Government of India
Ministry of Railways
(Railway Board)
New Delhi

No.2017/RS(PF&EC)-142/Coaches/2 **Dated 29.06.2017**

Shri Vijay Kumar Mantri,
Deputy Secretary,
Prime Minister's Office,
New Delhi.

Ref : PMO ID No. 4606248/PMO/2017 ES-1 dated 20.04.2017 addressed to Chairman Railway Board.

Please refer to above cited reference wherein you have requested for the comments on the letter received from Shri Umesh Chowdhary, Vice Chairman and Managing Director, Titagarh Group.

In this matter, the following comments are submitted :

(a) In procurement of rolling stock by Stores Directorate i.e. Wagon, EMU and MEMU, the procurement has been done from Indian vendors only. M/s. Titagarh Wagons themselves have been executing and regularly getting orders for Wagons, EMUs and MEMUs.

(b) One tender for procurement of 168 MEMU coaches (21 Rakes) was opened on 30.11.2007. Against this tender, six firms had participated. Out of six firms, regular orders were placed on three firms namely M/s. Titagarh Wagons for 12 Rakes, M/s. BEML for 8 Rakes and M/s. Jessop & Co. Ltd. for 1 Rake on 28.03.2012.

(c) One another tender for procurement of 230 ACEMU coaches (25 Rakes plus 5 loose Motor Coaches) was opened on 10.06.2011. Against this tender, seven firms had participated. Out of seven firms, regular orders were placed on three firms namely M/s Titagarh Wagons Ltd. for 11 Rakes, M/s. BEML (a PSU under the control of Ministry of Defence) for 8 Rakes and on M/s. Jessop & Co. Ltd. for 6 Rakes of ACEMU coaches plus 5 loose Motor coaches.

(d) M/s. BEML is a PSU under the Ministry of Defense. M/s. BEML was supplying coaches to Indian Railways since many decades. They were regularly supplying EMUs and Non-AC coaches to Indian Railways against the orders placed on them on nomination basis. Since last few years, Railways have stopped placing orders for Non-AC coaches on M/s. BEML and are manufacturing all Railway coaches in Railways' own Production Units. M/s. BEML has been representing regularly that their capacity of manufacturing Railway coaches is lying idle as Railways stopped placing orders on them. They have been representing regularly for placement of orders on them for Railway coaches.

(e) With the approval of Chairman Railway Board, an order of 300 MEMU coaches has been placed on M/s. BEML, a PSU under the control of the Ministry of Defence. The contract has been placed at provisional price and the price of MEMU coaches will be finalized on the basis of the book rate of RCF/ICF or cost determined by CA/Cost, Ministry of Finance or the rate that may be established through open tender, during the supply period, whichever is lowest.

(f) The total provisional price of this contract is much less than is ₹3000 Crores, as stated by M/s. Titagarh Wagons Ltd. At present there is no additional requirement of MEMU coaches in Indian Railways as Railways' own units viz. ICF & RCF are manufacturing these coaches with latest technology i.e. 3 phase electrics as per requirement of Indian Railways. M/s. Titagarh Wagons has not supplied 3 phase MEMUs to Indian Railways in the Past.

(Ashok Kumar Verma)
Executive Director Railway Stores (S)
Railway Board