

**GOVERNMENT OF INDIA  
MINES  
LOK SABHA**

UNSTARRED QUESTION NO:3883  
ANSWERED ON:16.12.2011  
IRREGULARITIES IN NALCO  
Naik Dr. Sanjeev Ganesh

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

- (a) whether alleged irregularities have been reported in National Aluminium Company Limited (NALCO ) in award of contract in violation of its procurement policy;
- (b) if so, the details of cases reported in this regard;
- (c) whether investigating agency has sought permission to investigate and prosecute the officials found involved therein: and
- (d) if so, the details and present status thereof?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINES (SHRI DINSHA PATEL)

(a) and (b); During last 3 years the following cases of alleged irregularities have been reported in NALCO in award of contract. The status of these cases are mentioned against each:

S.No. Details Present Status

1. Award of contracts on Central Vigilance Commission (CVC) has advised to single tender nomination initiate major penalty proceedings against Chief basis to M/s Environics. Manager (Safety Health & Environment). The advice of the CVC has been conveyed to Chairman-cum-Managing Director, National Aluminium Company Limited (NALCO) who is the disciplinary authority.
2. Award of contract to The case was examined in consultation with the CVC. a local contractor M/s The CVC advised to incorporate a suitable clause RKD const. Pvt. Ltd. in future contracts to debar contractors having criminal cases pending against them/convicted in criminal cases, from participating in tenders. Advice of the CVC was conveyed to NALCO.
3. Award of contract for ash CVC has advised to initiate major penalty proceedings disposal to Mines Void Lean against Below Board Employees and to examine the role Slurry Mode. of Board Level functionaries, particularly the Functional Directors by an officer who is/was not on the Board of NALCO. Action has accordingly been initiated.

(c) and (d): Central Bureau of Investigation (CBI) had requested for prior permission of Central Government u/s 6 A of Delhi Special Police Establishment Act 1946 for preliminary inquiry against Chairman -cum- Managing Director, NALCO (under suspension) on alleged irregularities committed by CMD, NALCO and other officers in thematter of award of contract for ash disposal to Mines Void Lean Slurry Mode . CBI has been informed that action in this case has been initiated as per the advice of the Central Vigilance Commission.