

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:2306  
ANSWERED ON:07.12.2006  
LIQUIDATED DAMAGES TO BEML  
Bauri Smt. Susmita;Khan Shri Sunil

**Will the Minister of DEFENCE be pleased to state:**

- (a) whether the Bharat Earth Movers Limited incurred liquidated damages of Rs.1.19 crore due to avoidable delay in supply of Rope Shovels to Coal India Limited beyond the scheduled delivery period of April, 2003;
- (b) if so, the details thereof and reasons therefor; and
- (c) the action taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF DEFENCE PRODUCTION (RAO INDERJIT SINGH)

(a)to(c) : Coal India Limited had placed on Bharat Earth Movers Limited (BEML) a supply order for 6 Rope Shovels in August, 2002, which were to be supplied by March/April, 2003. BEML supplied 4 Rope Shovels within the delivery period and the remaining 2 in May and July 2003 respectively. BEML had agreed to the tight delivery schedule given by Coal India Limited, as otherwise BEML may have lost the entire order worth Rs.126 crore. BEML was also required to import certain sub assemblies/components, which were not received in time resulting in a short delay for 2 sets of Rope Shovels.

BEML is a Board managed company, competent to take commercial decisions. However, BEML has been advised to be more realistic in its commitments in future.