

**GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA**

UNSTARRED QUESTION NO:337
ANSWERED ON:02.08.2011
IRREGULARITIES IN BROADCASTING CONTRACT
Purkayastha Shri Kabindra

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

- (a) whether any action has been taken so far by the Government against the erring officials involved in irregularities and corruption connected with the broadcasting of the XIX Commonwealth Games, 2010 on the basis of findings of report of a high level probe panel constituted by the Government;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) if not, the reasons therefor; and
- (d) the total loss suffered by the Government with regard to broadcasting contract along with the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF INFORMATION AND BROADCASTING. (SHRI C. M. JATUA)

(a) Yes Sir.

(b) A High Level Committee constituted under the Chairmanship of Shri V K Shunglu to look into the issues relating to organizing and conduct of Commonwealth Games Delhi, 2010, in its First Report on Host Broadcasting to the Government has concluded that "action/inaction are strongly suggestive of collusion between CEO, Prasar Bharati and DG:Doordarshan and the service providers(s), SIS LIVE/ZOOM Communications."

Ministry had since examined the observations contained in the HLC report and forwarded the detailed comments to the Cabinet Secretariat pointing out a number of factual inconsistencies in the report. Subsequently, on the receipt of directions of the Prime Minister through the Cabinet Secretariat following decisions have been taken and actions initiated:

(i) The then Director General, Doordarshan Smt. Aruna Sharma was relieved of her charge following the expiry of her tenure on 19.02.2011.

(ii) The Ministry Information and Broadcasting had sought the explanation from Shri B S Lalli, CEO Prasar Bharati (under suspension), and the then Director General, Doordarshan, Smt. Aruna Sharma on each of the allegations made against them in the report of the HLC. The explanations have since been received and examined. Approval of competent authority is being obtained for further action.

(iii) Further, a copy of the report of HLC was sent to the Central Bureau of Investigation (CBI) through Department of Personal & Training for further action as deemed appropriate. After the approval granted by the Ministry, CBI has since registered a regular case and initiated criminal investigation against Shri B.S. Lalli, Shri Vasim Dahlavi of M/s Zoom Communication and others under Section 120/B r/w 420 IPC r/w 13(2) r/w 13(1) (d) of Prevention of Corruption Act, 1988.

(c) Does not arise.

(d) The High Level Committee in its first report on Host Broadcasting has estimated the cost of the production and coverage contract awarded to M/s SIS live for Rs. 246 Crore, as below Rs. 100 Crores. The estimation has been made on the basis on certain presumptions including the finding that the entire contract had been sub-contracted to and performed by M/s ZOOM Communications at a price of Rs. 177 crore. The report also brings out a number of shortfalls and deficiencies in services provided by M/s SIS Live. In its recommendations the Committee has stated that the excess amount paid to M/s. SIS Live be recovered.

Ministry had since examined the observations contained in the HLC report and forwarded the detailed comments to the Cabinet Secretariat pointing out a number of factual inconsistencies in the report. Subsequently, on the receipt of directions of the Prime Minister through the Cabinet Secretariat payments made to M/s SIS Live have since been reviewed by the Ministry in consultation with Prasar Bharati. It has been intimated by Prasar Bharati that till date payments of 60% (Rs. 147.60 Crore) of the total contract value (Rs. 246 Crore) have been made to M/s SIS Live and 40% (Rs. 98.40 Crore) payments are left. Further Performance Bank Guarantee equivalent to 10% of the contracted amount (i.e. Rs. 24.6 crore) submitted by the entity, the validity of which was about to expire on 31.03.2011 has also been got encashed by Prasar Bharati as there has been a failure on the part of M/s SIS Live to perform their

obligations under the contract and because M/s SIS Live was found to be in default under the contract. It has also been mentioned that recoveries amounting to 37.3% of the contract value have to be made from the outstanding payments for various shortfalls in services provided, towards payment of customs duty and liquidated damages. Any further payment out of the balance 2.7% outstanding payment will only be made after findings of the CBI are made available to the Ministry.