

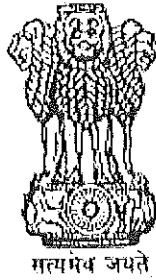
SIXTH REPORT

COMMITTEE ON PETITIONS

(SEVENTEENTH LOK SABHA)

MINISTRY OF COAL

(Presented to Lok Sabha on 17.9.2020)



LOK SABHA SECRETARIAT
NEW DELHI

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COMPOSITION OF THE COMMITTEE ON PETITIONS

(2019-20)

Dr. Virendra Kumar - - *Chairperson*

MEMBERS

2. Shri Anto Antony
3. Shri Sukhbir Singh Badal
4. Shri Harish Dwivedi
5. Shri P. Raveendranath Kumar
6. Shri P.K. Kunhalikutty
7. Dr. Sukanta Majumdar
8. Shri Sanjay Sadashivrao Mandlik
9. Smt. Anupriya Patel
10. Dr. Bharati Pravin Pawar
11. Shri V. Srinivas Prasad
12. Shri Brijendra Singh
13. Shri Sushil Kumar Singh
14. Shri Prabhubhai Nagarbhai Vasava
15. Shri Rajan Vichare

SECRETARIAT

- | | | |
|----------------------------|---|---------------------|
| 1. Shri T.G. Chandrasekhar | - | Joint Secretary |
| 2. Shri Raju Srivastava | - | Director |
| 3. Shri G. C. Dobhal | - | Additional Director |
| 4. Shri Harish Kumar Sethi | - | Executive Officer |

SIXTH REPORT OF THE COMMITTEE ON PETITIONS

(SEVENTEENTH LOK SABHA)

INTRODUCTION

I, the Chairperson, Committee on Petitions, having been authorised by the Committee to present on their behalf, this Sixth Report (Seventeenth Lok Sabha) of the Committee to the House on the Action Taken by the Government on the Recommendations made by the Committee on Petitions (Sixteenth Lok Sabha) in their Forty-Seventh Report on the Representation of Shri Subhash Kumar Singh alleging gross financial irregularities by Bharat Coking Coal Limited (BCCL) authorities in terms of making payment to M/s Mahalakshmi Infracontract Private Limited without completion of work.

2. The Committee considered and adopted the draft Sixth Report at their sitting held on 7 August, 2020.

3. The observations/recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;

DR. VIRENDRA KUMAR,
Chairperson,
Committee on Petitions.

7 August, 2020

16 Shrawana, 1942 (Saka)

REPORT

ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS MADE BY THE COMMITTEE ON PETITIONS (SIXTEENTH LOK SABHA) IN THEIR FORTY-SEVENTH REPORT ON THE REPRESENTATION OF SHRI SUBHASH KUMAR SINGH ALLEGING GROSS FINANCIAL IRREGULARITIES BY BHARAT COKING COAL LIMITED (BCCL) AUTHORITIES IN TERMS OF MAKING PAYMENT TO M/S. MAHALAXMI INFRACONTRACT PRIVATE LIMITED WITHOUT COMPLETION OF WORK.

The Committee on Petitions (Sixteenth Lok Sabha) presented their Forty-Seventh Report to Lok Sabha on 3.8.2018 on a representation received from Shri Subhash Kumar Singh alleging gross financial irregularities by the Bharat Coking Coal Limited (BCCL) Authorities in terms of making payment to M/s. Mahalaxmi Infracontract Pvt. Ltd., without completion of the work.

2. The Committee had made certain observations/recommendations in the matter and the Ministry of Coal were asked to implement the recommendations and requested to furnish their action taken replies thereon for further consideration of the Committee.

3. The Ministry of Coal *vide* their communications dated 14.2.2019 and 13.2.2020 have furnished their interim and final Action Taken Replies in respect of all the observations/ recommendations contained in the aforesaid Report. The recommendations made by the Committee and the replies furnished thereto by the Ministry of Coal have been detailed in the succeeding paragraphs.

4. In paras 43, 44, 45 and 46 of the Report, the Committee had observed/ recommended as follows :-

"The Committee note that the Bharat Coking Coal Limited (BCCL) had awarded a Contract to M/s Mahalakshmi Infracontract Pvt. Ltd., for hiring of Heavy Earth Moving Machinery (HEMM) for the removal of Over Burden (OB), extraction and transportation of a total quantity of 47.40 lakh Metric Ton coal from L-11, L-10 Salanpur C and D seams of Chaptoria Open Cast Mine patch of Damagoria Colliery of CV Area of the BCCL amounting to Rs.145,86,80,000/- vide Work Order dated 14/19.12.2012. Till January, 2014, the Contractor had excavated and transported a total of 12,55,222 Metric Ton of coal and the BCCL paid Rs.45,29,87,670/- to the Contractor instead of Rs.38,91,40,887 which is Rs.6,91,40,783 extra amount.

The Committee further note from the submission made by the Ministry of Coal that the work of the Contract under reference was executed up to 14.05.2014 by M/s Mahalakshmi Infracontract Pvt. Ltd., and thereafter the Contractor stopped the work stating that in the Notice Inviting Tender (NIT), the payment to workmen was not considered as recommended by the High Power Committee of the Coal India Limited (CIL) and on the demand of wages by workmen, as recommended by the High Power Committee, caused frequent disruptions in work and strikes by the Union. The Contractor was unable to continue the work under the prevailing circumstances and hence requested to foreclose the awarded work, without imposing any penalty.

The Committee also note that after the award of Contract to M/s Mahalakshmi Infracontract Pvt. Ltd., the Coal India Limited enhanced the wages to be paid to workers engaged by the Contractor on the recommendation of a High Power Committee. The Coal India Limited had considered the impact of the recommendations of the Committee on ongoing Contracts and in the 80th CMDs meet held on 11.11.2013, it was suggested that wherever feasible, the Contract may be foreclosed without penalizing the Contractor in the event the Contractor fails to produce the valid claim against enhanced wages and also not willing to continue the work at the existing terms and fresh tender(s) may be floated against the said work. Consequently, the proposal for foreclosure was approved in the 310th meeting of the Board of Directors of the BCCL. Further, the Management also did not made any sincere efforts to deduct the Earnest Money and Security Deposit of the Contractor amounting to Rs.50 lakh and Rs.247.12 lakh respectively.

In this regard, the Committee take a very serious note of the fact that the foreclosure of the Contract and awarding the remaining work to the same Contractor on re-tendering, has resulted in a massive loss of around Rs.87.57 crore to the Company. The Committee further note that the observations/suggestions of the CVO, BCCL was not forwarded to the BCCL Management either before foreclosure of the Contract or after Award of the Contract to the same Contractor on re-tendering. Thereby it is clear that the observations of the CVO, BCCL had not been deliberately taken into consideration before the foreclosure of the Contract by the BCCL Management. The Committee also are of the considered opinion that observations of the CVO, BCCL should have been carefully taken into consideration before the foreclosure of the Contract so that financial irregularities with a malicious intent to cause huge financial loss to a Public

Sector Undertaking could have been averted. The Committee, therefore, recommend that any deviation in the execution of Contract after the initiation of the Contracted Work should have been specifically mentioned in the Notice Inviting Tender so that such situation, as in the instant case, could be avoided in future. Further, there should also be specific and unambiguous provisions with respect to forfeiture of earnest money and security deposit as also blacklisting of the defaulting Contractor in the event of foreclosure of the work by the Contractor."

5. The Ministry of Coal, in their interim action taken replies, have submitted as follows:-

"CVO, Coal India Limited vide their letter dated 24.10.2018 has advised Chairman, Coal India Limited as follows:-

- (i) The clauses in respect of forfeiture of Earnest Money Deposit and Security Deposit as well as black listing of defaulting contractor/s, have to be made unambiguous and undisputable. The stipulations in the clauses have to be devoid of scope for multiple interpretations and should cover the specific instances which attract invocation of the clauses.*
- (ii) Legally tenable enabling provisions be incorporated in the contracts so as to take care of unforeseen exigencies during execution of the contracts.*
- (iii) Directions may be issued to invariably obtain approval of competent authority so as to negate dilution of DOP under the guise of suggestions made in forms such as CMDs meet etc.*
- (iv) In all cases of re-tender, price reasonability and situations such as "same firm-higher price" have to be analysed in-depth, deliberated in detail and recorded as such for facilitating an appropriate decision."*

6. Further, the Ministry of Coal, in their final action taken replies, have submitted as follows:-

"In this matter an interim reply was furnished by the Ministry wherein it was stated that the systemic improvement measures suggested by CVO, Coal India Limited were pending for implementation as the measures needed approval of

Coal India Limited Board. In this matter a Report has been received from CVO, Coal India Limited on examination of which it is observed that the systemic improvement measures suggested by the Committee of Petitions in its 47th Report were examined by a Task Force/Committee which was constituted in Coal India Limited to review/modify the existing provisions of CMM of Coal India Limited. The Task Force also recommended inclusion/modification of a few other clauses related to payment in addition to the present stipulation of the Chapter 6 of CMM.

Coal India Limited has stated that the recommendations of the Committee on Petitions have already been approved in principle for implementation across all subsidiaries of Coal India Limited by Chairman, Coal India Limited. However, while doing the same, it was noticed that various rules and procedures in different Departments need to be aligned afresh to effectively implement the recommendations of the Committee on Petitions. Accordingly, a need was felt to completely revise the current CMM which was approved by Coal India Limited Board in 2006 and is in force now. The work of revision which includes deliberation among different executive wings of Coal India Limited and its subsidiaries has been completed and the revised manual as put up to Audit Committee which in turn advised some more modifications. After incorporating their suggestions the revised manual will be placed before Coal India Limited Board for approval. This process is likely to be completed by March 2020 and would be ready for immediate implementation in all subsidiaries from the commencement of the new Financial Year."

7. In paras 47 and 48 of the Report, the Committee had observed/recommended as follows:-

"Since the Committee are astonished to find that there has been a systemic failure of various apparatus of BCCL responsible for weeding out the nexus of various functionaries including the then Board of Directors which has led to blatant plundering of financial resources of a Public Sector Undertaking, they would like to reproduce the main observations of the CVO, BCCL, in this particular case, as follows:-

The contention of the management in invoking the suggestions of CMDs' meet appears to lack sanctity as it was a mere suggestion and not a decision of the competent authority. Before considering the case for foreclosure on this ground, the management of the BCCL did not obtain clear cut directive from the competent authority.

The guidelines state that instead of going for foreclosure, the management could have used the provisions of the guidelines in executing the Contract and thus saving excess amount being paid to the same Contractor by inviting fresh tender at a substantially higher rates.

That foreclosure of the Contract awarded to M/s Mahalakshmi Infracontract Pvt. Ltd., and then re-tendering and awarding the work again to the same company led to undue benefit of Rs.87.57 crore to the Contractor at the cost of the BCCL.

In the extracts of Minutes of 306th Board meeting, the foreclosure of the Contract was approved with imposition of penalty, if any. However, the amount of penalty was not specifically mentioned. The penalty amount was calculated to be Rs.37,48,674.00 which accrued due to non-achievement of month-wise target."

While fully endorsing the candid observations made by the CVO, BCCL as quoted above, the Committee have no hesitation in expressing that the Management of the BCCL should have obtained clear cut directives from the Competent Authority prior to foreclosure of the Contract. The Committee, therefore, strongly recommend that the Penalty Clause for foreclosure of the Contract should be mentioned in unambiguous terms so that no functionary or any group of functionaries of BCCL should have the leverage of misinterpreting any of the Clause(s) contained in the terms and conditions of the Contract."

8. The Ministry of Coal, in their interim action taken replies, have submitted as follows:-

"The Ministry of Coal vide their letter dated 26.9.2018 have requested Chairman, Coal India Limited as under:-

It has been observed that the decisions of Committee of CMDs have no statutory backing and cannot be classified as highest decision-making body below the CIL Board. Each company, holding as well as subsidiary, is a board run company, governed by Companies Act and Rules and other relevant statues. At best, Group/Committee/Forum of CMDs can be advisory in nature, and the final decision rests with respective board. Hence, it is advised to review the role of CMDs Forum

meeting in the light of statutory provisions, especially the decision of 56th meeting of CMDs Forum.

Further, CVO, Coal India Limited has advised Chairman, Coal India Limited to issue directives to invariably obtain approval of competent authority so as to negate dilution of DOP under the guise of suggestions made in forums such as CMDs Meet etc."

9. Further, the Ministry of Coal, in their final action taken replies, have submitted as follows:-

"In this matter an interim reply was furnished by the Ministry wherein it was stated that the systemic improvement measures suggested by CVO, Coal India Limited were pending for implementation as the measures needed approval of Coal India Limited Board. In this matter a Report has been received from CVO, Coal India Limited on examination of which it is observed that the systemic improvement measures suggested by the Committee of Petitions in its 47th Report were examined by a Task Force /Committee which was constituted in Coal India Limited to review/modify the existing provisions of CMM of Coal India Limited. The Task Force also recommended inclusion/modification of a few other clause(s) related to payment in addition to the present stipulation of the Chapter 6 of CMM.

Coal India Limited has stated that the recommendations of the Committee on Petitions have already been approved in principle for implementation across all subsidiaries of Coal India Limited by Chairman, Coal India Limited. However, while doing the same it was noticed that various rules and procedures in different departments need to be aligned afresh to effectively implement the recommendations of the Committee on Petitions. Accordingly, a need was felt to completely revise the current CMM which was approved by Coal India Limited Board in 2006 and is in force now. The work of revision which includes deliberation among different executive wings of Coal India Limited and its subsidiaries has been completed and the revised manual as put up to Audit Committee which in turn advised some more modifications. After incorporating their suggestions the revised manual will be placed before Coal India Limited Board for approval. This process is likely to be completed by March 2020 and would be ready for immediate implementation in all subsidiaries from the commencement of the new Financial Year."

10. In paras 49, 50 and 51 of the Report, the Committee had observed/recommended as follows :-

"The Committee note that the irregularities in Awarding the Contract to M/s. Mahalakshmi Infracontract Pvt. Ltd., came into notice when the Contract was awarded to the Company in December, 2012 for Rs.1,45,86,80,000/- and then, on the unreasonable grounds of increase in wages of labourers as recommended by the High Powered Committee of the BCCL, the Contract was allowed to be foreclosed in April, 2014 and on re-tendering in June, 2014, the same Company, i.e., M/s. Mahalakshmi Infracontract Pvt. Ltd. was again awarded the contract on a much higher rates, i.e., Rs.1,86,20,10,296/-

The Committee are shocked to note from the submission of the Ministry of Coal that a loss, if any, has not been ascertained as yet. The Committee are of the opinion that the total loss incurred by way of foreclosing the contract- re-tendering - and again awarding it to the same Company on higher rates should have been methodically calculated. The Committee note that the foreclosure of Contract awarded to M/s. Mahalakshmi Infracontract Pvt. Ltd., and thereafter again awarding the same work, on higher rates, through re-tendering to the same Company is an indication of serious procedural lapse and a clear case of corruption on part of Senior Functionaries of BCCL could not have been possible without some kind of connivance between the Contractor and the Senior Functionaries of the BCCL.

The Committee, therefore, recommend that the Ministry of Coal/BCCL should take necessary steps to avoid such lapses on the part of the Senior Functionaries in future and initiate strict action against all such erring Officials including lodging of FIRs especially under Section 120B of the Indian Penal Code. The Committee also foresee that there could be many more cases relating to illegal foreclosure and over/advance payments to the Contractors by the BCCL which should now be properly investigated by some Independent Investigation Agency. In this regard, the Committee also fully endorse the recommendations of the CVO, BCCL to inquire into all the matters related to illegal foreclosure of Contract in all the subsidiaries of Coal India Limited including M/s. Mahalakshmi Infracontract Pvt. Ltd., and also to hand over the investigation to the Central Bureau of Investigation for detailed inquiry/investigation. The Committee would like to be apprised of the steps taken in this regard within three months of the presentation of this Report."

11. The Ministry of Coal, in their interim action taken replies, have submitted as follows:-

- "(a) Four Board level officers have been issued major penalty charge sheet under CDA Rules of Coal India Limited by Ministry of Coal vide letter dated 26.09.2018.
- (b) CMD/DA of BCCL has been advised to initiate major penalty proceedings against below Board level officers vide letters dated 31.08.2017 (1 officer), 30.01.2018 (2 officers) and 26.09.2018 (23 officers). Compliance reports from BCCL have been received and 26 below Board level officers of BCCL have been issued major penalty charge sheet. CMD/DA of ECL has been advised to initiate major penalty proceedings against below Board level officers vide letter dated 26.09.2018. A compliance report from ECL has been received and 11 below Board level officers of ECL have been issued major penalty charge sheet (two officers have been issued charge sheet in two cases in ECL).
- (c) The cases of contracts where foreclosure of contracts without imposing penalty in 7 mines of BCCL and ECL have been referred to CBI after obtaining advice from CVC by Ministry of Coal for appropriate investigation.
- (d) CVO, Coal India Limited has been requested to furnish a report in CVC format in case of Hansdiha Project.
- (e) Displeasure has been issued to 10 Retired Board level officers (including one Ministry of Coal's nominated Director) (Annexure 13, 14, 15) and 13 Retired below Board level officers of BCCL and ECL.
- (f) CVO, Coal India Limited has been requested to ascertain the loss incurred by way of foreclosing the contract – retendering and again awarding it to the same company on higher rate."

12. Further, the Ministry of Coal, in their final action taken replies, have submitted as follows:-

"In the interim reply, the following issues were pending:-

- (a) *It was stated that CVO, Coal India Limited has been requested to furnish a Report in CVC format in case of Hansdiha Project vide letter 26.09.2018 – In this matter it is stated that the Report from CVO, Coal India Limited was examined in consultation with CVC and CMD, ECL was requested vide letter dated 28.06.2019 to initiate major penalty proceedings against eight (8) below Board level officers. A compliance Report has been received from ECL which is enclosed at Annexure-1.*
- (b) *It was also stated that CVO, Coal India Limited has been requested vide letter dated 04.12.2018 to ascertain the loss incurred by way of foreclosing the contract – retendering and again awarding it to the same company on higher rate – In this matter a Report was received from CVO, Coal India Limited and it was observed that irregularity in foreclosure of contracts occurred in BCCL and ECL. The status with respect to these two is as follows:-*
- (i) *There were three contracts of ECL which were foreclosed and all the three contracts were awarded to different company other than the company whose contracts were foreclosed. Also the scope and quantity were also different and there was no loss in all the contracts.*
- (ii) *In BCCL there was only one such case (Chaptoria patch of CV Area) where a new contract at a higher rate was awarded to the same company whose contract was foreclosed and the perceived loss was Rs.60.07 crores in this matter."*

OBSERVATIONS/RECOMMENDATIONS

Amending the existing Contract Management Manual (CMM) and its implementation in all the subsidiaries of Coal India Limited

13. The Committee on Petitions while examining the representation of Shri Subhash Kumar Singh alleging gross financial irregularities by Bharat Coking Coal Limited (BCCL) Authorities in terms of making payment to M/s. Mahalaxmi Infracontract Pvt. Ltd., without completion of the work, had observed that in the month of December 2012, BCCL awarded a contract for hiring of Heavy Earth Moving Machinery (HEMM) for the removal of Over Burden (OB), extraction and transportation of a total quantity of 47.40 lakh Metric Ton coal from L-11, L-10 Salanpur C and D seams of Chaptoria Open Cast Mine patch of Damagoria Colliery of CV Area of the BCCL amounting to Rs.145,86,80,000/-. However, against the total work done by the Contractor for Rs.38,91,40,887/-, BCCL released Rs. 45,29,87,670/- to the Contractor. In May 2014, the Contractor had expressed his inability to continue with the work *inter alia* stating that the payment to workmen was not considered in the Notice Inviting Tender, as recommended by the High Power Committee of the Coal India Limited and hence, the Contractor (M/s. Mahalaxmi Infracontract Pvt. Ltd.) requested to foreclose the awarded work, without imposing any penalty. As per the submissions made by the Ministry of Coal, the proposal for foreclosure was approved in the 310th meeting of the Board of Directors of the BCCL and the Management also did not make any sincere efforts to deduct the Earnest Money and Security Deposit of the Contractor amounting to Rs. 50 lakh and Rs. 247.12 lakh respectively.

14. The Committee also observed that on re-tendering for the remaining work, the contract was again awarded to the same Contractor resulting in a massive loss of around Rs. 87.57 crore to the Company. During the in-depth examination of the entire transaction in their Forty-Seventh Report, the Committee, in explicit terms, opined that in case, the observations of the CVO, BCCL were carefully considered either before foreclosure of the Contract or after award of the Contract to the same Contractor on re-tendering by the BCCL Management, the huge financial loss to a Public Sector Undertaking could have been averted.

15. The Committee, therefore, recommended that any deviation in the execution of Contract after the initiation of the contracted work should have been specifically mentioned in the Notice Inviting Tender so that such a situation, as occurred in the instant case, could be avoided in future. Further, there should also be specific and unambiguous provisions with respect to forfeiture of earnest money and the security deposit as also blacklisting of the defaulting Contractor in the event of foreclosure of the work by the Contractor.

16. In pursuance thereof, the Ministry of Coal, in their final action taken replies, have submitted that the recommendations of the Committee on Petitions have already been approved, in principle, for implementation across all the subsidiaries of Coal India Limited. However, while doing the same, it was noticed that various rules and procedures in different Departments need to be aligned afresh to effectively implement the recommendations of the Committee on Petitions. Accordingly, a need was felt to completely revise the current CMM which was approved by Coal India Limited Board in 2006 and is in force now. The work of revision which includes deliberations amongst different executive

wings of Coal India Limited and its subsidiaries has been completed and the revised manual as put up to the Audit Committee which, in turn, advised some more modifications. After incorporating their suggestions, the revised manual will be placed before the Coal India Limited Board for approval. The Ministry have further submitted that this process is likely to be completed by March 2020 and would be ready for immediate implementation in all the subsidiaries from the commencement of the new financial year.

17. The Committee are not happy to observe that upto February 2020, i.e., the date of submission of final action taken replies, the Ministry were not able to functionalize the amended Contract Management Manual (CMM) for giving tender(s) for undertaking various activities connected with the extraction, transportation, etc., of coal and/or hiring of Heavy Earth Moving Machinery (HEMM) from the private contractors. The inordinate delay in implementing the relevant recommendation of the Committee by the Management of Coal India Limited is further compounded by the fact that the Report was presented to Parliament in August 2018 and soon thereafter, a copy of the Report was forwarded to the Ministry for furnishing of action taken replies. During this interregnum period of more than 18 months, the Management of Coal India Limited had ample time to implement the amended CMM in all its subsidiaries. Now that an additional period of three months since the submission of final action taken replies by the Ministry has elapsed, the Committee trust that the amended CMM would have complied with the earlier recommendation made by the Committee on Petitions.

Disciplinary proceedings against errant officials of Coal India Limited and of other entities

18. While observing that there were serious procedural lapse(s) and corruption on the part of Senior Functionaries of BCCL and of other entities in foreclosing the contract initially awarded to M/s. Mahalakshmi Infracontract Pvt. Ltd., and on re-tendering, again awarding the same work to the same Contractor, that too, on higher rates, the Committee had recommended the Ministry of Coal to initiate necessary steps not only to quantify the loss incurred to the exchequer but also to devise mechanism with a view to avoiding such lapses in future along with lodging of FIRs, especially, under Section 120B of the Indian Penal Code. Apprehending that such types of procedural lapses and connivance of Senior Functionaries with the Private Contractor could not be an isolated case, the Committee also recommended the Ministry of Coal to properly investigate other cases relating to illegal foreclosure and over/advance payments released to the Contractors by initiating some Independent Investigation. The Committee had also endorsed the recommendations of the CVO, BCCL to inquire into all the matters related to illegal foreclosure of the contract in all the subsidiaries of Coal India Limited including M/s. Mahalakshmi Infracontract Pvt. Ltd., and also to hand over the investigation to the Central Bureau of Investigation for detailed inquiry/investigation.

19. The Ministry of Coal, in their action taken replies, have informed that on the recommendation of CVO, Coal India Limited, the following consequential actions have been initiated:-

- (i) *Four Board level officers have been issued major penalty charge sheet under CDA Rules of Coal India Limited.*

- (ii) CMD/DA of BCCL has been advised to initiate major penalty proceedings against below Board level officers vide letter(s) dated 31.08.2017 (1 officer), 30.01.2018 (2 officers) and 26.09.2018 (23 officers). Compliance Reports from BCCL have been received and 26 below Board level officers of BCCL have been issued major penalty charge sheet. CMD/DA of ECL has been advised to initiate major penalty proceedings against below Board level officers. A Compliance Report from ECL has been received and 11 below Board level officers of ECL have been issued major penalty charge sheet (two officers have been issued charge sheet in two cases in ECL).
- (iii) The cases of foreclosure of contracts without imposing penalty in 7 mines of BCCL and ECL have been referred to CBI for appropriate investigation after obtaining the advice of CVC.
- (iv) The CVO, Coal India Limited was requested to furnish a Report, in CVC format, in the case of Hansdiha Project. The Report from CVO, Coal India Limited has been examined in consultation with CVC and the CMD, ECL has been requested to initiate major penalty proceedings against eight below Board level officers. A compliance Report has also been received from ECL.
- (v) Displeasure has been issued to 10 Retired Board level officers (including one nominated Director) and 13 retired below Board level officers of BCCL and ECL.
- (vi) The CVO, Coal India Limited has been requested to ascertain the loss incurred by way of foreclosing the contract, re-tendering and again awarding it to the same company on higher rate. In this matter, a Report was received from CVO, Coal India Limited and it has been confirmed that irregularity in foreclosure of contracts occurred in BCCL and ECL in the following manner:-
- (a) There were three contracts of ECL which were foreclosed and all the three contracts were awarded to different Companies other than the Company whose contracts were foreclosed. The scope and quantity were also different and there was no loss in all the contracts.

(b) *In BCCL, there was only one such case (Chaptoria patch of CV Area) where a new contract, at a higher rate, was awarded to the same Company whose contract was foreclosed and the perceived loss was Rs.60.07 crore.*

20. The Committee are not only satisfied with the structured, legally sound and proportionate actions initiated by the Ministry of Coal against all the hierarchical layers of Coal India Limited, irrespective of they being retired or still serving the organisation but also would like to applaud the Government of their resolute intent of 'zero tolerance' on all the facets of corruption. In this sequel, the Committee, while appreciating the role of CVO, Coal India Limited in initiating a justice-driven investigation and a zest for making efforts to contain the organised pilferage from the exchequer, trust that all the initiatives taken by the Ministry would be implemented in the right earnest.

NEW DELHI;

7 August, 2020

16 Shravana, 1942 (Saka)

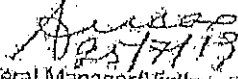
DR. VIRENDRA KUMAR,
Chairperson,
Committee on Petitions.

Annexure-1

Officers responsible for irregularity in foreclosure of contract in ECL

Hansdihā DC Patch, Sonapur Bazar Area

Sr. No.	Name and Designation of Charged officers	Date and letter no. of isttance of chargesheet	Date of appointment of IO and PO
01	ARUN KUMAR JHA the then General Manager (Mining) Eis No: 90125626	ECL/VIG/CB-02/18/ CS:10 dated 08.07.2019	N/A
02	AMITANJAN NANDI the then Chief Manager (Mining) Eis No: 90186024	ECL/VIG/CB-02/18/ CS:11 dated 08.07.2019	N/A
03	SARAD KUMAR SOMANI the then Sr. Manager (Finance) Eis No: 90037706	ECL/VIG/CB-02/18/ CS:12 dated 08.07.2019	N/A
04	ARUN KUMAR CHATTERJEE the then Area Survey Officer Eis No: 90044178	ECL/VIG/CB-02/18/ CS:13 dated 08.07.2019	N/A
05	NARENDRA NATH MALLICK the then Sr. Manager (Civil), CMC Department, ECL (HQ) Eis No: 90034547	ECL/VIG/CB-02/18/ CS:14 dated 08.07.2019	N/A
06	MIHIR CHOUDHARY the then Asst. Manager (Excavation), CMC Department, ECL (HQ) Eis No: 90302738	ECL/VIG/CB-02/18/ CS:15 dated 08.07.2019	N/A
07	ALOK KUMAR SENGUPTA the then Staff Officer (Mining) Eis No: 90277211	ECL/VIG/CB-02/18/ CS:09 dated 16.06.2018	N/A
08	SUBAL CHANDRA SAHA the then Chief Manager (Civil), CMC Department, ECL (HQ) Eis No: 90182098	ECL/VIG/CB-02/18/ CS:01 dated 28.09.2018	N/A


 General Manager (Vigilance)
 Eastern Coalfields Limited

MINUTES OF THE FIFTH SITTING OF THE COMMITTEE ON PETITIONS
(SEVENTEENTH LOK SABHA)

The Committee met on Friday, 7 August, 2020 from 1200 hrs. to 1330 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Dr. Virendra Kumar - Chairperson

MEMBERS

- 2. Smt. Anupriya Patel
- 3. Shri Brijendra Singh
- 4. Shri Sushil Kumar Singh
- 5. Shri Rajan Vichare

SECRETARIAT

- 1. Shri Raju Srivastava - Director
- 2. Shri G. C. Dobhal - Additional Director

WITNESSES

- 2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee.
- 3. ***
- 4. ***
- 5. ***
- 6. The Committee then considered the following draft Reports:-

- (i) Action Taken by the Government on the recommendations made by the Committee on Petitions (Sixteenth Lok Sabha) in their Forty-Seventh Report on the Representation of Shri Subhash Kumar Singh alleging gross financial irregularities by Bharat Coking Coal Limited (BCCL) authorities in terms of making payment to M/s. Mahalakshmi Infracontract Private Limited without completion of work ;
- (ii) ***
- (iii) ***

- 7. The Committee after considering the above three draft Reports decided to adopt two draft Reports mentioned at para 6(i) and 6(ii) above without any modifications.
 - 8. ***
 - 9. A copy of the verbatim record of the proceedings of the sitting of the Committee has been kept on record.
- The Committee, then, adjourned.
