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COMMITTEE ON PETITIONS

(FOURTEENTH LOK SABHA)

FIFTIETH REPORT

MINISTRY OF PETROLEUM AND NATURAL GAS

MINISTRY OF POWER



LOK SABHA SECRETARIAT
NEW DELHI

February, 2009/Phalguna, 1930 (Saka)

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MINISTRY OF POWER

(Presented to Lok Sabha on 25.02.2009)



LOK SABHA SECRETARIAT
NEW DELHI
February, 2009/Phalguna, 1930 (Saka)

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CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE ON PETITIONS	(iii)
1. INTRODUCTION	(v)
2. REPORT	
I. Representation of Shri S.Siva Sankara Rao of District Guntur, Andhra Pradesh requesting for re-instatement of his LPG distributorship terminated by Hindustan Petroleum Corporation Limited.	1
II. Representation from Shri Ram Kumar Pathak and others regarding grievances of local and land displaced people affected by NTPC Project, Kahalgaon, Bhagalpur	19
3. ANNEXURES	
I. Review of termination of M/s Sita Rama Gas & General Traders, Pedanandipadu, Guntur, AP	32
II. Village-wise details of Infrastructure works done by Kahalgaon Super Thermal Power Projects (1986 to 2007)	35
III. Minutes of the ninety fifth sitting of the Committee held on 16.09.2008.	38
IV. Minutes of the one hundred and first sitting of the Committee held on 19.01.2009.	41
V. Minutes of the one hundred and third sitting of the Committee held on 24.02.2009.	44

COMPOSITION OF THE COMMITTEE ON PETITIONS

Shri Syed Shahnawaz Hussain — *Chairman*

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4. Shri U.B.S. Negi — *Deputy Secretary*
5. Shri V.P. Gupta — *Under Secretary*

INTRODUCTION

I, the Chairman, Committee on Petitions, having been authorized by the Committee to present the Report on their behalf, present this Fiftieth Report of the Committee to the House on the following subjects:

- (i) Representation of Shri S. Siva Sankara Rao of District Guntur, Andhra Pradesh requesting for re-instatement of his LPG distributorship terminated by Hindustan Petroleum Corporation Limited.
- (ii) Representation from Shri Ram Kumar Pathak and others regarding grievances of local and land displaced people affected by NTPC Project, Kahalgaon, Bhagalpur.

2. The Committee considered and adopted the draft Fiftieth Report at their sitting held on 24th February, 2009.

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

NEW DELHI;
24 February, 2009
5 Phalgun, 1930 (Saka)

SYED SHAHNAWAZ HUSSAIN,
Chairman,
Committee on Petitions.

CHAPTER I

REPRESENTATION FROM SHRI S. SIVA SANKARARAO OF DISTRICT GUNTUR, ANDHRA PRADESH REQUESTING FOR RE-INSTATEMENT OF HIS LPG DISTRIBUTORSHIP TERMINATED BY HINDUSTAN PETROLEUM CORPORATION LIMITED

1.1 In his representation, the petitioner Shri S. Siva Sankara Rao, Proprietor, M/s. H.P. Gas, Shri Sita Ram Gas & General Traders, D.No.4-8, Gandhi Bomma Centre, District Guntur, Pedanandipadu, Andhra Pradesh stated that he has been running LPG Dealership of HPCL in the name of 'Sri Sita Ram Gas & General Traders' at Pedanandipadu, Andhra Pradesh since 1984. On 05.04.2005, a re-fill audit was conducted by the Sales Officer, HPCL and found variation of two cylinders out of 5416 in booking and delivery. The petitioner explained the position that two cylinders were booked on 02.02.2005 but were not reflected in the Sales Register and also in the Booking Register. However, the two consumer numbers were clearly shown in the Consumer HIS ORDER and REF files. Bills were also printed against the consumer numbers for the said two cylinders and the same were also entered in the day end procedure and produced before the Sales Officer. But the Sales officer was reluctant to accept the same in spite of the documentary evidence produced before him and a penalty of Rs.20830.42 was imposed on him. The petitioner further stated that on 10-11-2005, the Sales Officer made an untimely visit and filled the re-fill audit report manually with his own handwriting and pressurized him to subscribe his signatures on the refill audit report which was far away from the truth. Later on 22.11.2005, the Sales Officer sent a show cause notice with all false and baseless allegations, for which the petitioner gave a detailed reply with all documentary evidence. However, Senior Regional Manager was not satisfied with the reply and also pointed out in his letter dated 16.02.2006 that the petitioner had failed to explain as to how the bills were raised to 08 number of transfer customers, which according to the petitioner was a fresh allegation against him. The petitioner further stated that he had no occasion to explain his position regarding the aforesaid allegation and a penalty was imposed on him. The penalty amount was remitted by the authorities from the amounts sent by the petitioner for refill loads. On 21.09.2006, the Sales Officer again conducted the refill audit in which he indicated variation of 310 refills for which a show cause notice was issued to the petitioner on 10.11.2006. The petitioner replied the same on 29.11.2006. But the authorities issued a termination letter dated 07.04.2007 stating that the petitioner had committed irregularities under Marketing Discipline Guidelines(MDG) as a result of which his dealership was terminated. The petitioner also stated his whole family is depending on this sole business and his distributorship was terminated with the malafide intention and highhanded behaviors of the officers of HPCL. The petitioner, therefore, requested for re-instatement of his distributorship immediately.

1.2 The Committee took up the representation for examination under Direction 95 of Directions by the Speaker. Accordingly, the above representation was forwarded to the Ministry of Petroleum & Natural Gas (MoP & NG) on 4th May, 2007 requesting them to furnish their comments on the issues raised in the representation. In their response, the MoP & NG *vide* communication dated 26th July, 2008 submitted their comments as under:—

“The matter has been investigated in consultation with the Hindustan Petroleum Corporation Limited (HPCL). The point wise reply to the representation is as follows:—

First Offence

In this petition before the Committee, the Distributor had reported that two refills, which were found short during the refill audit, pertained to Consumer Nos.605021 & 600637 who had made their bookings on 02.02.2005. The distributor has explained that the difference arose during the refill audit on 05.03.2005 since details regarding connection type etc. had not been entered in the computer. Further distributor has also stated in its reply dated 10.03.2005 that the undelivered 2 cylinders were not accounted for by the computer operator who was new to the job. HPCL has reported that the explanation of the distributor dated 10.03.2005 is an after thought and in any case both the explanations show that the daily accounting process of LPG cylinders was not completed even after a month when the refill audit was conducted on 05.03.2005.

The distributorship was also not sure of what went behind these 2 cylinders that in as much as in his explanation dated 10.03.2005 it has been stated “This is our humble request to treat as first mistake”. The present explanation given by the distributorship before the Committee is, therefore, merely an after thought and may be unacceptable.

A debit note was, therefore, issued on the distributorship, as per the Marketing Discipline Guidelines (MDG) (penalty of Rs.20,000/- plus recovery of the differential amount of Non-Domestic & Domestic cylinders, totaling to an amount of Rs.20,830/-) & recovered from the distributorship.

As regards the allegation of grudge against the distributor, HPCL has reported that there was no bias of the Corporation against the distributor, as there have also been instances when the distributor’s explanation on observed irregularities was accepted by HPCL or no irregularity was observed in the inspections and therefore no action was taken against him. Details of these instances are as under:—

- (i) No variation in refill audit was observed during the inspection on 03.07.2005. For unauthorized cash & carry refill deliveries observed during this inspection, he was let off merely with counselling.
- (ii) As booking of refills was more than sales during refill audit and no variation in stock reconciliation was observed on 21.08.2005, no action was taken by HPCL.

- (iii) Similar refill audit and stock reconciliation on 15.02.2006 resulted in no action.
- (iv) During random verification on 27.09.2006, 3 consumers could not be located at the addresses as per distributor's records. Explanations pertaining to 2 were accepted and no action was taken on this account.

Second Offence

The second offence relates to alleged diversion of eight cylinders which was detected by the Inspecting Officer on 10th November, 2005. The distributor has alleged that as the Sales Officer had grudge against the distributor, he made the distributor to sign a refill audit report prepared manually in his own handwriting. HPCL has reported that, in line with industry practice, refill Audit report is always made manually based on the orders for refills placed by consumers and sales effected by the distributor as entered in their computerized records. The allegation of getting forced signatures was not brought to the notice of HPCL earlier and is reported to be an after thought.

HPCL has further reported that diversion of domestic cylinders was investigated by short listing with the help of software which indicates the details of the consumers who have been supplied cylinders on or after the termination date. The diversion was established through short listing of supplies to terminated customers and not by comparing refill bookings with sales. Possibly for this reason, the distributor felt that refill Audit was not done through computer.

HPCL has also reported that during the inspection on 10th November, 2005, a few more irregularities were also observed/established as detailed below:—

- (i) Unauthorized non-home delivery was observed as the consumers were found to be taking refills from distributor's godown. As the distributor could not give any satisfactory explanation, action by way of warning/counselling was taken under MDG, 2001.
- (ii) The number of customers, as per computerized data maintained by the distributor, were found to be in excess as compared to the weekly reports submitted by the distributor. As on 10th November, 2005 *i.e.* on the date of inspection, the number of cylinders in the records were in excess by 145 cylinders and 270 regulators, meaning thereby security deposits against 270 connections were not accounted for by the distributorship to HPCL. As the distributor could not explain this lapse, a warning/caution was advised to him.
- (iii) There was a pending booking of 2016 refills as on close of 09.11.2005, *i.e.* the date prior to the date of inspection. It was noticed that (i) five cylinders booked on 09.11.2005 (ii) 20 cylinders booked on 02.09.2005 and (iii) 22 cylinders booked on 19.10.2005 were delivered on the same day of booking *i.e.*, 09.11.2005. The distributor contended it to be a clerical error which was not acceptable as the delivery of cylinder also involved physical action. The distributor was advised warning/caution under MDG, 2001.

- (iv) Distributor was earlier advised to transfer customers to newly commissioned IOCL dealer at Parchur & Inkollu Mandals which is outside petitioner's but part of trading area of the new distributor. However, he chose to challenge it in High Court. The Court *vide* common order dated 05.08.2003 in WP NO.9100/2003 & No.13085/2002 upheld HPCL's directions. Still the same was not complied—it is recorded in Inspection report of 10.11.2005 that 10 consumers randomly verified were issued refills whereas these customers were residing as per distributor's record in Parchur & Inkollu Mandals. Distributor's explanation that refill supplies were continuing to some customers who are yet to be transferred was not found satisfactory because court orders were not getting honoured. Therefore, HPCL issued the distributor warning/caution.

A debit note was raised as per MDG for Rs.54,669/- and was paid by the distributor through separate demand drafts and not adjusted against refill payment as alleged by the distributor.

Third Offence

The distributor has stated that diversion of 310 domestic cylinders detected during the refill audit of 21.09.2006 was due to non-delivery of the cylinders due to the heavy rains on 20.09.2006 as the records of deliveries made on 21.09.2006 were submitted on 22.09.2006. HPCL has reported that the distributor had shown these cylinders having been delivered on 20.09.2006 itself. Had these cylinders been undelivered on 20.09.2006, there would not have been any discrepancy in the refill Audit on 21.09.2006.

In order to further verify the distributor's claim of having delivered the cylinders as claimed by him, he was asked to show counterfoils (of cash memos) pertaining to delivered cylinders and cash memos of undelivered cylinders of 20.09.2006. However, he failed to show these documents to the inspecting officers on 21.09.2006. However, on 22.09.2006 the distributor produced a bunch of refill cash memos of deliveries made on 21.09.2006 and sale register for 21.09.2006. As the same pertained to a date subsequent to the cut off date of Audit, which was 20.09.2006, the same were not accepted.

Besides, a random check was also conducted with customers on 27.09.2006 when 7 customers confirmed that they had not received any refill on 21.09.2006, which also turned out to be contrary to the claim of the distributor.

Besides the above established offence, the following irregularities were also observed during the inspection on 21.09.2006 and the random verification on 27.09.2006:—

- (i) Another instance of supply of refills to 10 customers of Parchur area (which is supposed to have been transferred in 2003 itself to IOCL distributor). This shows unauthorized and continued supply in area transferred to another distributor in violation of HPCL's as well as Court's directions.

- (ii) Non-verification of any entry in Domestic Gas Consumer's Card. This has been accepted by distributor in his explanation.
- (iii) 35 consumers were either not given refills on the dates claimed in distributor's records or not given refills at all. This has not been explained by distributor in his explanation.
- (iv) Unauthorized connection one by releasing in take name.

Further, in February, 2007 claims of distributor towards refund of security deposit to transferred customers was reviewed. It was observed that in 169 cases the names and signatures on Subscription Voucher does not match with the names on the Termination Voucher. HPCL has reported that these could be fake Termination Vouchers generated for unauthorized connections. However, no action could be taken as the distributorship had already been terminated.

In view of the foregoing, and as the reply of the Distributor to the Show Cause Notice was unsatisfactory, HPCL, after due deliberation, was finally compelled to issue the Termination Letter dated April 05, 2007 to the Distributorship."

1.3 The petitioner, thereafter, submitted a further representation in the matter dated 5th October, 2007 wherein he submitted briefly, as under:—

- I. Refill audit and random customer verification on 05.03.2005: sales of 2 Nos., refill cylinders over and above cash memos, reply given by the petitioner *vide* letters dated 10.3.2005 and 11.03.2005.
 - (i) That they have raised booking Order Numbers 5909 and 5910 dated 02.02.2005 (one refill each) and have delivered the cylinders on the same day. They have also raised cash memos Nos.5828 and 5829 on the same day and completed the day end procedure.
 - (ii) That the above cash memos were very much there in H.I.S. order and H.I.S. Ref. file dated 02.02.2005 which can be verified at any point of time with Central Computer System at Mumbai and also in the C.Ds. taken by the Executive Sales Officer.
 - (iii) That above two cash memos were not reflected in the 'Refill Sales Register' as in the consumer data, the details and Code Numbers were not there. It is the duty of the Executive Sales Officer to rectify all HP Gas package files.
 - (iv) That it was the mistake of the HPCL Package Consultant who never rectified the problems. At the time of inspection, the sales officer were never verified the H.I.S. order H.I.S. Ref. files for coming final conclusion.
 - (v) That the new computer operator failed to explain the reasons about the two numbers which were not reflecting in the sales register at the time of the refill audit as he was new for this job and that the petitioner has studied upto seventh class only and his computer knowledge is limited.

- (vi) That as a protest the petitioner did not pay the penalty imposed on them. But HPCL collected the above penalty from the amount sent by them against the LPG refill cylinders.
- II. Show Cause Notice No. HPCL/DLRO/LPG dated 19.11.2005 by HPCL, Kondapalli: issuing refills to Inkollu and Parchur area customers. Reply given by the petitioner *vide* letters dated 03.12.2005 and 20.02.2006 and 07.03.2006.
- (i) The petitioner had about 2500 connections of Inkollu and Parchur area at the time of receiving the above show cause notice.
- (ii) That the petitioner had terminated about 2100 connections, leaving a figure of about 400 connections of these two areas.
- (iii) That the customers are not coming forward for termination for various reasons like loss/misplacement of original documents, persons away from their areas, lack of education etc.
- (iv) That a minority of customers are approaching them, for refill cylinders without S.Vs. and such customers are given replies only on humanitarian grounds. Even this sort of giving refill cylinders is according to the instructions given by HPCL, Kondapalli, in their letter dated 15.02.2005. Which stated that the customers are at liberty to take their refill on Cash and Carry System from Pedanandipadu, if they so desire.
- III. HPCL Letter dated 14.02.2006 – imposing a fine of Rs.54,668/- for 8 Nos. refills issued to T.V. Out customers:—
- (i) That the computer will refuse to book a refill cylinder for T.V. out customers, or issue of bills for such T.V.(Termination Voucher) out customers. A customer, who has taken a Termination Voucher, is no more a customer of that HP Gas Dealer and therefore, giving refill cylinders to T.V. Out customers to 8 numbers does not arise.
- (ii) That HPCL did not give details of these 8 refills supposedly issued by them in response to letters dated 20.02.2006 and 07.03.2006 written by the petitioner.
- (iii) That HPCL imposed a fine of Rs. 54,668/- even without raising a debit note. There was no mention of this matter in their show cause notice dated 19.11.2005 or even in the refill audit report of 09.11.2005.
- (iv) That later after about 3 months, HPCL raised their debit note No.6000003 dated 08.05.2006 and collected the said amount through the amounts paid by them for refill cylinders.
- IV. HPCL Show Cause Notice dated 8.11.2006: Diversion of 310, 14.2 Kg. domestic gas for non-domestic purposes as per the refill audit report dated 21.09.2006:
- (i) That their average daily refill sales is about 130 Nos.

- (ii) That a small rural area dealer like him can divert 310 domestic cylinders for non-domestic use on a single day.
- (iii) That the intention of HPCL is quite evident as they want to book him on third offence and ultimately terminate his HP Gas Agency. In spite of personal explanation and later *vide* letter dated 02.12.2006.
- (iv) That on 19th and 20th September, 2006, because of heavy rain, many of the refill cylinders could not be delivered to the customers. All these returned refill cylinders together the cylinders of 21st September, 2006. They have delivered 310 cylinders early in the morning.
- (v) That the Executive Sales Officer came to their Office in the afternoon of 21st September, 2006, and without giving any credence to their explanation came to the conclusion that they have diverted 310 domestic gas cylinders to non-domestic purposes.
- (vi) That the petitioner asked the Executive Sales Officer to wait till the delivery boys return to their office but he refused to wait and reported that they have diverted 310 domestic cylinders. This shows his intention, hastiness and ulterior motive. He even refused to look into the bills etc., which they have personally shown to him in his office at Guntur on the very next day, *i.e.*, 22.09.2006. Even on the day of inspection, *i.e.*, 21st September, 2006 the Executive Sales Officer did not even care to see the details on computer, in spite of their request.

1.4 The above representation was also forwarded to the MOP & NG on 19th October, 2007 for furnishing their comments on the points raised therein. In their response, the MoP&NG *vide* communication dated 6th February, 2008 furnished their comments as under:—

“Complete details of the investigation conducted by Hindustan Petroleum Corporation Limited (HPCL) have already been given on 26th July, 2007. The petitioner’s fresh representation has been investigated in consultation with the HPCL. The point wise reply to the representation is as follows:—

First Incident

I. Refill audit & random customer verification on 05.03.2005

HPCL has informed that although letter dated 10.03.2005 is on their records, the petitioner has now introduced letter dated 11.03.2005 as an after thought. Para-wise comments of HPCL on the fresh representation are as under:—

- (i) For the difference of 2 cylinders the petitioner’s explanation dated 10.03.2005 was that these undelivered cylinders were not accounted for by the new computer operator. The current explanation is therefore an after thought. In any case both the explanations show that the daily accounting process was not completed even after a month, *viz.*, date of booking being 02.02.2005 & date of audit being 05.03.2005. Diversion of subsidized domestic LPG is detected on the basis of daily accounting

which is an Industry practice. Therefore such an omission cannot be treated as an innocent lapse and condoned.

HPCL has further reported that the identity of the customers in terms of their customer Nos. and cash memo. Nos. were not provided by the petitioner in his first explanation dated 10.03.2005.

The petitioner was so unsure of what went behind these 02 cylinders that in his explanation dated 10.03.2005 stated "This is our humble request to treat (this) as first mistake". Thus the present explanation appears to be an attempt to give an impression that HPCL did not consider his explanation.

- (ii) The files "H.I.S. Order" & "H.I.S. Ref" are back end software files in HP GAS software package in custody of the petitioner. These files are not verified in the field. The CD from HP Gas Package of the dealership was not taken by the Executive Sales Officer and these are not available at HPCL, Kondapalli for the inspection dated 05.03.2005.
 - (iii) It is the duty of the petitioner as a distributor and not of Executive Sales Officer to maintain a correct data for all customers and explain the difference in a refill audit, if any. Further, as stated above, the identity of the customers in terms of their customer Nos. and cash memo Nos. were not provided by the petitioner of his first explanation dated 10.03.2005.
 - (iv&v) Keeping correct data is the petitioner's responsibility as an LPG distributor. Errors due to the code numbers or due to any other reason gets thrown up in daily accounting of filled cylinder stock reconciliation. In this case the petitioner did not reconcile the daily stock even after a month. The files quoted by the petitioner are software files which are on backend of the HP GAS software package. These files are never to be opened by distributor or the Executive Sales Officer. These files are never verified during the inspection by the Sales Officer who draws out only reports pertaining to refill booking & Sales on the basis of which Refill Audit & Inspection reports are written.
 - (vi) Knowing very well the daily accounting system the petitioner failed to account properly for 02 cylinders on daily basis as replied *vide* letter dated 10.03.2005. He also failed to reconcile this difference for a month.
 - (vii) There is no other protest on HPCL's records than this petition against the debit note.
 - (viii) Recovery of dues to HPCL has no element of unfairness on the company's part.
 - (ix) As explained above there is no record as CDs and data in central computer system.
- II. Show Cause Notice HPCL/VLRO/LPG dated 19.11.2005: Issue of refills to Inkollu & Parchur area.

(i) to (v) The petitioner was ordered to transfer customers in Parchur & Inkollu areas by the Hon'ble High court of Andhra Pradesh on 05.08.2003 in W.P. No.9100/2003, 25031/2002 & No.13085/2002. Therefore HPCL's action against the petitioner was for non-compliance of court orders. Notwithstanding the reasons for continued refill supply to customers in these areas the Hon'ble Court's orders were still not complied by the petitioner. Therefore the explanation is neither acceptable now nor was it acceptable earlier.

III. Letter HPCL/VLRO/LPG dated 14.02.2006: Fine of Rs.54668/- for 08 Refills issued to TV OUT customers.

(i) & (ii) It is accepted that ordinarily all transactions of a customer gets blocked with issue of Termination Voucher. However, in this case the back up data was tampered by the petitioner. Supply to terminated customers was detected with help of software by the Inspecting Officer. The claim in the petition was neither brought to the Company's notice earlier nor is verifiable now.

(iii) & (iv) Details of customers to whom 8 cylinders were supplied after termination was part of the refill audit report, a copy of which was given to petitioner then and there only. The letters dated 20.02.2006 & 07.03.2006 purportedly said to have been forwarded by the petitioner are not there on HPCL's records. In any case details of customers were already available with the petitioner.

Debit note was raised by HPCL on 08.05.2006 for Rs.54668/- in line with guidelines after the petitioner replied to the show cause notice and paid the amount. Petitioner's contention that the amount was deducted by HPCL is false as the payment was forwarded by him to HPCL by a separate DD and under covering letter dated 05.05.2006.

(v), (vi) There are no CDs' provided by petitioner to HPCL. The allegations of & (vii) *malafide* intentions etc. is without verifiable facts.

IV. Show Cause Notice JV/LPG dated 08.11.2006—Diversion of 310 domestic LPG cylinders for non-domestic purposes.

(i), (iii) The Stock register maintained by the petitioner shows many days when around 300 refills were sold. Following are few out of many such dates:—

28.09.2006	480 cycls.
20.09.2006	309 cycls.
19.09.2006	300 cycls.
18.09.2006	306 cycls.
12.09.2006	289 cycls.
26.07.2006	321 cycls.

30.06.2006	324 cycls.
03.05.2006	300 cycls.
29.05.2006	324 cycls.
29.04.2006	324 cycls.
30.04.2006	324 cycls.

(iv) The allegation is without verifiable fact.

(v) The statements are general and without verifiable facts.

(vi),(vii) Non delivery of refill cylinders due to rains etc. is not acceptable because

&(viii) the refill audit was done with opening stock of 21.09.2006 which showed 48 full cylinders only. Therefore, it is an after thought and non-verifiable claim to have sent 310 full cylinders in the morning of 21.09.2006 for delivery.

On the day of inspection *i.e.* 21.09.2006 the petitioner could not produce the counterfoils/cash memos of the delivered/undelivered cylinders of 20.09.2006. This was recorded in the Inspection report duly acknowledged by the petitioner.

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1.5 The MoP&NG *vide* communication dated 15th September, 2008 furnished their latest comments in the matter as under:—

“HPCL has informed that the advertisement for setting up of new LPG distributorship in lieu of terminated distributorship of Shri S. Siva Sankara Rao, M/s. Sita Rama Gas & General Traders was issued on 01.10.2007 and interviews were conducted on 28.01.2008. The Field Verification Credential of the selected candidate has been conducted and further progress on the selection was held up due to investigations of complaints against selection. The investigations of complaints have been completed on 09.09.2008 and HPCL would be taking further action on selection as per procedure.”

1.6 In reply to a question as to what penalties were imposed by the Oil Company on the dealer, the MoP&NG in their communication dated 15th September, 2008 have informed as under:—

“The penalties imposed on the distributorship alongwith the basis for imposition are as under:

- Penalty of Rs.220,830 was imposed on 10.03.2005 for diversion of 2 LPG cylinders for the 1st offence.
- Penalty of Rs.54,669 was imposed on 14.02.2006 for diversion of 8 LPG cylinders for the 2nd offence.
- The distributorship was terminated on 05.04.2007 for diversion of 310 domestic LPG cylinders for the 3rd offence.”

1.7 The Committee were informed by the MOP & NG *vide* their communication dated 15th September, 2008, about the refill audit report prepared by the Sales Officers on his visit on 10.11.2005 and subjecting the petitioner to substitute his signatures on the said report, as under:—

“HPCL has reported that the allegation of the Sales Officers subjecting the petitioner to substitute his signature on the report is an after thought and unsuccessful attempt to show bias on part of field office. HPCL has further reported that the allegation was not brought out in the explanation submitted by the petitioner in response to the show cause notice issued to the distributorship.”

1.8 According to the petitioner, he was not given any opportunity to explain his position on the allegations regarding the bills raised to 08 numbers of transferred customers. In reply to this, the MOP&NG *vide* their communication dated 15th September, 2008 stated as under:—

“The petitioner was ordered to transfer customers in Parchur & Inkollu areas by the Hon’ble High Court of Andhra Pradesh on 05.08.2003 in W.P. No.9100/2003, 25031/2002 & No.13085/2002. Therefore HPCL’s action against the petitioner was for non-compliance of court orders. Notwithstanding the reasons for continued refill supply to customers in these areas the Hon’ble Court’s order was not complied by the petitioner. Therefore, the explanation of the petitioner was not accepted by HPCL.”

1.9 The Committee took oral evidence of the representatives of the MoP&NG on 16th September, 2008. During the course of evidence, Secretary, MoP&NG informed the Committee as under:—

“As far as S. Siva Sankara Rao, district Guntur, HPCL is concerned, the Company terminated his distributorship after he committed three lapses about which the Ministry had enquired from the Company. The Company has informed us regarding the details of lapses on his part and as per the guidelines of the Company, his distributorship already stands terminated and under the rules of the Company. Reconsideration of his case is only through arbitration to which Shri Siva Shankara did not prefer to go. He may go to arbitration if he wants to because once it is terminated by the Company, a reconsideration is not possible at Company’s level. The Company’s opinion is that they have taken a right decision on the basis of available facts.”

1.10 The Committee asked whether this rule regarding non-consideration after resorting to termination of distributorship prevails in Hindustan Petroleum only or in all Companies. At this the representative of MoP&NG stated as under:—

“The Company’s rules regarding LPG Distributes do not provide for an appellate authority.”

The witness further added:—

“It is applicable to all Companies.”

1.11 When the Committee asked as to whether this matter was appropriate for termination, the C.M.D., HPCL responded as under:—

“Sir, in this case of Hindustan Petroleum Corporation, it is about Sitaram Gas in Guntur and the proprietor was Shri Siva Shankar Rao. He was there from 1984. The first offence was on 10.03.2005 and as per the MDG guidelines, a fine of Rs.20,000 was levied because there was a diversion of cylinders. The second offence was on 10.11.2005 where eight refill cylinders were diverted and this was caught. As per the MDG we had levied a penalty of Rs.54,669. The dealer was cautioned and also advised not to resort to these things. In spite of that, on 21.09.2006 a third major offence under the MDG was done wherein 310 cylinders were found to be diverted. After that we had issued a show cause notice on 08.11.2006. His reply was found to be unsatisfactory and based on the MDG that is Marketing Discipline Guidelines, his dealership was terminated. This is the case.”

1.12 When the Committee pointed out that the petitioner had put all the records before the sales officer and no difference was found therein, the witness from HPCL stated as under:—

“Sir, a detailed investigation was done by our sales officer and regional manager. It is based on that the case has been established.”

1.13 The Committee wanted to know as to how the report of salesman could be treated as a final report while taking such an important decision. Replying to this, the witness from HPCL stated as under:—

“The salesman’s report was fully reviewed by the concerned regional manager and the Head of the LPG Department also looks at it very carefully before any drastic action is taken.”

1.14 When the Committee wanted to know as to which officer verifies the place of business besides sales officer, the witness stated that the regional manager also verifies the findings of the sales officer.

1.15 On being asked about the officer who verified the place besides sales officer, the Director Marketing, HPCL stated as under:—

“I have gone through the whole of the history in regard to this particular case. After going through the same, we also thought that there might be some flaw in it. When the petition was received in the Petition Committee, I personally called in sales officer, regional manager to my office and thoroughly examined the history of entire case. It was evident after the examination that the sales officer working there was wise enough and at that time of inspection, there were 29 distributors in his area. They conducted more than 80 inspections every year as per procedure and each time in there inspections that particular dealer was found.”

1.16 When the Committee wanted to know as to whether any Senior Officer went to verify the stock at the place of business, the witness from HPCL responded as under:—

“We carried out lot of verifications after the termination Regional Manager did not go there, but he examined all the records.”

1.17 When asked whether his documents were re-checked, the representative of HPCL stated as under:—

“So far as the documents regarding distributors are concerned, all have been provided in the computer.”

1.18 The Committee directed the HPCL to send any senior officer for enquiry in the matter. If the statement of petitioner is found to be correct after enquiry and it is revealed that he was wrongly removed, then his case should be reconsidered. The Company should satisfy itself at every level before taking such a major decision. Responding to this, the Director Marketing, HPCL stated as under:-

“We will get it investigated by a senior officer.”

1.19 In compliance with the directions of the Committee given during the oral evidence on 16 September, 2008 regarding conducting an independent inquiry by a senior official of HPCL in the matter, the MoP&NG *vide* O.M. dated 16-02-2009 stated that a committee was set up by HPCL comprising of DGM(LPG), HQ and DGM(LPG), SC Zone. As reported by HPCL, the committee met at Vijaywada on 24 September, 2008 to review the termination of the distributorship of the petitioner. The comments of the committee on the repeated instances of malpractices and irregularities are enclosed at *Annexure-I*.

Observations/ Recommendations

1.20 The Committee note from the submission of the petitioner, Shri S. Siva Sankara Rao that he has been running LPG dealership of HPCL in the name of ‘Sri Sita Ram Gas & General Traders’ at Pedanandipadu, Andhra Pradesh since 1984. During refill audit on 5 April 2005, a discrepancy of two cylinders was found by the Sales Officer. But in spite of the documentary evidence produced before him to the effect that the two cylinders were booked on 2 February 2005 and were also delivered to the customers, a penalty of Rs. 20,830.42 was imposed on the petitioner. Although, he did not pay the penalty imposed by HPCL but the same was recovered by HPCL from the amount deposited by the petitioner against the LPG refill cylinders. Again during his visit on 10 November 2005, the Sales Officer filled the re-fill audit report manually and pressurized the petitioner to subscribe his signatures on the refill audit report which, according to the petitioner, was far from the truth. In response to the show cause notice dated 19 November 2005 issued by the HPCL, the petitioner gave a detailed reply with all documentary evidence. But, HPCL *vide* letter dated 14 February 2006 imposed a fine of Rs.54668/- for eight number of refills issued to transferred customers, which was not even mentioned by HPCL in their show cause notice dated 19 November 2005 or refill audit report dated 10 November 2005. The petitioner had no occasion to explain his position regarding the aforesaid allegation

and contended that it could not be possible to give refill cylinders to Terminated Vouchers (TV) out customers, as the computer would refuse to book refill cylinder and bill for such customers. The petitioner asked HPCL to reinvestigate the matter and to provide the details of these eight refills supposedly issued by the petitioner. But HPCL imposed a penalty of Rs. 54668/- without even raising a debit note. After three months, HPCL raised their debit note dated 8 May 2006 and collected the penalty from the amount deposited by the petitioner for refill cylinders. The Sales Officer again conducted the refill audit on 21 September 2006 in which he indicated variation of 310 numbers of refills for which a show cause notice dated 8 November 2006 was issued to the petitioner. In his reply, the petitioner contended that on 20 September 2006 the refills could not be delivered to the respective customers due to heavy rain and therefore, these refills were delivered on 21 September 2006. Further, due to irregular and drastic power cuts, the entry in this regard could not be made into the computer. The petitioner has alleged that Sales Officer even refused to look into the bills etc. which were shown to him in his office at Guntur on the very next day, i.e. 22 September 2006. Ultimately, on 7 April 2007, the distributorship/ dealership of the petitioner was terminated allegedly due to mala fide intention and the high handedness of the official of HPCL. The petitioner has, therefore, requested that he may be given justice by reinstating his distributorship/ dealership.

1.21 The Committee were informed that during refill audit on 5 March 2005, the field officer recorded diversion of 2 domestic cylinders. In his explanation, the petitioner stated that the difference of two refills/ cylinders arose as these delivered cylinders were not accounted for by the computer operator. The HPCL have reported that the explanation of the distributor/petitioner dated 10 March 2005 was an afterthought and that in any case the explanation of the distributor shows that the daily accounting process of LPG cylinders was not completed even after a month from the date of booking i.e. 2 February 2005, while the refill audit was conducted on 5 March 2005. According to HPCL, the diversion of domestic LPG cylinders was detected on the basis of daily accounting which is an industry practice. Therefore, such an omission cannot be treated as an innocent lapse and condoned. As per the Marketing Discipline Guidelines (MDG), a debit note imposing penalty of Rs. 20,830/- was imposed on the distributor/ petitioner for the first offence and recovered from him.

1.22 The Committee were further informed that the second offence relates to alleged diversion of eight cylinders which was detected by the Inspecting Officer on 10 November 2005. HPCL has reported that, in line with industry practice, refill audit report is always made manually based on the orders for refills placed by consumers and sales effected by the distributor as entered in their computerized records. The allegation by the distributor about getting his forced signature was not brought to the notice of HPCL earlier and is reported to be an afterthought. HPCL has further reported that diversion of domestic cylinders was investigated by shortlisting with the help of software which indicates the details of the consumers who were supplied cylinders on or after the termination date. The diversion was established through shortlisting of supplies to terminated customers and not by comparing refill bookings with sales. A debit note was raised as per Marketing Discipline Guidelines (MDG) for Rs.54,669/- and was paid by the distributor through separate demand drafts and not adjusted against refill payment as alleged by the petitioner.

1.23 As regards the third offence of the distributor, the Committee were informed that during inspection and refill audit on 21 September 2006, diversion of 310 domestic cylinders was detected. HPCL have reported that the petitioner had shown these cylinders having been delivered on 20 September 2006 itself. The petitioner had also failed to show on 21 September 2006 counterfoils of cash memos pertaining to delivered cylinders and cash memos of undelivered cylinders of 20 September 2006. However, on 22 September 2006, the distributor produced a bunch of refill cash memos of deliveries made on 21 September 2006 and sale register for 21 September 2006. As the same pertained to a date subsequent to the cut off date of audit, which was 20 September 2006, the same were not accepted. According to HPCL, a random check was also conducted with customers on 27 September 2006 and it was found that 07 customers had not received any refill on 21 September 2006. In view of the foregoing and as the reply of the distributor to the show cause notice was unsatisfactory, HPCL after due deliberations, was finally compelled to terminate the distributorship of the petitioner on 5 April 2007.

1.24 During the course of evidence, the Committee were informed that the LPG distributorship of the petitioner was terminated as per the guidelines of the Company after he committed three lapses. His case could now be reconsidered only through arbitration to which the petitioner did not prefer to go. Since the Committee were not satisfied with the decision of HPCL to terminate the distributorship of the petitioner simply on the basis of the report of the Sales Officer, HPCL were, therefore, asked to get an investigation conducted by some Senior Officer of the Company. In pursuance thereof, the Committee were informed that a team of Senior Officers met at Vijayawada on 24 September 2008 to review the termination of the distributorship of the petitioner. However, in their findings, the team did not find anything wrong in the conclusion of the Regional Manager and noticed that the evaluation of the field officer and recommendations leading to the termination of distributorships were objective and transparent. The petitioner was also given a personal hearing at Vijayawada on 24 September 2008 but the contentions of the petitioner were found to be too general and unverifiable. The team, therefore, did not find the termination of the distributorship of the petitioner as irregular.

1.25 The Committee are surprised and anguished to note that the team of Senior Officers constituted by the Ministry/ HPCL to look into the alleged malpractices and irregularities committed by the petitioner which ultimately led to the termination of his distributorship simply relied upon the findings of the Field Officer. This is clear from the fact that instead of looking into the facts of the case at the location itself, a team of Senior Officers met at Vijayawada to satisfy themselves with the report of the field officer and conclusion of the Regional Manager. This shows how casually the whole exercise of re-investigation in the matter has been carried out by the HPCL in spite of specific directions by the Committee.

1.26 The Committee observe that the Field Officer carried refill audit on 5 March 2005 and found sale of two refill cylinders over and above cash memos. In his explanation dated 10 March 2005, the petitioner informed HPCL that the two refills could not be accounted for by the new computer operator and on

11 March 2005 forwarded the details of the supporting documents like refill order, sales order and bills relating to two consumers. The Committee observe that in support of his claim that the said two refills were actually delivered to the customers and not diverted as alleged by HPCL, the petitioner has submitted copies of cash memos (Nos. 5828 & 5829) which were raised against booking order Nos. 5909 and 5910 on 2 February 2005. In the absence of any objection from HPCL against these documents, the Committee are inclined to accept the contention of the petitioner that two refills were actually delivered to the customers although the same were not accounted for at the day end procedure. In view of this, the Committee are of the view that the petitioner could not be charged for diversion of two refills merely for his failure to maintain the correct data of the customers. The HPCL have not produced any document in support of their charge against the petitioner except the inspection report of the Field Officer which may not necessarily be true submission of facts by him for one reason or the other. In the opinion of the Committee, the alleged charge against the petitioner relating to diversion of two domestic refills has not been conclusively proved and therefore, a penalty of Rs. 20830/- imposed on the petitioner for the alleged offence is irregular.

1.27 As regards the second offence/incident relating to diversion of eight domestic refills to Terminated Vouchers (TV) out customers, which was detected by the Field Officer in his refill audit conducted on 10 November 2005, the Committee observe that the refill audit report dated 10 November 2005 does not reflect diversion of 08 numbers of refills though audit as the case of report dated 5 March 2005 *i.e.* first incident of alleged offence, do mention diversion of refills, if any. Further, copies of the refill audit report dated 5 March 2005 and even refill audit report dated 21 September 2006 seem to be computer generated copies contrary to the claim of HPCL that refill audit report is always prepared manually. Thus, the allegation of the petitioner that the report dated 10 November 2005 was prepared manually by the Field Officer for obvious reasons to harass the petitioner cannot be completely ruled out. HPCL have accepted that ordinarily all transactions of a customer gets blocked with the issue of Termination Voucher. However, in this case, HPCL have alleged that the back up data was tampered by the petitioner and supply of refills to terminated customers was detected with the help of software. However, no independent opinion of the software engineer or the computer operator who was deployed by HPCL as claimed by the petitioner, has been adduced by HPCL in support of their contention. The Committee fail to understand that if the petitioner had tampered with the back up data, why the same was not reflected in their refill audit report dated 10 November 2005 or in their show cause notice dated 14 February 2006 issued to the petitioner. It is also inexplicable as to why the petitioner will remit the payment on 5 May 2006 before the issue of debit note which was raised by HPCL after 3 days, *i.e.* on 8 May 2006. Thus, the claim of the petitioner that the amount of penalty was deducted by HPCL from the amount which was remitted by him against refill cylinders seems to be correct. These incidents create reasonable doubts about the intention of the field officer of HPCL against the petitioner, as alleged by him.

1.28 As regards the third offence of the distributor, the Committee were informed that during inspection and refill audit on 21 September 2006, diversion of

310 domestic cylinders was detected. The Committee observe that there were occasions when the refill sold by the petitioner was around 300 refills on a particular day. Even then, it is not understandable as to why the petitioner would divert all the 310 refills sold on a particular day, particularly after being penalized on two occasions in the past and knowing fully well that another offence on his part may ultimately lead to termination of his distributorship. In fact, the Committee observe that the petitioner was able to produce cash memos in respect of deliveries of 310 refills which were made on 21 September 2006 but the same were not accepted by the HPCL for the reasons known to them. The Committee fail to understand that if the 310 refills were delivered to the customers even at a later date, how it could be explained that the petitioner was involved in diversion of 310 refills, unless and otherwise it is proved that the deliveries of refills were not made to the actual customers. Therefore, the claim of HPCL in respect of third incident of offence involving diversion of more than 300 refills apparently appears to be false. Although HPCL have claimed that 07 customers had actually not received any refill on 21 September 2006 contrary to the claim of the petitioner, they have not produced the details of such customers or any documentary proof in support of their claim. The Committee fail to understand as to how the Field Officer came to the conclusion that the petitioner was involved in diversion of 310 refills if the petitioner was able to produce documents in support of his claim that these refills were actually delivered to the customers.

1.29 Another major charge against the petitioner is that he failed to transfer the customers to another IOCL distributor in Parchur and Inkollu areas despite instructions from HPCL and orders of the High Court of Andhra Pradesh on 5 August 2003. In this context, the petitioner has claimed that they have already terminated a large number of connections leaving a very few customers of these areas. According to the petitioner, these left out few customers have not come forward for termination of their connections for reasons like loss/misplacement of original documents, persons away from their areas or lack of education etc. Further, some of these customers have approached for refill cylinders which are being considered on humanitarian grounds as per instructions of HPCL vide letter dated 15 February 2005, which inter-alia stipulates that customers are at liberty to take their refill on cash and carry system from Pedanandipadu (petitioner's LPG outlet), if they so desire till the completion of their transfer. The Committee observe that there is no document/ record which shows that there was any specific period by which all the customers were to be transferred by the petitioner. The Committee also feel that perhaps it would not be possible for the petitioner to transfer all the customers in one go and the same could be done only in stages after completing all the formalities. Even then, as per the submission of the petitioner, the petitioner has already terminated a large number of connections and only a minority of customers are left who could not be terminated for one reason or the other as stated above by the petitioner. The Committee observe that delivery of refills for such customers on cash and carry basis is also in accordance with the instructions issued by HPCL and therefore, the petitioner could not be charged on this account, unless it is proved that he has not taken any action in pursuance of court's orders.

1.30 It has also been brought to the notice of the Committee that HPCL had already issued an advertisement for setting up of new LPG distributorship in lieu of terminated distributorship of the petitioner on 01 October 2007 and interviews for the same had also been conducted on 28 January 2008 and HPCL would be taking further action as per the procedures. It is surprising that the matter raised by the petitioner is still pending before the Committee for examination and without giving prior information to the Committee, HPCL have initiated action to appoint new distributor in place of the petitioner. The Committee have taken strong exception to this kind of attitude and approach of the Ministry/ HPCL.

1.31 In view of the foregoing and without going into the details of other irregularities allegedly committed by the petitioner, the Committee has come to the conclusion that the decision of HPCL to terminate the distributorship of the petitioner was not correct particularly on the basis of their charges involving diversion of refills on 03 occasions. The Committee's examination reveals that the investigation conducted by the Field Officer or by the review team of Senior Officers from HPCL appears to be lopsided as the petitioner was not given adequate opportunity to explain his position for the alleged lapses on his part. Even the documents submitted by the petitioner in support of his claim were not accepted by the Field Officer which raises doubts about the intention to ultimately terminate the distributorship of the petitioner. As a result thereof, the petitioner had to undergo great ordeal and harassment over the years. The role of the Field Officer in carrying out refill audit of LPG outlet of the petitioner appears to be questionable and unreliable. The MoP&NG, being the nodal agency, cannot absolve themselves of their responsibility in such matters. The Committee, therefore, recommend that the distributorship of the petitioner should be restored and an inquiry should be conducted into the whole affair with a view to find out whether there was any deliberate attempt to cause harassment to the petitioner or with any malafide intention to terminate the distributorship of the petitioner. The Committee would like to be apprised of the action taken in this regard within a period of three months.

CHAPTER II

REPRESENTATION FROM SHRI RAM KUMAR PATHAK AND OTHERS REGARDING GRIEVANCES OF LOCAL AND LAND DISPLACED PEOPLE AFFECTED BY NTPC PROJECT, KAHALGAON, BHAGALPUR

2.1 In their representation, the petitioners Shri Ram Kumar Pathak and other residents of Kahalgaon, Bhagalpur stated that as per the tripartite agreement reached in 2004 among, NTPC Management, Local Administration and local people displaced from their land, permanent employment in the project will be ensured to a member of each family who were displaced from their land due to Kahalgaon Super Thermal Power Project. In case NTPC could not provide permanent employment as a compensation to the land, then all the labour based annual maintenance work of the project will be reserved for local land oustees as an alternative means to provide employment to them. But the same has not been implemented in letter and spirit and almost a thousand of families are still deprived of the benefit under the project. According to the petitioners, as per World Fortune 500, programmes should be implemented for development of education, health, employment, electricity, sports, art and culture within a radius of about 12 km. of the area affected by the NTPC Project. The petitioners further stated that double standards are being adopted by NTPC Project, Kahalgaon regarding imparting education to the children of local and displaced persons. The children of the NTPC employees of NTPC pay a meagre amount as school fees, while the children of the local people and displaced families have to pay almost three times as school fees. The petitioners also alleged that the NTPC Management have adopted discriminatory practices even in regard to providing medical facilities in the hospitals. The local patients are refused admission in the hospital and if after a great deal of efforts, they get permission for treatment, they have to pay more charges as compared to NTPC employees. The petitioners further pointed out that the ash emitting out of the chimney of NTPC Project is not only badly affecting the health of the people residing in the adjoining villages but also has affected the crops and aquatic life.

The petitioners therefore, requested that the matter may be examined in detail and all these problems of the local people may be solved and that the funds being spent on social obligations by the NTPC may also be enhanced.

2.2. The Committee took up the representation for examination under Direction 95 of Directions by the Speaker. Accordingly, the above representation was forwarded to the Ministry of Power on 12th January, 2009 requesting them to furnish their

comments on the issues raised therein. In their response, the Ministry of Power *vide* communication dated 16 January, 2009 submitted their comments as under:—

“Regarding employment to Project Affected Families

All unskilled jobs are reserved for Project Affected Families (PAFs). Further, in the skilled job category, preference has been given to PAFs based on availability of work and eligibility of candidates.

NTPC-Kahalgaon has taken special care to see that the land oustees/Project Affected Families (PAF's) are deployed by Contracting Agencies to the extent possible.

Since inception of the project, 240 children of PAF were provided ITI training till date by reimbursement of tuition fee and 77 children of PAF have been provided apprenticeship training. Presently, 14 children of PAF are undergoing apprenticeship.

No commitment/assurance was given by NTPC at any point of time to provide employment to each land oustees. However, despite state of the art technology being used at Kahalgaon project and employment opportunities being severely restricted, permanent employment was provided to the extent possible to 448 (300 PAFs+148 local population) in workmen category.

Regarding development activities

NTPC is not a Fortune 500 Company. However, as a responsible corporate citizen, NTPC has adopted an integrated approach focusing on all aspects of basic social amenities and infrastructure so as to improve the living condition of neighbourhood communities. These include facilities like health, education, water, sanitation, road community center, etc. NTPC also extends capacity building programme for enhancing and improving the employability of local community through vocational training. NTPC has developed and implemented specific policies in the areas of community Development and Resettlement and Rehabilitation for the betterment of the living condition of the community in and around our stations.

Till 2007-08, approx. Rs.12.0 crore (**Annexure-I**) has already been spent on various Community Development activities by NTPC in and around Kahalgaon. Further, a sum of Rs.110.96 lakh has been approved by NTPC for the year 2008-09 to be spent on Corporate Social Responsibility-Community Development (CSR-CD) activities based on the need assessment in line with NTPC's CSR-CD Policy.

Regarding education and health facilities etc.

The schools are run by different educational societies and the Management Committees of these schools are not under the control of NTPC. The school fee is decided by the school management committee based on educational policy and different legal provisions in this regard.

As per NTPC policy, rebate of 80% on medical expenses except medicine is extended to land oustees and their families and below poverty line PAFs are provided free of cost treatment on case to case basis.

Regarding pollution

NTPC-Kahalgaon is having installed capacity of 1840 MW comprising of Stage-I (4x210 MW) and Stage-II Phase-I (2x500 MW). The station has been provided with the state-of-the-art pollution control devices right from the time of inception of the project to control pollution and for Ash Pond Management.

Following provisions have been made by NTPC to control Air Pollution and for Ash Pond Management.

Air pollution control

Electro-static Precipitators (ESPs) with efficiency of the order of 99.9% have been provided to keep the Suspended Particulate Matter (SPM) level well below the permissible limit of 150 mg/Nm³.

Tall stacks have been provided for control and dispersion of gaseous emissions such as sulphur dioxide (SO₂) and nitrogen oxides (NO_x) released from stacks. Further, good combustion practices are followed to control NO_x production in the system.

Ash Pond Management

1. Ash ponds with Multi-lagoons and with over-flow/filtration Lagoons have been provided for effective settlement of the coal ash particles.
2. Adequate water blanket is maintained in the operating Lagoons for better settlement of fine ash particles. After settlement of ash particles, the supernatant water flows into the discharge wells whose weir height is controlled (by addition of slabs from time to time) to maintain the required depth of the water blanket in the Lagoon. The clear water from the well is recycled into the Ash Water Recirculation System (AWRC) for treatment and reuse in the plant and only a small part of the treated effluent is discharged into water bodies outside of plant premises.
3. Filled up Lagoons in the Ash Ponds are kept wet to arrest fugitive dust emission into the surroundings.
4. Ash Pond Lagoons have been provided with garlanding arrangements for change over of the ash slurry feed points for effective settlement of ash particles.
5. For containing fugitive ash emission in ash dyke area, the following actions are taken by NTPC Kahalgaon:—
 - (i) Water sprinkler systems have been installed at the ash ponds for suppression of fugitive dust.
 - (ii) Areas which are not covered by Sprinklers are provided with earth cover and tree plantation.

With these measures, it is ensured that there is no fugitive ash from ash dyke areas.

6. Ash Dykes are regularly inspected for safety of the Dykes.
7. Ash Pond effluent over-flow from Lagoons are regularly being monitored and results of the effluent quality is sent to the State Pollution Control Board. The ash pond effluent quality is maintained within the prescribed limits.

Afforestation

Green belts have been developed and more than 8,80,000 trees have been planted till December, 2008 in and around NTPC-Kahalgaon which act as a sink for the pollutants of coal dust and gaseous emissions released from the Station.

Conclusion

Regular Ambient Air Quality Monitoring (AAQM) is being done by the station for Suspended Particulate Matter (SPM). Respirable Suspended Particulate Matter (RSPM), Oxides of Sulphur & Nitrogen (Sox & NOx) and all the parameters are well below the stipulated limits prescribed by Central Pollution Control Board in the National Ambient Air Quality Monitoring Standards (NAAQMS). Therefore, there is no possibility of any kind of illness due to fugitive dust and other pollutants.

Further, Environment Clearance for Stage-II Phase-I (2x500MW) and Stage-II Phase-II (1x500 MW) have been granted by Ministry of Environment & Forests, Government of India based on Environmental Impact Assessment (EIA) Study which shows that there is no environmental air and water pollution in the Kahalgaon area.

Kahalgaon STPS is doing medical health check-ups for its employees and setting up health camps from time to time for the health check-up of neighboring villagers and no such illness as mentioned in the Representation have been reported. As a Corporate Social Responsibility (CSR) activity, Station is doing vaccination such as Hepatitis-B for school children also.”

2.3 The Ministry of Power further furnished their comments *vide* communication dated 19th January, 2009 as under:—

“** * * * * *

Employment was provided as per the guidelines framed by the committee constituted by the State Government at the time of land acquisition in 1986 for prioritizing the PAFs for consideration of employment in NTPC subject to fulfilling the qualification criteria, experience and availability of work and eligibility of candidates etc. as per NTPC recruitment policy.

With respect to provision of alternate modes of gainful employment, it would be pertinent to mention here that in addition to the direct employment provided as above, around 4000 local persons are deployed through contracting agencies. In addition, 40 vehicles have been hired through PAFs and approx. 125 agencies are working in Stage-I and II of plant, horticulture, road repair and MGR related works.”

2.4 In reply to a question regarding provisions enshrined in 1985 agreement between NTPC and the State Government of Bihar, the Ministry of Power in their written reply furnished as under:—

“NTPC is not aware of any 1985 agreement. However, the salient features of the implementation of policy for land oustees of Kahalgaon Super Thermal Power Project of NTPC framed on 15.02.1986 between NTPC and Government of Bihar are as under:—

- (a) Categorization of PAFs in three priority groups based on extent of land lost and balance land left as decided by the State Government for consideration of employment.
- (b) 100% jobs upto W3 to be reserved for PAFs and locals.
- (c) Preferential treatment to PAFs as per company recruitment policy in other workmen categories.

2.5 As regards the key provisions contained in tripartite agreement in 2004 amongst NTPC Management, local administration and local land displaced people, the Ministry of Power *vide* communication dated 19th January, 2009 furnished the comments in writing as under:—

“There was no tripartite agreement in 2004 among NTPC management, local administration and local land displaced people. However, there was a Meeting on 18.08.2004 between PAF representatives, State Officials and NTPC. The salient features of Minutes of the Meeting are as under:—

- Regarding finalization and implementation of scheme for flood water eviction from the neighbouring villages.
- Clarification by NTPC for provision of employment only in case of availability of vacancies in future. Alternate provision for preferential treatment in employment with contracting agencies.
- Apprentice training for improving the employability to PAFs/wards of PAFs.
- Preferential engagement of PAFs/locals in Stage-II works through contracting agencies as also in petty contracts etc.”

2.6 As regards the number of land displaced families and of those who have been provided employment in NTPC, the Ministry of Power in their written communication informed the committee as under:—

“No. of PAFs 4246, No. of displaced families 286.

No. of PAFs/local engaged-448 with NTPC and 4000 approx. with contracting agencies.”

2.7 In reply to a question regarding provisions made by NTPC to impart quality education to the children of local people, the Ministry of Power stated as under:—

“As regards provisions for imparting education to the children of local people living around NTPC project. NTPC has assisted in infrastructure upgradation of various schools in the neighbouring villages from time to time. Ministry of Power supports the activities of NTPC for local area development.”

2.8 The Committee took oral evidence of the representatives of the Ministry of Power on 19 January, 2009. During the course of evidence, Secretary, Ministry of Power gave a brief background of NTPC, Kahalgaon Project as under:—

“First, I would like to give a brief background of the project. Then, the details of actual rehabilitation work done, etc., will be presented by the CMD, NTPC. As the Hon’ble Chairman is very intimately aware, this power project at Kahalgaon has the background of some agreements with the Government of Bihar in the years 1985 and 1986, which clearly spell out the obligations of NTPC with regard to various rehabilitation measures to be taken up.

The Chairman has mentioned about one point regarding payment of compensation. Regarding payment of compensation, the NTPC makes available the funds to the State Government. Land acquisition is done through the State Government. Still, we will try to check up specifically once again whether there are any cases because, as has been very rightly pointed out, after so many years when power has been flowing from the project, if the farmer is not even getting his basic compensation on one ground or the other, it is really a sad state of affair. We will have it specifically checked up once again and come back to you separately on that.

Regarding employment, employment is also governed by the agreement of 1985 which was marginally modified in 1986 subsequently. As per these two agreements and as per the local enumeration made at that point of time, the number of project affected persons is 4,246 and they were put into three categories. Category-I is the priority category, they are eligible for employment in all unskilled workers’ category. The number identified at that point of time was 840. As against this 840, jobs have been given to 112 project affected persons in categories W-1 to W-3. They are unskilled categories and 100 per cent of sanctioned strength in these categories in NTPC has been filled up by these persons. As of now, there is no vacancy in that category.

Secondly, there is another 188 project affected persons who have been given jobs in W-4 and above against the total sanction of 491; totally 112 from W-1 to W-3 and 188 from W-4 to W-6-totally 300 persons have been given jobs. Now there is a likelihood of another 101 vacancies arising in skilled workers’ category on account of Stage-2, 2x500 MW stage-2 category has been commissioned and 101 posts have arisen consequent to that. Naturally, the NTPC in keeping with the spirit of the decision earlier and agreement arrived at with the Government will be reserving all these vacancies only for project affected persons. Since they happen to be skilled category of employees, they require

ITI qualification for getting recruited to that category. We are told that totally, among all the categories, about 240 candidates are there in those areas who have got the qualification of ITI. Duly keeping in view the point that they hail from Category-1, Category-2 or Category-3, according to that, the NTPC will be taking people for filling up these 101 vacancies.

Next, in the petition there is a reference-after meeting or after saturating the employment in the primary category, to think of providing employment in alternate sources of alternate avenues of employment like outsourcing etc. As you know very well, in the power plant areas a number of additional activities have taken up; 40 vehicles have been hired by NTPC through the project affected persons and 125 project affected persons' agencies are working in the plant, horticulture, allied activities like road repair and so on; 19 shops have been allotted to project affected persons and another nine are in the pipeline. About 1,530 project affected persons are working with contractors. In addition another 1,623 locals are also working with contractors. As per the assessment of the NTPC, even on that front, more or less saturation has been reached."

2.9 When asked about the provisions made in the agreement regarding giving employment to the project affected people, the CMD, NTPC stated as under:—

"I would like to inform you that as per the agreement made in 1986 as per the policy of Government, all the available sanctioned unskilled and semi skilled posts in NTPC will be filled 100% by project affected people. In skilled category it will be provided to them on preferential basis. As per the break up of sanctioned posts available to us the 112 posts of unskilled category were given to project affected people. The number of posts at W-4 and above category is 188."

2.10 The witness further clarified that 188 posts are in skilled category. Explaining about the total sanctioned strength of workmen in Kahalgaon Phase-I, the witness stated that the sanctioned strength of skilled workers was 491.

2.11 When the Committee asked about the immediate steps to be taken by NTPC to give employment to the project affected people, the CMD, NTPC stated as under:—

"As many as 101 additional vacancies have been created from the recent expansion. The rest of the people will be covered under the above vacancies."

2.12 When the Committee observed that NTPC should give permanent employment to a person from the project affected families or make some alternative provision to compensate them by giving some financial package etc., the witness responded as under:—

"As you have expressed your concern that if we don't have employment we should think about alternative. I say that our employment is limited because the plant runs with automation, on high-pressure and so, everything becomes automatic. So, their employment potential gets limited. We have talked to the Chief Secretary on this matter who suggested us some alternatives."

2.13 When the Committee asked about giving education and fees structure etc. to the children of the displaced persons in the schools run by NTPC, the witness stated as under:—

“Sir, I would like to say that the children of the displaced persons can surely study in those schools. A central school is also there. There are other schools also. They themselves decide the fee structure of the school. I have submitted the same to you that they themselves decide the fee and even the employees of NTPC have to pay fees.”

The witness further added :—

“Sir, there is the same fee structure for the children of NTPC and that of non-NTPC in the central school. There are separate fee structures in the D.A.V. and in the St. Joseph schools.”

2.14 When asked whether the grant is given to these school by NTPC and whether any representative of NTPC is in the school management, the witness stated as under:—

“Sir, one member is there in the management from our side. We want that the school should run on its own. The central school is under the Government of India. Private schools are run on the self-finance basis, so they themselves decide their fee structure. The management takes care of the fact that they do not charge unreasonable fee.”

2.15 Informing about the medical facilities available to the land oustees in the hospitals run by NTPC, the CMD, NTPC stated as under:—

“The OPD of the hospital, is open for those whose land has been acquired and are charged 80% less in the OPD than the others. It means that only 20% of the fee has to be paid, by those whose land has been acquired. They have to bear expenses of medicine themselves. We organize many camps on behalf of the hospitals.”

2.16 When the Committee asked about the local representatives of those areas in the Committee who organize the health camps and the role of the M.P. in this regard, the witness stated as under:—

“There is a Village Development Advisory Committee, the G.M. organize health camp at a place where it has been decided upon and after discussing it with the above said Committee. The M.P. has full role in that. The Collector is the Chairman of that Committee. There is a Sarpanch in the Committee. On the decision of the Collector, he can freely take part in the meeting.”

2.17 The Committee pointed out that the water of NTPC project is being discharged into the Ganga River which is causing pollution in the river. Replying to this the CMD, NTPC stated as under:—

“As far as the ash type management is concerned, great care is taken in this regard. It is constantly monitored by the corporate sector regarding the quality of water that is being discharged. As far as I know the quality of the water is being maintained but as you are saying if that has happened, an enquiry of this will be conducted. The quality of water which is discharged should be monitored so that it should not be harmful. We shall immediately take action.”

Observations/ Recommendations

2.18 The petitioners have submitted that as per the tripartite agreement reached in 2004 among NTPC management, local administration and local people displaced from their land due to Kahalgaon Super Thermal Power (KSTP) project, it was assured that a member of each family of the land oustees will be given permanent employment in the project. In case, permanent employment as a compensation to the land oustees could not be provided, then as an alternative means of employment, all the labour based annual maintenance work of the project will be reserved for them. But according to the petitioners, the said agreement has not been implemented in letter and spirit and almost a thousand of families are still deprived of the benefit under the agreement. The petitioners have also stated that as per the report of “World Fortune 500”, NTPC need to implement programmes for development of education, health, employment, electricity, sports, art and culture, etc. within the area affected by the NTPC Project. The petitioners have also alleged that NTPC have adopted discriminatory practices in matters like imparting education to the children of local and displaced persons, medical facilities to the local patients etc. According to the petitioners, while the children of the NTPC employees, have to pay a meagre amount as school fees, the children of the local people and displaced families have to pay almost three times as school fees. Further, the local patients are refused admission in the hospital and even if they get permission for treatment, they have to pay more charges as compared to NTPC employees. The petitioners have also pointed out that the pollution caused by NTPC project is affecting the health of the people as well as the crops and the aquatic life of the adjoining areas.

The petitioners have, therefore, requested that the matter may be examined with a view to give relief to the local people and that the funds being spent on social obligations by NTPC may also be enhanced.

2.19 The Committee were informed that no commitment/assurance was given by NTPC at any point of time to provide employment to each of the land oustees. There was also no tripartite agreement as claimed by the petitioners. However, a meeting was held on 18 April 2004 between representatives of Project Affected Families (PAFs) and officials of State Government and NTPC. In this meeting certain points were discussed and clarified like provision of employment by NTPC only in case of availability of vacancies in future, alternative provision for preferential treatment in employment with contracting agencies, apprentice training for improving the employability to PAFs/wards of PAFs and preferential engagement of PAFs/locals in Stage-II works through contracting agencies as also in petty contracts, etc.

2.20 The Committee were further informed that a policy for land oustees of Kahalgaon Super Thermal Power Project was framed on 15 February 1986 which spells out the obligation of NTPC to undertake various rehabilitation measures. The salient features of the policy which was agreed upon between NTPC and the State Government of Bihar are as under:—

- (a) Categorization of PAFs in three priority groups based on extent of land lost and balance land left as decided by the State Government for consideration of employment.

- (b) 100% jobs upto W3 to be reserved for PAFs and locals.
- (c) Preferential treatment to PAFs as per company recruitment policy in other workmen categories.

2.21 According to the Ministry/NTPC, all unskilled jobs are reserved for PAFs and in the skilled job category, preference has been given to PAFs based on availability of work and eligibility of candidates. Special care has also been taken to see that the land oustees/ PAFs are deployed by contracting agencies to the extent possible. As per the agreement and as per the local enumeration made at the time of land acquisition in 1986, the number of project affected families was 4,246 and they were put into three categories. As against this, the number of project affected persons identified in Category-I at that point of time was 840. Category-I is the priority category and persons in this category are eligible for employment in all unskilled jobs. As against 840, project affected jobs have been given to 112 persons in unskilled categories from W-1 to W-3 and all the posts sanctioned in these categories in NTPC have been filled up by these persons. As of now, there is no vacancy in these categories. Further, 188 project affected persons have also been given jobs in skilled categories from W-4 and above against the total sanctioned posts of 491. Thus, in all, 300 project affected persons (112 from W-1 to W-3 and 188 from W-4 to W-6) have been given jobs. Besides, these 300 PAFs, 148 local people have also been given permanent employment in workmen category. Further, 101 vacancies are likely to arise on account of commissioning of Stage-II of Kahalgaon project and all these vacancies will be reserved by NTPC only for project affected persons. According to NTPC, these vacancies are in skilled category and therefore, it would be obligatory for the applicant to have ITI qualification for getting recruited to that category. About 240 candidates possessing the qualification of ITI are available for filling these 101 vacancies. With respect to provision of alternative modes of gainful employment, NTPC have mentioned that in addition to the direct employment provided as above, around 4000 local persons have been deployed through contracting agencies. In addition, 40 vehicles have been hired through PAFs and approx. 125 agencies are working in Stage-I and Stage II of plant, horticulture, road repair and related works.

2.22 The Committee are distressed to note that even after more than 16 years after commissioning of the Kahalgaon Power Project in 1992, there still remains a large number of project affected families/ land oustees who are awaiting their turn for permanent job in the project. The Committee observe that out of 840 PAFs identified in priority category, only 112 PAFs have been given jobs in unskilled categories. Further, out of 491 sanctioned posts in skilled category, only 188 PAFs have been given employment. Thus, 728 PAFs in unskilled category are still awaiting permanent jobs in NTPC project. Further, PAFs were deprived of a large chunk of vacancies in skilled category owing to non-availability of trained workers. Although NTPC had the opportunity to train a large number of unskilled workers amongst PAFs to improve their employability over the years, the Committee are deeply anguished to note that no sincere and concerted efforts were made. The Committee are pained to observe that a large number of PAFs have already spent their lives in deprivation. Some of the hapless PAFs might have crossed the age of superannuation

while others may retire in near future. The Committee strongly deprecate this avoidable punishment inflicted upon the poor people of Kahalgaon by the sheer apathy and insensitiveness of the officials of NTPC. The very fact that the petitioners have to approach the Committee for redressal of their grievances, amply proves the callous and casual approach of the authorities concerned. The Committee, therefore, desire that immediate steps may be taken to train the unskilled workers amongst PAFs to make them suitable for the regular jobs and also undertake an exercise to empanel them for recruitment against the existing as well as likely vacant posts in skilled category, without further delay within a fixed time frame. The Committee expect that the Ministry, being the nodal agency, will closely monitor the matter so that there is no undue delay in filling up of these vacant posts.

2.23 The Committee were informed that as a result of automation of the plant, the employment opportunities get restricted. During the course of evidence, it was also brought to the notice of the Committee that the Chief Secretary of the State had suggested some alternatives to provide employment to PAFs. The Committee, therefore, desire that these alternatives should be worked out expeditiously so that all the unemployed PAFs are given permanent job at the earliest. However, in case no jobs or alternatives are available to accommodate these persons, then NTPC should compensate these persons by offering them adequate financial package in lieu of permanent job in the project.

2.24 The second issue which has been raised by the petitioners relates to the discriminatory attitude of the NTPC in the matter relating to education of the children of displaced persons and local people living around NTPC project. During the course of evidence, NTPC informed that besides central schools, there are two privately run schools, viz. St. Joseph school and DAV and these schools have separate fee structure and run on self finance basis. These schools are run by different educational societies and the management committees of these schools are not under the control of NTPC. The school fee is decided by the school management Committee based on educational policy and different legal provisions in this regard. In the Central school, the fee structure for NTPC and non-NTPC students is same. The Committee are not convinced with the explanation of the Ministry/ NTPC on the issue. The fact remains that school complexes had been set up on the land of the land oustees or the land allotted by the Government. These schools are also being given grant-in-aid by NTPC. Besides, one member as the representative of the Company is always there in the management Committee of these schools. Therefore, the Ministry/ NTPC cannot absolve themselves of their responsibility in regulating the affairs of these schools including the fee charged by them from the students. The Committee, therefore, desire that as a social obligation, NTPC and these educational institutions should work out modalities with a view to provide easy access to basic education for the children of the land oustees and the local people so that they are not deprived of their right to basic education. As far as possible, the children of the land oustees/ local people should be exempted from paying any fee towards their education. Alternatively, the fee structure of the private institutions should be at par with that of the Central school for the children of the land oustees/ of the local people particularly belonging to the lower strata of the society.

2.25 According to the petitioners, the ash emitting out of the chimney and ash dike of NTPC is badly affecting the health of the people residing in adjoining villages. In their response, NTPC have stated that the Kahalgaon Power Project has been provided with the state-of-the-art pollution control devices right from the time of inception of the project to control pollution and for ash pond management. Green belts have also been developed in and around the project. Ambient Air Quality is being monitored regularly by the authorities concerned. While the Committee appreciate the various steps taken by the NTPC to check the pollution caused by the Kahalgaon project, the Committee feel that these steps are still not adequate. There cannot be any doubt that the activities of the project do causes pollution to the environment which in turn adversely affects the health of the people living in the vicinity of the project. The Committee would, therefore, like to stress that NTPC should carry out a comprehensive study to assess the adverse effects of the pollution on the inhabitants and ecology including the water quality, crops and aquatic life of the area and on the basis of the findings immediate remedial action should be taken by the authorities concerned in order to check the causes of pollution to the environment. The existing mechanism to monitor the activities of the project should also be strengthened to check any kind of emission/ pollutants in and around the project site. Water quality in the adjoining areas of the project should also be monitored regularly so that safe and potable water is provided to the local people.

2.26 As regards the medical facilities to the land oustees/ PAFs, the Committee were informed that as per NTPC policy, rebate of 80% on medical expenses except medicine is extended to land oustees and their families. But PAFs below poverty line are provided free of cost treatment on case-to-case basis. NTPC also organises health camps on behalf of the hospitals. The Committee feel that NTPC cannot shun their corporate social responsibilities particularly in respect of land oustees/ local people. The Committee, therefore, recommend that the Company should earmark a certain percentage of their profit to take care of the health of people and to provide free medical treatment including medicines to the land oustees and poor people of the area. While organising health camps, it would be appropriate if local MPs/ MLAs are also involved in regulating such camps.

2.27 The Committee are unhappy to note that NTPC-Kahalgaon spent only about 12 crore rupees on various infrastructural works undertaken during the last 21 years from 1986 to 2007, which works out to not even Rs. 50/- lakh per annum. It has also been observed by the Committee that certain works undertaken by NTPC have been shown in the list of development works, although these works were meant only for their use and were not undertaken in public interest. In the opinion of the Committee, funds utilised on such works should not be included in the development funds meant for public interest. The Committee also feel that the list of development works supplied by NTPC does not truly reflect the actual amount spent on certain development works undertaken by them and seems to be exaggerated. The Committee regret to note that the development works of the area are undertaken without involving or inviting any suggestions of the local MPs/ MLAs. The Committee, therefore, recommend that NTPC should enhance their development fund for the purpose and earmark a certain percentage of their profit for undertaking various development

works of the area. The Committee also recommend that the development works undertaken by NTPC should be reviewed from time to time by the Committee constituted for the purpose which should include local MPs/MLAs.

The Committee would like to be apprised of the action taken by the Ministry/ NTPC in this regard within a period of three months.

NEW DELHI;
24 February, 2009
5 Phalgun, 1930 (Saka)

SYED SHAHNAWAZ HUSSAIN,
Chairman,
Committee on Petitions.

REVIEW OF TERMINATION OF M/S SITA RAMA GAS & GENERAL TRADERS,
PEDANANDIPADU, GUNTUR, A.P.

(i) First instance:

During refill audit on 05.03.2005 the field officer recorded diversion of 2 domestic cylinders and the report was signed by distributorship. Distributorship's explanation dated 10.03.2005 was that undelivered two cylinders were not accounted by new computer operator and to treat the offence as first mistake. Based on the observations of the field officer, the Regional Manager treated the incident as 1st offence under Marketing Discipline Guidelines (MDG) and imposed a penalty of Rs.20,830 for diversion of 2 (two) domestic LPG cylinders.

The Committee has observed that in absence of any verifiable facts brought out by the distributorship in their explanation against the observations of field officer, it found the conclusion of Regional Manager to be in order.

(ii) Second instance:

During inspection and refill audit on 10.11.2005 the field officer recorded diversion of 8 domestic cylinders in addition to other irregularities and the report was signed by distributorship. The distributorship's explanations dated 26.11.2005 and 03.12.2005 on diversion was that it was a manual report and he was forced to sign the inspection report. The Regional Manager took this diversion as 2nd offence under MDG and imposed penalty of Rs.54,669 for diversion of 8 (eight) domestic LPG cylinders.

In absence of any verifiable/pertinent facts brought out by the distributorship in their explanation against the observations of field officer, the Committee did not find any irregularity in the conclusion arrived at by the Regional Manager.

(iii) Third instance :

During inspection and refill audit on 21.09.2006 and 02.10.2006 the field officer recorded diversion of 310 domestic LPG cylinders noticed at the distributorship alongwith other irregularities pertaining to non-transfer of customers against the orders of the Hon'ble High Court and the report was signed by distributorship. The distributorship's explanations dated 25.11.2006 and 06.12.2006 on diversion was non-delivery of the cylinders due to heavy rains on 20.09.2006 and submission of records of deliveries of 21.09.2006 and 22.09.2006. Other irregularities were either not explained or accepted by the distributor. The Regional Manager took the diversion as 3rd offence under

MDG and recommended termination of distributorship and the distributorship was terminated on 05.04.2007.

In absence of any verifiable/pertinent facts brought out by the distributorship in the explanation against the observations of field officer, the Committee again did not find the conclusion and recommendation of Regional Manager as irregular.

2. In addition to diversion of LPG cylinders, the Committee took note of the following irregularities which were also established against the distributorship which shows that the distributorship was involved in serious malpractices:—

- (i) Giving 1795 out of turn delivery of refill cylinders.
- (ii) Day end procedure not carried out regularly in the distributorship software HP GAS package.
- (iii) Uniforms not in line with standardization manual.
- (iv) Counterfoils of 309 cash memos shown as delivered were not produced to the inspecting officer.
- (v) Issue of unauthorized connections without paying security deposits to the Corporation. Difference between weekly report and stock register being 535 cylinders and 138 regulators.
- (vi) Not giving rebate on cash and carry refill cylinder deliveries.
- (vii) Overcharging from customers.
- (viii) Proper record not maintained with respect to refill supplies.
- (ix) Release of multiple connections in the same name.

3. HPCL has reported that the Committee arrived at its findings based on the following facts listed below which show that the evaluation of the field officer and recommendations leading to the termination of distributorship were objective and transparent:—

- (a) The inspection in which the 3rd instance of irregularities was detected/ established was by a team of 2 officers (one of them from a different stream).
- (b) The report was signed by the distributor.
- (c) The distributor was given chance to explain every observed irregularity.
- (d) The instance of 3rd offence was reviewed by a different Regional Manager than the one who reviewed the 2nd offence.
- (e) The 3 instances of diversion of domestic cylinders were reviewed by 3 different Regional Managers of HPCL.
- (f) Irregularities at para 2 (vi) to (ix) above are based on the customer contacts made alongwith the distributor.

- (g) The visits of the field officers for inspection of the distributorship was in line with guidelines.
- (h) Termination was as per the provisions of MDG, as the 3rd instance was within the period of 2 years.
- (i) A formal show-cause notice was issued and termination was done based on the distributors reply being found unsatisfactory.

4. HPCL has further reported that the Committee also took note of irregularities established by the Region during assessment of receivables/ payables after the termination of the distributorship. It was noted that names and signatures of original 169 SV were not matching with transfer out documents, implying that refund was claimed from HPCL against irregular documents.

5. The Committee also gave a personal hearing to the petitioner on 24.09.2008. The hearing was attended by Shri S. Siva Sankara Rao aided by his son Shri S. Venkateswara Rao wherein they contended that the inspections, etc. were malicious and the termination of the distributorship unjust. The Committee found that the contention of the petitioner is too general and unverifiable. After examining all the aspects, the Committee observed that the evaluation of the Field Officer and recommendation leading to the termination of the distributorship was made in an objective and transparent manner.

6. HPCL has also reported that advertisement for setting up of new LPG distributorship in lieu of terminated distributorship , M/s. Sita Rama Gas & General Traders was issued on 01.10.2007 and interviews were conducted on 28.01.2008. The Field Verification Credential of the selected candidate have been conducted and further progress is held up due to complaints received against the selection.

ANNEXURE-II
(See Para 2.2 of the Report)

*Village-wise details of Infrastructural Works Done by Kahalgaon Super Thermal
Power Project (1986 to 2007)*

Sl. No.	Village	District	Head	Total spent in village (in lacs)
1	2	3	4	5
1.	Narayanpur	Bhagalpur	Roads & Drains School, Drinkingwater Sanitation	130.62
2.	Gopalpur	Bhagalpur	Roads & Drains	1.93
3.	Bhagalpura	Bhagalpur	Roads & Drains, Drinkingwater	22.05
4.	Alampur	Bhagalpur	Roads & Drains	1.5
5.	Shobhnathpur	Bhagalpur	Roads & Drains, School	18.08
6.	Bhuska	Bhagalpur	Roads & Drains, Drinkingwater	5.31
7.	Brahmchari	Bhagalpur	Roads & Drains, Community Hall	4.78
8.	Jethiana	Bhagalpur	Roads & Drains, School, Drinkingwater, Community Hall	27.76
9.	Laxmipur	Bhagalpur	Roads & Drains, School, Drinkingwater, Community Hall	42.54
10.	Sour	Bhagalpur	Roads & Drains, Drinkingwater, Community Hall, Miscellaneous	31.67
11.	Dhanokhar	Bhagalpur	Roads & Drains	6.06
12.	Kahalgaon	Bhagalpur	Roads & Drains, School, Drinkingwater, Sanitation, Specific, Miscellaneous activities	263.73
13.	Near PTSarea	Bhagalpur	Drinkingwater, Sanitation, Miscellaneous activities	5.58
14.	Reh. Colony-I	Bhagalpur	Roads & Drains, School, Community Hall, Drinkingwater, Healthcentre, Sanitation, Specific Miscellaneous activities	24.44
15.	Reh. Colony-II	Bhagalpur	Roads & Drains, School, Drinkingwater, Sanitation, Specific, Miscellaneous activities	43.24
16.	Shyampur	Bhagalpur	Roads & Drains, School	18.37
17.	Devipur	Bhagalpur	School	2.31
18.	Kalgiganj	Bhagalpur	Roads & Drains, School, Drinkingwater, Miscellaneous activities	18.33
19.	Kharwatola	Bhagalpur	Roads & Drains, Community Hall, Drinkingwater	21.98

1	2	3	4	5
20.	Bhader	Bhagalpur	Roads & Drains, School	3.65
21.	Maheshamunda	Bhagalpur	Roads & Drains, School, Community Hall, Drinkingwater, Miscellaneous activities	24.37
22.	Ekchari	Bhagalpur	Roads & Drains, School, Drinkingwater	32.95
23.	Bholsar	Bhagalpur	Roads & Drains, School, Drinkingwater	15.33
24.	Ogri	Bhagalpur	Roads & Drains, School, Community Hall	26.71
25.	Kushapur	Bhagalpur	Roads & Drains	9.87
26.	Bansipur	Bhagalpur	Roads & Drains, Drinkingwater, Miscellaneous activities	12.11
27.	Sarbadipur	Bhagalpur	Roads & Drains	2.95
28.	Paltola	Bhagalpur	Roads & Drains	8.72
29.	Jangal-Gopali	Bhagalpur	Roads & Drains, School, Community Hall, Drinkingwater	36.52
30.	Salempur Saini	Bhagalpur	Roads & Drains, School	13.93
31.	Mazdaha	Bhagalpur	Roads & Drains, School, Community Hall, Drinkingwater	43.58
32.	Simahria	Bhagalpur	Roads & Drains, Drinkingwater, Community Hall Miscellaneous activities	7.05
33.	Chopaltola	Bhagalpur	Roads & Drains, Community Hall	3.75
34.	Jamuniatola	Bhagalpur	Roads & Drains	2.56
35.	Antichak	Bhagalpur	School	1.81
36.	Chaitola	Bhagalpur	School	9.42
37.	Lalapur	Bhagalpur	School	2.39
38.	Katoria	Bhagalpur	Roads & Drains, Drinkingwater, Community Hall	15.8
39.	Lagma	Bhagalpur	Community Hall	2.5
40.	Bhadesh-swarsthan	Bhagalpur	Drinkingwater	0.72
41.	Jagamathpur	Bhagalpur	Community Hall	2.31
42.	Bateshwarsthan	Bhagalpur	Miscellaneous activities	3.97
43.	Pannuchak	Bhagalpur	School	5.23
44.	Barohia	Bhagalpur	Community Hall	2.14
45.	Dhanoura	Bhagalpur	School, Community Hall, Drinkingwater, Healthcentre	26.96
46.	Telgama	Godda	Roads & Drains, School, Drinkingwater, Miscellaneous activities	7.93
47.	Dwarighat Telgama	Godda	Drinkingwater	0.57

1	2	3	4	5
48.	Jatakothi	Godda	Roads & Drains, Drinkingwater	2.21
49.	Jiyajori	Godda	Roads & Drains, Drinkingwater, Miscellaneous	9.09
50.	Parwalkitta	Godda	Roads & Drains	1.6
51.	Khutahri	Godda	Roads & Drains, Drinkingwater, Miscellaneous	2.99
52.	Rajoun	Godda	Roads & Drains, Drinkingwater	5.12
53.	Sahichak	Godda	Roads & Drains, Drinkingwater	3.99
54.	Chagraha	Godda	Roads & Drains, School, Drinkingwater	12.24
55.	Madhura	Godda	Drinkingwater, School	2.14
56.	Belvadda	Godda	Roads & Drains, School	9
57.	Sarotia	Godda	School	3.64
58.	Fatehpur	Godda	School	0.85
59.	Baniadda	Godda	Drinkingwater	0.27
60.	Tilaoundha	Godda	Drinkingwater	2.76
61.	Kalyanpur	Godda	Drinkingwater	0.65
62.	Gajanda	Godda	Roads & Drains, Drinkingwater, Miscellaneous	4.73
63.	Jagankitta	Godda	Roads & Drains	0.59
64.	Birmia	Godda	Roads & Drains, Drinkingwater	4.09
65.	Deorikitta	Godda	Roads & Drains, Miscellaneous	2.22
66.	Baniakitta	Godda	Roads & Drains, Miscellaneous	1.81
67.	Sarbhangha	Godda	Drinkingwater	0.87
68.	Manoharpur	Godda	Miscellaneous	0.8
69.	MGR		Roads & Drains	51.78
70.	Vikramshila	Bhagalpur	Miscellaneous	1.5
71.	Bhagalpur town	Bhagalpur	Miscellaneous	4
72.	Socio-Eco.Study		Miscellaneous	15.6
				11.59 crores

Apart from infrastructural works mentioned above, NTPC Hospital regularly organises Medical Camps in nearby villages.

ANNEXURE-III

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

The Committee on Petitions sat on Tuesday, 16th September, 2008 from 1100 hrs. to 1250 hrs. in Committee Room No. 53, First Floor, Parliament House, New Delhi.

PRESENT

Shri Prabhunath Singh — *Chairman*

MEMBERS

2. Shri Shingada Damodar Barku
3. Shri Manikrao Hodlya Gavit
4. Adv. Suresh Kurup
5. Shri Kishan Singh Sangwan
6. Shri Francisco Sardinha
7. Shri Paras Nath Yadav

SECRETARIAT

1. Shri N.K. Sapra — *Additional Secretary*
2. Shri A.K. Singh — *Director*
3. Shri U.B.S. Negi — *Deputy Secretary*
4. Shri V.P. Gupta — *Under Secretary*

Ministry of Petroleum & Natural Gas

1. Shri R.S. Pandey — Secretary (P&NG)
2. Shri S. Sundarshan — Addl. Secretary (P&NG)
3. Shri D.N. Narasimha Raju — Jt. Secretary (Marketing)
4. Shri Pramod Nangia — Director (Mkt.)
5. Shri P. Kalyanasundaram — Director (Dist.)
6. Shri Sanjay Gupta — Dir. (IOC&MC)
7. Shri Lalchandama — US (IOC & MC)

Bharat Petroleum Corporation Ltd.

1. Shri Ashok Sinha — CMD
2. Shri S. Radhakrishnan — Director (Mkt.)

ANNEXURE-IV

MINUTES OF THE HUNDRED FIRST SITTING OF THE COMMITTEE ON
PETITIONS (FOURTEENTH LOK SABHA)

The Committee on Petitions sat on Monday, 19th January, 2009 from 1500 hrs. to 1630 hrs. in Committee Room No. 62, First Floor, Parliament House, New Delhi.

PRESENT

Shri Syed Shahnawaz Hussain — *Chairman*

MEMBERS

2. Shri Mohan Jena
3. Adv. Suresh Kurup
4. Shri Dharmendra Pradhan
5. Shri Kishan Singh Sangwan
6. Shri Sardinha Francisco

SECRETARIAT

- | | | |
|---------------------|---|-------------------------|
| 1. Shri P.K. Grover | — | <i>Joint Secretary</i> |
| 2. Shri A.K. Singh | — | <i>Director</i> |
| 3. Shri U.B.S. Negi | — | <i>Deputy Secretary</i> |
| 4. Shri V.P. Gupta | — | <i>Under Secretary</i> |

WITNESSES

Ministry of Power

- | | | |
|------------------------|---|----------------------|
| 1. Shri V.S. Sampath | — | Secretary |
| 2. Shri Anil Kumar | — | Additional Secretary |
| 3. Shri Devender Singh | — | Joint Secretary |
| 4. Shri Rajesh Verma | — | Joint Secretary & FA |
| 5. Shri V.P. Joy | — | Joint Secretary |
| 6. Shri I.C.P. Keshari | — | Joint Secretary |
| 7. Shri Lokesh Chandra | — | Director |
| 8. Shri D.S. Narula | — | Deputy Secretary |

2. The details of the policy under which the land was acquired for NTPC Project, Kahalgaon and other projects in the country.
3. The details about the education imparted to the children of land oustees and other local people.
4. Employment given to the family members of the Project Affected People (PAP) under skilled and unskilled categories.
5. Details about the medical facilities being provided to the families of PAPs as well as local people.
6. Need to involve the public representatives of the local area during the meetings of Development Fund Committees.
7. Provision of electricity in the peripheral villages of the Projects by NTPC.
8. Details about environmental pollution caused due to NTPC Project in Kahalgaon.

** ** * *

4. The Committee asked the witnesses to furnish detailed replies/information which were not readily available with them during the evidence, on both the above matter.

5. A copy of the verbatim proceedings of the sitting of the Committee was kept on record.

The witnesses then withdrew.

The Committee then adjourned.

ANNEXURE-V

MINUTES OF THE ONE HUNDRED AND THIRD SITTING OF THE COMMITTEE
ON PETITIONS (FOURTEENTH LOK SABHA)

The Committee on Petitions sat on Tuesday, the 24th February, 2009 from 1500 hours to 1530 hours in Chairman's Room No. 45(II) Ground Floor, Parliament House, New Delhi.

PRESENT

Shri Syed Shahnawaz Hussain — *Chairman*

MEMBERS

2. Shri N.S.V. Chitthan
3. Shri Sardinha Francisco
4. Shri Wangyuh W. Konyak
5. Shri C. Kuppusami
6. Adv. Suresh Kurup
7. Shri Dharmendra Pradhan
8. Shri Kishan Singh Sangwan

SECRETARIAT

- | | | |
|-------------------------|---|-----------------------------|
| 1. Shri N.K. Sapra | — | <i>Additional Secretary</i> |
| 2. Shri A.K. Singh | — | <i>Director</i> |
| 3. Shri U.B.S. Negi | — | <i>Deputy Secretary</i> |
| 4. Shri V.P. Gupta | — | <i>Under Secretary</i> |
| 5. Shri T.H. Rao | — | <i>Under Secretary</i> |
| 6. Smt. Jagriti Tewatia | — | <i>Committee Officer</i> |

2. The Committee considered and adopted the following draft reports of the Committee without any modifications: —

- (i) Forty Eighth Report on the following subjects:—
 - (a) Petition concerning the Ministry of Finance from Shri Gurudas Das Gupta, MP regarding policies of the Banking Sector and related issues.
 - (b) Representations concerning the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

(ii) Forty Ninth Report on the following Subjects :—

(a) Petition concerning the Ministry of Civil Aviation from Shri Basudeb Acharia, MP regarding grievances of the employees of the Alliance Air concerning their employment etc.

(b) Representation concerning the Ministry of Civil Aviation.

(iii) Fiftieth Report on the representations concerning the Ministries of Petroleum and Natural Gas and Power.

3. The Committee also authorised the Chairman to finalise and present the Reports to the House.

The Committee then adjourned.

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