

**GOVERNMENT OF INDIA  
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:3305  
ANSWERED ON:19.08.2004  
SUPPLY OF LOCOS TO RAILWAYS BY BHEL  
Vijay Krishna Shri

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

- (a) whether Bharat Heavy Electricals Ltd. (Company) supplied locos to Railways and was required to keep the same in working condition during the warranty period;
- (b) whether the company failed to fulfil its warranty obligations resulting into non-recovery of lease rentals of Rs.6.82 crore during 1997-98 to 2001-02;
- (c) if so, whether the matter inquired into; and
- (d) if so, the details thereof and actions taken thereon?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES(SHRI SONTOSH MOHAN DEV)

- (a) BHEL supplied 65 Nos. AC/DC locomotives to the Indian Railways under Build-Operate-Lease (BOL) Scheme during 1996-97 to 1999-2000, which were required to be kept in working condition during the warranty period.
- (b) to (d): Rs.6.82 crore were deducted by the Indian Railways out of lease rentals payable for 19 locomotives supplied, and the entire issue has been examined by the Board Level Audit Committee (BLAC) of BHEL in their meeting held on 11-12 July,2004. The main reasons for the locomotives not being kept in working condition during the warranty period were the non-availability of high value imported spares and additional modifications as requested for by the Railways. Certain deductions were also made beyond warranty period, for which the BLAC has recommended obtaining of legal opinion and taking up the matter with the Railways if found necessary. Further, in some cases of individual locomotives, the BLAC has also recommended investigations and analysis of delays and quality of repairs done by the Jhansi Unit of BHEL.