

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

UNSTARRED QUESTION NO:2755

ANSWERED ON:23.07.2009

CONTRACTS AWARDED BY BHEL

Adhalrao Patil Shri Shivaji; Dharmshi Shri Babar Gajanan; Yadav Shri Om Prakash

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

- (a) whether the Bharat heavy Electrical Ltd. (BHEL) has been pulled up by the Government official auditor CAG forwarding contracts to a banned company;
- (b) If so, the company contravened its laid down guidelines and ethical practices by placing contracts worth 26.61 crore to a banned firm;
- (c) If so, the reasons therefor;
- (d) Whether the Union Government has conducted any enquiry in the matter;
- (e) If so, the outcome thereof; and
- (f) The total number of work orders received by BHEL from foreign companies during the last three years?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV)

(a) to (c): The Comptroller & Auditor General of India (C&AG) through its agency, viz. Principal Director of Commercial Audit (PDCA) had in June 2008 made observations as a 'Draft Para' on awarding of contract worth Rs.26.61 crore by one of the units of Bharat Heavy Electricals Ltd. (BHEL) on a vendor, despite ban on all business dealings with that firm. The circumstances in which the order was placed by the concerned unit of BHEL have been furnished to the PDCA in November, 2008. The vendor company was banned vide Orders dated 01.03.2006 whereas the order placed on it pertained to the tender dated 19.07.2005 for which the technical bid was opened on 26.09.2005 and the technical recommendation made on 04.02.2006. (all prior to the date on which the said company was banned). Award of contract against these recommendations on a later date was an administrative decision taken in the best interest of BHEL.

(d): No, Madam.

(e): Does not arise.

(f): The total number of work orders including supply, spares and services received from overseas market by BHEL from foreign companies during the last three years is as follows:-

Financial Year Number of work orders received

2006-07 48

2007-08 57

2008-09 74