

SAIL gets in-principle approval to import wagon wheels

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India's largest steel PSU, Steel Authority of India Ltd (SAIL), will import wagon wheels to overcome the shortage of railway rakes for transporting goods.

SAIL which has got in-principle approval will tap international suppliers. Nagendra Nath Sinha, Secretary, Ministry of Steel, told *businessline*, that "Discussions with suppliers and price negotiations will begin soon".

Ministry data show that against an average daily demand of 105 rakes per day, the shortfall was 36 rakes in December; 28 in January and 24 rakes in February.

IMPROVING NUMBERS

The country's steel mills have been complaining about the non-availability of wagons for transporting iron ore and coal, even as the Rail-



Nagendra Nath Sinha,
Secretary, Ministry of Steel

ways prioritise supplies to the power sector.

"We took up the issue of rake availability with the Railways. However, it is unable to get the specified wheels in the required numbers. So this is where SAIL said it could explore imports, and an in-principle approval has been given," he said.

The average requirement of forged wheels in India is 1.20 lakh, but the domestic manufacturing capacity for SAIL is 40,000; for RINL, it is 80,000. The latter is yet to start regular commercial

production. This demand is likely to go up over time.

The Railways has been importing various types of forged wheels since the 1960s from the UK, Czech Republic, Brazil, Romania, Japan, China, Ukraine, and Russia.

The current import bill (for procuring forged wheels) is pegged at around ₹520 crore for 80,000 wheels, mostly sourced from China.

RAIL WHEEL MAKING

The Railways had recently received three bids — from SAIL, Bharat Forge, Pune, and Ramakrishna Forgings, Kolkata — to build a forged wheel manufacturing facility with an annual supply of 80,000 wheels of various types for the next 20 years.

Ramakrishna Forgings is the L1 bidder that has quoted a price of ₹1,88,100 per tonne, followed by Bharat Forge at ₹2,75,000 per tonne and SAIL, being L3, at ₹2,89,500 per tonne.