

**GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA**

UNSTARRED QUESTION NO:4361
ANSWERED ON:17.12.2002
MISAPPROPRIATION OF PUBLIC FUNDS IN SUBSIDIARIES OF CIL
BRIJLAL KHABRI;RAM SINGH KASWAN

Will the Minister of COAL AND MINES be pleased to state:

- (a) whether large amount of public funds are being misappropriated in the subsidiaries of Coal India Limited due to nexus between suppliers and officers;
- (b) if so, the details thereof during each of the last three years; subsidiary-wise
- (c) the details of purchase of Automatic Contrivances, (a safety item used for underground mines) by Eastern Coalfields Limited during the year 1997;
- (d) whether this item was supplied to TISCO by a firm in the year 2000-2001 at less than half of the rates at which this was supplied to ECL and other CIL subsidiaries;
- (e) if so, the details thereof;
- (f) whether out of the four firms two are operating from the same premises, having same office and same workshop;
- (g) if so, whether there is any connection between these two firms;
- (h) if so, the details thereof;
- (i) whether 18 Nos. of Automatic Contrivances were purchased from these two firms at rates more than double the rates of the lowest rate quoted in the year 1997;
- (j) if so, the details thereof;
- (k) the negotiations held by ECL with these two firms to bring down their rates;
- (l) the quoted rates of these two firms for Automatic Contrivances in June 1997 and September, 2000 to ECL and in May, 1998 to BCCL and the date up-to which these rates were valid;
- (m) whether any inquiry has been initiated by CIL/subsidiaries in this matter; and
- (n) if so, the details thereof and action taken in this regard?

Answer

MINISTER OF COAL AND MINES (SUSHREE UMA BHARTI)

(a): No, sir.

(b): Does not arise in view of reply to (a) above.

(c): 23 sets of automatic contrivances were procured during the year 1997 by inviting limited tender enquiry. Orders were placed on the following firms:-

M/s. Safe Equip Engineers, Dhanbad	-	12 sets
M/s Systems and Control, Dhanbad	-	6 sets
M/s VK Industries, Pilani	-	5 sets

(trial order) (unproven suppliers)

(d) & (e): ECL/CIL have no knowledge on this.

(f) to (h): Enquiries were floated to the firms who are having DGMS approval in their own names.

(i) & (j): The details of the rates are given in reply to part (l).

(k): Negotiations were held with two firms namely M/s Safe Equip Engineers, Dhanbad and M/s System & Control, Dhanbad to bring down their rates.

(l): Against tender of ECL opened on 30.6.1997, the rates quoted by the firms whose price bids were opened are as follows:-

Items	M/s Safe Equip. Engineers, Dhanbad	M/s System Control, Dhanbad	M/s VK Industries, Pilani	
Automatic Contrivance for steam winder	Rs.7,87,098.77		Rs.8,40,842.82	Rs.4,39,865.00

(for Naba Kajora 2 pit)

Automatic contrivance for electric winder for the following:-

Madhusudan Pur 1 Pit	Rs.6,77,899.81		Rs.7,14,028.05	Rs.4,99,865.00
New Kenda 2 pit	Rs.6,44,928.56		Rs.6,82,258.17	-do-
New Kenda 3 pit	Rs.5,82,580.17		Rs.6,06,804.70	-do
Siduli 2 pit	Rs.6,77,889.81		Rs.7,14,028.05	-do

The above prices were valid upto 31.5.1999. The order was placed on M/s VK Industries, Pilani at landed rate of Rs.4,13,360.00

Against tender of BCCL opened in May, 1998 the rates quoted by the firms were as follows:-

Items	M/s Safe Equip. Engineers, Dhanbad	M/s VK Industries, Pilani		
Automatic Contrivance for steam winder		Rs.7,07,553.00		Rs.4,16,183.00
Automatic Contrivance for electric winder		Rs.6,00,712.00		Rs.3,90,480.00
		Rs.7,35,268.00		

The above prices were valid upto 30.6.1999.

Against tender of ECL opened on 21.9.2000, the rates quoted by the participant tenderers were:-

Item	M/s Safe Equip. Engineers, Dhanbad	M/s System and Control, Dhanbad	M/s VK Industries, Pilani	
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Automatic contrivance for steam winder for following pits.

Madhujore -5	Rs.3,95,472.00	Rs.4,32,672.00	Rs.3,75,337.00
Madhujore-6	Rs.3,95,472.00	Rs.4,32,672.00	-do-
M.S Pur-3 &4,	Rs.2,93,592.00	Rs.3,30,792.00	-do-
Khas Kajora-10,			

Parascole-6, Madhabpur 2&3, Lachipur RD unit

Kumardhubi- 2	Rs.3,95,472.00	Rs.4,32,672.00	-do-
Khottadih- 2	Rs.4,88,592.00	Rs.5,31,792.00	-do-
Nimcha - 7	Rs.4,36,512.00	Rs.4,51,392.00	-do-

Automatic Contrivance for electric winder

Parascole -A	Rs.2,45,520.00 @	Rs.3,18,552.00	Rs.3,65,337.00
	Rs.2,78,352.00		
Lachipur - 1	Rs.2,45,520.00 @	-do-	-do-
	Rs.2,78,352.00		
Lachipur -11	Rs.2,45,520.00 @	-do-	-do-
	Rs.2,78,352.00		

@ Electronic Type

The rates of lowest tenderer were valid upto 31.3.2002.

(m)&(n): An enquiry has been conducted by ECL Vigilance and its report is under scrutiny.