sivamathan, Director (Finance)
18. Shri J.K. Nandanwar, ED/PL & Land

List of Participants

Meeting regarding Minimum Local Content in Procurement of Metro Rail Systems held on 17.12.2017 at 10:30 AM under the chairmanship of Secretary (RRA) in the Conference Room No. 423, C-Wing, Minister Bldg., New Delhi.

Ministry of Urban Development

1. Shri D. S. Malik, Secretary
2. Shri V. K. Kumar, Assistant Secretary (D&C)
3. Shri M. K. Singh, OSD (U) & EO JS
4. Shri Anand Prasad, Director
5. Shri V. S. Pandey, Dy. Secretary
6. Shri Ravi Kumar, Joint Secretary

Central Rail Corporation Limited

7. Shri Manoj Singh, Managing Director
8. Shri H. S. Anand, Director, Rolling Stock
9. Shri Anoop Gupta, Director, Electrical
10. Shri Manoj Singh, General Manager

Chennai Metro Rail Limited

11. Shri Parthasarathi Kumar, General Manager, Rolling Stock

Bangalore Metro Rail Corporation Limited

12. Shri P. S. Krishna, Managing Director

Mumbai Metro Rail Corporation Limited

13. Ms. N. Anand, Joint Managing Director

LR&G Co. Ltd., Gandhinagar

14. Shri P. Ganesan, Managing Director

Lucknow Metro Rail Corporation Limited

15. Shri K. K. Kishore, Managing Director

Regional Capital Territory

16. Shri Anand Kumar Singh, Managing Director

Mumbai Metro Rail Corporation Limited

17. Shri. S. Srinivasan, Director (Finance)

18. Shri. V. Narasimhan, Joint & Land