



World Bank debars Madhucon Projects for two years

Shares

6

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Listed infrastructure developer Madhucon Projects has been declared ineligible to be awarded any World Bank-financed contract for two years after the international financial

The Hyderabad-based firm had indulged in fraudulent practices in the context of the Lucknow-Muzaffarpur National Highway project, which was active on December 28, 2005, and closed on June 30, 2006. The firm was a contractor for works of civil engineering construction under the project. The International Transparency (INT), the independent unit within the World Bank, pursues sanctions related to allegations of fraud and corruption. In a decision by the Washington, D.C.-based institution, alleged that the firm indulged in fraudulent practices by falsifying expense claims in two of its invoices (IPCs) and supporting those IPCs with forged documents. In an earlier Decision No. 1001 (Sanctions Case No. 330), the World Bank had proposed a sanction of debarment with a conditional re-eligibility (for Madhucon Projects), together with certain Affiliates, with a period of 2 (two) years beginning from October 26, 2017. "This sanction is a result of a fraudulent practice as defined in Paragraph 1.1 of the Procurement Guidelines," the World Bank said.

The firm has been sent to Madhucon Projects and its founder N Nagendra Prasad has been asked to respond till the time of going to press.

The firm has an order book of nearly Rs 4,900 crore and its shares are listed on BSE and NSE.

The World Bank's decision means that it will also provide notice of this declaration of ineligibility to the other multilateral development banks (MDBs) including African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development and the InterAmerican Development Bank Group that are party to the agreement for mutual enforcement of debarment decisions.

This is done so that they may determine whether to enforce the declaration of ineligibility with respect to their own operations in accordance with the cross-debarment agreement and their own policies and procedures.