

At ₹4,140 cr, JV led by Siemens lowest bidder for bullet train signalling

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A joint venture (JV) of German major Siemens and Indian infrastructure player Dinesh-chandra R Agrawal Infracon (DRA Infra) has emerged the lowest bidder to provide signalling systems for the Mumbai-Ahmedabad High Speed Rail (MAHSR) corridor — India's first bullet train.

According to government and industry sources in the know, the National High Speed Rail Corporation (NHSRC) — the central government-owned special purpose vehicle responsible for the project — opened financial bids from two bidders and declared Siemens-DRA's ₹4,140 crore to be the lowest.

The second lowest and the only other bid came from a JV of French railway giant Alstom and India's L&T for around ₹12,700 crore, a senior government official said.

The difference in the bids has puzzled industry participants and sector watchers.

"The difference between L1 and L2 is huge and very surprising given that both the JVs were led by seasoned engineering procurement construction players. Awaiting more clarity on the reason for such a wide diversion between L1 and L2 bid and the scope of work of Siemens," said Mohit Kumar of ICICI Securities.

After India decided to run indigenously built bullet trains on MAHSR corridor for the first few years, the winner of the contract will have to provide European Train Control System Level 2 signaling system, a system both Siemens and Alstom specialise in making, an industry source aware of the developments said.

"So far, nothing has been communicated to Siemens JV on the contract awarding, as it is currently with a tender evaluation committee. The process should take a couple of weeks," an official said.

Queries sent to a spokesperson of NHSRC and Siemens remained unanswered till the time of going to press.