

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION No.1407
TO BE ANSWERED ON 27.11.2019**

PROCUREMENT POLICY

1407. SHRI DEVUSINH JESINGBHAI CHAUHAN:

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the present Procurement Policy of Small Track Machines by Indian Railways encourages monopoly in procurement and if so, the details thereof;**
- (b) whether people's representative have brought the facts of cartelization and monopoly of one company regarding procurement of abrasive rail cutter;**
- (c) if so, the details thereof; and**
- (d) the action taken by the Railways to end this monopoly and evolve a mechanism so that more companies can enter in the bidding?**

ANSWER

**MINISTER OF RAILWAYS AND COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

(a): No, Sir.

(b) & (c): References were received from an Honourable Member of Parliament on procurement policy of Small Track Machines with specific reference to Abrasive Rail Cutters which are used for cutting of rails. A

detailed reply furnishing the position on availability of multiple vendors for procurement of abrasive rail cutter was sent.

(d): Presently multiple vendors (13 Nos including 5 Part-I & 8 Part-II i.e. Approved & Vendor for developmental order) are available for procurement of abrasive rail cutter. However, with an aim to avoid suspected monopoly/cartelization, if any, and to further increase the vendor base by facilitating more companies in the bidding process, guidelines have already been issued vide circular No.2001/RS(G)/779/7 Pt.I dt. 29.06.2017 which stipulate that in suspected cartel situations or where available rates from approved source/sources are adjudged unreasonably high, despite fair efforts as permissible, after recording reasons, Railways may consider placing orders outside Approved vendors list, even beyond prescribed limits, if any, subject to rates being reasonable and firms otherwise considered capable.
