ANNUAL REPORT
1-1-1990 to 31-12-1990

CENTRAL VIGILANCE COMMISSION
NEW DELHI
The Central Vigilance Commissioner presents its Twenty-seventh Report relating to the calendar year, 1990.

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Central Vigilance Commissioner.
NEW DELHI - 110011

New Delhi
Dated: 29 May, 1991
ACKNOWLEDGEMENT

The Commission is grateful to the Department of Personnel and Training for its assistance.

The Commission thanks the Central Bureau of Investigation for its continued cooperation.

The Commission appreciates the prompt and helpful response of all the Chief Vigilance Officers.
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CHAPTER 1

JURISDICTION, ROLE AND FUNCTIONS

1.1.1 The Central Vigilance Commission was set up in pursuance of the recommendations of the Santhanam Committee on Prevention of Corruption in 1964 to advise the Central Government in respect of all matters pertaining to maintenance of integrity in administration. Under the terms of the Government of India Resolution of 11th February, 1964, the Commission has been assigned, inter alia, the following three main functions:

(i) To have complaints of misconduct or lack of integrity on the part of public servants looked into and thereafter, as may be necessary, to advise as to the disciplinary proceedings or prosecution to be launched. Where disciplinary proceedings are held, the Commission also advises the disciplinary authority about the penalty to be imposed, based on its independent and impartial appreciation of the outcome of the disciplinary proceedings.

(ii) The Commission has been given the responsibility of exercising a general check and supervision over vigilance and anti-corruption work in the Ministries/Departments and Public Undertakings etc. and for that purpose it receives from administrative authorities progress reports and statistical returns.

(iii) When it appears that any procedure or practice in administration affords scope for corruption or misconduct, the Commission may advise that such procedure or practice should be appropriately changed.

1.1.2 The jurisdiction of the Commission extends to all employees of the Central Government, Central Public Sector Undertakings and other corporate bodies. However, ordinarily the Commission advises in individual disciplinary cases only in respect of Gazetted Officers of the Central Government; the SHOs of Delhi Police; the Board level appointees in the public sector undertakings, the officers in Scale III and above in public sector banks, the officers in the scale of pay
the minimum of which is Rs.1760 (pre-revised) or above in Port Trusts/Dock Labour Boards, the officers in the scale of pay the minimum of which is Rs.2250 (pre-revised) or above in the Insurance Companies and those drawing basic pay of Rs.1000 p.m. and above (Rs.2825 p.m. and above in respect of those who have revised the pay-scales of their employees on the pattern of the recommendations of 4th Pay Commission and reported this fact to the Commission) in local bodies, Cooperative Societies and other Societies receiving grants from the Central Government, autonomous and other similar bodies.

1.1.3 The role of the Central Vigilance Commission is advisory, but advisory in the same sense as that of the Union Public Service Commission. By para 4 of the Resolution, the Commission has been given, in the exercise of its powers and functions, the same measure of independence and autonomy as the Union Public Service Commission. The independent and autonomous status of the Commission, its extensive powers and jurisdiction and the fact that it indicates in its annual report cases in which the administrative authorities have not accepted its advice make the Commission an effective instrument for ensuring that all complaints of corruption or lack of integrity on the part of public servants are given adequate and due attention.

1.1.4 While the Commission exercises its general check and supervision over vigilance and anti-corruption work, the primary responsibility for the maintenance of integrity and efficiency in each organisation vests in the Heads of the Departments etc. and they are assisted in this task by an officer designated as the Chief Vigilance Officer. Every Chief Vigilance Officer is to be appointed with the prior approval of the Central Vigilance Commission and Vigilance Officers in consultation with the Chief Vigilance Officers. The work of the Chief Vigilance Officers is assessed annually by the Central Vigilance Commissioner and the assessment is incorporated in the character rolls of the officers. The Commission organises regular training courses for the Chief Vigilance Officers and assists departments and organisations in conducting such courses for their vigilance functionaries.

1.1.5 The Commission may on its own direct the Central Bureau of Investigation to investigate complaints and furnish reports; the departments and public undertakings may also refer complaints to the Central Bureau of Investigation as per the guidelines laid down by the Government for the purpose. In appropriate cases, the Commission resolves differences
of opinion, if any, between the C.B.I. and the departments concerned.

1.1.6 As regards training of vigilance staff, the Commission organises training courses for only the Chief Vigilance Officers. During 1990, 4 such courses were organised by the CVC and 71 CVOs were trained. The training courses for other functionaries, such as Vigilance Officers, Inquiry Officers, Presenting Officers etc., are organised by the Public Sector Organisations or by the Administrative Ministries/Departments concerned. The Commission also took up the matter with the Institute of Secretariat Training and Management and the Railway Staff College, Vadodara for organising special courses for the training of Inquiry Officers and Presenting Officers of Departments/Public Sector Undertakings etc. These Institutions agreed to conduct these courses from the calendar year 1990 onwards.

1.2 ORGANISATION

1.2.1 The Commission is a one member Commission headed by Central Vigilance Commissioner.

1.2.2 Shri C.G.Somiah, former Central Vigilance Commissioner laid down office on 26.3.1990, on his appointment as Comptroller and Auditor General of India. Shri T.U.Vijayasekharan, took over as Central Vigilance Commissioner on 4.4.1990.

1.2.3 The work of the Commission is officer-oriented and is attended to by the Central Vigilance Commissioner assisted by a Secretary, four officers of the rank of Director, one Officer on Special Duty, three Under Secretaries and office staff. Out of these posts, one post of O.S.D. remained vacant for about six months during the year.

1.2.4 There are eleven posts of Commissioners for Departmental Inquiries. Out of the said posts, one post in the grade of Deputy Secretary remained vacant for about two months due to administrative reasons.

1.2.5 On technical side, there are two Chief Technical Examiners of the rank of Chief Engineer in CPWD assisted by eight Technical Examiners of the rank of Executive Engineer, six Assistant Technical Examiners and other staff. Of these, one post of Technical Examiner remained vacant for about 5 months.
1.2.6 The group-wise sanctioned strength and the number of officers/officials in position as on 31.12.1990 is given below:

<table>
<thead>
<tr>
<th>Group</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sanctioned</td>
<td>32</td>
<td>60</td>
<td>64</td>
<td>57</td>
<td>213</td>
</tr>
<tr>
<td>In position</td>
<td>32</td>
<td>51</td>
<td>54</td>
<td>56</td>
<td>193</td>
</tr>
<tr>
<td>Vacant Posts</td>
<td>0</td>
<td>9</td>
<td>10</td>
<td>1</td>
<td>20</td>
</tr>
</tbody>
</table>
CHAPTER 2

WORK DONE DURING 1990

2.1 This chapter gives an overall account of the work done by the Commission in relation to cases initiated, misconducts observed, the nature of advice tendered and the penalties recommended to be imposed on delinquent public servants. Despite a large number of cases received from Departments/undertakings/banks etc., it is the constant endeavour of the Commission to do a thorough examination of cases relating to conduct of public servants. The principle of punishment being meted out to the guilty and protection being extended to the innocent and honest public servant is uniformly adopted by the Commission during scrutiny and tendering of advice to the organisations. Critical analysis of the statistics have been made in this chapter so as to bring out the complexity of the cases and the processes through which they mature.

2.2. COMPLAINTS:

2.2.1 Complaints constitute an important source of information leading to discovery of misconduct and malpractices. The bulk of complaints are received by the various departments and public sector undertakings concerned and dealt with there. The complaints received by the Commission are very often merely copies of those addressed to a number of other quarters, although some are exclusively addressed to the Commission. Irrespective of whether the complaints are directly addressed to the Commission or not, each complaint received by it is duly examined to decide whether it is to be further pursued.
2.2.2. The following graph indicates the trend in regard to the receipt of complaints in the Commission during the last seven years.

**NO. OF COMPLAINTS RECEIVED**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NO. OF COMPLAINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>1390</td>
</tr>
<tr>
<td>1985</td>
<td>1871</td>
</tr>
<tr>
<td>1986</td>
<td>2122</td>
</tr>
<tr>
<td>1987</td>
<td>1819</td>
</tr>
<tr>
<td>1988</td>
<td>1514</td>
</tr>
<tr>
<td>1989</td>
<td>1721</td>
</tr>
<tr>
<td>1990</td>
<td>1406</td>
</tr>
</tbody>
</table>
2.2.3  A mixed trend has been noticed in the number of complaints received from 1984 to 1990. It will be seen from the above graph that during 1984, the number of complaints received was 1390. This went up to 1871 in 1985, thus indicating an increase of 35% over the figures for 1984. It went up again to 2122 in 1986 and thereby indicating a further increase of 13.4% over the figure for 1985. However, during 1987 and 1988, the number of complaints received in the Commission indicated a down-ward trend and went down to 1819 and 1514 respectively. During 1989, however, it went up again to 1721, but again came down to 1406 in 1990.

2.2.4 Majority of anonymous or pseudonymous complaints are based on misconception and misunderstanding of the facts and tend to spoil the image and reputation of the officers for ulterior motives or vendetta. However, the Commission has also observed that a number of serious cases of corruption and misdemeanour are brought to notice by such complaints because the complainants prefer not to disclose their identity. The Commission itself exercises great caution in scrutinising such complaints received by it. It has taken proper effective cognisance of anonymous/pseudonymous complaints which contain allegations on points which are of a verifiable nature, involving serious cases of corruption and misdemeanour.

2.2.5 Out of 1406 complaints received in the Commission during 1990, 464 complaints were anonymous/pseudonymous in nature. Out of 1412 complaints disposed of in 1990, the Commission requested the CVOs and CBI to cause investigations in 400 cases. This includes (i.e. 400) as many as 138 complaints taken up for follow up action on anonymous or pseudonymous complaints.

2.3 VIGILANCE CASES:

2.3.1 The Departments/undertakings/banks and other organisations are required to obtain what is called the first stage and second stage advice of the Commission. On the basis of complaints or any other source information, after investigations are completed by the departments or by the Central Bureau of Investigation, the Commission has to be consulted as to the further action to be taken on them. This is termed as the first stage advice. In cases where the penalty is to be imposed or cases are to be dropped on completion of major penalty proceedings by the Inquiry Officers, the Commission is required to give second stage advice. The
Commission is also required to give second stage advice in minor penalty cases, if minor penalty proceedings were initiated on the advice of the Commission and the disciplinary authority proposes to close the case on examination of the defence statement. If new facts and circumstances come to the notice of the Departments, the Commission may also tender advice on reconsideration.

2.3.2 FIRST STAGE ADVICE CASES:

The following table brings out the various actions recommended by the Commission in respect of first-stage advice tendered by it during the period under report:

<table>
<thead>
<tr>
<th>Nature of the Commission's first-stage advice</th>
<th>On the CBI's Investigation reports</th>
<th>On the CVO's Investigation reports</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criminal Proceedings</td>
<td>31</td>
<td>4</td>
<td>35</td>
</tr>
<tr>
<td>Major Penalty action</td>
<td>116</td>
<td>478</td>
<td>594</td>
</tr>
<tr>
<td>Minor Penalty action</td>
<td>33</td>
<td>194</td>
<td>227</td>
</tr>
<tr>
<td>Administrative action, Warning, Caution etc.</td>
<td>27</td>
<td>237</td>
<td>264</td>
</tr>
<tr>
<td>Closure</td>
<td>43</td>
<td>604</td>
<td>647</td>
</tr>
<tr>
<td>Further investigation or comments</td>
<td>12</td>
<td>219</td>
<td>231</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>TOTAL</td>
<td>262</td>
<td>1736</td>
<td>1998</td>
</tr>
</tbody>
</table>

NOTE: The Commission did not tender any advice on 139 CBI reports and 7 CVOs reports as its advice was not necessary.
2.3.3 **SECOND STAGE ADVICE CASES**

The disposal of cases by the Commission at the second stage is reflected in the table below:

**Nature of Commission's second-stage advice**

<table>
<thead>
<tr>
<th>Nature of advice</th>
<th>On the CDIs' reports</th>
<th>On the cases received from the CVOs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imposition of Major penalty</td>
<td>267</td>
<td>117</td>
<td>384</td>
</tr>
<tr>
<td>Imposition of Minor penalty</td>
<td>91</td>
<td>59</td>
<td>150</td>
</tr>
<tr>
<td>Exoneration</td>
<td>108</td>
<td>72</td>
<td>180</td>
</tr>
<tr>
<td>Other action</td>
<td>58</td>
<td>25</td>
<td>83</td>
</tr>
<tr>
<td>Further inquiry</td>
<td>7</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>531</td>
<td>284</td>
<td>815</td>
</tr>
</tbody>
</table>

2.3.4 **TOTAL NUMBER OF CASES RECEIVED IN THE COMMISSION**

The graph below shows the trend of the number of vigilance cases (including cases involving first, second stage advice, reconsideration etc.) received in the Commission from 1984 to 1990. It would be observed that the number of cases has consistently increased from 2600 in 1984 to 3953 in 1990 - depicting an increase of 52% in 1990 as compared to the figure in 1984. There is increase of 11.29% of cases received in 1990 as compared to 1989. This is perhaps indicative of improved vigilance awareness in the organisations/departments, and better investigation of cases relating to corrupt practices, pursuant to the Commission's continued
emphasis to deal with corrupt elements being brought home to CVOs/Departments

NO. OF CASES RECEIVED

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NO. OF CASES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>2600</td>
</tr>
<tr>
<td>1985</td>
<td>2965</td>
</tr>
<tr>
<td>1986</td>
<td>3146</td>
</tr>
<tr>
<td>1987</td>
<td>3389</td>
</tr>
<tr>
<td>1988</td>
<td>3415</td>
</tr>
<tr>
<td>1989</td>
<td>3643</td>
</tr>
<tr>
<td>1990</td>
<td>3953</td>
</tr>
</tbody>
</table>
2.3.5 The following graph indicates the total number of cases disposed of by the Commission from 1984 to 1990:

**NO. OF CASES DISPOSED OF**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NO. OF CASES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>2575</td>
</tr>
<tr>
<td>1985</td>
<td>2617</td>
</tr>
<tr>
<td>1986</td>
<td>3368</td>
</tr>
<tr>
<td>1987</td>
<td>3092</td>
</tr>
<tr>
<td>1988</td>
<td>3818</td>
</tr>
<tr>
<td>1989</td>
<td>3552</td>
</tr>
<tr>
<td>1990</td>
<td>3814</td>
</tr>
</tbody>
</table>
2.3.6 \textbf{FIRST STAGE ADVICE ON INVESTIGATION REPORTS:}

The following statement gives an analysis of the action advised by the Commission during the last few years.

(A) \textbf{C.B.I. INVESTIGATION REPORTS:}

(Number of cases)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total advisces tendered</th>
<th>Action recommended with their percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Prosecution</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td>348</td>
<td>22 (6.32%)</td>
</tr>
<tr>
<td>1985</td>
<td>287</td>
<td>31 (10.8%)</td>
</tr>
<tr>
<td>1986</td>
<td>376</td>
<td>38 (10.11%)</td>
</tr>
<tr>
<td>1987</td>
<td>332</td>
<td>37 (11.14%)</td>
</tr>
<tr>
<td>1988</td>
<td>393</td>
<td>42 (10.69%)</td>
</tr>
<tr>
<td>1989</td>
<td>315</td>
<td>37 (11.75%)</td>
</tr>
<tr>
<td>1990</td>
<td>262</td>
<td>31 (11.83%)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2313</td>
<td>238 (10.29%)</td>
</tr>
</tbody>
</table>

It would be observed from the above table that broadly, there is an upward trend in the percentage of cases in which the Commission has advised "prosecution" which is indicative of the fact that the emphasis is given on the serious irregularities.
(B) **C.V.Os’ INVESTIGATION REPORTS:**
(Number of cases)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total advices tendered</th>
<th>Action recommended with their percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Prosecution</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td>974</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.2%)</td>
</tr>
<tr>
<td>1985</td>
<td>1031</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.29%)</td>
</tr>
<tr>
<td>1986</td>
<td>1698</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.47%)</td>
</tr>
<tr>
<td>1987</td>
<td>1506</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.46%)</td>
</tr>
<tr>
<td>1988</td>
<td>2073</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.15%)</td>
</tr>
<tr>
<td>1989</td>
<td>1634</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.12%)</td>
</tr>
<tr>
<td>1990</td>
<td>1736</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.23%)</td>
</tr>
<tr>
<td>TOTAL: 10652</td>
<td>29</td>
<td>3121</td>
</tr>
<tr>
<td>(1984 TO 1990)</td>
<td></td>
<td>(0.27%)</td>
</tr>
</tbody>
</table>

It would be observed from the above table that the Commission has advised "major penalty action" in only 29.30% of cases investigated by the CVOs, as compared to 45.78% of cases investigated by the CBI. Further the evidence collected in as many as 61.74% cases investigated by the CVOs, as against 32.34% cases investigated by the CBI, did not warrant even "minor penalty action" as may be seen from the column "Others". This is indicative of the fact that investigation skill in the departmental vigilance agencies requires to be improved further.
**COMBINED CBI/CVC** INVESTIGATION REPORTS:
(Number of cases) (Tables A + B)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total advice tendered</th>
<th>Action recommended with their percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prosecution Major penalty Minor penalty Procee-dings Others</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Proce- dings</td>
</tr>
<tr>
<td>------</td>
<td>------------------------</td>
<td>------------------------------------------------</td>
</tr>
<tr>
<td>1984</td>
<td>1322</td>
<td>24 (1.82%) 434 (32.83%) 130 (9.83%) 734 (55.52%)</td>
</tr>
<tr>
<td>1985</td>
<td>1318</td>
<td>34 (2.58%) 471 (35.74%) 116 (8.80%) 697 (52.88%)</td>
</tr>
<tr>
<td>1986</td>
<td>2074</td>
<td>46 (2.22%) 823 (39.68%) 140 (6.75%) 1065 (51.35%)</td>
</tr>
<tr>
<td>1987</td>
<td>1838</td>
<td>44 (2.39%) 581 (31.61%) 138 (7.51%) 1075 (58.49%)</td>
</tr>
<tr>
<td>1988</td>
<td>2466</td>
<td>45 (1.82%) 755 (30.62%) 261 (10.58%) 1405 (56.98%)</td>
</tr>
<tr>
<td>1989</td>
<td>1949</td>
<td>39 (2.00%) 522 (26.78%) 182 (9.34%) 1206 (61.88%)</td>
</tr>
<tr>
<td>1990</td>
<td>1998</td>
<td>35 (1.75%) 594 (29.73%) 227 (11.36%) 1142 (57.16%)</td>
</tr>
</tbody>
</table>

14
In advising imposition of penalties or exoneration of delinquent officials, the Commission keeps in view various factors such as, gravity of misconduct, nature of evidence and other attending circumstances. The table below shows the penalties recommended for imposition:

**Commission's recommendation at second-stage:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Major penalty</th>
<th>Minor penalty</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>245 (51.80%)</td>
<td>53 (11.20%)</td>
<td>175 (37.00%)</td>
<td>473</td>
</tr>
<tr>
<td>1985</td>
<td>291 (57.63%)</td>
<td>54 (10.69%)</td>
<td>160 (31.68%)</td>
<td>505</td>
</tr>
<tr>
<td>1986</td>
<td>282 (54.97%)</td>
<td>67 (13.06%)</td>
<td>164 (31.97%)</td>
<td>513</td>
</tr>
<tr>
<td>1987</td>
<td>215 (44.98%)</td>
<td>46 (9.62%)</td>
<td>217 (45.40%)</td>
<td>478</td>
</tr>
<tr>
<td>1988</td>
<td>274 (49.19%)</td>
<td>83 (14.90%)</td>
<td>200 (35.91%)</td>
<td>557</td>
</tr>
<tr>
<td>1989</td>
<td>287 (38.37%)</td>
<td>148 (19.79%)</td>
<td>313 (41.84%)</td>
<td>748</td>
</tr>
<tr>
<td>1990</td>
<td>384 (47.12%)</td>
<td>150 (18.40%)</td>
<td>281 (34.48%)</td>
<td>815</td>
</tr>
</tbody>
</table>

The details of the Commission's recommendations at second stage indicated in the above table are given in the following two tables (A) & (B):
(A) CDL REPORTS: (Second Stage advice)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total actions tendered</th>
<th>Action recommended with their percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Imposition of Major penalty</td>
</tr>
<tr>
<td>1984</td>
<td>386</td>
<td>220 (56.99%)</td>
</tr>
<tr>
<td>1985</td>
<td>391</td>
<td>246 (62.92%)</td>
</tr>
<tr>
<td>1986</td>
<td>354</td>
<td>217 (61.3%)</td>
</tr>
<tr>
<td>1987</td>
<td>365</td>
<td>177 (48.49%)</td>
</tr>
<tr>
<td>1988</td>
<td>423</td>
<td>221 (52.24%)</td>
</tr>
<tr>
<td>1989</td>
<td>540</td>
<td>222 (41.11%)</td>
</tr>
<tr>
<td>1990</td>
<td>531</td>
<td>267 (50.28%)</td>
</tr>
</tbody>
</table>

16
### (B) Reports of Inquiry Officers of Departments Received Through CVOs: (Second stage advice)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total advices tendered</th>
<th>Action recommended with their percentage (%)</th>
<th>Impression of Major penalty</th>
<th>Impression of Minor penalty</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td>87</td>
<td>25 (28.73%)</td>
<td>22 (25.29%)</td>
<td>40 (45.98%)</td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td>114</td>
<td>45 (39.47%)</td>
<td>17 (14.91%)</td>
<td>52 (45.62%)</td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td>159</td>
<td>65 (40.88%)</td>
<td>28 (17.61%)</td>
<td>66 (41.51%)</td>
<td></td>
</tr>
<tr>
<td>1987</td>
<td>113</td>
<td>38 (33.63%)</td>
<td>21 (18.58%)</td>
<td>54 (47.79%)</td>
<td></td>
</tr>
<tr>
<td>1988</td>
<td>134</td>
<td>53 (39.55%)</td>
<td>26 (19.40%)</td>
<td>55 (41.05%)</td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>208</td>
<td>65 (31.25%)</td>
<td>50 (24.04%)</td>
<td>93 (44.71%)</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>284</td>
<td>117 (41.20%)</td>
<td>59 (20.77%)</td>
<td>108 (38.03%)</td>
<td></td>
</tr>
</tbody>
</table>

2.3.8 During 1990, major penalties of the higher order namely dismissal, removal and compulsory retirement, have been imposed on 58 officers as against 60 officers in 1988 and 49 officers in 1989. In addition to that, penalty of cut in pension was imposed on 14 officers and services of two officers were terminated. This is reflected in the following table:

<table>
<thead>
<tr>
<th>TYPE OF PUNISHMENT</th>
<th>Dismissed</th>
<th>Removed</th>
<th>Compulsorily Termination</th>
<th>Cut in Total of Services</th>
<th>Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19</td>
<td>22</td>
<td>17</td>
<td>2</td>
<td>14</td>
</tr>
</tbody>
</table>

17
2.3.9 Of the above officers, a General Manager of a public sector undertaking was dismissed from service, the services of a General Manager belonging to another public sector undertaking were terminated and a Controller of Safety under the Ministry of Defence was compulsorily retired. In addition to this, the pay of a Chairman-cum-Managing Director of an Insurance Company, a General Manager of a public sector undertaking and the Director of Printing under the Ministry of Urban Development was reduced.

2.3.10 The following table indicates the status of the pendency of cases with the Commission at the end of 1990:

<table>
<thead>
<tr>
<th>Complaints</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Inv. Reports</td>
</tr>
<tr>
<td>B/f from the previous year:</td>
<td>36</td>
</tr>
<tr>
<td>Received during the year:</td>
<td>1406</td>
</tr>
<tr>
<td>Total</td>
<td>1442</td>
</tr>
<tr>
<td>Disposed of</td>
<td>1412</td>
</tr>
<tr>
<td>Pending</td>
<td>30</td>
</tr>
</tbody>
</table>

2.3.11 Out of 637 cases shown as pending in the above table, 393 cases were actually pending examination in Commission. Out of remaining 244 cases, 166 cases were pending for want of certain clarifications from the concerned departments and 78 CBI reports were pending consideration for want of comments of the respective disciplinary authorities.
The total number of cases received in the Commission has increased from 3643 in 1989 to 3953 in 1990 thus indicating an increase of 310 cases. Similarly, the total number of cases disposed of in the Commission has increased from 3552 in 1989 to 3814 in 1990 thus indicating an increase of 262 cases.

Incidence of vigilance cases in Public Sector via-a-vis Government Departments:

As on 31st December, 1990, 486 Organisations/Departments have been covered under the jurisdiction of the Central Vigilance Commission. An analysis of the cases shows that out of 2204 fresh cases initiated in the Commission during the year 1990, 1376 cases pertained to government departments. Out of remaining 828 cases, 354 cases pertained to banks, 245 cases pertained to public sector undertakings, 73 cases pertained to insurance companies and 156 cases pertained to autonomous and other similar bodies. In fact, because of the larger economic and commercial role played by the public sector, the nature and types of misconduct detected in relation to it, particularly, in banks, insurance companies etc. the need for greater vigilance in these organisations is felt.

DETAILS OF PUNISHMENTS IMPOSED:

During 1990, the disciplinary authorities under various Ministries/Departments/Public Sector Undertakings/Nationalised Banks etc. have issued sanction for the prosecution of suspected public servants in nine cases and have imposed major penalties in 237 cases and minor penalties in 323 cases in respect of cases where Commission's advice was required. Department-wise break-up of these cases, including the public sector undertakings and autonomous bodies under their administrative control is given in the following table: -
<table>
<thead>
<tr>
<th>S.NO.</th>
<th>DEPARTMENT</th>
<th>PROSECUTION</th>
<th>MAJOR PENALTY</th>
<th>MINOR PENALTY</th>
<th>ADMINISTRATIVE PENALTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AGRICULTURE AND COOPERATION</td>
<td>-</td>
<td>1</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>ATOMIC ENERGY</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>BANKS</td>
<td>-</td>
<td>106</td>
<td>101</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>CHEMICALS AND PETRO-CHEMICALS</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>CIVIL AVIATION</td>
<td>-</td>
<td>4</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>CIVIL SUPPLIES</td>
<td>-</td>
<td>4</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>COAL</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>COMMERCE</td>
<td>-</td>
<td>2</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>9</td>
<td>C.S.I.R.</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>CAG OF INDIA</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11</td>
<td>CUSTOMS &amp; CENTRAL EXCISE</td>
<td>-</td>
<td>7</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>DEFENCE</td>
<td>9</td>
<td>9</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>13</td>
<td>DELHI ADMINISTRATION</td>
<td>-</td>
<td>6</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>14</td>
<td>EXTERNAL AFFAIRS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>15</td>
<td>FERTILIZER CORPN. OF INDIA</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>16</td>
<td>FOOD</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>17</td>
<td>FOOD PROCESSING INDUSTRIES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>18</td>
<td>HUMAN RESOURCES DEVELOPMENT</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>19</td>
<td>HOME AFFAIRS</td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>20</td>
<td>INCOME TAX</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>21</td>
<td>INDUSTRIAL DEVELOPMENT</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>22</td>
<td>INFORMATION AND BROADCASTING</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>23</td>
<td>INSURANCE</td>
<td>-</td>
<td>3</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>24</td>
<td>IRRIGATION</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>25</td>
<td>LABOUR</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>26</td>
<td>MINES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>27</td>
<td>N.D.M.C.</td>
<td>-</td>
<td>2</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>28</td>
<td>NON-CONVENTIONAL ENERGY RESOURCES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>29</td>
<td>PETROLEUM AND NATURAL GAS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>30</td>
<td>POSTS &amp; TELEGRAPHS</td>
<td>-</td>
<td>8</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td>31</td>
<td>POWER</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>32</td>
<td>PUBLIC ENTERPRISES</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>S. No.</td>
<td>Department</td>
<td>Prose-Cution</td>
<td>Major Penalty</td>
<td>Minor Penalty</td>
<td>Administrative Action</td>
</tr>
<tr>
<td>-------</td>
<td>----------------------------</td>
<td>--------------</td>
<td>---------------</td>
<td>---------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>33</td>
<td>Railways</td>
<td>-</td>
<td>30</td>
<td>139</td>
<td>69</td>
</tr>
<tr>
<td>34</td>
<td>Science and Technology</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>35</td>
<td>Supply</td>
<td>-</td>
<td>1</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>36</td>
<td>Surface Transport</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>37</td>
<td>Textiles</td>
<td>-</td>
<td>12</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>38</td>
<td>Union Territories</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>39</td>
<td>Urban Development</td>
<td>-</td>
<td>14</td>
<td>11</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td><strong>9</strong></td>
<td><strong>237</strong></td>
<td><strong>323</strong></td>
<td><strong>165</strong></td>
</tr>
</tbody>
</table>
CHAPTER 3

REVIEW MEETINGS TAKEN BY THE CENTRAL VIGILANCE COMMISSIONER DURING 1990

3.1 As part of the strategy to activate vigilance functions in the organisations and with a view to maintain close liaison with the vigilance and other personnel of various organisations, the Central Vigilance Commissioner reviewed the vigilance activities of a number of organisations during the year. The meetings were held either sector-wise or individually with the organisations. The outcome of these meetings is briefly indicated below :-

3.2 MEETING WITH CMDs AND CVOs OF SOME NATIONALISED BANKS ON 13.9.1990.

The meeting taken by the Central Vigilance Commissioner was attended by CMDs and CVOs of 20 nationalised banks including representatives of Reserve Bank of India and State Bank of India; Secretary, Department of Personnel and Training; Additional Secretary, Department of Banking; and representatives of the CBI. The Vigilance Commissioner expressed his concern about the increasing irregularities connected with big advances, involving foreign exchange, granted to parties and also emphasised the need for banking sector to concentrate its efforts on bank frauds including computer frauds. He emphasised the need for taking preventive measures. The CVC also observed that barring a couple of banks, the level of vigilance activities in most of the banks was on a very low key. The consensus which emerged as a result of the discussions may be summed up as under:

(a) CVOs should be from outside the bank as far as possible and preferably from another bank or RBI.

(b) All banks should have a provision similar to FR 56(d) for premature retirement of employees.

(c) The banks should have a provision for withholding of gratuity where RDA proceedings have been instituted before the retirement of the officer and such proceedings should be possible to be carried beyond the date of retirement.
(d) The question of having inter-bank transfers of officers at the level of DGM and above may be examined by Department of Banking with a view to ensure greater mobility, reduce vested interests and to take out banks out of their traditional/regional bias due to historical reasons.

(e) In order to expedite the RDA proceedings pending with banks, Department of Banking could issue suitable guidelines for employment of retired judges or officers and some other selected categories as Inquiry Officers on a fixed honorarium (which includes separate honorarium for secretarial assistance). This may require amendment to the Conduct and Discipline Rules of various banks.

(f) The investigating machinery should invariably be under the direct and personal control of CVO of each bank. Department of Banking may in addition examine as to whether audit and inspection functions can also be put under the control of CVO.

(g) A system has to be devised for ensuring greater accountability regarding sticky accounts in respect of loans and advances sanctioned for big industrial units.

3.3 REVIEW MEETING WITH INSURANCE SECTOR:

3.3.1 The CVC held a meeting on 22.10.90 with the CMDs of General Insurance Corporation, Oriental Insurance Company, New India Assurance Company, National Insurance Company, and United India Insurance Company, when CVOs and some senior executive of Insurance Companies and the senior officers of Ministry of Finance (Insurance Division) and CBI were also present. The CVC observed that whereas the vigilance load of all the four insurance companies was more or less the same, the statistical returns of the four insurance companies generally indicated a low vigilance profile. The CVC mentioned that the prominent malpractices noticed related to a large number of fraudulent motor claims in which heavy losses were being sustained by the insurance sector, serious and widespread fraudulent reporting indulged in by Surveyors, frauds in cattle insurance and grant of retrospective insurance covers. He, therefore, desired that greater attention is required to be paid from the preventive vigilance point of view in regard to the above susceptible areas. He also stated that there
was a tendency on the part of corrupt public servants to indulge in increased corrupt practices on the verge of their retirement and, therefore, there was a need for having a provision for penal action by way of withholding of retirement benefits even after retirement and for premature retirement of the officers on the pattern of FR 56(j). CVC also emphasised that the whole institution of Surveyors and their functions needs to be reviewed keeping in view the international practices in that behalf. It was also considered necessary to standardise the form of inspection so as to orient it towards vigilance inspections and to cover in it specifically all major sensitive items to be checked by the inspecting officer/team. The CVC also suggested that the insurance companies may make serious efforts to enlist services of outside officers, including retired personnel, with good reputation of integrity, efficiency and impartiality to function as Inquiry Officer, so as to reduce the pending inquiry cases.

3.3.2 CVC also took a meeting on 23.10.90 with the Chairman, LIC and his officers, when the Joint Secretary, Insurance Division, Ministry of Finance and the Joint Director, CBI were also present. Narrating the various aspects of preventive measures that can be undertaken by the LIC, CVC observed that the system of maintaining property returns of the employees and having a provision for taking action against employees after retirement may be considered for being introduced. It was also observed that there had been considerable delays in completing vigilance investigations on the inspection reports of the CTE and hardly any effective action, punitive or corrective, was taken by the organisation. CVC also suggested that the LIC should make an analysis of delays in payment of claims, period-wise, of cases of insurance cover taken within two years of death and with reference to man-woman ratio.

3.4 REVIEW MEETINGS WITH INDIVIDUAL ORGANISATIONS:

The Central Vigilance Commissioner also reviewed vigilance activities of the following organisations with the Heads/Chief Executives and their concerned senior executives on the dates mentioned against them:

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Some of the observations that emerged during these meetings are as under:

(a) Vigilance activities in most of the organisation were at a low ebb. CVC suggested to the organisations to strengthen their vigilance set-up. He also suggested that to speed up disposal of cases retired officers could be appointed as Inquiry Officers in individual cases, on payment of suitable amount of honorarium and that the engineering organisations should have an officer with engineering background attached to the vigilance unit.

(b) The powers of the disciplinary authority in respect of officers of the MCD vest in a Committee of the elected body which had disregarded Commission's advice in a number of cases without recording adequate reasons. Commission suggested that the orders passed by the disciplinary authority in these cases may be reviewed by the reviewing authority.

(c) In regard to Delhi Administration, CVC observed that it is necessary to avoid delays in investigation of cases in respect of complaints on which Commission has called for reports, that the vigilance organisation of Administration may also independently scrutinise cases before they are sent to the Commission for advice and that more effective vigilance oriented inspections are
required to be made;

(d) CVC suggested that an organisation, like DDA, having large-scale public dealings, should build up its image by promptly responding to public grievances and that responses from DDA in respect of CTEs inspections reports have been considerably delayed;

(e) The property returns submitted by the officers appearing on "Agreed List" and "List of officers of doubtful integrity" should be scrutinised closely;

(f) CVC laid emphasis on preventive vigilance and narrated some of the aspects of preventive vigilance as identification of vulnerable areas and personnel, preparation of "Agreed List" and "List of officers of doubtful integrity", periodical rotation of staff on sensitive posts; codification/ updating of the Manuals; review of the systems, practices and procedures prevailing in the organisation; surprise checks on public-dealing points etc.;

(g) A number of inspections were being conducted but the cases emerging out of inspections were very few, which indicated that the inspection were routine in nature. CVC stressed that inspections being conducted should be vigilance-oriented, and purposeful;

(h) Many public sector undertakings did not have the provision for continuing proceedings after retirement of the officer with a view to withholding "gratuity". CVC desired that PSUs should incorporate such a provision so that if an officer is found guilty of grave misconduct, a portion of his gratuity could be held as penal action; and

(i) CVC also suggested that public sector undertakings should expedite action for incorporation of a provision, similar to FR 56(J) in Government sector, with a view to weeding out inefficient and medically unfit employees and also those having doubtful integrity.
CHAPTER 4

PREVENTIVE VIGILANCE

4.1 As prevention is better than cure, the Commission has been attaching considerable importance to preventive vigilance, which, if properly conceived and implemented enables plugging weak/vulnerable areas and also enables reduction in malpractices. Preventive vigilance has assumed importance in the context of the position that Government have undertaken a large number of socio-economic programmes for the betterment of people for which sizeable investments have been made in the public sector. The need for continued emphasis being given in this field was also brought home to the Chief Vigilance Officer through training programmes organized for them or in the review meetings taken by the Central Vigilance Commissioner.

4.2 The activities in relation to the preventive vigilance would mainly fall in the following areas:

(a) Examination of rules, regulations, procedures and systems prevailing in the organization so as to plug the loopholes, if any, which could give scope for corruption;

(b) To identify vulnerable areas in the organization such as sales, purchases, either through tenders or otherwise, disposal of scrap, recruitment, etc.

(c) To prepare "agreed list" in consultation with the CBI;

(d) To prepare the "list of officers of doubtful integrity";

(e) Periodical rotation of staff posted in sensitive areas;

(f) Close scrutiny of the annual property returns submitted by the officers appearing on the agreed list/list of officers of doubtful integrity;

(g) To weed out inefficient, medically unfit and those enjoying bad reputation, under the provisions of FR 56(j) in Government sector or analogous provision in other organizations;

(h) Codification of various Manuals such as Purchase Manual, Works Manual, etc.;
(i) Regular and surprise inspections covering all important activities and operations of the organization, with a view to unearthing the irregularities if any;

(j) Visits to public contact points at rush hours, such as railway booking counters, bank counters, municipal offices, income-tax offices, customs clearance counters at airports etc. for the purpose of keeping a check on officials indulging in malpractices or causing harassment to public.

4.3 SUGGESTIONS FOR IMPROVEMENT OF PROCEDURES:

During the year, the Commission made some suggestions to the Department of Personnel and Training regarding improvement of procedures and rules. Some of these are, briefly, indicated below :-

(a) PROMOTION OF THE GOVERNMENT SERVANT AGAINST WHOM DISCIPLINARY/ COURT PROCEEDINGS ARE PENDING OR WHOSE CONDUCT IS UNDER INVESTIGATION:

In supersession of all the earlier instructions on the above mentioned subject, the Department of Personnel and Training issued fresh set of instructions in January, 1988, which provided, inter alia, that at the time of consideration of the case of Government servant for promotion, details of Government servants, in the consideration zone, against whom an investigation on serious allegations of corruption, bribery or similar gross misconduct is in progress should also be brought to the notice of the Departmental Promotion Committee, who shall assess the suitability of such Government Servants alongwith other eligible candidates, but would keep its assessment in respect of such officers in a sealed cover.

The experience in the Commission, however, reveals that false complaints are often received against the honest officers, probably sent by the interested parties, at a time when they are due, or are likely to be considered, for promotion so as to thwart or delay their promotion. The Commission, thus took a view that the above mentioned provision which was incorporated for the first time in the instructions issued in January, 1988 would tend to give encouragement to such mischievous complainants thereby exposing honest officers to serious risk to their legitimate service interest, if the complainant makes his allegations look adequately serious or grave. The Commission also
observed that the above mentioned provision also gives inherent powers in following the sealed cover procedure, to competent authority, which could harm the officer, by taking a serious/grave view on an allegation, whether such view is justified or not. Further, the very idea of subjecting a public servant to sealed cover procedure, when even investigations have not yet started appears to be repugnant to justice and fair play. The Commission has therefore suggested to the Government to review the instructions with a view to deleting the above provision so that sealed cover procedure is followed only if some departmental/criminal proceedings are pending against the officer or if such proceedings are contemplated, i.e. if the disciplinary authority has made up its mind to initiate such proceedings. The matter is under consideration of the Government.

(b) **INTIMATION REGARDING PURCHASE OF SHARES UNDER THE CONDUCT RULES:**

Rule 18(3) of the CCS(Conduct) Rules, 1964 requires that every Government servant entering into a transaction in respect of movable property, either in his own name or in the name of member of his family, would report the same to the competent authority, within one month of the date of such transaction, if the value of such property exceeds Rs.10000 in case of a Government servant holding any Group A or B post or Rs.5000 in case of a Government servant holding any Group C or Group D post.

The Commission observed that there could be instances when an employee might purchase shares on a monthly basis, each time the amount being less than that required for intimation to the competent authorities. In such cases, although the cumulative amount of the shares purchased in a year could be quite high, the employee cannot be charged for not informing the competent authority about these transactions because he has been careful not to exceed the prescribed limit each time the shares were purchased. The Commission has, therefore suggested to the Department of Personnel and Training and also to the Banking Division to examine the issue so as to provide that if the face value of the shares purchased/sold in a calendar year exceeds the limit prescribed in Rule 18(3), the transaction should be reported to the competent authority.

This matter is also under consideration of the Government.
4.4 PREVENTIVE ROLE PLAYED BY THE CHIEF TECHNICAL EXAMINER'S UNIT:

As a result of technical examination of works by the CTE's Unit and the irregularities and deficiencies brought out in the inspection reports, many organizations have issued circulars and instructions for information and guidance of their Engineering Units to prevent such irregularities and deficiencies in future. Issue of such instructions and circulars contributes considerably to prevent malpractices and is an important aspect of "preventive vigilance". Some of the subjects covered by the issue of such circulars are indicated below:

(A) AIR CIVIL WING:
1. Part rates to be correctly analysed.
2. The rate payable for Secured Advance should not exceed the cost component in the quoted rate for the finished item.

(B) BHARAT ELECTRONICS:
1. Preparing estimates based on Market Rate Analyses.
3. All measurements should commence with entries giving the full particulars of the work.

(C) CALCUTTA PORT TRUST:
2. Asstt. Engineer to test check atleast 20% of the measurements.
3. Calculations of theoretical requirements of Departmental materials to be attached to each bill.
4. In case of execution of excess quantities reasons to be clearly recorded.
5. Original Agreements to be kept in the custody of the Accounts Officer.
6. The quantity of cement for which recovery is to be made in each Running Account Bill should not be less than the actual consumption.

7. Where an item is not done according to the specifications, a Reduced Rate Statement should be prepared.

(D) CANARA BANK:

1. If Volumetric Mixes are to be used, Volumetric Mixes should be specified and not Design Mix concrete.

2. Measurements to be recorded in Measurement Books.

3. Specifications to be clear and explicit.

4. Thickness of cement plaster on exposed RCC work should not exceed 6 mm.

5. Spacing of joints in CC flooring should not exceed 2 metres.

(E) COAL INDIA LIMITED:

1. Extra items to be grouped together separately in the bills.

2. A record of cement consumed in each file to be maintained.

3. Measurements of concealed items to be checked 100% by the Executive Engineer.

4. Cement Godowns and Registers to be checked by the Executive Engineers.

5. As Red Lead Primer is very costly, Yellow Zinc Chromate Paint should be adopted.

6. Calculations of theoretical requirements to be furnished with each Running Bill.

7. Cement and Steel to be issued against a Bank Guarantee.

8. Issues of Cement to be controlled according to site requirements.
9. Calculations of theoretical requirements of Departmental materials to accompany each Running Bill.

(F) C.P.W.D.:

1. Technical sanction should invariably be accorded before preparation of the Tender Document.

2. The cost element of the material in the tendered rate should be checked before the rate for Secured Advances is approved.

3. The Estimated cost should be increased by the difference in costs of Departmental materials based on the Issue Rates and Scheduled Rates.

(G) DELHI DEVELOPMENT AUTHORITY:

1. Specialised agencies to be approved by the Chief Engineer and a list of such agencies to be appended to the Tender Document.

2. Actual quantity of cement consumed in each pile to be recorded.

3. Depth of pile to be checked with the length of the auger and extension rods used subsequently.

4. Maintenance of records of Market Rates by each Zone.

5. Bentonite to be tested and specific gravity of the slurry to be tested.

6. Recovery Rates for damage or misuse of materials issued by the Deptt. to be stipulated.

7. Place of delivery of Departmental Materials should be explicitly specified.

8. Offer to be taken in a clear and unambiguous form before the acceptance is issued.

9. Tender documents should not be prepared without first according Technical Sanction.

10. Coarse sand to be tested for the Grading Zone and not the Fineness Modulus.
11. Precast lintels should be cast on smooth concrete platforms and not on sand beds.

12. The mandatory minimum period of publicity specified should be strictly adhered to.

13. F.D.Rs. should not be accepted as Earnest Money.

14. Contractors registered with State P.W.Ds are not eligible to tender for DDA works.

15. All requirements specified in Clause 12A should be complied with when deviations are anticipated.

(H) FLOOD DEPARTMENT, DELHI ADMIN:

1. Blank pages of Tender Documents to be so marked.

2. Number of corrections, overwritings, additions and omissions to be recorded.

3. Certificate regarding number of pages in the Tender Documents to be appended.

4. Bricks of CD 35 should not be used in foundations and structural members.

(I) FOOD CORPORATION OF INDIA:

1. Mandatory tests specified in the CPWD specifications should be carried out.

2. Rail side drainage system to be modified and made more economical and rubber sheets behind angle iron fenders omitted.

3. For Anti-termite and Painting treatment, Registers of Receipts and Issue of Aldrin and paints to be maintained.

4. Premereasurement of bond stones to be recorded.

5. Overlaps in reinforcement to be staggered.

6. After payment the relevant measurements should be crossed in Red ink.

7. Theoretical requirement calculations of Departmental materials and Test Check statement to accompany each Running Account Bill.
8. Additional cost of development to be worked out approximately at the time of selection of land.

9. The approved Draft Tender Document to be carefully preserved.

10. Linear densities for rebars should be as specified in IS 1786-1985.

11. Glass strips should be clearly visible after flooring is laid.

12. 28 day test should be ensured if the 7 day cube test is not satisfactory.

13. Corrections and overwriting should be attested in the NIT and Agreement.

14. Approved Draft Tender Document to be sealed and carefully preserved.

15. List of materials to be issued should be stipulated in the Tender Document.

16. Hindrance Register should be maintained.

17. Cement should be stacked in the specified manner.

18. Price Escalation Clause to be amended to cover the cost of materials and labour.

19. Anti-termite treatment to be done only when there is concrete evidence of termite infestation.

20. Storage charges for Departmental materials to be stipulated.

21. Recovery rate to be specified for damage or theft or misuse of departmental material.

(J) H.S.C.L:

1. All Agreements to be sealed and number of pages certified.

2. 25% test check of measurements by the next senior Engineer.

3. All bills to be accompanied by calculations of theoretical requirement of materials supplied.
4. Cement Register to be maintained in the proper format.

5. Minimum qualifications to be satisfied by contractors to be clearly spelt out in the Notice Inviting Tenders.

(K) HINDUSTAN ZINC LTD.: 

1. Cement Register with numbered pages to be adopted.

2. Measurement to be recorded directly in the M.B. in the sequence of execution.

3. Insurance Cover to be taken before payment of a Secured advance for fragile materials.

4. Mandatory tests to be carried out on materials.

5. A minimum of three cubes should constitute each sample of Cement Concrete.

(L) I.T.D.C.: 

1. Draft Tender Document to be approved by the competent authority.

2. Income Tax Clearance Certificate to be verified.

3. Acceptance letter should be clear and unconditional.

4. Original Tender Documents to form part of the Agreement.

5. Blank pages should be numbered and so marked.

6. Original Agreement should be sealed and kept in the custody of a responsible officer.

7. Estimated quantities of materials stipulated for issue to be indicated in the Tender Document.

8. Specifications should be clear and explicit and not vague.

9. Mandatory Tests and specified in the CPWD specifications should be carried out.
(M) KANDLA PORT TRUST:

1. Maintenance of a Register of Bank Guarantee.

(N) LIFE INSURANCE CORPORATION:

1. Mere reliance on the Manufacturer's Test Certificate is not adequate. The material should be got tested independently.

(O) MADRAS PORT TRUST:

1. Wherever stack measurements are taken deduction should be made for looseness in stacking.

2. Clear and detailed specifications should be given in Tender Documents.

3. Market Rate Estimates should be prepared to assess the reasonableness of rates proposed for acceptance.

(P) M.C.D.:

1. If there are major deviations from the sanctions accorded by the Ministry of Surface Transport, MCD should obtain prior approval from MOST.

2. The Municipal Commissioner should evolve a mechanism for concurrent monitoring and checking of Road Works done by the MCD.

(Q) N.B.C.C.:

1. Mandatory Tests as per CPWD specifications to be carried out.

2. Specifications to be stipulated according to locally available materials.

(R) N.D.M.C.:

1. Corrections and additions in the Agreement to be attested by both the parties.

2. For disposal of earth the mode of measurement to be specified and a record kept of the truck numbers and the place of disposal.
3. Vague and uncertain conditions should not be stipulated in Tender Documents.

4. Abnormally high and low rated items to be identified and watched.

5. When materials are proposed to be issued by the Department, only Handling charges at 2 and 1/2% of the cost should be provided in Estimates.

(S) N.P.C.C.:

1. Stirrups and binders should be bent to the required sizes so that the specified cover to the main reinforcement is achieved.

2. Each sample of concrete should consist of six cubes and three cubes are to be tested at 7 days. If the 7 day test is less than specified, the cubes should be tested at 28 days.

(T) P & T CIVIL WING:

1. Guarantee Bonds should be taken for specialised jobs.

2. Neat cement prunning over Terrace slab not required.

3. Thickness of rendering on RCC work should not exceed 6 mm.

4. Lintels should have adequate and bearings.

5. Surfaces of wooden frames in contact with masonry to be painted with coal tar.

6. Coupling sections and transom bars to be provided in composite windows.

7. Water seal for floor traps should not be less than 50 mm.

8. Flush doors to be tested before use.

9. White glazed tiles and Terrazzo tiles to be tested before use.

10. Market Rate Estimating should be prepared to assess the reasonableness of rates proposed to be accepted.
1. Calculations of theoretical requirement of cement and steel to be attached to each Running Bill.

2. Market Rate Estimates should be prepared to identify Abnormally High and Low Rated items.

3. Lists of approved makes of materials to be attached to Tender Documents.

4. Registers of consumption of costly materials like Aldrin, Bitumen, white cement, lead, paint etc. should be maintained.

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**PUNJAB NATIONAL BANK:**

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1. Calculations of theoretical requirement of cement and steel to be attached to each Running Bill.

2. Market Rate Estimates should be prepared to identify Abnormally High and Low Rated items.

3. Lists of approved makes of materials to be attached to Tender Documents.

4. Registers of consumption of costly materials like Aldrin, Bitumen, white cement, lead, paint etc. should be maintained.

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**PWD, PONDICHERRY:**

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1. Market Rate Estimate to be prepared to assess reasonableness of tenders.

2. Particular specifications to be attached when the specifications differ from the CPWD specifications.

3. Abnormally High and Low Rates to be identified.

4. Mandatory tests to be carried out as per specifications.

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**RAILWAYS:**

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1. Issues of cement to be commensurate with the progress of the work.

2. Recovery should be effected for excess cement consumed at double the market rate plus freight.

3. Place from which earth is to be excavated and transported to the site should be clearly demarcated on the plan.

4. For award of contracts to IRCON without call of tenders, the rates should be critically analysed to ensure that the contract is awarded at reasonable rates.

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**RESERVE BANK OF INDIA:**

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1. Part rates to be analysed and shown in part rate statements.
2. Draft Tender Documents to be approved by the competent authority.

3. Quantum of test checks to be recorded in Measurement Books.

4. Specifications for materials to be based on locally available materials.

5. Full payment for waterproofing to be released only after obtaining a Guarantee Bond.

6. Theoretical requirement of cement to be calculated on the basis of CPWD specifications.

7. Revised format for empanelment of contractors to be adopted.

8. Specifications should be objective and comprehensive.

9. Cement Registers to be checked and countersigned by the Executive Engineers periodically.

Y:\n
1. Item-wise quantities to be estimated.

2. Inviting tenders without drawings and quantities should be discouraged.

3. The thirty year old HSL Schedule of Rates should be updated.

4. Estimates to be based on Market Rate Analyses.

5. Tenders having conditions which are vague and uncertain and which cannot be evaluated are liable to be rejected.

6. All conditions should be loaded while preparing the Comparative Statement.

7. If the lowest rates are within 10% of the estimated rates, the contract can be awarded straightaway.

8. In case of negotiations, all the tenderers should be invited and revised offers obtained on a fixed date and a fixed time.
9. When certain changes in the terms and conditions are contemplated, all the parties should be called and asked to submit revised offers.

(E) STATE BANK OF INDIA:
1. Approved makes of materials and equipments to be stipulated in Tender Documents.

(AA) STATE TRADING CORPORATION:
1. Original Agreements to be sealed and kept in the custody of a responsible officer.
2. Blank pages should be crossed and marked Blank.
3. Corrections and additions to be attested by both the parties.
4. Number of pages in the agreement to be certified.

4.5 SUGGESTIONS FOR IMPROVEMENTS:

4.5.1 Apart from inspecting works and bringing out deficiencies and irregularities, the CTE Unit also makes suggestions to various organizations to improve their technical systems and procedures. Some of the suggestions made by the CTE unit are given below:

(A) BUREAU OF INDIAN STANDARDS:
1. The dimensions of cupboard locks as described in the specifications and in the attached figures are contradictory.

(B) C.P.W.D.:
1. Utilisation of a Deviation Limit Clause to overcome delays due to Abnormally High Rated Items.
2. The gap behind stone veneering should be grouted with microconcrete 1:1 and 1/2 : 3 instead of cement mortar 1:4.
3. Geological and rheological tests for classification of marbles should be specified.
4. The nature of RCC work to be measured under RCC in fins. RSCC in walls and RCC in slabs should be defined.
5. The nature of RCC work to be measured under RCC in slabs and RCC in shelves should be defined.

6. Maintenance of a Lead Register should be specified.

7. The specifications should indicate whether or not a seal coat is required over Premix carpets.

8. To fall in line with the IS specifications which specifies the use of Red Oxide Zinc Chromate Primer instead of Yellow Zinc Chromate Primer as the former is more economical and serves the purpose equally well.

9. Due to the large number of malpractices in connection with purchase of Aldrin, it would be better to get the Antitermite treatment done by reputed specialists in Anti-termite treatment.

10. The depth and weight of lead in lead joints should be specified.

11. The Price Escalation Clause based on the Minimum Wage is faulty and results in huge undue benefits to be contractor. It should be based on the Consumer Price Index as originally envisaged.

(C) D.D.A:

1. Redesign of under reamed Pile foundations on the basis of initial tests to achieve economy.

(D) GENERAL:

1. Interest free advances and loans not covered under the conditions of contract should not be given.

2. Payment of bonus to Architects and contractors should not be made when not admissible under the contract.

3. Changes in specifications should not be resorted to which result in undue benefit to the contractor.

4. Issue Rates for materials and equipment not stipulated for issue to contractors should not be lower than the Market Rate or the cost element of the input in the finalised rate for the item.
5. Contract rates should not be enhanced unless these are covered by a Price Escalation Clause in the contract.

6. BPE Guidelines for appointment of Consultants should be followed.

7. Tenders not accompanied by Earnest Money should not be considered unless a special waiver of the rule is obtained from the Board of Directors.

8. Market Rate Estimates should be prepared to assess the reasonableness of the lowest tender.

9. Modifications of the existing Price Escalation clause which gives a large undue benefit to the contractor.

(E) HINDUSTAN PETROLEUM CORPORATION:

1. Vibroflot stone columns are not suitable for Marine clay deposits. The adoption of such stone columns by the BPCL at Uran in Bombay resulted in catastrophic failure of some LPG Horton spheres.

(F) INDIAN AIRLINES:

1. Importance of maintaining Registers for daily consumption of cement, Aldrin, Bitumen, Lead, Floor hardener, paints etc.

2. Clause to be added regarding forfeiture of 10% of the Earnest Money if the contractor withdraws or modifies his offer so as to make it unacceptable to the Corporation.

(G) INDIAN OIL CORPORATION:

1. Market Rate Estimates should be prepared to assess the reasonableness of rates proposed for acceptance.

(H) MINISTRY OF SURFACE TRANSPORT:

1. Payment Schedule for Consultants faulty as payments are related to a time frame and not to the actual quantum of work done by the Consultant.
4.6 OTHER IMPORTANT CASES:

Other important cases of preventive vigilance action taken as a result of inspection of records and works by the CTE Unit are given below:

4.6.1 MALPRACTICES IN WATER PROOFING TREATMENT:

Many contracts are being awarded by Construction Agencies for Acrylic based water proofing treatment. In one such case, a sample of the Water proofing compound was collected by this Unit and got tested for the presence of Acrylic compounds. The test report showed that the sample did not contain any Acrylic compound. The major Engineering Departments have been asked to get samples of the water proofing compound tested for the presence of Acrylic compounds whenever the firms concerned claim that their water proofing treatment is Acrylic based.

4.6.2 MALPRACTICES IN ANTI-TERMITE TREATMENT:

The procedure generally followed at present by Construction Agencies is to purchase the anti-termite chemical and to get it sprayed by departmental labour. It was felt that with this system the quality of the work could be ensured.

However, in the case of one Department, a sample of Aldrin collected by the CTE's Unit was found to contain a concentration of only 3% as against a minimum of 28.5% specified in the IS standard. Obviously, sub-standard and spurious material had been purchased and satisfactory test results were managed by the supplier and other persons concerned.

In a second case, a sample of Aldrin collected from the site of a work done by another Department indicated a zero concentration of Aldrin as compared to a minimum of 28.5%. In other words, the container contained ordinary water.

These cases have been brought to the notice of the CPWD so that the rules regarding anti-termite treatment could be modified to eliminate such malpractices.

4.6.3 WASTEFUL EXPENDITURE ON A POWER HOUSE:

The Rajghat Power House is situated in a remote location away from public view. The best type of cladding for such a Power House would be a brick masonry
wall with an RCC framework which would provide the necessary insulation and protection against the weather. The cost of such a brick masonry cladding would be about Rs. 300 per sq. metre.

Instead of the above economical alternative, DESU and BHEL adopted a very costly Luxalon cladding costing about Rs. 950 per sq. metre. Luxalon is an imported luxury material used for decorative ceilings in posh commercial establishments on a limited scale. It is also made of thin aluminium strips and its durability as external cladding is doubtful. In spite of these drawbacks, DESU and BHEL adopted this extremely expensive alternative which resulted in a loss of about Rs. one crore to the public exchequer. As a quid pro quo, M/C Luxalon allegedly gave a free trip to one Engineer each from BHEL and DESU to Holland to "witness the process of manufacture". Other incentives given are not on record.

4.6.4 WASTE OF FOREIGN EXCHANGE:

Perforated Luxalon 84-C, an imported material, is being extensively used for false ceiling as well as wall cladding by B.H.E.L./N.T.P.C. etc. in many of their works. Much cheaper indigenous substitutes are available in the country. Also, the expenditure on Luxalon for ceilings and cladding of power houses could be avoided as the cost is very high.

The matter was initially taken up with the Controller of Imports and Exports for banning such imports but, as no response was received, the matter was referred to the CBI for investigation. Now in his letter No. 1/34/90-Vig/38, dated 8.1.90, the Joint Chief Controller of Imports and Exports has intimated that Aluminium Rolled products, sheets, strips, circles and slugs which were earlier allowed for import under O.G.L. have since been deleted from the O.G.L. list and included in the limited permissible list in the Import Policy 1990-93.
CHAPTER 5

CASES OF NON-ACCEPTANCE AND NON-CONSULTATION ETC.

5.1 In this chapter, the facts of those cases are narrated which fall under the following groups:

(i) Para 5.2 - Cases where the departments have not accepted the advice tendered by the Commission;

(ii) Para 5.3 - Cases where the departments did not consult the Commission as required;

(iii) Para 5.4 - Cases where the departments have not accepted the Commission's advice in view of the UPSC's advice; and

(iv) Para 5.5 - Cases not dealt with properly.

5.2 NON-ACCEPTANCE:

The cases in which departments have not accepted the Commission's advice are mentioned below:

(a) BANKING DIVISION:

Investigations made by CBI revealed that during 1980, the officiating Manager of the Srinagar Branch of Canara Bank purchased foreign bills of a new party, on the oral instructions of the Regular Manager (who was on training at Delhi), who, in turn, obtained the oral permission of the Deputy General Manager, Delhi Circle, who later on became Chairman of the Bank. The bills purchased were not covered by LC/ECGC cover and the purchase was in violation of the bank's norms putting the bank's funds to jeopardy. RBI, which went into the matter, opined that when oral instructions were received, it was the responsibility of the Acting Branch Manager to ensure that the necessary documents were there and the bills were covered by LC/ECGC cover before discounting the bills. Further, the RBI's view was that there was no record to show that the Deputy General Manager waived LC/ECGC cover while conveying oral sanction. In the Commission's view, though the primary responsibility in this case was that of the Acting Branch Manager who should have ensured the availability of the required documents, it was also necessary for the officers giving oral permission, to emphasise about the
required safeguards to be taken while giving such permission to the subordinate officer. The Deputy General Manager (who later became Chairman of Canara Bank) without even ensuring the availability of LC/ECGC cover for the bills, orally authorised the purchase of the bills, for which, there was really no urgency. Taking into account the RBI’s views and also due to lack of evidence regarding malafides, the Commission advised the Banking Division to convey the displeasure of the Government to the above officer, whose lack of due care and caution before giving permission, resulted in heavy loss to the bank. The Banking Division, however, disregarded the Commission’s advice even for conveying the Government’s displeasure to him.

(b)  

**DELIHI ELECTRIC SUPPLY UNDERTAKING**:

The Commission, inter alia, advised initiation of major penalty proceedings against two Assistant Engineers of DESU for allegedly misappropriating electrical materials drawn by them on the basis of forged documents. Subsequently, on the basis of facts brought out during inquiry, the Commission advised imposition of a minor penalty on them. However, DESU informed the Commission on 21.4.1989, that the Delhi Electric Supply Committee (DESC), the appointing authority in respect of the two officials, had resolved that they may be cautioned. It was pointed out to the DESU that initiation of major penalty proceedings cannot end in issue of a caution letter. Subsequently, DESU informed the Commission that the appointing authority had exonerated both the officials. Therefore, it is seen that despite the fact that the Commission advised imposition of a minor penalty on both the officials and despite the fact that the charges were serious enough to merit imposition of a minor penalty on them, DESU have exonerated the officials by not implementing the Commission’s advice in the case.

(c) **DELIHI STATE INDUSTRIAL DEVELOPMENT CORPORATION**:

On the basis of a CBI report, alleging that a fake firm had been allowed to make wrongful gain, major penalty proceedings were initiated against 8 officials of DSIDC. These included a GM, an Estate Manager, a Dy. Manager and an Assistant Manager. Based on the Inquiry Officer’s report in the case, the Commission advised imposition of a major penalty on the GM and the penalty of removal from service for the other three. DSIDC, however, pointed out that their rules did not allow
removal from service and sought reconsideration of the Commission's advice in respect of the three officials. The Commission reiterated its earlier advice, but clarified at the same time that DSIDC could impose the penalty of dismissal from service on the three, if they were still in doubt.

On the basis of this advice, DSIDC imposed the penalty of dismissal from service on the Estate Manager and the Assistant Manager. However, on appeal, the DSIDC proposed to modify the major penalty into a minor penalty by imposing the penalty of stoppage of six increments with cumulative effect on them, and referred the matter to the Commission for advice. Since the DSIDC had not given any new ground for changing the penalty, the Commission reiterated its stand for imposition of major penalty. The DSIDC, however, modified the punishment of dismissal to that of stoppage of six increments, which is a minor penalty.

(d) DEPARTMENT OF POSTS :

On the basis of an investigation, a Superintendent of Post Offices was prima facie found guilty of many irregularities in the selection of junior level staff. In the case of selection of extra Departmental Postal Officials, while he ignored the claims of local villagers, a candidate from outside the postal village was selected, which was against the Recruitment Rules. He also did not wait for recommendations from the Employment Exchange. Similarly, in the case of selection for Group "D" posts, he did not give the required 3 months' notice from the date of notification for holding the examination, manipulated the number of vacancies by taking anticipated vacancies into account, and manipulated the vacancies reserved for scheduled caste candidates by showing them as unreserved vacancies, and allowed a candidate extra time to complete the paper. As no evidence of malevolent intentions came forth for violating the departmental instructions, Commission advised initiation of minor penalty proceedings against the officer. However, on finalisation of the proceedings, the Department issued a simple warning to the officer. Thus, not only serious violations of instructions leading to irregularities in recruitment have been dealt with leniently, but the Department's action is also irregular in that on finalisation of Departmental proceedings only one of the statutory penalties can be imposed on a charged officer and in this case simple warning is not one of those statutory penalties specified under Rule 11 of CCS(CCA) Rules, 1965.
(e) GOVERNMENT OF ARUNACHAL PRADHESH:

In March, 1987, the Commission advised initiation of major penalty proceedings against an Executive Engineer of PWD, Govt. of Arunachal Pradesh, for gross irregularities in tenders relating to purchase of store materials and also nominated one of the Commissioner for Departmental Inquiries to be appointed as Inquiry Officer in the case. The Department was also advised to examine the possibility of prosecuting the official in a Court of Law since the charges against him were serious in nature. The urgency of the case was also stressed upon in view of the fact that the official was due to retire in March, 1989.

After two years, in April, 1989, the Department informed the Commission that they had instituted departmental proceedings against the official and exonerated him on the basis of the enquiry report as substantial evidence in the case was lacking. The Commission sought clarification from the Department as to why the Commission's advice in the case was not implemented. No clarifications/reasons were furnished by the Department in this regard and neither were the complete documents in the case forwarded to the Commission so as to ascertain the complete facts of the case. The Department also did not seek concurrence of the Commission to institute an in-house inquiry in the case, when the Commission had already nominated a CDI to be appointed as Inquiry Officer. Thus, Government of Arunachal Pradesh have not complied with the advice tendered by the Commission and even exonerated the suspect officer without justification and without consulting the Commission and deviated from Commission's advice without justification.

(f) MINISTRY OF COMMERCE:

Based on CBI investigation report, the Commission advised major penalty proceedings against a Senior Officer of Hindustan Copper Ltd. on charge of acquisition of disproportionate assets. Subsequently, the officer was Executive Director in State Trading Corporation. The Ministry of Commerce initiated major penalty proceedings against the officer. During the inquiry, the Inquiry Officer accepted the charged officer's contention in respect of various items of income and expenditure and gave him benefit of certain items on merits and did not give benefit in some other items. Based on the Inquiry Report, the Commission advised imposition of penalty of removal from service on
the officer as the extent disproportionate assets established was about Rs.91000. The Department approached the Commission for reconsideration with a proposal to exonerate the charged officer. The Commission on reconsideration advised to impose a major penalty which may not necessarily amount to removal from service. This advice was given having regard to the status of the officer, the nature of evidence in the inquiry proceedings, and the extent of disproportionate assets. Since the Ministry of Commerce did not intend to accept the Commission's advice, they consulted the Department of Personnel & Training as per the procedure prescribed in that behalf. The Department of Personnel and Training also supported the Commission's advice. The Ministry of Commerce, however, disregarded the Commission's advice as well as that of Department of Personnel and Training and exonerated the officer, even though the officer deserved to be awarded the penalty on the established charge of disproportionate assets.

MINISTRY OF ENVIRONMENT, FORESTS & WILDLIFE:

An Officer of the National Zoological Park, Delhi who was then Curator, had given a certificate that 21 pairs of shoes seized in a raid were made of the skins of oval lizard, whip snake and cobra, which are banned items. He, however, resiled from his stand in the court of Additional Chief Metropolitan Magistrate, where the firm was facing prosecution, saying that mere visual examination was not sufficient for giving such a certificate and that the material was required to be subjected to laboratory tests. The Court upheld the prosecution point on the basis of statement of another expert in the court. The firm then went in appeal to the sessions court. While upholding the lower court's judgement, the Hon'ble Sessions Judge observed that the curator had tried to shield the guilty party. On the Ministry's reference the Commission advised initiation of major penalty proceedings against him. The Ministry came up for reconsideration of the advice on the ground, inter alia, that the officer was only cautious in his statement in court as he was under oath, and that as the firm had gone in appeal against the Sessions Court judgement, initiating any proceedings at this stage would be premature. Commission advised the Ministry that the fact of the officer shifting his stand was undisputed. However, as no evidence of malafide was available it advised minor penalty proceedings against the officer. The Commission reiterated this advice on two more occasions. The Ministry, however, closed the case after issue of warning to the officer. The
Commission observes that such lenient attitude was not justified on the part of the Ministry.

5.3 NON-CONSULTATION:

Some of the cases in which departments did not consult the Commission are mentioned below:

(a) ANDHRA BANK:

The investigations made by the Bank revealed that a Branch Manager disbursed a loan of Rs.25000 contravening the terms of sanction i.e., he failed to obtain encumbrance certificate and he failed to obtain the legal opinion on collateral security offered by the borrower. The Branch Manager thereby exposed the bank's funds to the tune of Rs.32,049.30 (present liability) to risk. The Commission, therefore, in agreement with the bank, advised initiation of minor penalty proceedings against the Manager. The Bank, later closed the case on considering the Manager's explanation, without consulting the Commission as required under the procedures.

(b) COAL INDIA LTD:

In a case relating to false LTC claims of an Ex-GM of the Western Coalfields Ltd., Commission advised, in 1984, initiation of major penalty proceedings against the officer and nominated a Commissioner for Departmental Inquiries to hold the inquiry. On examination of the Inquiry Officer's report, it was felt that the Inquiry Officer had not given full opportunity to the prosecution-side to present the case and to produce some relevant material witnesses. Commission thus advised the Coal India Ltd. to remit the case to the same Inquiry Officer for de-novo inquiry. The Coal India Ltd.'s Order for de-novo inquiry did not indicate reasons for the same and it was quashed by the Hon'ble High Court of Jabalpur. The Hon'ble Court, however, directed that the earlier inquiry may continue with a view to examining the remaining four witnesses. An Inquiry Officer from Coal sector was appointed for the purpose. The Coal India Ltd., later, informed the Commission that the case had ended in exoneration as the prosecution failed to prove the charges beyond doubt. The Commission was required to be consulted before taking a decision on Inquiry Officer's report but this was not done.
(c) **COAL INDIA LTD:**

In November, 1983, the Commission sent a complaint against a General Manager and Project Officer of Central Coalfields Ltd. to Coal India Ltd. for investigation. The allegations were about wrongful claim of underground allowance by the Project Officer, award of contracts to the relatives of an employee of the Central Coalfields Ltd., misappropriation of funds and material, and unauthorised encroachment on the Project Land. After reminders, the Coal India Ltd. informed the Commission in February, 1990, that they have closed the case, though allegations of irregular award of contracts to the relatives of the employees of the Central Coalfields Ltd. were established in investigation. It is not clear as to whether the remaining allegations were looked into at all. Thus the case was closed without making worthwhile investigation and without consulting the Commission which had called for a report.

(d) **COAL INDIA LTD:**

CBI had on investigation of alleged sub-standard construction of staff quarters of the Bharat Coking Coal Ltd. found that the material used did not meet the prescribed specifications for example, less than the laid down quantity of cement was used. Commission, therefore, as per recommendations of the CBI, which were agreed to by the Coal India Ltd., advised initiation of major penalty proceedings against six officers of the BCCL (one of them had since resigned and joined Visakhapatnam Steel Project), whose lack of supervision or connivance with the contractor had resulted in loss to the organisation. Commission was, however, informed by Visakhapatnam Steel Project that they had dropped the proceedings against the officer in their employment, as the Coal India Ltd. had closed the case against all the officers. As the Commission had not been consulted by the Coal India Ltd. before taking the said action, Commission requested for a clarification from them. After 3 years the Coal India Ltd. informed that the Commission's advice was not required in terms of DOP's O.M.No.118/6/82-AVD.I dated 5.3.82 as none of the officers was drawing the pay in the scale the minimum of which is Rs.1800 or above, and that as there was no conclusive proof of lack of supervision on the part of the officers, there was hardly any point in proceeding with the inquiries. The stand of Coal India Ltd. was wrong on many counts. Firstly, since the Commission had tendered advice in the case, citing instructions of 5.3.82 is not relevant.
Further, the Coal India Ltd. themselves had accepted the CBI recommendations and no fresh grounds for a revision in their stand were given.

The action of Bharat Coking Coal in closing the case without justification and without consulting the Commission was incorrect and irregular.

5.4 CASES WHERE THE DEPARTMENTS HAVE NOT ACCEPTED THE COMMISSION'S ADVICE IN VIEW OF UPSC'S ADVICE:

According to the Government of India's Resolution dated 11.2.1964 by which the Commission was set up, the Central Vigilance Commission has the same measure of independence and autonomy as the Union Public Service Commission. In cases in which the President is the disciplinary authority, consultation is necessary both with the UPSC (in terms of Article 323 of the Constitution) and the CVC (in terms of para 2(xlv) of the Government Resolution dated 11.2.1964). During the period under report, there have been two occasions where there was a difference of opinion between the UPSC and the CVC as to the action to be taken in a particular case. Both these cases related to Income Tax Department. Whereas the Central Vigilance Commission wanted penal action to be taken against the delinquent employees, the disciplinary authorities exonerated the officers with reference to UPSC advice. Details of such cases are given below:

(a) ACCEPTING FALSE/INADMISSIBLE CLAIMS IN ASSESSMENTS:

In pursuance of the Commission's advice, major penalty proceedings were instituted against an Income Tax Officer on the charge that he completed assessments in four separate cases, accepting the false/inadmissible claims made by the assessee, claiming large amounts of income as exempt from income tax under Section 10 (27) of I.T.Act, and that, in the process, caused unlawful gain to the said assessee and corresponding loss to the department. Consequent on the officer denying the charge, the case was entrusted to the Inquiry Officer, who was a Commissioner for Departmental Inquiries of the Commission. In his report, the IO held the charge as proved against the officer. Endorsing the IO's findings the Commission advised imposition of a major penalty on the officer. The Income Tax Department accepted the Commission's advice, provisionally, and took up the case with UPSC
for the latter's advice, recommending withholding of
entire pension and gratuity of the officer, as he had
retired from service by then. The UPSC, however,
disagreed with the findings of the IO and advised
dropping of the proceedings against the officer. The
Department accepted the UPSC's advice and exonerated the
officer.

(b) GRANTING APPROVAL TO THE DEFECTIVE
ASSESSMENTS MADE BY THE ITO HAVING NO
JURISDICTION:

Agreeing with the recommendation of the
Income Tax Department, the Commission advised minor
penalty proceedings against an Inspecting Assistant
Commissioner (IAC) of Income Tax on the charge that he
irregularly granted approvals u/s 144-B of Income Tax
Act to certain assessments made hurriedly and without
application of mind by an Income Tax Officer (ITO),
knowing well that the said ITO had no jurisdiction over
the cases in question. The department's case against
the IAC was that the assessments made by the ITO were
defective and faulty in many respects and that, despite
such infirmities, he granted approval to the ITO's
proposals and had, in the process, violated departmental
instructions laying down that IACs exercising powers u/s
144-A should scrutinise the records in depth and should
issue necessary directions for the guidance of the ITOs.

It was observed by the Commission that the department's
case against the IAC was based on a strong footing and
that the official hardly had any proper defence in
regard to the lapses on his part.

Pursuant to the Commission's advice, the
officer was served with a minor penalty charge sheet.
After considering his reply to the charges, the
department decided, provisionally, to impose a minor
penalty on him and had, accordingly, sought the UPSC's
advice/concurrence in the matter. The UPSC, however,
advised dropping of the proceedings against the officer.
The department finally exonerated the officer, accepting
the UPSC's advice.
5.5 CASES NOT DEALT WITH PROPERLY:

Some of the cases which have not been properly dealt with by the departments are given below:

(a) PROSECUTING AN OFFICER WITHOUT SANCTION OF COMPETENT AUTHORITY THUS CAUSING HARDSHIP AND HARASSMENT TO THE OFFICER:

In January, 1984, the CBI registered a case against an Assistant Commissioner of Income Tax who was working as Officer on Special Duty in the office of the Custodian of Enemy Property, at Calcutta, under the Ministry of Commerce during 1982-83, as also against certain private individuals, on the allegation that they had entered into a conspiracy with a view to helping the said individuals to claim, fraudulently, ex-gratia payments in respect of properties purportedly lost in erstwhile East Pakistan. After completing investigation, the CBI filed a charge sheet against the said officer and others in the Court of the Special Judge, Calcutta. But the CBI did not obtain the sanction of the competent authority nor did they obtain Commission's advice before launching prosecution against the officer. Even the parent department of the officer (i.e. Income Tax Department) was not taken into confidence by the CBI. Predictably, therefore, the learned Judge dismissed the prosecution case filed by the CBI against the officer for want of sanction of the competent authority u/s 197 (1) of Cr PC. The Court also passed strictures on the CBI for this lapse on their part. Thereafter, the CBI moved the Calcutta High Court challenging the trial Court's decision. However, the High Court also upheld the trial Court's objection and dismissed the CBI's appeal. It was at this juncture that the CBI decided to approach the Ministry of Commerce seeking sanction by the appointing authority for prosecution of the officer. Consequently, the CBDT obtained and examined the comments of the Ministry of Commerce in the case and referred it to the Commission for its advice.

The Central Vigilance Commission observed that the officer was the common Chairman of eight different panels of other officials set up by the department for processing claims for ex-gratia payments preferred/being preferred by people whose properties had been seized, purportedly, in Bangladesh, i.e. the erstwhile East Pakistan. It was on record that there were more than 57000 claims pending to be processed and that the accused officer had disposed of about 9000 such
claims in a period of 3 years that he was in office. 
Now, the CBI's charge against the officer was that in
four such claims he failed to make in-depth examination
of documents produced by the claimants in support of
claims preferred by them and that this amounted to his
joining hands with those claimants who attempted to
cheat the Government. In the Commission's view, it was
not necessary to resort to prosecution against a senior
officer on such grounds. This was also, incidentally,
the unanimous view taken by the Ministry of Commerce,
the Custodian of Enemy Property and the CBDT. Action of
CBI to go in for prosecution was ill advised.

As regards CBI not seeking and obtaining
Government's sanction u/s 197 of Cr.PC. for prosecuting
the officer, the clarification adduced by the CBI was
that they did not consider it necessary for the reason
that the alleged "offences" were not committed, in their
view, in the course of discharge of the official duties
of the accused. This, however, was not a correct view as
the prosecution launched without sanction had been
turned down by the trial court as also by the Hon'ble
High Court. In the Commission's view this was a case
which in the first instance did not warrant/merit
prosecution of the officer but, despite the same, CBI
had launched prosecution against the accused without
consulting the department, the Controlling Ministry and
the Commission. Undue hardship and harassments has
been caused to the officer. The Commission, therefore,
while advising closure of the case against the officer
requested the CBI as also to the Department of Personnel
to have a re-look into the case with a view to fixing
responsibility on the CBI officials who had mishandled
the case. While the Department of Personnel has not
responded, the CBI authorities have taken a stand that
their officials had acted in good faith only and that
therefore there was no question of identifying the
erroneous officials or of taking them to task. Although
the Commission refuted the arguments and contentions, of
the CBI in this regard repeatedly and insisted on taking
action against CBI's officials, the CBI authorities
were reluctant to do so.

(b) PREVENTING APPEAL AGAINST UNJUSTIFIED REFUND
OF EXCISE DUTY AMOUNTING TO Rs. 19 LAKHS:

In July, 1990, the Central Board of Excise
and Customs (CBEC) referred a case against a senior
officer to the Commission for its advice. The
allegation against the officer, in brief, was that he
had allowed, without justification, refund of excise
duty amounting to over Rs. 19 lakhs, to a private firm.
When this was detected by an officer of the Tribunal and
Appeal Unit of the Department, he immediately suggested
that an appeal may be preferred against the refund
allowed by the above officer. However, the file
containing this proposal was unjustifiably detained by
the same officer for over 4 months though as per
statutory provisions an appeal against the order in
question was required to be preferred within 3 months.
Thus, by delaying the file itself by four months, the
officer had foreclosed the option of filing any appeal
in the matter. Not only that, he also did not place the
matter before his superior officer who alone was the
competent authority to take a decision as to whether
appeal was to be filed in the case or not. Apparently,
and as conceded by the CBEC itself, the officer had no
explanation to offer either for retaining the concerned
file for over 4 months, or for not putting up the matter
to the competent authority. In the department's opinion
this was a case of negligence/carelessness only and
they, therefore, recommended minor penalty proceedings
against the officer. However, in the Commission's view,
this was a typical case having, prima facie, all the
characteristics and attributes of a case in which the
integrity and bona fides of the officer were called to
question. The Commission had, therefore, no hesitation
in advising major penalty proceedings against the
officer. Further, a scrutiny of the papers on record
has shown that impugned order passed by the officer
dated back to 1983, but the Collector concerned had
reported the matter to the CBEC in September, 1986.
Still, however, it was only in July, 1990 that the CBEC
referred the case to the Commission. It is thus clear
that the CBEC took an unduly long time in the
processing/scrutiny of the case. It was also observed by
the Commission that despite the pendency of this case,
the officer had been given vigilance clearance by the
CBEC for the purpose of his promotion. To cap it all,
the officer was posted in the meanwhile (when the case
was under process in the CBEC), ironically, in the
Vigilance Division of the CBEC itself, right under the
Chief Vigilance Officer.

(c) ROUTINE HANDLING OF CASE TO LET THE ACTION
GETTING TIME-BARRED : 

In May, 1989, a reference was received from
the Central Board of Excise & Customs (CBEC) seeking the
Commission's advice in a case involving an Assistant
Collector of Customs. The basic charge against the
officer was that he had issued a license to a private
party, in violation of Rules, by making use of which the
party imported a consignment of heavy machinery and
accessories valued at over Rs.1.5 crores. The officer allowed clearance of the said consignment exempting it from duty involving Rs.1.5 crores. It was seen subsequently that it was wrong on the part of the officer firstly to issue the license in question and, secondly, to allow the import of machinery free of duty, and hence the case against him.

As per the assessment of the department, the case was indicative of negligence/non-application of mind etc. by the Assistant Collector and there was no evidence of malafides/ulterior motives on his part and that the officer himself realised his mistake subsequently and had initiated action to correct the same. The Department had, therefore, recommended that minor penalty action against the officer would meet the ends of justice.

When the case was examined by the Commission, it was seen that the conduct of the officer in the whole transaction was suspect and that the facts and circumstances of the case were clearly indicative, prima facie, of malafides on his part. It was also found factually incorrect that the officer himself had detected the irregularity. The Commission was, therefore, unable to endorse the stand taken by the CVO, that the case involved only 'negligence' etc. on the part of the officer. On the other hand, the Commission was of the view that the case had many a suspicious feature and the integrity of the officer was doubtful. After calling for and perusing the original file and concerned records, the Commission had advised, on 22.8.89, initiation of major penalty proceedings against the officer.

The Department, however, did not take action to charge sheet the officer and subsequently he retired on superannuation on 28.2.90. This was reported to the Commission in March, 1990 when the Department came up for a reconsideration of the Commission's advice, proposing closure of the case. This proposal of the department was based on certain subsequent developments which resulted in a decision, obtained with the approval of the Finance Minister, making the machinery in question eligible for duty exemption. According to the department in view of this (since eligibility of exemption for the machinery was the crux of the matter), the case against the officer had no legs to stand upon and hence the proposal for dropping the action against the suspect officer.

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In the Commission's view, the stand taken by the department was not justified as the decision taken by the department on a subsequent date (after the event) cannot absolve the officer of the irregularities committed by him initially.

Thus, the Commission was of the view that no leniency was called for in regard to the misconduct on the part of the officer. However, there was the fact that the officer had already retired from service and the case against him had become time-barred for disciplinary action. As such, it was stated that there was no alternative left in the matter but to drop the case against the officer. Obviously, this situation was the creation of the department who handled the case in a routine fashion. When the impending retirement of the officer was a known factor, as also the fact that the case was to become time-barred against the officer after his retirement, the minimum that the department should have done was to charge sheet the officer, in terms of the Commission's advice dated 22.8.89, before his retirement so that the options were kept open and the case reviewed, if necessary, subsequently on the basis, of any extenuating factors. Unfortunately, however, on account of the routine handling of the case by the department, especially on account of their failure to act upon the Commission's advice for about six months, the case was allowed to die and in the process the officer who was prima facie guilty of serious misdeemeanour aimed at causing unintended benefits of substantial nature to a private party at public cost was allowed to go scot free.

(d) **LACK OF ALERTNESS FRUSTRATES ACTION:**

CBI investigation revealed that negligence on the part of a Sub-Divisional Officer (Telecom.) resulted in the pilferage of material worth lacs of rupees. The material was lying in unguarded dumps due to temporary stoppage of work. This was brought to his notice and he was repeatedly requested by his subordinates to provide chowkidars. The officer failed to take any action. Commission advised initiation of major penalty proceedings against him. Though the Commission's advice had been received in the department on 3.3.1989, and the department were aware that the officer was due for retirement on 30.6.1990, yet the file remained unattended in the department for a long period. As a result, the department failed to serve a charge sheet on him before the officer superannuated. Lack of alertness on the part of the department has thus frustrated any action against the officer.
(e) **ACCEPTANCE OF RESIGNATION WHEN SERIOUS ALLEGATIONS WERE UNDER INVESTIGATION**

In August, 1989, the Commission requested the Ministry of Commerce to inquire into allegations against the Chairman of a Public Sector Enterprise about amassing of disproportionate assets and having received favours from a diamond merchant for his son's education in USA etc. The Ministry however informed the Commission that while it was collecting information, the officer had resigned from his post and his resignation was accepted with immediate effect. Commission observes that the action of the Ministry in accepting his resignation and allowing him to go when serious allegations against him were pending investigation and when the Commission had called for a report on the same, was not proper.

(f) **MASS-SCALE REGULARISATION OF FALSE LTC CLAIMS IN MUNICIPAL CORPORATION OF DELHI**

The Commission, on the basis of a complaint received by it, called for a report from the Municipal Corporation of Delhi (MCD) relating to false LTC claim by the Head Master of a Municipal Primary School. The MCD reported to the Commission that the Head Master had drawn the LTC claim fraudulently which he later refunded to the Corporation and that he was issued a recordable warning as per the policy of the Corporation. Subsequently, at the Commission's instance, the MCD reported that bogus LTC claims were being made by a number of employees and that as per the policy of the Corporation, an employee who refunds the LTC amount drawn fraudulently within the stipulated time is awarded only a recorded warning. On the Commission's asking for details of cases so decided and the basis of such decision, the Corporation reported in September, 1989 that in a large number of cases such lenient view has been taken with reference to the Resolution passed by the Corporation. The agenda notes for the relevant Resolution reveals that though misuse of LTC was on an organised basis, the MCD had virtually let off all employees on a mass scale mainly on the ground that employees refunded the amounts. The Commission views that such an approach is wrong in any organisation and it puts a stamp of approval on serious misconducts involving integrity, malafides and fraudulent conduct. An avoidable compromising attitude was adopted by the Corporation which is likely to encourage indulgence in corrupt practices. The Commission is unable to see any compelling reasons for such mass scale regularisation of misconduct.
LACKADAISICAL APPROACH BY NATIONAL THERMAL POWER CORPORATION IN HANDLING A CASE:

On 15.9.1986, the Commission advised initiation of major penalty proceedings against a Manager and a Senior Manager of National Thermal Power Corporation Ltd. (NTPC) for incurring substantial loss to the undertaking by making undue payments to a contractor. The Commission also nominated one of its Commissioners for Departmental Inquiries to be appointed as Inquiry Officer in the case. After about two years, NTPC informed the Commission that they had concluded the departmental proceedings against the Manager by imposing a minor penalty of withholding of increment for one year on him and that the departmental proceedings against the Sr.Manager were still pending. NTPC sought to justify this action in not consulting the Commission before finalising the proceedings against the Manager on the basis of BPE's circular issued on 27.10.1986, restricting the Commission's jurisdiction to Board Level Appointees in Public Sector Undertakings. They stated that since the officials were below board level appointees, they had imposed the penalty without seeking the Commission's second stage advice in the case.

While not disputing the fact that they were below board level appointees, it is seen that this case was prior to the issue of BPE's circular. In that case, it was necessary on the part of the NTPC to have sought the second stage advice of the Commission especially as the Commission had tendered its first stage advice in the case at a time when the fact of exclusion of below board level appointees also did not apply in the case. If the NTPC had reasons/grounds to differ with the Commission's advice in the case, they could have sought reconsideration of the Commission's advice which also was not done. NTPC also did not seek the Commission's approval to appoint their own officer as Inquiry Officer in the case. This, coupled with the fact that the case against the Sr.Manager is still pending, only points to the lackadaisical approach of the NTPC to the entire case.
ORGANISATION :

6.1 The Chief Technical Examiner's Organisation was originally set up in 1957 in the then Ministry of Works, Housing and Supply for technical examination of the works done by the CPWD. Subsequently, in pursuance of the recommendations of the Santhanam Committee on Prevention of Corruption, the Organisation was transferred under the Administrative control of the Central Vigilance Commission with effect from 1.11.1964. Even so this Organisation continues to conduct an independent technical examination of works of the Central Public Works Department. In 1979, a Quality Control and Technical Audit Wing was created in CPWD. Thereafter, the CTE's Organisation continues itself to the examination of CPWD works mainly from the vigilance angle. Intensive vigilance-oriented inspection of works done by other Central Government Departments/Organisations/Undertakings was also taken up by the CTE's Organisation and this is still continuing. The Organisation is presently manned by two Chief Technical Examiners with eight teams of Technical Examiners.

For historical reasons, the emphasis in the CTE Unit has been in the Civil Engineering field. Keeping in view the new fields of engineering and technology that have been opened in the recent past and the functions and areas of specialisation of some Public Sector Undertakings, it is proposed to widen the base of the CTE Unit to include the Electronic and Mechanical Engineering fields also. This will make it possible for the CTE Unit to make an impact in areas like telecommunications, oil exploration and drilling etc.

JURISDICTION :

6.2 The jurisdiction of this Organisation is co-terminous with that of the Central Vigilance Commission. Construction works of all departments of the Government of India, all Union Territories and all public sector undertakings and Banks and Financial Institutions of the Central Government and the Union Territories are being examined by this Organisation. The CTEs' Organisation also conducts technical examination of works of those Central autonomous bodies which have accepted the
The main function of this Organisation is to carry out vigilance oriented inspections of works undertaken by the various organisations mentioned above and to offer technical advice and advice on procedural matters as matters of preventive action to be taken. The Organisation also gives advice to the Commission on technical matters in vigilance cases. The Organisation can also be consulted by the Central Bureau of Investigation and the Chief Vigilance Officers for giving technical opinion on vigilance cases on selective basis under investigation by them.

In addition to inspection of records and works, the CTE Unit also prepares Valuation Reports of properties acquired by public servants who are suspected of having acquired assets disproportionate to their income.

In the training programmes organised by the Commission for Chief Vigilance Officers and also in the training programmes organised by the Chief Vigilance Officers of various organisations, the Chief Technical Examiners participate by giving talks on the common irregularities and deficiencies noticed in the systems, procedures and quality of works.

Works are selected for inspection generally from the Quarterly Progress Reports (QPR) received from the Departments/Undertakings, depending on the nature and magnitude of works, the suggestions of the CVOs, the complaints and other information received from various sources. Inspection is generally covers both, inspection of records relating to the various approvals, field records maintained at work sites, etc. and the inspection of work. Samples are taken, wherever considered necessary, for further testing. The inspection report is sent to the Department/Undertaking for its replies/comments.

The replies are examined and whenever prima facie lapses and irregularities are observed from a vigilance angle, these are specifically referred to the Chief Vigilance Officer for detailed vigilance investigations. Wherever overpayments and undue financial benefits are observed, appropriate recoveries are suggested and pursued. Improvements in systems and procedures are also suggested from a preventive
vigilance angle.

6.5 PERFORMANCE DURING THE YEAR:

6.5.1 The total number of inspection reports submitted by the Organisation during 1990 was 193. In respect of 110 cases, the Chief Vigilance Officers were requested to conduct vigilance investigations and to send their investigation reports to the Commission for first stage advice. In addition, 204 cases referred by the Head Office of the Commission, CBI and Chief Vigilance Officers of various organisations were examined from the technical angle and reports were furnished to the concerned organisations.

6.5.2 The break up of the inspection reports submitted during the year is as given below:

<table>
<thead>
<tr>
<th>Civil</th>
<th>Electrical</th>
<th>Horticulture</th>
</tr>
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<tbody>
<tr>
<td>130</td>
<td>56</td>
<td>7</td>
</tr>
</tbody>
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6.5.3 As in the previous years, the Organisation has been giving priority to bigger contracts for inspection. 74% of the civil inspection reports were in respect of the works costing more than Rs. 50 lakhs. On the electrical side, about 40% of the reports were for contracts costing more than Rs. 20 lakhs.

6.5.4 Approximately, 80% of the inspection reports issued are in respect of public undertakings including railways and the balance is for Government Departments such as CPWD, Postal & Telegraphs, All India Radio and also Delhi Development Authority, Municipal Corporation of Delhi and New Delhi Municipal Committee who follow more or less similar contract procedures.

6.6 IMPACT OF CTE INSPECTIONS:

Every year about 200 works are taken up for inspection by the CTE Unit. From 1981 onwards about 496 cases have been referred to the CVOs of various organisations for preparing Detailed Investigation Report. In 1990, 81 such Investigation Reports were received. In 32 cases the lapses were found to be of a serious nature for which appropriate disciplinary action was advised by the Commission against the defaulting officials.
During inspection of works and records, cases of overpayments and undue financial benefits to contractors and acceptance of sub-standard works without cost adjustments are often noticed. The organisation pursues such instances with the Department/Undertaking for making appropriate recoveries and taking remedial action in future. Such recoveries made for which confirmations were received from different Departments/Undertakings during the calendar year 1990, amounted to Rs.1.475 crores. Such recoveries have been made after the competent authority in the organisation has satisfied itself about the overpayments and given approval to effect recoveries. Such recoveries represent positive savings to the organisations concerned and are credited in their accounts.

These recoveries would not have been effected but for checks conducted by the CTE Wing of the Commission. As against the above recovery of Rs.147.5 lakhs, the annual expenditure on pay and allowances of the CTE Unit works out to Rs. 23 lacs approximately.

6.7 QUARTERLY PROGRESS REPORTS:

6.7.1 The Commission has been vested with powers to call for reports, returns and statements from all Ministries/Departments/Corporate Central Undertakings so as to enable it to exercise a general check and supervision over the vigilance and anti-corruption work. In pursuance of this, the Commission calls for quarterly progress reports (QPR), in the prescribed proforma to be sent by 15th January etc., in respect of the Civil, Electrical and Horticulture works in progress. Unfortunately, these reports are not received regularly from many Departments/Undertakings. Some do not even send the reports. Names of some of the organisations who have not submitted QPRs are given in Annexure III.

6.7.2 In order to avoid sending bulky reports and keeping in view the general cost escalation, the Commission has raised the financial limits of individual contracts to be reported in QPRs to Rs.40 lakhs for civil works, Rs.3 lakhs for electrical works and Rs.50000 for horticultural works, subject to reporting at least two of the largest works in each discipline.
SERIOUS IRREGULARITIES:

6.8 INVITATION OF TENDERS:

In the public tendering system, almost all organisations, whether Government Departments or otherwise, follow either or both of the following procedures:

(a) Registration of contractors in different categories and inviting tenders from contractors of specified categories.

(b) Prequalification of tenderers and inviting tenders only from such parties. Such pre-qualification may be done either separately or along with the price bid in the two envelope system.

In both the above procedures, the suitability of a contractor for the particular work is assessed and decided before opening the price bid. In other words, the suitability should not be decided after knowing the relative positions of various tenderers.

In the case of the Railways, however, the procedure followed in most of the cases is to invite open tenders for works costing more than Rs. 20 lakhs.

In this system, any party irrespective of its technical and financial soundness and expertise is allowed to submit tenders. After the tenders are opened, the suitability of the contractors is decided.

A different procedure is followed in some of the major works, mostly of a repetitive type (for example, residential accommodation), in Steel Plants. Here, after opening tenders, the capacity of various contractors is assessed and works are allotted to them according to the assessed capacity but at their respective quoted rates. In this case, for identical works, different rates are allowed to different contractors.

In both the above practices, the suitability of a tenderer and/or his capacity are assessed after the tenders are opened and the prices as well as the relative positions of the tenderers are known. As such it is likely that the relative position may influence the assessment of capacity/suitability. Since such assessments are subjective in nature, it is also possible that manipulations may be done and undue benefits given to certain parties. Such practices give
considerable scope for favouritism and therefore have to be avoided. The matter has been taken up with the Railway Board as well as with the Steel Authority of India.

6.8.2 ACCEPTANCE OF TENDERS:

The most common irregularity observed is acceptance of tenders without adequate justifications. In most of the cases, justification given for accepting a particular tender is either that it is the lowest tender or that it is within the estimated cost. The lowest tender need not always be a reasonable tender. Reasonableness of a tender can be judged only by comparing with the prevailing market rates. The practice in the Railways is mostly to compare the tenders with the last accepted rates. Such comparisons can only be a guide but not a deciding factor in accepting tenders. Very often, it may not be possible to identify a similar work done in the past under similar conditions and in the same area. Any comparison of rates without taking into account the prevailing conditions including the site conditions cannot be a satisfactory comparison. In one case, rates obtained in a building tender were compared with rates obtained in a bridge tender. In another case, rates for a bridge were compared with rates received four years earlier. The Railway Board's instructions issued as early as in 1972, provide that while evaluating the tenders, tender documents should be carefully scrutinised, particularly, to ensure that the rates quoted for individual items are realistic and are not unreasonable in respect of any item of work. However, in almost all the works inspected by this organisation, no such scrutiny was observed.

Some of the works entrusted by the Railways to IRCON were got done by IRCON from private contractors at a much less cost and IRCON earned in the process profits of 25% to 30%. This clearly shows that the contracts were awarded by the Railways to IRCON at very high rates.

The Commission would, therefore, like to reiterate that merely accepting the lowest tender is not sufficient. The tender accepting authority should satisfy itself that the tender is justified and reasonable when compared to the prevailing market rates.
Contracts are usually awarded by Railways to IRCON on the single tender basis, i.e. a tender is obtained only from IRCON and no other party is invited to tender. Such tenders are awarded to IRCON without any detailed analysis or justification of the tendered rates. After the work is awarded by Railways to IRCON, IRCON, in turn, awards the work to a private contractor. These contractors are usually not selected by press advertisement and are hand-picked. While awarding the contracts, IRCON also does not look into the reasonableness of the rates quoted by the private contractors. Usually, the only consideration by IRCON, while deciding on the sub-contracts, is their own margin of profit. This margin is 25% to 28% in the works inspected recently.

The contracts are awarded by IRCON to the sub-contractors on a back to back basis which means that all terms and conditions as applicable in the contract between Railways and IRCON will be applicable in the contract between IRCON and the sub-contractor. Sometimes, the contract of IRCON with the sub-contractor contains terms and conditions which are not existing in the Railway-IRCON contract. It has been noticed that generally in such cases whichever condition is more favourable to the sub-contractor is being operated upon.

It has also been observed that works were declared urgent by the Railway Board and on the strength of such urgency certificates, single tenders are being obtained from IRCON and the work is awarded. However, the manner in which the work was executed clearly shows that there was no urgency for the work. The urgency certificate seems to have been obtained only as an excuse to award the work to IRCON on a single tender basis.

The Commission finds no justification for Railways to award works on single tender basis to IRCON especially in the case of ordinary works which are got done by IRCON through private contractors. If the works were entrusted by the Railways directly to the private contractors, the cost would be at least 20% less. In the present set up, IRCON only acts as a middle man. Usually, IRCON does not invest any money in the works and sometimes even where advances are paid by Railways to IRCON, the same is not paid by IRCON to the sub-contractor. The entire arrangement of getting works done through IRCON needs thorough scrutiny and revision.
6.8.4 EXECUTION OF ROAD WORKS BY MCD:

Widening and improvement of roads within the jurisdiction of the MCD are done after obtaining necessary sanction from the Ministry of Surface Transport. In the case of revenue roads, approval is given by the Municipal Commissioner. Usually, tenders are invited for a group of roads including the roads approved by MOST. It has been observed in several cases that roads originally included in the Scheme were not taken up for widening and improvement and roads which were not included were taken up. It has also been observed that jurisdictions of MCD Divisions overlap and one Division executes works in roads coming within the jurisdiction of another Division. Tenders are often invited for works which are already executed and such contracts are utilised to execute works on other roads. The procedure followed is highly unsatisfactory because, with more than one Division executing works on the same road, duplicate payments and other malpractices are difficult to control. In a case, where the EE invited tenders for works on certain roads which had already been completed earlier, the Commission has advised initiating major penalty proceedings. To prevent such irregularities, the Commission has suggested to the MCD that there should be a ban on changing the scope of the work included in the tender. There should also be a ban on the practices of Divisions executing works beyond their jurisdiction. In order to avoid mixing up of quantities of works on Ministry of Surface Transport roads and revenue roads, the CTE's Organisation had also suggested that tenders should be invited separately for these roads but the suggestion was not accepted by the MCD.

6.8.5 APPOINTMENT OF CONSULTANTS:

In the Annual Report of the Commission for the year 1989, the Commission had suggested that as far as possible, execution of works should be entrusted to Government or public sector consultancy organisations rather than to private architects. The Commission had recommended that the Department of Banking and the Bureau of Public Enterprises should take a lead and issue detailed instructions.

The Bureau of Public Enterprises had earlier issued certain guidelines regarding appointment of Consultants. Though these guidelines were in respect of projects costing more than Rs.5 crores, the Commission feels that these guidelines may be followed even for other projects where appointment of a Consultant is
unavoidable. The Commission has accordingly reiterated these instructions.

It has been observed that in most of the cases where consultants are engaged, the organisation leaves everything in the hands of consultants. Even where the organisations have their own qualified technical personnel, they hardly contribute anything and the stock reply in most of the cases is that the action was taken as recommended by the Consultant. Engagement of a Consultant does not mean that the organisations should leave everything in their hands. The proposals and recommendations of the consultants have to be examined by the organisations keeping in mind the functional requirements and the need for economy and austerity. Often it is observed that consultants provide for rich or even lavish specifications in the works which ultimately results in a drain on the public exchequer.

It has also been observed that in many cases the consultants do not perform all the duties assigned to them. Many consultants do not prepare detailed estimates and most of them do not prepare a proper tender analysis to compare with the prevailing market rates. The checking and recommending of running payments to the contractors have also been observed to be very superficial with the result that contractors are overpaid and sub-standard items of works are accepted.

Wherever organisations have their own technical staff, they should assume responsibility for scrutinising proposals and recommendations of the Consultants and for its final approval. Organisations which do not have their own technical personnel would be advised to secure the services of such personnel if they decide to undertake large-scale construction works.

6.8.6 PURCHASE OF PROPERTIES:

It is observed that many organisations like Banks, Public Sector Undertakings and the Income Tax Department are going in for large scale purchase of properties. Some of the serious irregularities that have come to notice are listed below:

(i) The requirements of space are inflated in order to benefit the developer.

(ii) Tenders are not invited to establish the reasonableness of the rates.
(iii) No attempt is made to verify whether the plans have been approved by the Corporation and whether the building has been constructed in conformity with the approved plans.

(iv) The mode of measurement of the area on the basis of which payment is to be made is kept vague and undefined. Subsequently, a mode of measurement is adopted which is beneficial to the developer.

(v) The area of land to be handed over is not measured. Very often, the area of land handed over is less than the specified area.

(vi) No valuation report is obtained to check the reasonableness of the amount demanded.

(vii) The structural design calculations are not got checked independently by the purchaser. In some cases the buildings purchased were found to be unsafe.

(viii) The areas are over-measured resulting in large over-payments.

(ix) Residential flats and office accommodation are purchased in high value areas when they can be obtained at much lower cost at some short distance away.

(x) Full payments are being released even though some items are not according to the specifications.

(xi) In the case of contracts "To construct and sell", detailed specifications of various items are not spelt out.

(xii) In the case of multi-storey buildings, the cost of, say a 5 storey building, is agreed upon and this cost is inclusive of the total cost of land plus the cost of construction. Subsequently, the developer manages to get the approval for an additional floor. For this additional accommodation, payment is made at the same rate which includes the cost of land also. Thus, there is duplication in payment for the land. The additional areas should be paid for only at the cost of construction plus reasonable profit thereon.

(xiii) Interest free advance payments are made. Subsequently, when delays occur due to various reasons the advance paid is locked up resulting in a huge loss of interest to the organisation.
(xiv) Fire fighting arrangements as per the requirements of the Fire Department are not provided.

(xv) Payments are made for car parking areas and mezzanine floors at the same rates as for flats constructed on normal floors.

6.9 CASES REFERRED TO CHIEF VIGILANCE OFFICERS FOR INVESTIGATION:

As mentioned earlier, cases involving prima facie serious lapses and irregularities noticed during the inspection by this organisation are referred to the Chief Vigilance Officer for detailed investigation. Usually, such cases are referred only after getting replies from the concerned officials. Where the lapses are quite apparent, cases are referred to the CVO without waiting for first replies. All such cases referred by the CTEs are to be treated as complaints by the CVOs who are required to conduct detailed investigation, following the procedure for such investigations, and to submit their investigation reports with all documents to the Commission for the Commission’s advice. Even if the detailed investigation does not reveal any lapses or irregularities, the cases are required to be referred to the Commission.

A large number of such cases referred by CTEs are pending with the CVOs for investigation. Some of the cases have been pending for a long time. At present, excluding the cases referred during the year 1990, there are a total of 496 cases pending with various Ministries/Departments/Undertakings for detailed investigation. An yearly break-up of the cases is given below:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NO. OF CASES</th>
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<tbody>
<tr>
<td>1981</td>
<td>11</td>
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<td>1982</td>
<td>11</td>
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<td>1988</td>
<td>77</td>
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<tr>
<td>1989</td>
<td>142</td>
</tr>
<tr>
<td>TOTAL :</td>
<td>496</td>
</tr>
</tbody>
</table>

71
Out of the 496 cases pending, a substantial portion, 99 cases, is with DDA. 26 cases are with CPWD and 26 cases are with Delhi Administration. 29 cases are pending with Municipal Corporation of Delhi. Many of these cases are pending for more than five years. An year-wise break up of these cases is given in Annexure-IV.

A list of organisations with cases pending for more than five years is enclosed at Annexure-V. There are 86 such cases which were referred to the CVOs for investigation in 1985 or earlier.

Some of the cases referred to the CVOs for detailed investigation during the year 1990 are given in the following paras.

(a) BHARAT HEAVY ELECTRICALS LTD:

SINTEX WATER TANKS FOR THE BHEL CORPORATE OFFICE IN THE ASIAD COMPLEX:

The following irregularities were referred for vigilance investigation:

(1) The lowest tender for the Sintex tanks was bypassed and the contract was awarded to another contractor at much higher rates resulting in a loss of Rs.1,28,655 to BHEL.

(2) The specifications were restricted to tanks of only Sintex make whereas other equally good makes are available at lower rates.

(3) The item of structural steel supporting arrangements was awarded to the contractor at Rs.14 per kg. even though another quotation of Rs.11/- per Kg. was available on record and was reasonable. This resulted in a loss of about Rs. one lakh to BHEL.

(b) BHARAT HEAVY ELECTRICALS LTD:

INTERIOR WORK IN BHEL HOUSE IN THE ASIAN GAMES VILLAGE COMPLEX:

The following irregularities were referred for vigilance investigations:

(1) The rate quoted for partitions was based on 12 mm. thick commercial ply. During discussions with the contractor, this was changed to 10mm. thick ply without any reduction in rate and the thickness of ply
actually provided is only 8 mm thick.

(2) The thickness of Marblex flooring was changed from 3 mm to 2 mm. The difference in cost between the two is Rs.56 per sq.m. but a reduction of only Rs.36 per sq. m. was accepted resulting in a loss of Rs.1.22 lakhs.

(3) The rate quoted for polishing of the floor was about 50 times the market rate. Similarly, the rate quoted for flush door shutters was abnormally high. The quantities of these items have been greatly increased resulting in a large loss to BHEL.

(4) The qualifying requirements of a valid Income Tax clearance Certificate and Sales Tax Clearance Certificate were waived to show undue favour to the contractor.

(c) BOMBAY PORT TRUST:

ELECTRICAL INSTALLATIONS IN SHED NO. 1, 2 AND 3 OF THE MANGANESE ORE DEPARTMENT:

The following lapses were referred for vigilance investigation:

(1) The two lower tenders were rejected in arbitrary manner and the contract was awarded to the third lowest resulting in a loss of Rs.63712 to the Port Trust.

(2) The items of integral type fittings include the cost of Control Gear MS Boxes. No such Control Gear MS Boxes were provided but payment was made at full rates.

(d) BHARAT PETROLEUM CORPORATION LTD.:

DESIGN AND ERECTION OF LPG HORTON SPHERES AT URAN, BOMBAY:

The following irregularities were referred for vigilance investigations:

(1) The contractors, M/s A were placed on the select list even though they did not apply for prequalification and did not fulfill the eligibility criteria.
(2) On the other hand, two firms who were experienced in fabrication of pressure vessels were not placed on the select list.

(3) M/s. A had offered a rebate of 5% in case of the total order of the Uran Works was placed at one time. The total order was placed at one time but the 5% rebate was not availed of resulting in a loss of Rs.12.30 lakhs.

(4) As soon as the contract was awarded to them, M/s. A began lobbying for adoption of a Buss Cup Support system instead of the Conventional Leg support system. M/s. A arranged for foreign tours of two senior officers of the Company to observe the Buss Cup support system in Europe. Immediately thereafter the change in the support system was approved by the BPCL.

(5) In order to make the alternative proposal appear to be more economical, the additional cost of special pumps for the Buss Cup support system was suppressed from the Board of Directors.

(6) The change in the support system resulted in an increase in cost of the tanks by Rs.13.5 lakhs and an increase in the cost of foundations by Rs.29 lakhs.

(7) The contractor was allowed to take away the waste pieces of boiler quality plates issued to him, thus resulting in a loss of Rs. 5 lakhs to BPCL.

(8) For the Buss Cup Support system, these plates were issued to the contractor at Rs.8700 per tonne whereas the rate quoted by the contractor was based on a cost of Rs.20000 per tonne.

(9) In violation of the contract conditions, an amount of Rs.4 lakhs was paid to M/s. A as inspection charges, even though such charges were covered by their tender amount.

(10) The crowns for the spheres were imported by M/s. A but boiler quality steel even for the crowns was issued by BPCL to the contractor.

(11) Retention money at 10% of the gross amount of the bill was not recovered as required under the contract.

(12) An amount of Rs.14.40 lakhs was paid on account of testing and commissioning even though the foundation of one of the spheres had failed and none of
the spheres was tested and commissioned.

(e) CANARA BANK:

BANK BUILDING AT ARID ROAD, HYDERABAD

The following irregularities were referred for vigilance investigation:

(1) In 8 cases the compressive strength of the concrete was found to be less than the minimum specified. The Bank was specifically requested to get the structural soundness established by additional tests and to make a recovery for the sub-standard work but they have not done so.

(2) Against a receipt of 5871 bags of cement by the Bank up to 9.9.82, only 3500 bags were issued to the contractor. The remaining 2371 bags were missing.

(3) For work done up to the 4th running account bill, the quantity of cement used in the work was 22% less than specified indicating sub-standard work. But full payment was released.

(4) About 1400 bags of cement procured by the Bank in June and July, 1980 could not be accounted for and were missing.

(f) CANARA BANK:

PURCHASE OF RESIDENTIAL FLATS AT ANDHERI EAST, BOMBAY:

The following irregularities were referred for vigilance investigation:

(1) The contract was for the purchase of a 5 storey structure including the cost of land at Rs.260 per sq.ft., Rs.120 per sq.ft. as the cost of construction and Rs.140 per sq.ft. as the cost of land. Subsequently, the contractor was allowed to construct an additional storey and payment for this additional storey was also made at Rs.260 per sq.ft. whereas it should have been restricted to Rs.120 per sq.ft. only (cost of construction excluding the cost of land).

(2) An amount of Rs.3 lakhs was paid as interest on delayed payments even though this was not admissible under the contract.
(g) **CANARA BANK**:  

**PURCHASE OF 32 APARTMENTS AT V.V. PURAM, BANGALORE**:  

The following irregularities were referred for vigilance investigation:

1. The rate for construction accepted was about Rs.204 per sq. ft. as compared with the prevailing rate of Rs.186 per sq. ft. This resulted in a loss of Rs.20 lakhs to the Bank.

2. The developer had offered a reduction in the rates for the flats by Rs.45 per sq. ft. in the cement for construction was arranged for by the Bank. Subsequently, the Bank did arrange for cement for the work but the above rebate of Rs.45 per sq. ft. was not availed of resulting in a loss of Rs.16.52 lakhs to the Bank.

3. Advance payments of Rs.275800 and Rs.687745 were made to the developer though not admissible under the terms of the contract. Interest on the above amounts was recovered and an amount of Rs.240886 was not recovered upto May, 1986.

4. An additional payment of Rs.1142662 was made to the developer on account of the increased area of the flats. Since the total agreed price of Rs.104.73 lakhs covered the total cost of all the land, the payment for the additional area, if at all admissible, should have been made only for the construction cost and not for the cost of land. This additional payment has therefore resulted in an over payment to the contractor.

(h) **COCHIN REFINERIES**:  

**NEW SERVICE BUILDING IN THE COCHIN REFINERIES**

The following irregularities were referred for vigilance investigation:

1. The sizes of stiles and rails of doors were much less than specified but no recovery has been effected on account of the reduction in sizes inspite of this being pointed out by this Commission.
(i) **C.P.W.D.**

**BOUNDARY WALL FOR THE PARADE GROUND OF THE BSF AT TAKAMPUR**

The following irregularities were referred for vigilance investigation:

1. Separate tenders were invited for Sections A and B of the work. For Section A, contractor P was the lowest while for Section B contractor Q was the lowest. Since the rates of contractor Q were higher than those of contractor P, it has been stated by the officers concerned that Q was called for negotiations and was asked to reduce his rates to the level of the rates of P. It is further stated that Q refused to reduce his rates to the level of those tendered by P. However, it was found that there was no record of negotiations conducted with Q and there was no letter from Q refusing to reduce his rates to the level of P. It appears that by the above manipulation, the contract of Section B was also awarded to contractor P, thus giving an undue benefit to P.

(j) **C.P.W.D.**

**INCOME TAX/CENTRAL EXCISE BUILDING AT JAIPUR**

The following irregularities were referred for vigilance investigation:

1. The rates for the agreement items of terrazzo tile flooring and terrazzo tile dado with white cement were abnormally low. These items were substituted by Kota stone flooring and a white glazed tile dado in order to give an undue benefit to the contractor.

(k) **C.P.W.D.**

Tenders for the construction of an Administrative Block costing about Rs.1.22 crores were opened on 20.4.88. The tendered amount shown in the Tender Opening Register and the total given on the last page of the Schedule of Quantities did not include a 1% unconditional rebate offered by the contractor. This rebate was offered by him on the last page of the Schedule of Quantities. This offer was not attested by the EE nor was it mentioned in the Contractor's letter accompanying the tender. The contractor became lowest by virtue of this rebate. It appears that this rebate of 1% was inserted by the contractor after opening of tenders.
DELHI ADMINISTRATION - FLOOD DEPARTMENT:

CROSS DRAINAGE WORK FOR THE MAIN CHANNEL AT THE CODRONATION TREATMENT PLANT:

The following irregularities were referred for the vigilance investigation:

1. As per the agreement, the rate quoted for excavation of earth was inclusive of disposal for all leads and lifts and levelling and dressing of the disposed earth. However, these operations were got done under separate work orders at higher rates resulting in a loss of about Rs.130000.

DELHI DEVELOPMENT AUTHORITY:

DENSE CARPETTING OF ROADS IN THE ADDITIONAL FRUIT MARKET AT AZADPUR, DELHI:

The following irregularities were referred for vigilance investigation:

1. The field density of the Dense Asphalctic concrete was much less than specified. But the recovery of Rs.1.18 lakhs on account of sub-standard work was considerably delayed inspite of repeated reminders.

2. Kerosene oil was not added to the bituminous mix as specified. Yet the recovery of Rs.45000 on this account was considerably delayed inspite of repeated reminders by the Commission.

DELHI DEVELOPMENT AUTHORITY:

1. The work of development of parks and playgrounds at Jawalapuri was inspected in 1983. Replies to the observations were sent by the Director of Horticulture after a period of 5 and 1/2 years. The work was executed without any detailed estimate or detailed plans. There was no difference between the developed and undeveloped areas and only a few patches of grass were seen during inspection. There was no proper record of good earth and sludge used in the work. The entire work seems to have been not done properly and the entire expenditure was infructuous.

2. A report on the inspection of 512-quarters under SFS in Haus Khas was sent to CE, DDA in 1983. Inspite of a large number of references, no replies/comments were received from the CE for about 6 and 1/2 years. Comments on reduced rates statement sent to the...
SE in 1988 did not produce any response from the SE for more than two years.

The SE approved reduced rates statement amounting to more than Rs. 4.6 lakhs as a result of observations made by the CTE which indicates large scale execution of sub-standard works by the contractor and acceptance of such sub-standard works by the DDA staff. It also indicated failure on the part of supervisory staff like, the EE and SE. Several other observations were still to be settled and may also involve a further reduction in rates.

5. The work of construction of 336 MIG quarters at Dilshad Garden was inspected in 1985. Certain observations were referred to the CE for his comments. Incomplete replies/comments were received from the CE only after 4 and 1/2 years.

Tenders received in the first and second call were rejected and the work was awarded in third call resulting in an extra cost of about Rs.14 lakhs. Payment of escalation has been made to the contractor after the stipulated date of completion without getting approval of the competent authority. The details of payments made, however, were not furnished in spite of requests during the last five years. As per terms of the contract, escalation is payable only for the excess beyond the first 10%. In spite of requests, confirmation that payment has been made accordingly was not forthcoming from the DDA officials during the last five years.

6. For the construction of 288 MIG Houses in Sector-15, Rohini, a secured advance was paid to the contractor for about 49.5 lakh bricks at a rate higher than the permissible maximum rate resulting in an overpayment of Rs. 4.6 lakhs. A similar overpayment of Rs.30000 was also made for payment of secured advance for wash basins. The contractor was required to return 90% of the empty cement bags. Neither the bags were returned nor any recovery was made resulting in an overpayment of Rs.63000.

(c) DELHI WATER SUPPLY & SEWAGE DISPOSAL
UNDERTAKING:

In a contract for laying and jointing 1200mm dia. pipes, the provision for brick masonry pillars was substituted by cement concrete pillars. The cement concrete pillars were also plastered. The undertaking replied that as the pillars were near the
bank of the river, plastering was done. A comparison of the prevailing market rates and payments admissible to the contractor in terms of the contract indicated that in the case of brick pillars, the contractor would have lost Rs.148.63 on each pillar whereas in the case of concrete pillars he would gain Rs.191.85 per pillar. The substitution, therefore, gave the contractor a benefit of Rs.340.00 per pillar or Rs.1.90 lakhs in the whole work. It also cost Rs.1.68 lakhs more to the undertaking.

(p) DEPARTMENT OF SPACE:

180 KVA DG SET FOR THE NATIONAL FOREST: DATA MANAGEMENT SYSTEMS AT DEHRADUN:

The following irregularities were referred for vigilance investigation:

(1) The lowest tenderer L-1 was bypassed on the ground that the firm did not submit a separate technical bid. However, a technical bid was not necessary as the tender was totally in line with the approved tender document.

(2) The second lowest tender L-2 was bypassed on the ground that their performance was not satisfactory at Thumba. However, their performance report was satisfactory. Moreover an unjustified loading was added to their tender to make them appear to be higher than the favoured contractor L-4.

(3) The third lowest tender L-3 was bypassed on the ground that they did not quote for the foundation. However, the foundation was already existing at site.

(4) Undue favour was shown to L-4 by awarding the contract to them.

(5) Sales tax was also reimbursed to the contractor on the cost of installation, testing and commissioning of the set. This was done in violation of the orders of the Joint Secretary, Department of Space that sales tax might be reimbursed only if it was actually due and payable.

(q) DEPARTMENT OF TELECOMMUNICATIONS:

The contract for supply, installation, testing and commissioning of 320 KVA generating sets was awarded by the SE to a party who was not the lowest in spite of SE's clear objections. The SE had also
pointed out that the offer of the party did not include anti-vibration mountings (AVM). But the SE recorded, while accepting the tender, that the offer included AVM. During actual execution the party was paid extra for providing AVM.

The SE also accepted a very high rate of Rs.300 for 240 sq.mm. cables when 300 sq.mm. cables were available in the stores at much less rate of Rs.165 per meter, and this was also brought to the notice of the SE before accepting the tender.

Payment for the foundation work was already made in full earlier even though the work was not done according to the specifications of the contract.

2. For the prequalification of contractors for construction of cable ducts in Delhi by the Mahanagar Telephone Nigam Ltd. (MTNL), applications were entertained from contractors even after the last date of receipt of the applications. Contractors who did not even approach MTNL were considered for enlistment. Even after a second press notice inviting applications, no sanctity was given to the time schedule and applications were entertained after the last date on the recommendations of the officers even though the FA had categorically recorded earlier that it was not proper to accept such requests. Thus, the MTNL did not follow any principles or procedures for prequalification and names were added on the recommendations of officers and not necessarily based on credentials of the contractors.

DEPARTMENT OF TELECOMMUNICATIONS:

The estimate for installation and commissioning of a fire detection system in a Telephone Exchange costing about Rs.9.78 lakhs was prepared based on the prevailing market rates but the work was awarded at 25.73% above which indicates acceptance of very high rates without adequate justification. The contract was awarded without ensuring that facilities for supplying and refilling of Halon Gas were available with the contractor. At the time of inspection, five years after the contract was awarded, almost all the gas cylinders were empty and there was no facility for refilling. Apparently, during all these years, the Telephone Exchange equipments were left without any fire protection arrangements in the absence of Halon Gas and the entire expenditure appears to be infructuous.
(a) ENGINEERS INDIA LTD:

STC OFFICE BUILDING COMPLEX AT JANPATH:

The following irregularities were referred for vigilance investigation:

(i) For the controlled concrete work it was found that the weights of the cement bags which were ready to be unloaded into the Hopper were between 33 Kg. to 45 Kg. per bag as against a minimum weight of 50 Kg. per bag. Sub-standard concrete was done but no investigation was carried out of the strength of the concrete, and payment was allowed at full rates.

(t) ENGINEERING PROJECTS INDIA LTD:

CIVIL AND STRUCTURAL WORK FOR THE THERMAL POWER PROJECT AT PANIPAT:

The following irregularities were referred for vigilance investigation:

(i) There was a shortage of 69.84 tonnes of reinforcing steel issued by Engineering Projects India Ltd. to the contractor.

(u) HINDUSTAN TELEPRINTERS LTD:

PRODUCTION BLOCK AT HOSUR:

The following irregularities were referred for vigilance investigation:

(i) The concrete poured into the slab at the second floor level was substandard as revealed by the cube test report and the RCC work was to be demolished. However, the substandard concrete was paid for at full rates and the structural soundness of the slab was not investigated.

(v) HINDUSTAN VEGETABLE OIL CORPORATION:

NEW ADMINISTRATIVE BUILDING, ROADS AND LEVELLING IN THE HVOC COMPOUND AT MULAND, BOMBAY:

The following irregularities were referred for vigilance investigation:

(i) The tender of one tenderer who must have been the lowest has been destroyed and was not put up for
inspection.

(ii) L-3, the third lowest tenderer, was allowed to change his tendered amount from Rs.32 lakhs to Rs.28.8 lakhs in order to make them the lowest.

(iii) The contract was awarded without obtaining approval of the plans from the Bombay Municipal Corporation. The Corporation subsequently stopped the work and the huge quantity of tubular trusses supplied and paid for is lying at site badly rusted and disintegrating.

(iv) A mobilisation advance of Rs.10 lakhs was paid to the contractor although not admissible under the terms of the contract. Out of the above amount, an amount of Rs.2.36 lakhs could not be recovered for the last six years.

(v) An amount of Rs.5.5 lakhs was paid to the contractor for levelling and preparation of lawns and gardens but no such lawns and gardens were prepared by the contractor.

(II) INDIA TOURISM DEVELOPMENT CORPORATION :

ASSOCIATED ELECTRICAL WORKS FOR DIESEL GENERATOR SETS FOR ITDC HOTELS IN DELHI :

The following lapses were referred for vigilance investigations:

(i) The Consultant was appointed without inviting applications by a press advertisement.

(ii) A very high consultancy fee was paid resulting in a loss of Rs.1.8 lakhs to the ITDC.

(iii) The estimated rates were heavily inflated to justify acceptance of a high tender.

(iv) 11 firms were placed on the select list in an arbitrary manner and most of them were not related to the field of DG sets.

(v) Tenders for the L.T. panel works were invited from the same contractors even though this was not in their line of activity. This resulted in very high rates for the L.T. panel works.
India Tourism Development Corporation:

Supply and Installation of Diesel Generator Sets for ITDC Hotels in Delhi:

The following lapses were referred for vigilance investigation:

(i) The Consultant was appointed in an arbitrary manner without inviting applications through a press advertisement.

(ii) The consultancy fee agreed to was very high and the design work was not done by the Consultants but was done by the contractors.

(iii) A very reputed firm was not placed on the select list in order to favour one particular contractor, M/s.A.

(iv) M/s. A were not technically competent and financially sound to undertake works of such a large magnitude.

(v) Invitation of global tenders was avoided in order to favour M/s.A.

(vi) The equipment offered by M/s.B was superior to the one offered by M/s.A and their rates were also lower by Rs.54 lakhs. However, their tender was bypassed in favour of M/s.A.

(vii) Considering fuel economy, the tender of M/s.C also was lower than that of M/s.A but their tender was also overlooked.

(viii) The accepted rates for the LT panel, cooling tower panel, cables etc. were very high resulting in a loss of Rs.60 lakhs to the ITDC.

(ix) The DG sets were accepted without getting any tests carried out as specified.

Kandla Port Trust:

6th Cargo Berth at New Kandla Port:

The following irregularities were referred for vigilance investigation:

(i) The item of 40 mm thick premix carpet was highly profitable to the contractor. A large increase
in the quantity of this item was ordered resulting in a huge undue benefit to the contractor.

(ii) Similarly, the rate quoted for AC pipe outlets is abnormally high and the quantity of this item was also increased to give a large undue benefit to the contractor.

(a) **LIFE INSURANCE CORPORATION OF INDIA** :

**CONSULTANCY CONTRACT FOR THE LIC MEGA CENTRE BUILDING IN DELHI** :

The following irregularities were referred for vigilance investigation:

(i) The work of the transformers and sub-station for the building was planned, executed and supervised by the NDMC as a deposit work. Inspite of this fact and inspite of this being brought to the notice of the LIC, consultancy charges for execution and supervision of the work were paid by LIC to their own consultants also for the same work. This was an undue payment to the consultants.

(aa) **MADRAS REFINERIES** :

**ELECTRICAL INSTALLATIONS FOR THE LPG CYLINDER STORAGE SHED** :

The following irregularities were referred for vigilance investigation:

(i) The tender of a reputed firm A was ignored in favour of a local firm B.

(ii) The advance payment asked for by A was less than that demanded by B.

(iii) The tendered amount of A was lower than that of B by about Rs.25000.

(iv) Contractor A was on the select list while contractor B was brought in surreptitiously at a later stage.

(v) The supply of costly fittings was included in the tender document. A saving of Rs. one lakh could have been achieved if these fittings were purchased directly by MRL.
(bb) MAZAGON DOCKS LTD:

WORKSHOP SHED AT NHAVA YARD, BOMBAY:

The following irregularities were referred
for vigilance investigation:

(i) During negotiations with the contractors,
they were allowed to increase the rate for item No.B-4
on the ground that the rate quoted for the item was
abnormally low, however no efforts were made to reduce
the abnormally high rates. As a result of the increase
in rates, the contractor L-1 became the second lowest.
This fact was not brought on record and the contract was
not awarded to the lowest tenderer. This resulted in a
loss of Rs.3.3 lakhs to the MDL.

(cc) MAZAGON DOCKS LTD:

HOT MIX ASPHALTING IN THE FABRICATION AREA AT
THE MANGALORE YARD OF MAZAGON DOCKS LTD:

The following irregularities were referred
for vigilance investigation:

(i) No recovery was effected from the contractor
for the use of less bitumen than specified.

(ii) No recovery was effected from the contractor
for over-sized aggregate used in the mix.

(iii) Full payment was released to the contractor
even though 10 samples of the Dense Asphaltic concrete
had failed in test.

(iv) Full payment was released even though the
surface irregularities of the pavement were more than 3
mm in a 5 metre length.

(dd) NATIONAL PROJECTS CONSTRUCTION CORPORATION:

25000 MT CAPACITY FOODGRAIN GODOWNS FOR THE
PCI AT GHEVRA, DELHI:

The following irregularities were referred
for vigilance investigation:

(i) The CC 1:2:4 flooring was very weak and the
cement content was 30% less than specified.
(ii) Even though substantial recoveries were to be effected from the contractor, the Bank Guarantees of Rs. 8.8 lakhs was released to the contractor.

(iii) The quantities of abnormally high rated items were substantially increased to give a large undue benefit to the contractor.

(ee) NATIONAL THERMAL POWER CORPORATION:

ANCILLARY BUILDING AND GENERAL CIVIL WORKS AT RIHAND:

The following irregularities were referred for vigilance investigation:

(1) Sales tax exemption certificates were to be issued only in respect of materials purchased directly by the NTPC. However, it was seen that such sales tax exemption certificates were issued to the contractor for materials procured by the contractor. This was in contravention of the terms of the contract and has resulted in a large undue benefit to the contractor.

(ff) NATIONAL THERMAL POWER CORPORATION:

INTERIOR WORKS PART II COMPRISING OF MOVABLE FURNITURE:

The following irregularities were referred for vigilance investigation:

(1) Full payment was made for some items of furniture even though the Material Despatch Clearance Certificate indicated that the furniture was substandard.

(ii) In violation of the orders of the Financial Controller, the bank guarantees for the mobilisation advance was obtained from a private bank instead of from a nationalised bank.

(iii) The tendered rates for the furniture were based on the cost of fabric costing upto Rs. 75 per metre. During execution the fabric was substituted by Bilbo leatherite costing about Rs. 150 per metre. Extra payment was made to the contractor on the presumption that the tendered rate was based on a rate of Rs. 45 per metre for fabric.

(iv) The tender which was accepted was tampered with by indicating "Sales tax extra" in the summary of
prices. Extra payment was made for sales tax resulting in a loss of Rs. 3.3 lakhs to the NTPC.

NEW DELHI MUNICIPAL COMMITTEE:

A reference was made on 27.9.84 to the CVO, New Delhi Municipal Committee (NDMC), pointing out serious irregularities in the purchase of hose pipes. After a period of 5 and 1/2 years, the NDMC reported that the files are not traceable, and, therefore, the case should be closed. Apparently, no action was taken to investigate the case when the matter was referred to NDMC.

PARADIP PORT TRUST:

A contract for construction of workshop buildings involving shell roofs was awarded to a party inspite of reservations expressed by the Tender Committee regarding the technical capacity of the party. The contract was awarded on the basis of an undertaking given by another private party of dubious reputation. The work was left incomplete by the party even though they were granted an advance of Rs. 6 lakhs for which there was no provision in the contract. The residual work was awarded to another contractor.

No action was taken by PPT to recover the extra cost from the original contractor but a Committee under the Chairmanship of the CE recommended to pay all dues of the contractor without recovering the extra cost though the Committee itself recorded that PPT had to suffer a loss due to the failure of the contractor. Surprisingly, the Committee at the same time recommended a new company of the same contractor for enlistment in class-A category which clearly indicates the undue favour shown to the contractor.

There was no arbitration clause in the contract and PPT felt that going to the Court to recover the extra cost would be time consuming and, therefore, decided not to recover the extra cost from the contractor.

PARADIP PORT TRUST:

Underground cable work costing about Rs. 7.7 lakhs was awarded to a contractor ignoring the lowest offer without adequate justification and at an extra cost of Rs. 64000. Two items of the agreement were substituted by inferior specifications which involved an additional expenditure of Rs. 76000. Most of the items
executed were substandard and as a result of inspection by CTE, PPT agreed to recover about Rs.1.14 lakhs (about 15% of the contract amount) on account of execution of substandard items.

(jj) **PUNJAB NATIONAL BANK**:

**ZONAL TRAINING CENTRE AT PANCHKULA**:

The following irregularities were referred for vigilance investigation:

Some of the cement brought by the contractor to the site was substandard, but this was allowed to be used in the RCC work and full payment was made for the RCC.

(kk) **RAILWAYS**:

**EARTH WORK IN FILLING AND CONSTRUCTION OF AN ARCH BRIDGE IN ZONE NO.E-6A OF THE JAMMU-UDHAMPUR RAIL LINK PROJECT**:

The following irregularities were referred for vigilance investigation:

(i) The lowest tender L-1 was bypassed on the ground that his performance was not satisfactory. However, just a few days later the same contractor was registered by the Northern Railways to undertake work of any magnitude. Moreover, if the contractor was slow in previous works, compensation should have been recovered for delay; but no such compensation was recovered. This resulted in a loss of Rs.11.08 lakhs to the Railways.

(ii) 150 bags of cement were stolen by the contractor but recovery was not effected.

(iii) There was a shortage of 5.725 tonnes of reinforcement steel at site.

(ll) **RAILWAYS**:

The work of construction of a superstructure for ROH facilities was awarded by the Eastern Railways to IRCON at a cost of Rs.64 lakhs. IRCON got the work done through a private contractor at a cost of Rs.46 lakhs and thus earned a profit of Rs.18 lakhs or 28%. Apparently, the Railways awarded the contract to IRCON at a very high rate.
As urgency certificate was issued by the Railway Board but either there was no justification for issue of the certificate or the Railway officials did not bother to execute the work with any urgency as seen from subsequent actions.

The Eastern Railways approved invitation of a single tender from IRCON when there was no justification for not inviting competitive tenders. The reasons given by the Eastern Railways for inviting the single tender were flimsy and not justifiable.

During execution, contract specifications were modified involving an extra cost of Rs.1.31 lakhs to the Railways and a financial benefit of Rs.3.6 lakhs to the sub-contractor of IRCON without adequate justifications.

The Railways paid 10% of the contract value as an advance to IRCON who did not invest this money in this work. They themselves did not pay any advance to the private contractor.

SHIPPING CORPORATION OF INDIA:

SCI MARITIME TRAINING INSTITUTE PROJECT AT POHAI, BOMBAY:

The following irregularities were referred for vigilance investigation:

Stone boulders from excavation were issued to the contractor at Rs.12 per cum. as against a prevailing market rate of Rs.100 per cum., thus resulting in a loss of Rs.2.76 lakhs to the Corporation.

STATE BANK OF INDIA:

The inspection report of the electrical installation works costing about Rs.12 lakhs was sent in April, 1982. The first reply was received after 14 months. Replies to subsequent references were received after 5 to 27 months.

On account of observations made by the CTE on substandard items of works, recoveries to the extent of Rs.47000 were made by the bank. In respect of several other observations, overpayments to the extent of about Rs.1 lakh were assessed but the final bill of the contractor was paid without making any recovery and when the observations were still under correspondence with the CTE.

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STATE TRADING CORPORATION

ELECTRICAL INSTALLATIONS FOR THE STC BUILDING COMPLEX AT JANPATH:

The following irregularities were referred for vigilance investigation:

(i) Even though a decision was taken that wide publicity through the press should be given for preparation of a select list of contractors, no such publicity was given and firms favoured by the Consultant and STC officials were placed on the select list. A number of reputed electrical contractors in Delhi were not placed on the select list.

(ii) The lowest tender of a reputed firm M/s. A was not accepted on the ground of so-called poor performance. Subsequently, the supply of light fittings was deleted from the tenders in order to make M/s. B, the favoured contractor, appear to be the lowest.

(iii) The contract was awarded at very high rates, about 50% above the prevailing market rates.

(iv) The rates for some optional items (which did not figure in the comparative statement) quoted by the contractor were 61% to 233% higher than the market rates. During execution these optional items were operated resulting in windfall profit to M/s. B and a corresponding loss to the STC.

SYNDICATE BANK:

RESIDENTIAL FLATS AT GANDHI NAGAR, MANGALORE:

The following irregularities were referred for vigilance investigation:

(i) The rates for extra items were to be based on the Schedule of Rates of the Mysore Public Works Department. Instead of doing so, the bank authorities approved much higher rates stated to be based on market rates.

(ii) The sizes of timber members provided for windows and ventilators were much less than specified and the glass used was substandard. The substandard work was accepted by the bank resulting in a loss of about Rs. 19000 to the bank.
6.10 ADVISE OF COMMISSION ON CTE’s COMPLAINTS:

Cases referred by CTE’s Organisation to the CVO for detailed investigation are to be treated as complaints. Detailed investigation reports are required to be prepared and submitted by the CVOs to the Commission for the Commission’s advice. Such cases referred by the CTE’s Organisation cannot be closed by the CVOs without consulting the Commission even if the detailed investigation does not reveal any lapses. The reports of the CVOs are examined by the Commission and suitable advice given.

A few such instances in which Commission conveyed first stage advice are given in the following paragraphs:

(a) BHARAT HEAVY ELECTRICALS LTD:

BACKGROUND MUSIC SYSTEM FOR THE BHEL OFFICE:

The Commission has advised major penalty action against the officers concerned for the following lapses:

A late tender was considered in violation of the BHEL purchase policy and this fact was not mentioned in the tender scrutiny notes. It appears that the late tender which was accepted was manipulated after the receipt of tenders from two other companies.

(b) BHARAT HEAVY ELECTRICALS LTD:

CONSULTANCY SERVICES:

The Commission has advised major penalty action against the officers concerned for the following lapses:

The BPE guidelines for selection of Consultants were not followed. No reasons were recorded for reduction of offers by two reputed firms. No negotiations were conducted with the Consultants in an effort to bring down the fee. In fact, the consultancy work was commenced by the Consultants even before a decision was taken to appoint them.

(c) CENTRAL PUBLIC WORKS DEPARTMENT:

(i) During inspection of certain works in Shimla, it was observed that the painting was of poor quality and only one coat appeared to have been given instead of
two or more coats. The investigation report of the CVO was based on the records maintained by the officers who were responsible for the quality of the work. The report also indicated that action was taken to rectify the defects at the risk and cost of the contractor. The Commission observed that reliance cannot be placed on the records maintained by the officers who themselves were responsible for the defects and the fact that action was taken to rectify the defects was proof that defects were existing and either substandard materials were used or inadequate quantity of paint was used in the work. The Commission, therefore, advised minor penalty proceedings.

(ii) Flush door shutters were accepted and paid for in a work without conducting any tests to ensure the quality of the shutters. Insipite of the CTE's observations, the matter was delayed and prompt action was not taken to get the shutters tested but the final bill of the contractor was paid. On subsequent testing of the shutters, they were found substandard but no action could be taken against the contractor as the bill had already been paid. The Commission advised minor penalty proceedings against the officials who accepted the shutters without testing and issue of recordable warning to the SE who did not take prompt action in spite of the CTE's observations.

(d) DELHI DEVELOPMENT AUTHORITY:

(i) Two contracts for horticulture works awarded by DDA for development of parks in Janakpuri were inspected in 1983. No detailed estimates were prepared for the works. None of the measurements recorded was checked by any superior officer. Materials brought by the contractor like good earth and sludge were not checked and it was doubtful whether the quantities paid for were supplied. After the first bill was prepared and sent for payment, the contractor was intimated that no work had been started. The area was found infested with weeds and full of undulations. On the whole no work seemed to have been done.

An investigation report was submitted by the CVO after 5 and 1/2 years. The Commission advised minor penalty proceedings against the officials concerned.

(ii) Development work of parks and plantation around picnic hut at Kalkaji was inspected in 1982 when it was observed that the pits dug up for the plantation were of much smaller size than the size paid for. It was also observed that payment was made for digging pits
in soft rock but the soil was ordinary soil.

A reply to the inspection report was sent only after two years and a reply to the rejoinder was sent only after three years. Even though the likely overpayment was brought to the notice of Director of Vigilance (the overpayment was 33%), no action was taken. A specific reference to the Director of Vigilance for investigation, produced an investigation report after 2 and 1/2 years. The report was examined by the Commission which advised minor penalty proceedings against the concerned officials.

(iii) In an air-conditioning work, it was observed that duplicate provisions were made for the same item in the tender documents which resulted in overpayment to the extent of about Rs.85000 in addition to acceptance of substandard valves which were, however, replaced after the CTE's inspection. The report of the CVO, DDA, was examined by the Commission which advised minor penalty proceedings against the concerned officials.

(iv) A case was referred to the CVO, DDA on 27.4.88 for investigation and fixing responsibility. The allegation was that a contract for Rs.96 lakhs was awarded by a Chief engineer without approval of the Works Advisory Board and at rates higher than what was considered by the WAB as reasonable. The DDA called the explanation of the Chief Engineer on 17.7.90. An interim investigation report was prepared by the CVO without taking over the relevant documents and without getting the explanation of the CE and this was submitted to the Commission and was actually received in the Commission in August, 1990. The Chief Engineer retired on 31.7.90, and no action was, therefore, possible due to the delay in investigations.

(e) DELHI DEVELOPMENT AUTHORITY:

201 DWELLING UNITS IN THE ASIAN GAMES VILLAGE COMPLEX:

The Commission has advised major penalty action against the Chief Engineer for the following lapses:

The contract stipulated providing and fixing teak wood frames for doors and windows. This item was disadvantageous to the contractor and was substituted by pressed steel frames which were highly profitable to the contractor. The substitution resulted in an undue benefit of about Rs.2.5 lakhs to the contractor.
DELHI DEVELOPMENT AUTHORITY:

304 LIG HOUSES AT PASCHIM PURI:

The Commission has advised major penalty action against the officers concerned for the following lapses:

The quantity of mild steel grills recorded in 8th and 9th running account bills was more than twice the actual quantity required for the whole work. This indicates bogus measurements and substantial overpayment to the contractor.

FLOOD DEPARTMENT - DELHI ADMINISTRATION:

BRIDGE OVER KARAWAL DRAIN:

The Commission has advised major penalty action against the Surveyor of Works and minor penalty action against the SE for the following lapses:

The tender accepted was about 20% above the market rates as against a maximum of 5% permissible. This was a lumpsum tender and therefore the design offered by the contractor should have been carefully checked to ensure that the contractor did not encroach on the safety factors. On subsequent checking, it was found that the designs of the wing wall and cut-off wall were unsafe.

INDIAN OIL CORPORATION:

4% Bihar Sales Tax (BST) on works contracts was in force from April, 1985. The contractors who submitted their tenders for the construction of LPG Bottling Plant at Jemshippur costing about Rs.1 crore were in the construction business for a long time and were expected to be aware of the BST provisions. The tender documents clearly indicated that "no tax shall be payable by IOC and also such taxes shall be payable by the contractor". The contractors did not stipulate any condition while submitting the tenders. However, after opening the commercial bids, the Tender Committee asked the contractors to confirm that "the rates are inclusive of taxes". Four parties who attended the negotiations enhanced their rates stating that BST would be charged extra. The condition was accepted by the IOC.

Negotiations with the parties on a condition which had been clearly laid down in the contract has
resulted in an extra cost of about Rs.8 lakhs to the IOC. The members of the Tender Committee were responsible for the extra cost. The management of IOC, however, proposed to only advise the Committee members to be careful in future.

(1) **INDIAN TELEPHONE INDUSTRIES**

**FACTORY BUILDING FOR THE ITI AT RAI BAREILLY**

A market rate analysis was prepared and the market rate estimate for the building was worked out. From this it was established that the rates accepted were about 35.8% above the prevailing market rates as against a maximum of 5% usually permitted. This resulted in a huge loss of Rs.60 lakhs to the ITI with a corresponding undue benefit to the contractor.

The quantities of 8 abnormally high rated items were exceeded by 30 to 53% and this resulted in a loss of Rs.1,30,000 to the ITI with a corresponding undue benefit to the contractor. The extra work could easily have been got done by a separate agency and the ITI Engineers should have made efforts in this direction.

(3) **INFORMATION AND BROADCASTING**

At a construction site of a Project in which there was a provision of Rs.1 lakh for earth filling, contracts were awarded for earth filling worth more than Rs.12 lakhs and during actual execution of earth filling, work costing about Rs.30 lakhs was executed without any sanction for the extra expenditure. The estimates were split up and 8 contracts were awarded apparently to keep the contracts within the EE's powers. The accepted tenders varied from 55% to 162% within a period of four months. Proper records of levels were not maintained and measurements were not checked by the superior officers to the required extent.

After examining the investigation report, the Commission advised major penalty proceedings against two SEs, one EE and one AE.

(4) **RAILWAYS**

(i) In the case of construction of a Loco Shed, the original contract was rescinded and it was decided to take up the residual work departmentally by the Railways. Fabrication work was done by the Railways but the proposal for fixing up an agency for the erection
works was made only after the fabrication was completed, thus creating an urgency. Initially, work of only Rs.8.75 lakhs was awarded to a contractor on a single tender basis. Later, the amount was enhanced to Rs.46.85 lakhs. Further work amounting to Rs.61.9 lakhs was also awarded to the same agency after calling limited tenders from only four firms selected arbitrarily.

On detailed examination of the case, it was seen that adequate justification was not given for inviting a single tender and even some facts were misrepresented. The accepted rates were quite high due to lack of competition. The justification given for enhancing the contract value to more than five times was also not found satisfactory. Limited tenders were invited only from a few parties disregarding the instructions of the Railway Board and without consulting the FA & CAO. The parties were so selected to ensure that the work would go to the same agency.

After examining the investigation report of Railways, the Commission advised minor penalty proceedings against the Chief Engineer and Deputy Chief Engineer.

(ii) It was observed during inspection of the work of a pre-stressed concrete bridge that the quality of work done was not at all satisfactory. There was no record of any tests having been conducted on the materials used. Samples of concrete were not taken at regular intervals but only at random and were not tested as required in the specifications. Many test results were unsatisfactory. The mix design of the concrete was done a few years earlier and no subsequent tests were conducted even though the specifications provided for frequent tests. The concrete used was supposed to be a high strength concrete. On the whole, the supervision was very poor and the quality of concrete remained doubtful.

After examining the investigation report of the Railways, the Commission advised minor penalty proceedings against the IOW and further investigation into the role and responsibility of the XEN, ACE and CE.

(iii) For the construction of a Railway Loco Shed, the Tender Committee recommended acceptance of the tender without comparing the same with prevailing market rates to assess the reasonableness. The Committee also recommended a stipulation in the award letter that payment would be made for the quantities of items
actually executed, which was not in accordance with the tender conditions. Even though this was objected to by the Finance Member, the condition was accepted by the accepting authority and ultimately it resulted in a loss of Rs.1.51 lakhs to the Railways. The Tender Committee also did not check the credentials of the contractors. During execution defective works were accepted and paid for.

The Commission examined the report of the Railway Board and advised major penalty proceedings against the Members of the Tender Committee and the tender accepting authority and minor penalty proceedings against the AEN and XEN for accepting substandard works.

(1) **STEEL AUTHORITY OF INDIA LIMITED:**

(i) During inspection of a work in Durgapur, it was observed that a Committee was constituted by the MD to negotiate with the lowest tenderer but the Committee took upon itself the additional responsibility of reviewing other tenders also, apparently without the approval of the MD. The Committee allowed the tenderers to revise their rates within the validity period of the tenders, agreed to grant mobilisation advance to the contractors when there was no provision in the contract and negotiated with the higher tenderers when the lowest tender was otherwise acceptable. The Committee also negotiated with contractors who did not quote according to the requirements. The MD himself did not approve the actions of the Committee.

Even though samples of flush doors failed in testing and the results were known in December, 1984, for more than five years, no action was taken.

The Commission advised major penalty proceedings against a Member of the Tender Committee and minor penalty proceedings against the officials responsible for accepting the substandard shutters.

(ii) Inspection of MIG Houses at Bhilai was conducted in 1984 and it was observed that for identical works tenders were invited on the same day and contracts awarded on the same day to different parties at different rates. There was a difference of more than Rs. One lakh in the two contracts, awarded to the two parties. No effort was made to ascertain the reasons for the difference or to negotiate with parties. The reply of the concerned officers was that in both cases the lowest tenders were accepted. The reply was not considered satisfactory as there was no justification
for paying extra to one contractor for executing exactly same work under the same terms and conditions and at the same time.

Although, the reply was not considered satisfactory, the Commission advised closure of the case as the concerned officials had already retired from service.

6.11 INTENSIVE EXAMINATION REPORTS:

As mentioned earlier, 193 Intensive Examination Reports were issued during the year 1990. A gist of important observations made in these reports is given in the following paragraphs:

(a) BALMER LAWRIE & CO. LTD:

For the construction of a multi-storeyed office building at Calcutta costing approximately Rs.130 lacs, the alternative items were not considered while evaluating the tenders which would have changed the positions of the tenders and reduced the cost by about Rs.50 lacs. A benefit of Rs.11 lacs was given to the contractor by allowing him to increase the rates during negotiations. No justification of the tender was prepared on the basis of prevailing market rates. The tender committee met 5 and 1/2 months after the opening of tenders. Powers to decide rates of extra items, extension of time etc. were vested with the consultant. The measurements were recorded by the contractor. Cement worth Rs.4.36 lacs issued to the contractor was not accounted for. Proper accounts of secured advance paid were not maintained leading to temporary over payments. An expenditure of nearly Rs.90000 on steel work for fins could have been avoided.

(b) BANK OF INDIA:

CONSTRUCTION OF ZONAL HEAD QUARTERS AND ZONAL TRAINING CENTRE BUILDING AT BHOPAL (PROVIDING E.I. INTERNAL & EXTERNAL):

A contract was awarded for Rs.25 lacs.

By allowing the contractor to revise his rates after opening the tenders, the Bank has suffered a loss of Rs.290864. A detailed justification was not worked out for assessing the reasonableness of the tender.
A substandard main L.T. Panel, poles and transformers of other than the specified make were accepted and cable laying was not done as per specifications.

Overpayment to the tune of Rs. 50000 (approx.) was made for the cable and wiring items.

No reply has been received so far.

(c) BHARAT EARTH MOVERS LTD:

CORPORATE OFFICE FOR BEML AT BANGALORE:

A contract for the above work was awarded for an amount of Rs. 2.92 crores. The following major irregularities were observed:

(i) A wasteful expenditure of Rs. 70000 was incurred by providing CC 1:3:6 instead of 1:3:10 in foundations.

(ii) An infructuous expenditure was incurred by embedding IRC fabric in CC 1:4:8 below floors as the cement content in CC 1:4:8 is inadequate to prevent corrosion of steel.

(iii) An Essentiality Certificate for sale of steel at concessional rates was issued to the contractor though not admissible under the contract.

(iv) 800 bags of cement issued from the BEML store were not accounted for in the cement register at site.

(v) No expansion joints were provided in the building resulting in widespread cracks in the walls.

(vi) Teak wood frames shutters were undersized and the thickness of plate glass was less than specified.

(vii) The marble used was not white as specified but had grey streaks.

(viii) The diameter and thickness of the HDPE pipes were less than specified.

(ix) The capacities of the polyethylene storage tanks were less than specified.

(x) The reinforcement in the RCC pipes was 50% of that specified.
The floor tiles used were substandard.

Bharat Heavy Electricals Ltd:

Facade cladding for the thermal power station at Rajghat, Delhi:

A contract for the above work was awarded for an amount of Rs.32.31 lakhs. The following major irregularities were observed:

(i) The building was planned without side walls and ultimately it was decided to provide a cladding with a costly imported material known as Luxalon cladding. The rate accepted for this imported cladding was about Rs.900 per sq.m. as against Rs.250 per sq.m. for the indigenous material.

(ii) The calculations of costs of various alternatives were manipulated to favour the imported material Luxalon.

(iii) The rate accepted for the false ceiling was Rs.528 per sq.m. as against Rs.440 per sq.m. quoted for the same item by the main building contractor.

(iv) The rate accepted for the cladding was Rs.900 per sq.m. as against Rs.750 per sq.m. quoted by the main contractor for the same item.

(v) The formula for price escalation allows as escalation on profits also.

(vi) Officers of DESU and BHEL were sent to Holland to witness testing of the material. Their tour reports are not available.

(vii) Red Oxide Primer was used instead of zinc Chromate Red Oxide Primer.

(viii) Class 4 GI sheeting with a zinc coating of 375 gms. per sq.m. was used instead of class 1 sheeting with a zinc coating of 750 gms. per sq.m.

(ix) The GI sheet used was 1.85 mm thick as against 2 mm specified.
Bharat Petroleum Corporation:

Fabrication and Erection of LPG Spheres:

A contract for the above work was awarded for an amount of Rs. 2.88 crores. The following major irregularities were observed.

(i) The contracting firm, A, were placed on the select list even though they did not apply for prequalification and they did not comply with the minimum criteria for selection. Moreover, their performance had invited adverse comments in case of the Butcher Island Project which was also with M/s. Bharat Petroleum Corporation.

(ii) Public sector firms specialising in steel fabrication were not placed on the select list.

(iii) A 5% rebate offered by the firm if all the works at Uran were allotted to them was not availed of by the BPCL.

(iv) Waste pieces of steel were not returned by the contractor resulting in a loss of Rs. 3 lakhs.

(v) Immediately after award of the contract, M/s. A started lobbying for a change from the conventional leg support system to a Buss Cup support system. This change was accepted by the BPCL immediately after a foreign trip by the GM (E&P) and the DGM (Projects) to inspect similar support systems in Europe. The change in the support system resulted in heavy losses to the BPCL due to abnormal delay in the work and this ultimately resulted in failure of the foundation resulting in a total loss to the BPCL.

(vi) The comparative economics of the two systems were not worked out and the cost of imported pumps required for the Buss Cup system was suppressed from the Board of Directors.

(vii) M/s. A had originally quoted Rs. 264 lakhs for the Buss Cup system but this item was subsequently awarded at Rs. 288 lakhs resulting in a loss of Rs. 24 lakhs to the BPCL.

(viii) The quoted rate for the Buss Cup design was inclusive of the cost of special steel for which the market rate was about Rs. 20000 per tonne. However, the special steel was issued by BPCL at Rs. 8700 per tonne.
(ix) As per the agreement, M/s. A stood guarantee for the work done. The area of the stone column foundations was reduced from 18 meters dia. to 14.4 meters dia. resulting in collapse of a tank. The guarantee has not been invoked by BPCL and the cost of re-erection is being borne by BPCL.

(x) An excess of 21 plates was issued to the contractor resulting in a loss of Rs. 17 lakhs to BPCL.

(xi) 10% retention money was not being recovered in the contractor's bills.

(xii) The final payment of 5% was made although the tanks were not tested and commissioned.

(xiii) Recovery for not casting concrete in one of the Buss Cups was made at Rs. 700 per cu.m. instead of Rs. 2500 per cu.m. in proportion to the total cost of the Buss Cup system.

(e) BHARAT PETROLEUM CORPORATION LTD:

STONE COLUMNS AND PILING FOR LPG SPHERES AT URAN NEAR BOMBAY:

A contract for the above work was awarded for an amount of Rs. 92 lakhs. The following major irregularities were observed:

(i) Tender documents were not issued to 20 out of the 25 firms on the select list.

(ii) Two reputed contractors expressed reservations about adoption of stone columns at the above site but their recommendations were not given due weightage.

(iii) The rate quoted for vibro stone columns was highly profitable to the contractor as compared with the rate for pile foundations. Vibro stone columns were adopted to benefit the contractor.

(iv) Safety against general shear failure of the soil was not investigated and ultimately the foundation failed during hydro testing.

(v) The foundation base provided was 14.4 metre in dia. as against 18 meters specified.

(vi) The load test conducted was faulty as it was conducted on the stone column only and not on the
surrounding soil.

(vii) Wastage of sulphate resisting cement was allowed at 10% as against 2% specified.

(viii) A 10% performance bank guarantee as specified was not taken.

(ix) A duplicate payment was made for mobilisation advance.

(x) An exorbitant amount of Rs.12.9 lakhs was paid by the BPCL for supply of water. According to the contract, the contractor should have installed a tubewell.

(f) BHARAT PUMPS AND COMPRESSORS LTD:

For the work of modernisation and expansion of their factory at Allahabad, the NIDC was appointed as Consultants at a fee of 10%. The cost of the project was originally assessed as about Rs.2.5 crores and advance payment of Rs.4.2 lakhs was paid to the NIDC. However, only one building costing about Rs.15 lakhs was taken up and other buildings are not likely to be taken up according to the M.D. BPCL thus paid consultancy charges of Rs.4.2 lakhs for a building costing only Rs.15 lakhs.

NIDC invited only two public sector undertakings to tender for the work. One of them was not working anywhere near the area and quoted high rates. There was, therefore, no competition whatsoever. The work was awarded without any detailed justification.

Only one building costing about Rs.15 lakhs was taken up for construction but a mobilisation advance of about Rs.10 lakhs was already paid to the contractor. Out of the total payment of about Rs.31 lakhs made so far under the contract, payment of more than Rs.20 lakhs is for items not included in the scope of the contract but for other items including petty items and maintenance items. In fact, the contract is being used as a running contract for getting all sorts of work done.

An overpayment of Rs.36000 has been made to the contractor for jungle clearance. The bank guarantee furnished by the contractor in lieu of security deposit has already expired and has not been renewed. No insurance was taken by the contractor as required. No tests were conducted on materials used in the work and there is no record of the daily consumption of cement.
A contract for the above work was awarded amounting to Rs.6.13 lacs. The following major irregularities were observed:

Two tenders were received, the difference being 80%. This indicates lack of competition. After opening the tenders, the Estimated Cost was revised apparently to justify the tender.

The specifications provided both for Aluminium and Copper wires. The nomenclature of the items did not specify the material of wires. At site Aluminium wires were provided. The items also did not specify the type of wiring, whether surface or recessed. The 19MM diameter conduit pipe provided was not sufficient to accommodate all the wires. Cable sizes provided were more than required. Three meters were provided for single unit. The locations of the main and district boards were not in accordance with the ISI Code, resulting in extra cost of Rs.30000. Duplicate item for Metal Boxes for 15A Plug Point resulted in overpayment. Fittings of inferior grade were accepted.

In the construction of a building for the Centre for Bio-chemicals for the Council of Scientific and Industrial Research (CSIR) at Delhi costing about Rs.1.69 crores, the following irregularities were noticed:

(i) The reasonableness of the tender was not assessed with reference to the prevailing market rates before awarding the contract. Approximate, 47% of the total cost of the building was for RCC works but the specifications for these items were confusing and vague.

(ii) An amount of Rs.1.48 lakhs has been paid for shutter finish concrete but the finishing was very poor and the payment was not justified.

(iii) The original provision of foam concrete insulation was changed without adequate justifications resulting in an extra cost of Rs.2.5 lakhs. 18 mm. thick marble slabs were provided in place of 30 mm. A temporary overpayment to the extent of about Rs.37000
was noted by not recording measurements for items carrying negative rates.

(1) COUNCIL OF SCIENTIFIC & INDUSTRIAL RESEARCH:

In the work of "C/0 60 Nos Staff Quarters" costing approximately Rs.84 lakhs for the National Aeronautical Laboratory, Bangalore, the tender documents prepared contained several contradictory provisions. No justification was prepared based on prevalent market rates before awarding the work to assess the reasonableness of the accepted tender. The specifications to be followed for RCC works, covering 35% of the contract value, as given in the contract were quite vague and confusing. As per the contract conditions, where some items are repeated under different schedules and contractor quotes different rates, the lowest rate was applicable but this provision was ignored while making payment leading to an overpayment of Rs.1.26 lakhs. Payment was made for lead joints in pipes which are not payable extra as per contract provisions.

The contractor quoted very low rates for items of M.S. reinforcement. The quantity of these items at the time of execution was reduced and this gave a benefit of Rs.93000 to the contractor. The specification provided for use of only controlled concrete but nominal mix concrete was actually provided without any cost-adjustment.

(j) COUNCIL OF SCIENTIFIC & INDUSTRIAL RESEARCH:

In the construction of a building for the ACTD programme at NAL, Bangalore, costing about Rs.52 lakhs, the following irregularities were noticed:

Earnest money was accepted in the form of a Bank Guarantee which was not permissible. No justification was worked out before the tender was accepted. The estimated cost itself appeared to have no basis. Important communications with the contractor were not made part of the contract. The contract provided for payment of advance even on perishable materials.

Provision of stone soling under the floor costing about Rs.22000 and epoxy painting on concrete surfaces costing about Rs.16000 appeared to be unnecessary. The specifications for DPC were defective. No guarantee was obtained for the anti-termite treatment. The specifications for RCC work stipulated
controlled concrete but ordinary concrete was used. In a sample checking of the mosaic flooring, 41% of the area was defective. In place of 6 mm. thick glazed tiles, 5 mm. tiles were used. Door shutters were 34 mm. thick in place of 40 mm. thick.

Godrej make steel windows were to be used but inferior makes were used. The thickness of glass panes in glazing was less. Aluminium glazing costing about Rs.1.73 lakhs inside the building could have been avoided and cheaper alternatives could have served the purpose well. The rate sanctioned for aluminium windows was very high. A benefit of about Rs.1 lakhs was passed on to the contractor by not recovering Income Tax.

(k) DELHI DEVELOPMENT AUTHORITY:

In the work of "C/o 288 MIG Houses in Pocket E-1 Sector XV of Rohini", large scale deviations were noticed in several items indicating that the estimate was not prepared with adequate care. A temporary overpayment of Rs.4.6 lakhs has occurred by paying secured advance for bricks at a higher rate. A recovery amounting to Rs.62982 being the cost of empty cement bags was not effected. Secured Advance of Rs.30000 was paid on wash basins which was not admissible, being a fragile item. An overpayment of Rs.13685 has been made by paying for SCI collars which was not to be paid extra as per contract provisions. An overpayment of Rs.21863 in case of W.C. pans was noticed. Excess payment in RCC tanks amounting to about Rs.24900 was noticed.

(1) DELHI DEVELOPMENT AUTHORITY:

While awarding the work of laying peripheral water supply pipes in Patparganj, a condition of the contractor for supplying the pipe at site was accepted saying that the pipes were already laying at the site along alignment. This condition was accepted without calculating its financial effect. Later, a separate contract was awarded to the same contractor for transporting pipes and shifting to the site. In the process a benefit of Rs.1.23 lacs was given to the contractor. Only 40% work was done and it was said that further work was required to be done under this agreement but materials costing about Rs.11.62 lacs were still to be recovered/returned and a secured advance of Rs.3.36 lacs was also outstanding. Concrete bedding laid on certain portions at a cost of Rs.50000 does not serve any purpose. The network was put to use without testing.
DEPARTMENT OF YOUTH AFFAIRS AND SPORTS:

For the accommodation of nearly 7000 outstation participants for Bharatiyam, 1989, the Special Organising Committee of the Department of Youth Affairs and Sports decided to construct semi-permanent accommodation with services costing about Rs.1.8 crores instead of temporary tented accommodation earlier envisaged. Building works costing about Rs.1.42 crores were entrusted to an agency. The following irregularities were observed in the work:

An expenditure of about Rs.142 lakhs was incurred on semi-permanent accommodation instead of about Rs.9.5 lakhs for temporary accommodation when a budget provision was not available and funds proposed to be made available by the Delhi Administration were not actually made available. The Special Organising Committee was not competent to take a decision regarding construction works costing more than Rs.1.8 crores when adequate funds were not provided in the budget.
An adequate justification was not available to construct semi-permanent accommodation to provide a camping facility for 7000 persons. In fact, the accommodation has remained vacant after the camp was over.

Alternative and perhaps cheaper forms of semi-permanent construction were not explored nor was construction work entrusted to a recognised Engineering Department. Department itself did not have any arrangement for supervision.

The costing furnished by the agency was accepted without any detailed analysis or justification. The accepted cost is quite high involving an extra cost of about Rs.54 lakhs.

The area of each unit was to be 750 sq.ft. but it was actually only about 731 sq.ft. giving an additional benefit to the agency whose rate was per unit.

The cost analysis per unit was based on independent units but during construction the units were combined with common walls and columns and this resulted in a financial benefit of more than Rs.7 lakhs to the agency.

The structural safety and durability of the construction required detailed investigation. The construction itself was of poor quality. The bricks and door shutters were of poor quality, most of the joints in the brick work and block work were hollow, the plinth protection to the RCC columns was filled up with Mulba and the walls have practically no foundations, resting at ground level. The units had no flooring and brick platforms provided inside had open joints and the flooring was unsuitable for sleeping purposes. The roofing consisted of boards covered with RMP sheets and extensive leakage and damage to the boards were noticed.

The work was awarded without any tenders and no contract was signed with the agency. Payment was claimed for 151 units but on 6.11.89, only 149 units were taken up. The remaining two units appear to have been taken up after the camp was over and, therefore, did not serve any purpose resulting in an infructuous expenditure of Rs.1.74 lakhs. The Department has claimed that the entire work was completed in a record time of six weeks by 24.10.89 but atleast two units were taken up after 6.11.89 and even in April, 1990, three units were incomplete. Several other false claims have also been made.
The architectural work was entrusted to an agency at a very high cost as the work involved was mostly repetitive. The extra fees paid to the architect is about Rs.2.8 lakhs.

The Department has been requested to investigate and fix responsibilities.

(2) The Department of Youth Affairs and Sports entrusted to an agency the construction of 14 toilet blocks costing approximately Rs.16.45 lakhs for the Bharatiyam, 1989, Camp, New Delhi. The original estimate prepared by the agency was for Rs.9.96 lakhs but was revised to Rs.16.45 lakhs. The revised estimate was accepted without making any check on its reasonability. The estimate included 20% implementation charges and 3% contingencies for which there was no justification. No detailed analysis of the estimate was given nor was it prepared by the Department. Details worked out in this regard revealed that the accepted rate was 23% higher than the reasonable cost even after excluding 3% contingencies and 20% implementation charges.

Advance payments were made before executing the work and without obtaining any guarantee or security. Income Tax amounting to Rs.34216 was not recovered. The approximate overpayment assessed on account of various deficiencies in the work done was about Rs.1.87 lakhs. 20% payment was payable one week after the camp was over but full payment was made even before completion.

The CVO has been requested to investigate and fix responsibilities.

(3) DEPARTMENT OF SPACE :

DIESEL GENERATOR SETS FOR THE NATIONAL FOREST DATA MANAGEMENT SYSTEM AT DEHRADUN :

A contract for the above work was awarded for an amount of Rs.5.62 lakhs. The following major irregularities were observed :-

(i) The contract was awarded at Rs.5.62 lakhs when the lowest offer was Rs.4.2 lakhs.

(ii) The second lowest tender was rejected because their servicing facilities at Trivandrum were poor. Since the firm was U.P. based, there would have been no problem in U.P. Also their tender was unnecessarily
loaded to show them as higher than the 4th lowest tenderer.

(iii) The third lowest tender was loaded by Rs. 77000 on the ground that the tender amount did not include the cost of foundations. Actually, foundations were already existing at site.

(iv) Sales Tax was paid on charges for installation, testing and commissioning without waiting for the sales tax assessment order as instructed by the Joint Secretary.

(v) The quantities of copper and GI strips were over-measured and the strips were under-sized.

(vi) The capacity of the fuel tank was 450 litres as against 1100 litres specified.

(vii) The measuring instruments and selector switches were sub-standard and the entire installation was unsafe as no earthing tests were conducted.

(D) DOORDARSHAN:

SUPPLY, INSTALLATION AND COMMISSIONING OF 350 KVA. HT/CT SUBSTATION HP/T.V.RELAY CENTRE, NAGPUR:

Four similar contracts each amounting to Rs. 409650 (total amount Rs. 16.38 lacs) were awarded to the same firm.

A case of favouritism to the contractor has been noticed. The contractor to whom the contract was awarded was not on the AIR list, and it was known when the tender document was issued to him and by whom. The contractor did not fulfil the pre-condition of execution of a similar work.

A financial benefit and overpayment to the tune of Rs. 109682 were given to the firm in these four contracts.

A make of transformer other than the specified make was accepted, there were defects in Main L.T.Panel and cable laying, and the Earthenening was not as per specification.

No reply has been received so far.
A contract for the above was awarded for an amount of Rs.1.40 crores. The following major irregularities were observed:

(i) Tenders were submitted by contractors on different dates and opened on different dates thus violating the basic tenets of tendering.

(ii) After opening of tenders, the lowest tenderer increased his offer from Rs.1.40 to Rs.1.90 per sq.ft. and this was accepted.

(iii) No specifications and drawings were available or referred to in the agreement.

(iv) The mobilisation advance given to the contractor was 30% as against a maximum of 10%.

(v) Only 28% of the work was done when it was abandoned because there was no approval from the Bombay Municipal Corporation.

(vi) The steel lying at the site is rusting and disintegrating.

(vii) No bank guarantee was taken to cover the outstanding amount of the mobilisation advance.

(viii) No recoveries were made towards security deposit and income tax.

(ix) A payment of Rs.11.3 lakhs was made against this agreement for site clearance, earth filling and levelling which are covered under a separate contract with the same contractor. Hence this resulted in duplicate payment.

HINDUSTAN VEGETABLE OIL CORPORATION:

A contract for the above work was awarded for an amount of Rs.60 lakhs. The following major irregularities were observed:
(i) No plans and estimates were prepared.

(ii) The tender of M/s. A was tampered with to make them the lowest. The actual lowest tender was not made available for inspection.

(iii) Plans and design calculations were not furnished by the contractor.

(iv) Free water and electricity were given though not admissible under the contract.

(v) A 40% mobilisation advance was allowed as against a maximum of 10%.

(vi) Rs.6.35 lakhs was paid as material reimbursement cost though not admissible under the terms of the contract.

(vii) The contract was awarded without obtaining prior approval of the plans from the Bombay Municipal Corporation. The Corporation ordered demolition of the structures and the work was abandoned when about 51% of the work was done. This resulted in a huge loss of about Rs.30 lakhs to the HVOC.

(viii) Out of the mobilisation advance paid to the contractor, an amount of Rs.2.36 lakhs could not be recovered.

(ix) An amount of Rs.5.5 lakhs was paid for levelling of the vacant ground and covering the area with lawns and gardens but no such work was done at site.

(s) INDIAN BANK:

OFFICE ACCOMMODATION FOR THE INDIAN BANK IN THE WORLD TRADE CENTRE AT DELHI:

A contract for the above work was awarded for an amount of Rs.590 lakhs. The following major irregularities were observed:

(i) The premises were taken on a licence basis at Rs.2950 per sq.ft. of super area as against Rs.1500 to Rs.1550 per sq.ft. by other parties during the same period. The overpayment is about Rs.250 lakhs.

(ii) The conditions approved by the Board were relaxed by the Zonal Manager in favour of the developer. Considering interest on the capital investment, the
total monthly expenditure per sq.ft. of super area works out to Rs.59 per sq.ft. as compared with the prevailing rental charges of Rs.25 per sq.ft. per month in the Connaught Place area.

(iii) An excess area of 5000 sq.ft. over the requirement of the Bank was taken resulting in a loss of Rs.1.5 crores to the Bank.

(iv) The super area has been over-measured resulting in an overpayment of Rs.1.18 crores.

(v) The developer has not done oil bound distemper and constructed 4 toilets as specified in the licence agreement but no recovery has been effected.

(t) INDIAN BANK:

PURCHASE OF 8 FLATS AT BHAGWAN DASS ROAD, NEW DELHI:

A contract for the above purchase awarded for an amount of Rs.1.01 crores. The following major irregularities were observed:

(i) The offer was accepted without verifying the approved plans by the NDMC. The building as constructed is 13 storeyed as against the NDMC approval for 8 storeys only. Two flats allotted to the bank are in the portion above the 8 storeyed portion which has to be demolished.

(ii) In the valuation statement, the value of land is taken at Rs.8.5 crores per acre as against Rs.3.4 crores per acre specified by the Land and Development Office of the Ministry of Urban Development.

(iii) The rate accepted is Rs.1150 per sq.ft. as against a justified rate of Rs.957 per sq.ft. resulting in a loss of Rs.18 lakhs to the bank.

(iv) The areas of the flats have been overmeasured resulting in an overpayment of about Rs.36 lakhs.

(v) Interest charged by the developer on delayed payments has been compounded at periods less than one year resulting in an overpayment of Rs.1.25 lakhs.

(vi) The average monthly expenditure on a flat per month inclusive of interest, depreciation, taxes, society charges etc. is Rs.62000 which is about 8 times the salary of the officer to whom the flat will be
(vii) Income tax amounting to Rs.1.9 lakhs was not recovered from the developer.

(viii) Ordinary teak wood was used instead of Burma teak wood as specified.

(ix) Fly proof shutters were not provided for all external openings as specified.

(x) A central air-conditioning system has not been provided as specified.

(u) INDIAN BANK:

PURCHASE OF 50 FLATS AT no. 4, PURAN CHAND NAGAR AVENUE, CALCUTTA:

A contract for the above project was awarded for an amount of Rs.4.33 crores. The following major irregularities were observed:

(i) The offer was considered without obtaining the plans and details of the land area, FAR etc. The rate is based on the super-built up area which is kept vague and undefined in the agreement.

(ii) The offer was accepted without valuation of the reasonable cost.

(iii) An advance payment of Rs.1.575 crores was made on 10.7.87 whereas the agreement was reached on 1.6.89, thus resulting in a huge loss of interest of about Rs.37 lakhs.

(iv) An avoidable expenditure was incurred on a large Community Centre on the ground floor as quarters were not allowed on the ground floor by the Calcutta Corporation.

(v) The offer was based on 24 cottahs of land but the land handed over was only 20.626 cottahs and the difference of Rs.16 lakhs was not recovered from the developer.

(vi) When the progress was only about 50%, it was misrepresented as 90% in order to pay 90% of the total consideration to the developer on 1.6.89. Thus, in addition to the advance of Rs.1.575 crores, an undue payment of Rs.1.87 crores was made on 1.6.89.
(vii) The rate for the Community Centre and parking spaces on the ground floor should be less than that for residential flats but no recovery was effected from the developer.

(viii) Panelled shutters have been provided instead of flush doors and Hollock frames instead of teak wood frames.

(ix) The reasonable rate is about Rs.450 per sq.ft. as against which a rate of Rs.650 per sq.ft. has been accepted resulting in a loss of Rs.1.33 crores to the bank.

(x) The area was overmeasured by 34 sq.ft. resulting in an overpayment of Rs.2.35 lakhs.

(xi) An outside lawyer was appointed and paid Rs.3.25 lakhs when the legal work could have been done by the bank's lawyers.

(xii) The steel windows, primer, frames, hinges, cleaning, rain water pipes, sinks and snowcem were substandard.

(v) INDIAN INSTITUTE OF TECHNOLOGY, BOMBAY:

For "C" type quarters, the structural consultancy work was entrusted to a private consultant at the rate of 2% when Institute itself offers consultancy services. The estimated cost seems to have been boosted up and the lowest tender was accepted without preparing any justification. Tender documents and specifications contained several discrepancies. Escalation on cement and steel was paid on the basis of purchase vouchers produced by the contractor without proper verification. About Rs.2.39 lakhs advance was paid on materials without receiving the same at site. Payment made for levelling of site was not admissible. The required insurance policies were not taken by the contractor. A guarantee for the water proofing treatment was not taken from the contractor.

(w) INDIAN RAILWAY CONSTRUCTION COMPANY:

The "urgent" work of construction of the superstructure of a repair depot for the Eastern Railway was entrusted by IRCON to a contractor based on quotations received from three parties without any open competition. The work itself was awarded six months after the Railways awarded the contract to IRCON. There seems to have been an extra cost of about Rs.10 lakhs as
the items relating to north light glazing were deleted during execution, and without these items the accepted offer was higher than the offer of other contractors. The items of north light glazing were substituted by fibre glass sheet without adequate justification, resulting in an extra cost of Rs.3 lakhs. The work was awarded without preparing any justification based on prevailing market rates. The contract itself was awarded to IRCON by the Railways at IRCON's quoted rates which were very high. The margin of profit of IRCON was about 39% inspite of the high rates at which work was got done by IRCON. This appears to be an exorbitant consideration when IRCON is a public sector undertaking.

(x)
INTERNATIONAL AIRPORTS AUTHORITY OF INDIA:

APPROACH ROAD TO BRIJWASAN INSTALLATION AND HPCL SERVICE STATION AT PALAM:

A contract for the above work was awarded for an amount of Rs.25 lakhs. The following major irregularities were observed:

(i) A large number of corrections were made in the notice inviting tenders in order to make unsuitable contractors eligible to tender.

(ii) A tender document was issued to M/s.A even though they did not have the minimum qualifications.

(iii) Shri B, to whom the contract was awarded in the second call, is the uncle of Shri A.

(iv) In the first call the tender of Shri A was deliberately delayed for 21 days by the Assistant Director (Finance) with probable ulterior motives.

(v) A tender document was issued to Shri B even though he did not satisfy the minimum qualifications.

(vi) The specification of Gurukul Quarry in the agreement was tampered with to include other quarries as well resulting in a loss of Rs.30000 to IAAI.

(vii) No recovery was made for the use of less bitumen than specified and for a lower field density of bitumen macadam than that specified.
INCOME TAX DEPARTMENT:

PURCHASE OF READY-BUILT OFFICE ACCOMMODATION FOR THE INCOME TAX DEPARTMENT AT MUNGAMBakkAM, MADRAS:

A contract for the above purchase was awarded for an amount of Rs.3.86 crores. The following major irregularities were observed:

(i) Purchase of a ready-built building was resorted to when land was available for construction of office accommodation.

(ii) The cost of land certified by the Land Acquisition Collector was Rs.5.75 lakhs per ground but this was inflated to Rs.8 lakhs per ground by the Chief Commissioner of Income Tax to justify the high rate quoted.

(iii) The rate per sq.ft. accepted is Rs.295.40 which is 37.8% above the justified rate of Rs.214.40 per sq.ft.

(iv) The contract was entered into for ground + 5 floors when only ground + 3 floors was sanctioned by the Municipality.

(v) Subsequently, a basement was allowed to be constructed and was paid for at Rs.435 per sq.ft. which includes the cost of land.

(vi) Subsequently, it was decided to provide pile foundation instead of a raft foundation as originally envisaged. The full cost of pile foundation was paid for without deducting the cost of the raft foundation.

(vii) The land area actually handed over was found to be 13.18 grounds against 15.5 grounds stipulated resulting in overpayment of Rs.18.56 lakhs.

(viii) A structural slab and water proofing were not provided for the basement as specified, anti-termite treatment was not provided as specified and an inferior make of marble mosaic tile was used and smaller sizes than specified of grill work were adopted.

(ix) The floor heights were found to vary between 3.05 meters to 3.30 meters as against 3.35 meters specified.
(x) The marble cladding in the entrance hall was only 4 ft. high as against 6 ft. specified and flush doors, which are cheaper, were used instead of teak wood doors specified.

(z) INTERNATIONAL AIRPORTS AUTHORITY OF INDIA:

(1) A contract for construction of 3 Nos. hangars at the IGIAirport, New Delhi was awarded for an amount of Rs.181.78 lakhs. The following major irregularities were noticed:

(i) According to the tender papers the entire work was to be done in a restricted area. However, it was noticed that the work was not in a restricted area. The stipulation of this condition in tender papers resulted in getting higher rates for execution.

(ii) The quantity of RCC work in footings was calculated wrongly and this has resulted in an overpayment of Rs.43570.

(iii) No rendering and plastering of RCC work was done but white wash has already been done. No deduction was done for omitting rendering and this resulted in an overpayment of Rs.95732.

(iv) Overpayments of about Rs.17000 were observed towards jungle clearance and extra items.

(v) Brick work was of very poor quality.

(vi) Quality of welding of the structural steel work and quality of paint used were not satisfactory.

Replies to the observations are still awaited.

(2) In the work of pavements costing approx. 235.18 lakhs in front of three hangars and ancillary building at IGIAirport, New Delhi, the following major irregularities were noticed:

(i) For pavement quality concrete, four different mixes were designed by the IAAI in 1989 with cement contents varying from 391 Kg. to 330 Kg/cum. There was no justification for modifying the mix design when all materials were the same.

(ii) The contractor was paid a sum of about Rs.8.15 lakhs for extra consumption of cement though the extra consumption was due to poor quality of aggregates
and sand brought by the contractor.

(iii) A payment of Rs.67076 has been made for jungle clearance which was not admissible.

(iv) An extra item amounting to Rs.4,02 lacs was sanctioned for P/F RCC pipes for storm water drains. The rate allowed was much more than the present market rate and the overpayment is about Rs.82535.

(v) The sand and aggregates used in the work were not as per specifications and the job mix formula.

(vi) After receipt of tenders, the specifications were modified without adequate justification resulting in an increase in the cost of the work by Rs.37.18 lacs.

(vii) Excess bitumen was found in the bitumen macadam and asphaltic concrete.

No reply to the observations has been received.

(aa) INDIAN PETRO-CHEMICALS CORPN. LTD. :

CIVIL AND INTERIOR WORKS FOR THE IPCL OFFICE AT NEHRU PLACE, NEW DELHI :

A contract for the above work was awarded for an amount of Rs.51 lakhs. The following major irregularities were observed:

(i) A bank guarantee of Rs.50000 as specified was not taken from the contractor.

(ii) The lowest tender of M/s A who were placed on the select list, was bypassed in favour of M/s B resulting in a loss of Rs.2.28 lakhs to the IPCL.

(iii) Concessional interest at 10% instead of 18% was offered only to M/s B and not to the other tenderers.

(iv) The premises were hired at an exorbitant rental of Rs.43.25 per sq.ft per month and rentals prevailing in the neighbourhood were not verified.

(v) Abnormally high rates were quoted by the contractor for "Rate only" items and large quantities of these items were executed.
(vi) Instalments of mobilisation advance were not recovered at the specified rates.

(vii) Security deposit amounting to Rs.16 lakhs was not recovered from the contractor.

(viii) A duplicate payment of Rs.3.36 lakhs was made for low height partitions.

(ix) Teak ply wall panelling was substituted by laminated particle board which was highly profitable to the contractor resulting in a loss of Rs.1.5 lakhs to the IPCL.

(x) Resin bonded fibre glass was not provided but was paid for resulting in an overpayment of Rs.60000.

(xi) Dismantled material was sold to the contractor at low rates instead of inviting open tenders.

(xii) An indigenous aluminium ceiling was provided instead of imported luxalon ceiling specified.

(xiii) An extra payment of Rs.68000 was made for GI and Kail wood framing for partitions, the cost of which was included in the rate quoted.

(bb) MAHANAGAR TELEPHONE NIGAM LTD:

A contract for laying about 22 km. of cable duct system in the Okhla Telephone Exchange (Part) was awarded for an amount of Rs.231.32 lacs. The following major irregularities were observed:

(i) The composite tenders by the work (Part I and II) received in the first call were rejected and tenders were reinvited after splitting the work into two parts and after increasing the estimated cost by about 23%. The work was awarded to two parties. By rejecting the tenders in the first call, MTNL has incurred an extra expenditure to the tune of Rs.41.24 lakhs. The work was awarded at 16.5% above the market rates.

(ii) The reasons given for splitting up the work was the heavy cost but it appears that the work was split up to bring the tender amount below Rs.3 crores, within the power of CGM, to avoid sending the case to the corporate office because tenders for both parts were accepted at the same time.
(iii) Work insurance and insurance of plant and machinery were not taken.

(iv) An overpayment of about Rs. 70000 has been made due to excess measurement recorded in one item.

(v) Form work/centring shuttering has not been provided while laying the cement concrete duct. The financial benefit accrued to contractor is assessed as Rs. 2.39 lacs.

(vi) The cement concrete encasing the ducts was of poor quality. The sand filling around the ducts was less than required. The pipe alignments, levelling and vertical clearance were not maintained. The RCC mechanical protection was also of poor quality.

(vii) The inspection chambers were to be water tight but the concrete was so poor and jointing with ducts was done so badly that the chambers are not likely to be water tight.

(viii) PVC pipes of 3.2 mm thickness were used for ducts in concrete though pipes of less thickness were used elsewhere. The specification for the pipes was lowered after inviting tenders, without making necessary adjustments in the estimated cost.

(ix) The contract specifications for laying the ducts seem to be impracticable and the designs of the chambers appear to be unsafe for the loads specified.

Replies to the observations are awaited.

(cc)

MINISTRY OF HEALTH & FAMILY WELFARE:

(1) Construction work of a Neuro-Psychiatric OPD Block at NIMHANS, Bangalore was awarded for an amount of Rs. 93.19 lacs. The following major irregularities were observed:

(i) No record of daily consumption cement was maintained. The total consumption is 10% less than the theoretical requirement indicating substandard work. A recovery of about Rs. 75000 towards the cost of cement is still to be made.

(ii) 100 MT of steel was issued in excess to the contractor. The excess steel was not returned but was recovered in 9 instalments over a period of 32 months.
(iii) An expert committee recommended recovery of Rs.5.52 lacs for defects and deficiencies in work. The recovery is yet to be effected.

(iv) Measurements of the work done were to be taken by the Architects but upto the 15/R bill measurements were recorded by the contractor and these were not checked by anybody.

(v) An amount of Rs.1.55 lacs is still remaining outstanding to be recovered from the contractor on account of advance payment, part of which was paid without proper authority.

(vi) No action was taken in time to revalidate the contractor's Bank Guarantees totalling Rs.1.87 lacs. Action was taken after expiry of the Guarantee but the bank refused to revalidate it.

(vii) Pro-rate retention money was released to the contractor before completion of the work.

(viii) The Architect’s supervision was very poor. He was paid 80% of his fee even before the work was started.

No reply to the observations has been received so far.

(2) In the work of construction of a Library and Information Centre at NIMHANS, Bangalore, costing about Rs.1 crore, the following major irregularities were observed:

(i) The work was awarded to a contractor who did not apply for prequalification, whose name was not in the prequalified list but to whom the tender form was issued. The issue of the tender form to this firm was ratified by the Building and Works Committee only after the tenders were opened and his relative position was known.

(ii) The estimate and tender papers were prepared by a private Architect. For many items, neither detailed specifications nor detailed drawings were attached to the tender forms. In the wall panelling item even the material to be used was not specified.

(iii) Huge size doors of height 2.5 m with 150 mm X 75 mm teak wood frames and flush door shutters with teak veneering (and painted in toilets) on both sides were provided even in the toilets.
(iv) Two reception counters costing Rs. 50000 were provided. The one in the entrance hall had a black granite top on one portion and laminated board on the other but the rates paid were same.

(v) Defects were noticed in the marble flooring. The marble itself was not of the specified quality and different shades of marble were mixed in the same room.

(vi) Items of aluminium partition, panelled shutters, false ceiling, wall panelling etc. were found defective. There was no record of any tests on materials used.

(vii) The bldg. has been provided with very rich specifications. 90% of the flooring was of costly items like marble, PVC, vinyl, parquet etc. costing more than Rs. 8 lacs. An expenditure of Rs. 8 lacs was also incurred on aluminium doors and windows.

(dd) MODERN FOOD INDUSTRIES:

A factory building costing about Rs. 65 lacs under construction was inspected. The following were the main observations:

(1) The lowest tender was ignored on the plea that the rates are unworkable even though the rates were comparable to prevailing market rates. The work was awarded to the second lowest at an extra cost of more than Rs. 5 lakhs. The second lowest tenderer was second lowest by virtue of corrections in the rates quoted in his tender which were not attested. The work was not formally awarded but only a letter of intent was issued within the validity period. The formal work order was issued after 4 and 1/2 months. While obtaining the Board's approval for issuing the letter of intent, it was stated that the escalation clause in the contract would be applicable. Later, it was held that the escalation clause would not be applicable and MFL agreed to pay an escalation of about Rs. 1.3 lakhs. According to the contract conditions, escalation payable would have been only about Rs. 1.2 lakhs.

(2) The contract contained contradictory and ambiguous provisions and certain clauses and schedules referred to are not existing in the contract.

(3) An excess advance amounting to about Rs. 1.8 lakhs was paid on materials brought to site. There was no arrangement for testing of materials at site and many items of work were defective. The structural drawings
prepared by the Consultants appeared to be oversafe and uneconomical. At the same time the procedure followed in the work at site was such that some of the columns and beams were structurally unsafe.

(National Dairy Development Board)

For construction of a fruit and vegetable retail outlets in Delhi, tenders were invited from contractors without specifying the qualification and experience required. 62 outlets were distributed among seven tenderers at costs varying Rs.99926 to Rs.11840 for identical works. There was a loss of Rs.16.3 lacs to the NDDB due to award of works at higher prices than the lowest. No justification of prices was worked out. Payments were made on a lump sum basis without detailed measurements. Extra expenditure was incurred by using RCC 1:1 and 1/2 : 3 where RCC 1:2:4 would have been sufficient.

(National Projects Construction Corporation)

(1) A contract for site levelling work at NPCC, Dadri was given for about Rs.32 lacs. The following major irregularities were observed:

(i) The work of approximately 1.6 lakh cum. earth filling costing about Rs.4.24 crores was allotted to four agencies between November, 1987 to February, 1988. These agencies executed only 3.4 lakh cum. costing Rs.64 lakhs. The balance work was awarded to other agencies in January-February, 1989 at an additional cost of Rs.1.4 crores. No efforts were made to recover the extra cost from the original contractor. The rate being paid to the contractors was more than what NPCC was getting from NTPC leading to a loss for NPCC.

(ii) The filling was to be done in 200 mm layers but filling of earth was noticed upto 450 mm. In more than 25% of the tests conducted, the required compaction of earth filling was not achieved. The earth work computations were also not done.

(iii) An extra cost of Rs.2.25 lacs was incurred by bringing earth from borrow areas arranged by contractor though the NTPC borrow area was available.

(iv) Though the specification required that top soil should be stripped, stored and reused for covering embankment, slopes etc. this does not seem to have been done.
Another contract for Rs.1.28 crores also for site levelling at Dadri was awarded without any publicity or call of open tenders. There was no provision for payment of mobilisation advance but 5% of the contract value was paid as advance but even then the contractor did not mobilise the required machinery. In this case also similar defects as in (1) above were noticed.

Replies to the observations are awaited from NPCC.

NATIONAL BUILDING CONSTRUCTION CORPORATION:  
WORKS OF THE CONTAINER FREIGHT SERVICES SHED AT CALCUTTA PORT:

Contracts for a total amount of Rs.1.8 crores were awarded by the NBCC. The following major irregularities were observed:

(i) The sand for the road was substandard and payment was made for 865 cum. as against 372 cum. existing at site resulting in an overpayment of Rs.33000.

(ii) Payment was made for 4870 cum. of cinder against which only 2338 cum. was existing at site. The corresponding overpayment is Rs.1.6 lakhs.

(iii) The quantity of Jhama brick aggregate purchased was 2689 cum. whereas the quantity at site was only 1407 cum. resulting in an overpayment of Rs.2.13 lacs.

(iv) The road area was overmeasured by 1751 sq.m. resulting in an overpayment of Rs.29000.

(v) Against a finished steel quantity of 157.38 tonnes, the quantity issued was 240 tonnes indicating a theft of 93 tonnes of steel costing Rs.8.37 lakhs.

(vi) An overpayment of Rs.1.23 lakhs was made by excess measurement of 23 tonnes of structural steel.

(vii) Price escalation was allowed by the Project Manager although not admissible under the terms of the contract.

(viii) The recovery of an advance of Rs.10000 to the subcontractor was not effected.
(ix) The contract for bituminous work was awarded at a very high rate.

(ii) NATIONAL BUILDING CONSTRUCTION CORPORATION:

NAVODAYA VIDYALAYA AT PARBA NEAR HISSAR:

A contract for the above work was awarded for an amount of Rs.98 lakhs. The following major irregularities were observed:

(i) The contractors to whom the contract was awarded, M/s A did not satisfy the minimum prequalification criteria, yet they were prequalified.

(ii) The contractors were required to procure cement from the Cement Corporation of India and steel from SAIL and TISCO but he used cement from unknown manufacturers and local steel procured from rerollers.

(iii) The contract provided for reimbursement of cost escalation on account of cement and steel and also of cost escalation on the total cost of the work based on the wholesale price index. This has resulted in duplicate price escalation payment for cement and steel.

(iv) Recovery of the mobilisation advance was deferred resulting in a loss of about Rs.60000 to the NBCC.

(v) In the foundations the cement used was 23% less than specified.

(vi) The CC flooring and lean concrete in the Home Science Laboratory was very weak and crumbling.

(vii) The water seal of the gully traps was 14mm and of the CI floor traps was zero against 55 mm specified.

(viii) The wall thickness of the stone ware pipe was 13.85 mm as against 16 mm specified.

(ix) The thickness of MS sheet for shutters and frames was 1.1 mm against 1.25 mm specified.
(ii) NATIONAL THERMAL POWER CORPORATION:

FOUNDATIONS FOR ELECTROSTATIC PRECIPITATORS IN THE BADARPUR THERMAL POWER STATION:

A contract for the above work was awarded for an amount of Rs.51 lakhs. The following major irregularities were observed:

(i) Blasting of rock was allowed but payment was made under the item of chiselling of rock, thus resulting in an overpayment of Rs.1.17 lakhs.

(ii) About 30% over breaks were permitted in hard rock excavation which is not admissible as per specifications.

(iii) Excavation of building rubbish for disposal was paid for under the item of excavation in hard soil resulting in an overpayment of Rs.1.08 lakhs.

(iv) 100 bags of cement issued from the NTPC store on 4.8.87 were stolen by the contractor.

(v) Recovery was not made of Rs.22500 for empty cement bags not returned by the contractor.

(vi) Bogus measurements were recorded as the plan area of rock excavation was more than the plan area of soil excavation which is not possible.

(vii) Sheeting and shoring of excavation were not done as specified in the item of excavation but no recovery was made from the contractor.

(viii) The volume of malba pieces and RCC removed from the foundation pits by dismantlement was not deducted from the volume of excavation.

(ix) The weight of the aluminium in doors was overmeasured by about 30%

(x) The thickness of the plate glass used for doors was found to be 3.5 mm as against 6.3 mm. specified.

(xi) A recovery of Rs.60000 for electricity used by the contractor was not effected.

(xii) At many places ironite topping was not done but payment was made.
Most of the precast RCC slabs were substandard.

On test check it was found that the excavation of foundation pits was overmeasured by about 100%.

The floor thickness in the Control Room was 230 mm as against 300 mm paid for.

NEW DELHI MUNICIPAL COMMITTEE:

PURCHASE OF LT/ACBs FOR 1000–1500 KVA TRANSFORMERS:

A contract for the above work was awarded for an amount of Rs.63 lakhs. The following major irregularities were observed:

(i) Tenders were invited without prequalification of contractors and without following the two envelope system.

(ii) Postponement of the date of opening of tenders was not advertised in the press in order to avoid opening the tenders in the presence of the tenderers.

(iii) The lowest tenderer, L-1, was bypassed on the flimsy ground that they did not have the required plant and machinery.

(iv) L-2 was bypassed on the ground that they did not have a test certificate from the Power Research Institute, which was not a stipulated requirement.

(v) L-3 was a reputed firm but they were bypassed on the ground that their performance was not satisfactory. No evidence was adduced of unsatisfactory performance.

(vi) A loss of Rs.7 lakhs was incurred by bypassing the lowest tenderer.

(vii) The draft tender document was tampered with by inserting "Rupturing capacity of Bus bars" to disqualify L-1, who did not have the test certificate.
(KK) **OIL AND NATURAL GAS COMMISSION:**

For the oil drilling rig in Gandhar oil field, pile foundations are being provided. Each foundation costs about Rs.20 lakhs and is used only for a period of 3 to 4 weeks. Many foundations have already been done in the past but not a single pile seems to have been load tested to ascertain the actual bearing capacity. In the absence of such tests, it appears that over-safe and uneconomical foundations are being provided.

(II) **OIL AND NATURAL GAS COMMISSION:**

(1) **INTERNAL ELECTRIFICATION WORK OF INSTITUTE OF PRODUCTION TECHNOLOGY OF ONGC BOMBAY COSTING ABOUT RS.42 LAKHS:**

The following major irregularities were observed:

(1) Sanction of the Project costing more than Rs.3 crores was obtained on the basis of estimates prepared by the consultant which did not have a provision for Internal Electrification works. The Estimate was technically sanctioned for Rs.38.39 lacs, revised to Rs.43.21 lacs and again revised to Rs.33.94 lacs. This has delayed the work.

(II) Tenders were opened on 28.5.86 and the work was awarded only on 7.4.87. The delay in award of work resulted in at least a 20% increase i.e. about Rs.8 lacs which could have been avoided. No justification to compare the tender and prevalent market rates was prepared.

(iii) Secured advances were paid liberally, even on inadmissible and perishable materials resulting in a temporary overpayment of Rs.1 lakh.

(iv) Sample checking of measurement revealed overmeasurements not checked by any officer resulting in overpayments.

(2) **EXTERNAL ELECTRICAL WORKS AT PANVEL PHASE-I, ONGC, BOMBAY:**

A contract for the above work was awarded for Rs.57.14 lacs. The following major irregularities were observed:
(i) The accepted tender for the work awarded is only Rs. 57.14 lacs against the estimated cost of Rs. 63 lacs which indicates that the estimated rates were on the higher side. As 80% of the work pertains to U.G. Cable, on which a 30% to 35% discount is usually offered on list prices, apparently these discounts were not taken into account in the Estimated Cost and also while accepting the tender. No detailed justification was prepared based on prevailing market rates before awarding the contract.

(ii) Secured advances were paid liberally, even in inadmissible and perishable materials resulting in a temporary overpayment.

(iii) Laying of cables in Trenches was not as per specifications and only 2 to 5 cm. of Sand Cushioning was found instead of 25 cm as per specifications resulting in an overpayment of about Rs. 2 lacs. Check measurement was not done by any officer.

(iv) Deficiencies were noticed in erection of poles which were not painted with epoxy paint. The concrete in the foundation was inadequate and short sleeve pipes were provided and J-boxes were not weather proof.

(v) Cables used for street lighting were not designed according to the load requirement and were of much higher size.

(mm) PROJECTS AND DEVELOPMENT INDIA LTD:

PDIL BHAVAN AT NOIDA:

A contract for the above work was awarded for an amount of Rs. 2.053 crores. The following major irregularities were observed:

(i) Full payment was made to the Architect even though the total services specified in the agreement had not been rendered.

(ii) The three lowest tenderers who were also on the select list were bypassed on the ground of inexperience resulting in a loss of Rs. 3.25 lacs.

(iii) An amount of Rs. 1.45 lakhs was spent by the PDIL on transportation of cement and steel whereas this cost was to be borne by the contractor.
(iv) In violation of the contract conditions, a second mobilisation advance of Rs.20 lakhs was paid to the contractor on the ground that the cost of steel had increased. However, the steel was procured by PDIL.

(v) Recovery of mobilisation advance was deferred thus giving an undue benefit of Rs.2.5 lacs to the contractor.

(vi) Duplicate payments were made for the teak wood frames and Godrej Mortice locks for doors.

(vii) Fixed glazing was paid for at the rate for sliding shutters resulting in an overpayment of Rs.2.25 lacs.

(viii) Cast insitu marble mosaic flooring was substituted by terrazo tile flooring resulting in an undue benefit of Rs.1 lakh to the contractor.

(ix) Grey streaked marble was used instead of white marble specified.

(x) Cement paste at 4.4 kg. per sq.m. was not provided below the floor tiles and marble slabs.

(xi) For aluminium windows lighter sections than those specified were used.

(xii) The strength of many RCC columns was about 50% of that specified indicating widespread substandard concrete leading to doubts about structural soundness.

(nn) PUNJAB NATIONAL BANK:

HVAC RENOVATION OF THE PHB BUILDING AT 5, SANSD MARG:

A contract for the above work was awarded for an amount of Rs.70 lacs. The following major irregularities were observed:

(i) The consultant was appointed in an arbitrary manner with a high fee of 2.25%.

(ii) The select list of contractors was prepared in an arbitrary manner without fixing the minimum qualifications and past performance. Some reputed firms were not included in the select list.

(iii) An extension of 18 days was not given to M/s. Blue Star to enable them to submit their tenders.
However, completion of the work was delayed by more than six months.

(iv) Three lower tenderers placed on the select list were bypassed on flimsy grounds to show undue favour to M/s.E.

(v) The rates of 8 items were abnormally high.

(vi) Inferior makes of fan motors and air handling units were accepted.

(vii) Duplicate payment was made for starters.

(ii) RAILWAYS:

ADDITIONS AND ALTERATIONS TO THE STATION BUILDING AT MEERUT:

A contract for the above work was awarded for an amount of Rs.57 lakhs. The following major irregularities were observed:

(i) No market rate estimates was prepared to assess the reasonableness of the rates proposed for acceptance and very high rates were accepted.

(ii) Tenders without earnest money were considered in violation of the rules.

(iii) After acceptance of the tender, items with rates unfavourable to the contractor were substituted by items highly profitable to the contractor.

(iv) Three lower tenderers who were more qualified were bypassed in favour of the 4th lowest tenderer who had not executed even one work costing Rs.35 lacs. This resulted in a loss of Rs.2 lacs to the Railways.

(v) Dismantled materials valued at Rs.11.3 lacs were disposed of for only Rs.2.88 lacs.

(vi) No recovery was effected from the contractor for dismantled bricks issued by the Railways to the contractor.

(vii) For extra items costing about Rs.50 lacs, work orders were awarded at much higher rates than the rates payable to the contractor for extra items. The parties to whom the work orders were awarded are sister concerns of the main contractor. Extra items which were profitable to the main contractor were got executed by
the main contractor.

(viii) In violation of the contract stipulations water charges were recovered only on the cost of items requiring water and not on the cost of the remaining items.

(ix) An extra item for aluminium angles was paid at Rs.250 per kg. against a market rate of about Rs.60 per kg.

(x) The red sand stone veneering was not properly anchored to the walls and it is likely to fall off.

(x) The centring and shuttering for the entrance portico was unstable. Railway crates were issued to the contractor for the purpose but no recovery was effected. On the contrary, a very high rate of Rs.300 per sq.m. was paid to the contractor against a maximum of Rs.120 per sq.m.

(xii) The flush doors, marble mosaic tiles and cement concrete floor topping were substandard.

(pp) RAILWAYS:

The work of construction of a Repair Depot at Mughalsarai costing about Rs.64.37 lacs was awarded to IRCON on a "single tender basis" after obtaining an urgency certificate from the Railway Board. IRCON had taken 2 and 1/2 months to submit their single tender. The Railways took 2 and 1/2 months to award the work. The mobilisation advance was paid after six months and first bill was paid after another six months. The second bill was paid a year later. Apparently, there was actually no urgency and the urgency certificate was used only to award the contract to IRCON on a single tender basis avoiding any competition. The Railways paid Rs.6.4 lakhs as mobilisation advance to IRCON who did not use the funds on this work and perhaps used them elsewhere. The work involved 280 MT of steel work for which the accepted rate was nearly 50% more than the market rates. The rates of aluminium sheets and FRP sheets quoted by IRCON and accepted by Railways were also very high. On the whole, award of the work on single tender resulted in an extra cost of about Rs.20 lacs to Railways.

(qq) RESERVE BANK OF INDIA:

In the work of "C/o Office Building and officers' quarters" at Cochin, there was considerable
delay at various stages. The Architect took 21 months for preparation of drawings and 30 months were taken for inviting tenders even after the plans were approved by the local body. The bank itself took 6 months to approve the list of contractors.

Corrections in rates in the original tenders were not authenticated by the contractor or officers opening the tender and possibility of these corrections having been made after opening of tenders could not be ruled out. The reasonable cost of the work was not worked out and compared with the tender cost before acceptance. The bank itself felt that the rates were high but no efforts were made to reduce the rates.

Secured advances of 90% of the cost of materials, instead of 75% were allowed resulting in a temporary overpayment of Rs.7 lacs in various bills. The rate allowed for Sandex matt finish was very high resulting in an extra cost of about Rs.30000. An unnecessary provision of teak wood back-up frames, at a very high rate, for aluminium windows resulted in an avoidable expenditure of Rs.1.19 lacs.

(PP)

RESERVE BANK OF INDIA:

For the work of "C/o officers' quarters" at Trivandrum costing approximately Rs.185 lakhs, no detailed estimate was prepared by the consultants. The bank took nine months to approve the list of contractors. The estimated cost was shown by the consultant initially as Rs.127.71 lacs in March, 86 and the same was revised to Rs.177.96 lacs in September, 1986 apparently to justify the tenders. The tender was accepted as it was within the revised estimate of the consultants though no basis for revising the estimate was available. No detailed justification of the tender was prepared with reference to the prevailing market rates.

Interest on mobilisation advance was to be recovered from each R/A bill but the same was not recovered thereby giving an undue benefit to the contractor of about Rs.1.15 lacs. An excess secured advance on materials to the extent of Rs.1.26 lacs was also paid.

The external finish of the buildings is of very rich specifications providing 20 mm thick plaster 1:4 in two layers mixed with water proofing compound and finished with cement paint. The specifications also provided for kiln seasoning and pressure treatment of
teakwood which is neither required nor done.

Rail India Technical and Economic Services Ltd:

Runway and Pavement Works at Varanasi:

A contract for the above works was awarded for an amount of Rs.338 lacs. The following major irregularities were observed:

(i) From the accepted tender it was observed that the tender was tampered with after opening and the rate for the item of semi-dense Asphalitic concrete was increased from Rs.630 per cum. to Rs.730 per cum. thus causing a loss of about Rs.15 lacs to the National Airports Authority.

(ii) Many conditions of tenderer L-1 were not evaluated in order to make them appear to be the lowest.

(iii) Bitumen was stipulated for issue at Rs.3496 per tonne and the contractor quoted his rates accordingly. During negotiations the contractor was allowed to procure bitumen directly from the refinery at about Rs.2755 per tonne thus causing a further loss of Rs.30 lacs to the National Airports Authority.

(iv) The bitumen content was increased by 11 kg. per cum. over the design mix thus giving further undue benefit to the contractor.

(v) The concrete pavement for the Apron was substituted by a bituminous pavement thus giving a huge undue benefit to the contractor because the rate quoted by him for the cement concrete pavement was low whereas the rates for bituminous pavement were highly profitable.

(vi) There was a short recovery of security deposit to the extent of Rs.7.5 lacs.

(vii) Rates for extra items were based on the issue rates for bitumen instead of the purchase rate which was lower.

(viii) In respect of abnormally high rated items for quantities beyond the deviation limit, the rates were not reduced in conformity with the market rates as stipulated in the agreement.
SCHOOL OF PLANNING AND ARCHITECTURE:

For the work of staff quarters and hostel at New Delhi costing about Rs.285 lacs, a select list of contractors was prepared but the 1st and 2nd lowest tenderers were eliminated on the basis of an inspection report of their works. The work was awarded to the 3rd lowest at an extra cost of Rs.16 lacs without any inspection of his works. Due to non-supply of all drawings within the specified time, the School lost the benefit of Rs.17.5 lacs. Due to short recovery of cement, a temporary overpayment of Rs.1.3 lacs was made to the contractor. A short recovery of mobilisation advance was also noticed. Only 50% of the required quantity of lead was used in the joints of the pipe.

STATE TRADING CORPORATION:

INTERIOR WORK - FABRICATION AND FURNITURE ON THE THE 10TH FLOOR OF THE MAIN BLOCK OF THE STC BUILDING AT JANPATH, NEW DELHI:

A contract for the above work was awarded for an amount of Rs.35 lakhs. The following major irregularities were observed:

(i) The Architect's services include periodic supervision, coordination and contract management within his fee of 4%. Subsequently a sister concern of the architect was appointed to perform these services for a fee of 3%.

(ii) Only contractors favoured by the architect were placed on the select list.

(iii) No recoveries were made for STC water and power consumed by the contractor.

(iv) Owing to changes made by the architect, furniture worth Rs.9 lakhs was dumped in the Annexe on the 5th floor with no likelihood of being used.

(v) An abnormally high rate of Rs.100 per sq.m. was accepted for melamine polish. The quantity was greatly increased resulting in a loss of Rs.50000 to the STC.

(vi) There was a short recovery of security deposit to the tune of Rs.28000.

(vii) An infructuous expenditure of Rs.26000 was incurred on changing the upholstery of 4 sofas and 13
conference chairs.

(viii) An infructuous expenditure was incurred by covering the stone veneering by teak wood panels.

(ix) The sizes of timber members, door frames and the thicknesses of thermocole and plate glass were less than specified.

(x) Fabric was used instead of leatherite in a number of items but a corresponding recovery was not effected.

(vv) STEEL AUTHORITY OF INDIA LTD:

The work of construction of 3664 CD & D type houses at Bokaro was divided into 18 groups without any basis (the number of houses in a group varying from 48 houses to 630 houses). Some of these groups were again split up and 24 contracts were awarded to 16 contractors at rates varying from 20.24% to 37.5% above the estimated cost though the works were identical. The works were awarded to contractors at their respective quoted rates without making any effort to get rates reduced to lower levels or to have a uniform rate though the works were all identical. In 13 out of 24 contracts, the accepted rates were less than 35%. 12 out of 16 contractors, who were given contracts, quoted less than 35% indicating that the tender committee's assessment of the reasonable rate was very high. In the process, 25% of the total work was awarded at rates varying from 22% to 36% and 75% of the work was awarded at 36% or more. If the works were awarded at the lowest rate received for each category, there would have been a saving of about Rs.4 crores to the Steel Plant. The works were awarded to contractors according to their capacities assessed arbitrarily by the Tender Committee after opening the tenders.

The capacities of some contractors were assessed on flimsy grounds to be lower than their actual capacities and works were awarded to other contractors at higher rates.

Road works for Rs.2.3 crores were awarded without any competitive tenders. An ad hoc payment was made without properly assessing the quantum of work done. Approval for providing superior specification (oil bound distemper) costing Rs.39 lacs was given without concurrence of Finance. The undue benefit was given to the contractor by providing block board in place of wooden planks in cupboards.
CHAPTER 7

CHIEF VIGILANCE OFFICERS

7.1 In the matter of maintenance of integrity and implementation of anti-corruption measures in the organisation concerned, the Chief Vigilance Officer of the organisation has a very important role to play. While the Heads of Departments and Chief Executives of public sector undertakings are primarily responsible to ensure efficiency and integrity of personnel working under them, the Chief Vigilance Officer is expected to function as the key functionary directly accountable to the Executive Head of the Organisation on the one hand, and to keep liaison with the Central Vigilance Commission and the Central Bureau of Investigation on the other. The role of the Chief Vigilance Officer is in the fields of preventive, detective and punitive vigilance. For this purpose, he is required to thoroughly acquaint himself with the rules, regulations, procedures, systems etc. of the organisation in which he works. It is, therefore, important that he is not only trained and skilled in handling specific cases of vigilance nature, but also displays a high degree of understanding of the operations and objectives of the organisation. A certain measure of specialisation is, therefore, called for and the work has to be undertaken by him on professional lines. Broadly, therefore, while the CVO had to develop investigative skills, the principles of fair-play and justice would assume importance in the discharge of his duties. The broad principle that the guilty should be brought to book and the innocent and the honest protected is also required to be kept in mind by the CVO while discharging his duties. Vigilance in any organisation is a continuing process and a vigil has to be maintained particularly on corruption prone areas in an organisation.

7.2 In this connection while each organisation has complete independence and autonomy in dealing with and ultimately deciding individual cases, the Central Vigilance Commission provides support and expert guidance to the Chief Vigilance Officers on all vigilance matters. The Commission oversees the work of the CVOs and plays an advisory and co-ordinating role so that uniform norms, standard and quality of work are achieved in the various organisations in dealing with vigilance matters. This enables the Commission to bring to light any cases of suppression of corrupt practices, as also cases in which employees might have been proceeded against unjustly due to any personal dislikes or prejudices, factional feuds or jealousies. Thus the
Central Vigilance Commission being the all India apex body on vigilance matters is not only in a position to render expert advice but it also exercises general check and supervision over vigilance and anti-corruption work in the Departments/Public sector undertakings.

7.3 FUNCTIONS OF THE CHIEF VIGILANCE OFFICERS:

As indicated above, the Chief Vigilance Officer has wide ranging responsibilities in the fields of preventive, detective and punitive vigilance. Broadly, the functions and responsibilities assigned to the CVO include the following:

(a) Attending to complaints which come to the organisation for investigation from various sources including private parties;

(b) Detailed examination and review of the existing procedures with a view to prevent or minimise factors which provide opportunities for corruption or malpractices. In other words, preventive vigilance in all aspects on a continuous basis is one of the important functions of the Chief Vigilance Officer;

(c) Identification of corruption-prone areas, and sensitive posts. Regular and surprise inspections and proper scrutiny of personnel posted in sensitive posts involving public dealings;

(d) To keep liaison with the Central Vigilance Commission and furnish the prescribed returns to it;

(e) Maintaining proper surveillance on officers of doubtful integrity and officers on the agreed list;

(f) Arranging to take action on the first stage and second stage advice of the CVC;

(g) Timely furnishing of comments to the Commission on the reports of the CBI;

(h) Since only cases having a vigilance angle are to be referred to the Commission, the CVO has to determine whether a particular case has a vigilance angle or not and in cases of doubt, the orders of the Head of Organisation are to be obtained; and
To ensure prompt observance of Conduct Rules relating to integrity, covering statement of assets and acquisitions, gifts, relatives employed in private firms and doing private business, benami transactions etc.

7.4 PROCEDURE FOR APPOINTMENT OF CHIEF VIGILANCE OFFICERS:

7.4.1 According to the Ministry of Home Affairs' Resolution No. 24/7/64-AVD dated 11.2.1964, the Chief Vigilance Officers in the departments are to be appointed in consultation with the Central Vigilance Commission and no person whose appointment is objected to, will be so appointed. Suitable arrangements may, however, be made by the appropriate authorities to fill up short term vacancies for periods upto 3 months due to leave or other reasons, without obtaining the concurrence of the CVC. Cases had, however, come to the notice of the Commission where the CVOs had been changed frequently and organisations remained without regularly appointed CVOs for quite sometime. The Commission, therefore, advised the departments to ensure that CVOs are not changed too often and in any case not without prior consultation with the Commission. The Departments have been further advised that even where changes are contemplated for administrative reasons, such as transfers etc., the Commission should be informed in advance as a matter of correct procedure.

7.4.2 The procedural instructions laid down by the Ministry of Home Affairs, Department of Personnel and Training and CVC provide that:

(a) The procedure for prior consultation with the Central Vigilance Commission has to be followed invariably;

(b) The departments should send a panel of names to the Commission so that officers having integrity, initiative, drive and proper aptitude for vigilance work are selected and appointed as CVOs;

(c) The CVOs in the Ministries/Departments have to be at least of the rank of Deputy Secretary. The Department of Personnel and Administrative Reforms, however, have also laid down that departments which have to handle a large number of vigilance cases e.g. Railway Board, Department of Steel, Ministry of Defence, Ministry of Surface Transport etc. should have CVOs of the rank of
Joint Secretary or at least Director;

(d) The Chief Vigilance Officers in the public sector undertakings have to be in the scales of pay, the minimum of which is not less than Rs.1800 (pre-revised);

(e) The Chief Vigilance Officers in the Nationalised Banks including the subsidiaries of State Bank of India should have whole-time CVOs of the rank of General Manager. Further, in order to be more objective and effective, they should normally be outsiders, i.e. they should not be on the cadre of the Bank where they work as CVOs, but should be taken from other Banks, on deputation terms, for a fixed tenure. This has been provided keeping in view the rapidly growing operations of the banking industry, the potential for fraud and other serious misdemeanour which may cause not only huge losses to the banks, but also is a source of harassment to their customers. However, the CVOs can combine their duties with Inspection and Audit & Accounts machinery as these itmes of work are of an allied nature and could also afford greater opportunities to the CVOs to find out gaps and shortcomings in the prevailing procedures and practices, if any;

(f) The frequent transfer of officers in the posts of CVOs is not desirable. The Departments have therefore been advised to ensure that officers sponsored for the posts of CVOs are, as far as possible, available to hold the said post for at least three years, having regard to their tenure/date of retirement etc.; and

(g) The departments have also been advised to ensure that as and when it becomes known that the CVO is likely to leave the department/undertaking on retirement, expiry of his term, transfer etc., the proposal for appointment of his successor is moved well in time so that the post does not remain vacant.

7.5 CONSIDERATIONS DETERMINING SELECTION, APPOINTMENT AND TENURE OF CHIEF VIGILANCE OFFICERS IN PUBLIC SECTOR UNDERTAKINGS

7.5.1 The Commission feels that in bigger public sector undertakings such as Air India, India Tourism Development Corporation, Indian Oil Corporation, Fertilizer Corporation of India, various Coal Companies,
Bharat Heavy Electricals Ltd., State Trading Corporation, Cement Corporation of India Ltd., National Buildings Construction Corporation etc., the Chief Vigilance Officer should be a whole time officer i.e. he should not be burdened with responsibilities other than vigilance. Furthermore, in order to be objective and effective, he should normally be an outsider and should not have been an employee of the organisation in the past. Those CVOs who come on deputation from other services, should be functionally equated with/given the status of head of department. Officers of all services and cadres should be considered for posts of CVOs and the field of selection need not be restricted to officers of any particular service or cadre. It has also been decided that all proposals in respect of appointment of CVOs in public sector undertakings may be sent to the Commission through the administrative ministries concerned. Since the Chief Vigilance Officer functions as a special assistant to the Chief Executive in a public undertaking, it is desirable that to be useful and effective, he enjoys the confidence of the Chief Executive. The Commission has accordingly suggested that in the proposals for appointment of CVOs in the public sector, the views and preference of the Chief Executive should also be obtained.

7.5.2 The instructions regarding deputation of Government servants to public sector undertakings visualised eventual permanent absorption of such officers in public sector undertakings. The Commission observed that the nature of work of the Chief Vigilance Officers was such that they should not be permanently absorbed in public sector undertakings; and that a Chief Vigilance Officer on deputation to a public sector undertaking, after working for a reasonable period, should be replaced by another officer on deputation. Therefore, on the Commission's suggestion, the Government exempted the Chief Vigilance Officers from permanent absorption in the undertakings and issued instructions that the tenure of officers of organised services appointed to posts of Chief Vigilance Officers in public sector undertakings would be the same as would be permissible in their cases on deputation to the Centre at different levels like Deputy Secretary/Director/Joint Secretary etc. The appointments to Second Level Functionaries posts in the vigilance department, i.e. next to Chief Vigilance Officer in vigilance set-ups in public sector undertakings, and the Govt. officers of the level of Inspectors of Central Police Organisations have also been exempted from the policy of immediate absorption, i.e. they have been allowed to come on deputation basis to the vigilance
set-ups in the public sector undertakings.

7.6 INCENTIVE TO CVOS:

There have been instances where, after the officers from organised services were selected to man the posts of Chief Vigilance Officers in public sector undertakings, they did not join the organisations mainly because either the facilities available in the State cadre (in the case of IPS officers) were not available to them in public sector undertakings or because the posting in the undertakings was considered unpalatable for some reason or the other. In order to meet some of the genuine difficulties of such deputationists and with a view to make the post of Chief Vigilance Officer in public sector undertaking more attractive, the Commission suggested to Government to consider giving some incentives to the CVOs coming on deputation from other organised services. The BPE accordingly issued instructions in their O.M.No.16(48)/87-GM dated 2.2.88, read with the O.M. of same number dated 19.7.88 and 12.4.1989, providing the following incentives to those CVOs in Schedule "A" and "B" companies who come on deputation to work as full-time CVO:-

(a) The CVO may be designated as Executive Director (Vigilance), irrespective of his pay scale, in relaxation of the BPE's general instructions that below Board level executives should not be designated as "Executive Directors";

(b) Accommodation may be provided by the public sector undertakings to the CVOS, as admissible to "Key officials" of the undertakings; and

(c) The CVO may be provided staff car facilities for official duties including pick-up and drop at residence as a special case. This facility has been given in lieu of the car allowance. The CVO has the option to avail either of the two facilities.

7.7 STATISTICAL RETURNS:

7.7.1 The Commission calls for quarterly statistical returns from all departments in order to exercise general check and supervision over the vigilance and anti-corruption work in the departments. The quarterly returns, as prescribed by the Commission, are required to be sent by the Chief Vigilance Officers so as to reach the Commission by 15th day of the month following the respective quarters. It is regretted that in many
cases these are not received by the due dates. It is also observed that in many cases there are discrepancies in figures. Annexure I.2 (NB. 1 & 2) contains the names of those organisations which have failed in submitting one or more quarterly returns during the year, or whose figures could not be included for want of reconciliation.

7.8 WORK DONE BY CVOS:

7.8.1 The work done by the Chief Vigilance Officers, as reported by them, is given in Annexure I.1. The pendency with them as on 31.12.1990 has been analysed in Annexure I.3. It would be observed that there is considerable pendency with them. The Commission has been suggesting a number of measures to various organisations, depending on the circumstances of each, to deal with this problem. Some of them which are generally applicable have been incorporated in the Chapter on Preventive Vigilance. There is however no gainsaying the fact that if greater interest is taken in vigilance work by the Chief Vigilance Officers and the Chief Executives/Heads of Organisations, the work both in respect of preventive vigilance and in respect of individual vigilance cases could be significantly improved. The other factor which could considerably improve the productivity of the Chief Vigilance Officers and their staff is the need for training at all levels. One major reason for comparatively low output is always the inadequate knowledge and understanding of rules and procedures in dealing with vigilance cases.

7.8.2 The following table indicates the number of those cases dealt with by the Chief Vigilance Officers in which Commission’s advice was not required for the reason that the employees involved were outside the CVC’s jurisdiction, and ended in formal punishments during the last ten years:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Year</th>
<th>Major Penalty</th>
<th>Minor Penalty</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1981</td>
<td>1321</td>
<td>3061</td>
<td>4382</td>
</tr>
<tr>
<td>2.</td>
<td>1982</td>
<td>1582</td>
<td>3907</td>
<td>5489</td>
</tr>
<tr>
<td>3.</td>
<td>1983</td>
<td>1554</td>
<td>3086</td>
<td>4640</td>
</tr>
<tr>
<td>4.</td>
<td>1984</td>
<td>1441</td>
<td>2866</td>
<td>4307</td>
</tr>
<tr>
<td>5.</td>
<td>1985</td>
<td>2197</td>
<td>3541</td>
<td>5738</td>
</tr>
<tr>
<td>6.</td>
<td>1986</td>
<td>2377</td>
<td>3200</td>
<td>5577</td>
</tr>
<tr>
<td>7.</td>
<td>1987</td>
<td>2820</td>
<td>4211</td>
<td>7031</td>
</tr>
<tr>
<td>8.</td>
<td>1988</td>
<td>2910</td>
<td>4487</td>
<td>7397</td>
</tr>
<tr>
<td>9.</td>
<td>1989</td>
<td>2534</td>
<td>4896</td>
<td>7430</td>
</tr>
<tr>
<td>10.</td>
<td>1990</td>
<td>2606</td>
<td>5641</td>
<td>8247</td>
</tr>
</tbody>
</table>
NOTE: This information is based on the quarterly returns submitted by the organisations and, therefore, does not include the information pertaining to those organisations whose returns were not received, or the figures did not reconcile.

7.9 DELAY IN APPOINTMENTS:

7.9.1 Total number of posts of Chief Vigilance Officers in various departments/public sector undertakings/nationalised banks/autonomous organisations etc. (hereafter referred to as department) is 486. Of these, in 164 departments, either the posts of CVOs are vacant or ad hoc and temporary arrangements have been made by the departments, as the position stands as on 31.12.1990. All such posts are treated as vacant by the Commission. The names of some of the important and large organisations where the posts of CVOs are vacant are given in Annexure-II.

7.9.2 The following points came to notice in connection with the vacancies of CVOs mentioned in the annexure:

(a) Some officers approved for the posts of CVOs were not willing to join the public sector undertakings in the capacity of CVOs due to lack of adequate facilities;

(b) Some officers, selected for the posts were not relieved either by parent departments or by the State Governments concerned after their selection;

(c) The Chief Executives had to look after the functions of the CVOs, as additional charge, in the absence of a suitable CVO; or

(d) Ad hoc arrangements had to be made by the Chief Executive for the time being to carry on the functions of the CVO.

7.9.3 In some departments, ad hoc posting arrangements to the posts of CVOs have continued for periods which cannot be justified. The position in respect of some such important departments where CVOs have not been appointed on regular basis is discussed below:
(a) **BENGAL CHEMICALS & PHARMACEUTICALS LTD**

The matter regarding the appointment of CVO in Bengal Chemicals & Pharmaceuticals Ltd. is being pursued since August, 1982. Though a panel of names was submitted for the Commission's consideration in November, 1983, the complete CR. Dossiers of the officers recommended for the post were not sent. The dossiers were sent to the Commission in September, 1986 and the Commission's approval for the appointment of Director (Finance) as CVO was conveyed in October, 1986. The officer, however, was not appointed. After a period of more than three years, the Ministry of Petroleum and Chemicals recommended the name of Director (Finance) for the post of CVO as an additional charge in view of the reported financial constraints being faced by the company. The Commission, however, asked for a panel of names of three officers, as per the prescribed procedure, for its consideration. A panel, including the name of Director (Finance) was furnished in October, 1990. The Commission approved the names of two officers on the panel, other than Director (Finance). It is, however, not known as to whether the work of CVO has been entrusted to any of these two officers, in addition to the other works being handled by him.

(b) **BHARAT WAGON & ENGINEERING CO. LTD.**

The Chief Vigilance Officer in Bharat Wagon and Engineering Co. Ltd. was allowed to repatriate to his parent cadre, on his own request, with effect from 30.4.87. Since then, the Commission has been pursuing with the Department of Public Enterprises, asking for a panel of names, for the Commission's consideration, but to no avail. The Department has not even sent any interim reply to the Commission's communications.

(c) **BONGAIGAON REFINERIES & PETROCHEMICALS LTD**

It was intimated to the Commission that in the discussions that took place in the Cabinet Secretariat, it was felt that in the Oil Sector, the CVO may have to play a somewhat more active role in keeping abreast the sense and mood of the workers and thereby attempt to foresee the type of unrest that could jeopardise the growth of the Oil Industry unless action is taken in advance. Therefore, efforts are being made since March, 1982 to appoint an IFS Officer as CVO in Bongaigaon Refineries & Petrochemicals Ltd. (BRPL).

On receipt of a panel of names from the Department of Petroleulm, the Commission approved the
name of an IPS officer for this post in July, 1982. The officer, however, was reportedly not available for central deputation. In February, 1984, the name of another IPS officer recommended by the department was considered but he was not found suitable. In November, 1984, the Commission approved the name of yet another IPS officer but he was not relieved by the State Government to whose cadre the officer belonged. In September, 1986, the Commission approved the name of another IPS Officer. Though the Appointments Committee of the Cabinet also approved the officer for the post of CVO in BRPL, the proposal for his deputation was cancelled later on. In December, 1986 also, the Commission had approved the name of another IPS Officer, but the undertaking proposed to entrust the functions of the CVO to the Director (Finance) as an additional charge. The Commission however advised the Ministry that the CVO in BRPL should be a whole-time officer and should not be burdened with other duties and to be more effective, he should be an officer taken on deputation. It further advised that officer approved by it in December, 1986 may be considered for the post and in case the services of the officer were no longer available, the choice may be broadened to consider the officers belonging to other centralised services also. It was intimated in March, 1988 that the officer approved by the Commission was not available for Central deputation. Fresh proposal is yet awaited, although a period of about three years has passed.

(d) **BRITISH INDIA CORPORATION:**

The Commission has been asking for a panel of names for the post of Chief Vigilance Officer in British India Corporation since 1982. The panel was not furnished till June, 1986 when the Commission suo moto recommended the name of an officer for this post, out of a panel of names of IPS officers received from the Establishment Officer. In August, 1986, the Ministry of Commerce furnished a panel of four names, including the name of the officer already approved by the Commission, but indicating the preference for another officer. The Commission approved the name of the officer recommended by the Ministry. The Ministry, however, referred the matter back to the Commission seeking its concurrence for appointing the officer earlier recommended by the Commission. The Commission agreed to this proposal also in November, 1986. However, the officer did not join and had to be debarred for Central deputation for three years. In March, 1988, it was intimated that Minister of Textiles had approved the name of an officer appearing on the panel approved by the Commission for
the posts of CVO in public sector undertakings. The ACC also approved this proposal. However, this officer also did not join and was also debarred from Central deputation for three years. In July, 1989, the Ministry of Textiles furnished a panel of names of two officers, already approved for the posts of CVOs in public sector undertakings, seeking its approval for appointment of one of them as the CVO in British India Corporation. The Commission's approval was conveyed for both, leaving it to the Ministry to select either of them. None of them, however, has been appointed so far, nor has any fresh panel been submitted to the Commission for its consideration.

(e) **BURN STANDARD CO. LTD**

The Chief Vigilance Officer in Burn Standard Co. Ltd. relinquished the charge in July, 1987. The Department of Public Enterprises entrusted the work of the CVO to the Managing Director of the undertaking, as an additional charge, till the new incumbent joins. Although the Commission has been asking for a panel of names for its consideration, no panel was furnished. In May, 1988, the Commission informed the undertaking that a panel of names of IFS Officers, duly approved by the Commission, for placement as CVOs in public sector undertakings was being maintained by the Department of Personnel & Training and that the undertaking may obtain the name of a suitable officer from that department. The post of CVO, however, has not been filled up so far.

(f) **COTTON CORPORATION OF INDIA LTD**

The matter regarding appointment of Chief Vigilance Officer in Cotton Corporation of India Ltd. (CCI) is being pursued with the Ministry of Commerce (now Ministry of Textiles) since June, 1986. The Ministry of Commerce, in consultation with the CCI, had decided that an officer of the undertaking should be appointed as Chief Vigilance Officer and for that purpose, furnished a panel of names for the Commission's consideration. The Commission, however, took the view that the Chief Vigilance Officer in CCI should not be an officer belonging to the undertaking and that he should be an officer taken on deputation from other centralised services to work as a whole-time officer. However, pending appointment of an outsider, the Commission approved the appointment of Director (Finance) as Chief Vigilance Officer upto 30.6.1987. In June, 1987, the Ministry of Commerce furnished a panel of names of four IFS officers. The Commission approved the name of one of them. The officer, however, did not join
as he was selected in Intelligence Bureau. In May, 1988, the DOPT recommended the name of another IPS officer which was also agreed to by the Commission. He, however, was not relieved by the State Government to whose cadre he belonged. Meanwhile, the Director (Finance), who was also working as part-time Chief Vigilance Officer, got promotion as Chief Executive and continued to perform the functions of CVO in addition to his own duties. The Commission took a view that such an arrangement in the CCI was not desirable and, therefore, advised the Ministry of Textiles, and the CCI in February, 1989 that till such time an officer is appointed as Chief Vigilance Officer in consultation with the Commission, all cases/returns pertaining to CCI should be routed through the Chief Vigilance Officer, Ministry of Textiles. The panel for the appointment of Chief Vigilance Officer, however, has not been furnished to the Commission so far.

(s) CYCLE CORPORATION OF INDIA LTD:

The Financial Adviser & Chief Accounts Officer, who was also functioning as Chief Vigilance Officer with the Commission's approval, in Cycle Corporation of India Ltd. resigned the services and the Corporation entrusted the functions of Chief Vigilance Officer to another officer, without even intimating this fact to the Commission. That officer also relinquished the charge on 3.11.1986. Though the Commission has been asking for a panel of names for its consideration for the successor Chief Vigilance Officer, this has not been made available. The Central Vigilance Commissioner has also reviewed vigilance activities of this Organisation in a meeting held in September, 1989, and observed that vigilance work in the organisation was at a standstill. The Secretary of the Corporation, who represented the organisation in the meeting, explained that vigilance activity was very limited because of the fact that the organisation was a sick unit having multiple and complex problems which consume all the energies of the top management. The Commission, however, was of the view that there was no co-relationship between the sickness of the unit and the fact that vigilance activity was at a standstill except that corruption might be a contributory cause for industrial sickness, which necessitates appointment of a full-time Chief Vigilance Officer. Accordingly, the Commission asked for a panel of names for consideration. The Commission was later informed that Corporation was passing through financial crisis and it was not possible to appoint CVOs from outside. The Corporation, however, recommended the names of two officers to work as part-time CVO. The
information with regard to work and activities of the Corporation, its turn over, and the total number of employees, asked for by the Commission in July, 1990, with a view to examining their proposal is still awaited.

(h) GARDEN REACH SHIPBUILDERS & ENGINEERS LTD:

The Commission has been pursuing the matter regarding appointment of Chief Vigilance Officer since December, 1979, with Garden Reach Shipbuilders Ltd. But the undertaking has not submitted the panel of names of suitable officers for the Commission's consideration. Even the references from the Ministry of Defence to the undertaking on this subject do not seem to have received any positive response. The undertaking appointed one of their own officers as Chief Vigilance Officer without obtaining the Commission's approval. Later, the Commission did not approve the name of that officer for the post of CVO and desired that till such a time a regular CVO is appointed with the Commission's approval, the CMD may himself perform the functions of CVO. Though the Commission had reiterated this stand several times, it was never intimated whether the CMD had taken over as CVO, and if so, since when. In March, 1989, the Ministry of Defence proposed the names of two officers for appointment of CVO in two Defence Shipyards viz. GRSE and Mazagon Dock Ltd. The Commission approved their names pointing out, however, that one of them was attaining the age of 58 years in May, 1989 and the other in July, 1989 and if the retirement age in their case was 58 years, there will be no advantage in selecting/appointing them. Later, it was intimated by the Ministry of Defence that the Department of Personnel & Training also did not agree to the appointment of these officers in view of their impending retirement, but recommended the names of two IPS officers, who were not found suitable. Names of two other IPS officers recommended by the DOPT were also considered by the Ministry of Defence, but they too were not found suitable. Fresh proposal is awaited. It would thus be observed that no regular arrangement has been made against the post of CVO for the last 11 years.

(i) HEAVY ENGINEERING CORPORATION LTD:

The CVO in HEC relinquished the charge on 4.12.1986. In February, 1988 the Department of Public Enterprises recommended the name of an IPS officer, which was approved by the Commission. Neither the officer approved by the Commission has been appointed nor any fresh panel has been sent for its consideration.
Looking to the nature and size of the undertaking, the Commission is of the view that the post of CVO be filled up urgently by appointing an officer taken on deputation from other services as full-time CVO.

(j) HINDUSTAN FERTILIZERS CORPORATION LTD:

The post of CVO in Hindustan Fertilizers Corporation (HFL) fell vacant on 31.12.1985. On receipt of a panel of names, the Commission's approval was conveyed for appointment of an IPS officer as CVO in March, 1986. The officer however did not join. In November, 1987, the Department of Fertilizers selected another IPS officer appearing on the panel already approved by the Commission for the posts of CVOs. This officer also did not join and was therefore debarred from Central deputation for 3 years. In December, 1988, the Department selected another officer from the approved panel, but later he was not appointed. In February, 1990, the Department of Fertilizers intimated that a fresh panel received from Department of Personnel and Training was under consideration of the undertaking. No further progress in the matter has been reported.

(k) HINDUSTAN STEELWORKS CONSTRUCTION LTD:

There has been no regular Chief Vigilance Officer with the approval of the Commission since May, 1979 in Hindustan Steelworks Construction Ltd. (HSCL). As there was no satisfactory response from the HSCL, the Commission advised in March, 1982, that the Chief Executive may himself function as Chief Vigilance Officer until a suitable officer could be appointed to the post. This however was not done and the functions of the Chief Vigilance Officer were assigned to another General Manager in April, 1983, on the retirement of the General Manager earlier functioning as the Chief Vigilance Officer. Thereafter a decision was taken by the Department of Steel to appoint an officer not belonging to HSCL as the CVO and for that purpose a panel had been obtained from the Department of Personnel. However, later looking to the future of the organisation and the Government's intention to wind it up, the appointment of an outsider was not considered necessary, and a panel of names of officers belonging to the Organisation was sent to the Commission in August, 1985. This panel however could not be considered for want of complete C.R. dossiers.

On receipt of a fresh panel in March, 1987, the Commission approved the names of two IPS officers for appointment of either of them for the post of CVO.
The offer of appointment was sent to one of them in November, 1987, but he did not join. In February, 1989, it was intimated that a decision had been taken to fill up the post on deputation basis from other public sector undertakings. The name of an officer belonging to another public sector undertaking was also recommended for the Commission's approval in October, 1989. The Commission's approval was conveyed on 1st December, 1989. But neither the officer recommended for the post has been appointed, nor a fresh panel has been sent for the Commission's consideration. Thus no regular arrangement has been made against the post of CVO for about 11 years.

(1) INSTRUMENTATION LTD:

In February, 1986, the Commission approved the name of an officer, who was already looking after the functions of CVO as a temporary arrangement, for the post of CVO on regular basis. The Undertaking, however, stated that the appointment of that officer as CVO would adversely affect the Personnel and Administration functions and proposed filling up the post through an open advertisement. The Commission, however, did not concur in the proposal for filling up the post of CVO through open advertisement and suggested that the Department might obtain a panel from the DOPT. In September, 1986, it was intimated that the officer working as CVO had been transferred as Manager (P&A) to a plant. In May, 1987, it was intimated that the Department of Personnel & Training had furnished a panel of names of three IPS officers but all of them had expressed their unwillingness to join that post. Since no regular arrangement could be made against the post of CVO till March, 1990, the Commission approved the appointment of an officer, who was looking after the functions of CVO on adhoc basis till his retirement in October, 1990. On his retirement, the CMD has taken over the functions of CVO with effect from 1.11.1990, as per the Commission's advice, as a temporary arrangement. The proposal for the appointment of a regular CVO is awaited.

(m) INTERNATIONAL AIRPORTS AUTHORITY OF INDIA:

The post of CVO in the International Airports Authority of India (IAAI) has been vacant since 8th January, 1981. In June, 1982, a panel of names of officers belonging to IPS was sent by the Ministry of Tourism & Civil Aviation for the posts of CVOs in four undertakings, including IAAI, but the Commission desired a separate reference for each undertaking indicating the
views of the Chief Executives. A panel of names for the post of CVO in IAAI was sent to the Commission in September, 1982, but the order of preference by the Chief Executive was not given. This was done in December, 1982, and the Commission approved the name of the officer, who was the first choice of the Chief Executive, in February, 1983. It was however later intimated that the officer selected by the Commission was due to retire in June, 1984. As such, he was not appointed. A fresh panel of names was forwarded in February, 1984 and the Commission’s approval was conveyed in May, 1984. The Ministry of Tourism and Civil Aviation, however, wanted the Commission to reconsider its recommendation in favour of another officer. But, the Commission reiterated its earlier decision. In August, 1984, the Ministry again approached the Commission intimating that the officer approved by it was due for promotion and was not likely to join IAAI. As such, the Commission agreed to the appointment of another IPS officer recommended by the Ministry. In June, 1985, it was intimated that the State Government, to whose cadre the officer belonged, had refused to relieve the officer. A fresh panel was sent in November, 1985 and the Commission’s approval was conveyed for one of them in February, 1987. It was, however, later reported that the services of that officer were no longer available. In June, 1988, it was intimated that the ACC had approved the appointment of one IPS officer appearing on the panel approved by the Commission for the posts of CVOs in public sector undertakings. The officer, however, did not join and was debarred from Central deputation. In July, 1989, the Ministry of Civil Aviation intimated that a CVO working at Bombay in another undertaking under the administrative control of the same Ministry had expressed his unwillingness to continue there on family and personal and medical problems, but was willing to work in any other undertaking based at New Delhi. As such, the Commission approved his name for the post of CVO in IAAI, but by then he was not available for this post. Fresh panel is still awaited.

(n)

MAZAGON DOCK LTD:

Consequent upon his retirement, the Chief Vigilance Officer in Mazagon Dock Ltd. (MDL) relinquished the charge on 22.2.1985. In October, 1985, the Ministry of Defence recommended the name of an officer belonging to Border Security Force. The Commission, however, asked for a panel of three names for its consideration as per the procedure prescribed in this behalf. On receipt of a panel of names, the
Commission's approval was conveyed for the appointment of an IPS officer in July, 1986. It was however reported that the said officer was not available for posting as CVO in MDL and therefore the Commission's approval was conveyed for appointment of another officer. In November, 1986, it was brought to the Commission's notice that the officer approved by the Commission was involved in a disciplinary case and facing Court Martial. Therefore, the Commission asked for a fresh panel. In February, 1987, the Ministry of Defence recommended the name of only one officer, who was approved by the Commission. This officer, however, could not be appointed as the ACC to whom the case was submitted for approval, selected him for another post. Another name was recommended in June, 1987, which was approved by the Commission in July, 1987. He, however, was not willing to join. As the ad hoc arrangements to the post of CVO had been continuing since February, 1985, the Commission advised the CMD to take over the functions of CVO till the regular CVO is appointed with the Commission's approval. The CMD, however, stated that in the context of the vigilance and anti-corruption work in MDL, a full time CVO is required and that his duties as CMD do not permit him to be the full-time CVO of the company, in addition. The Commission brought it to the notice of the Ministry of Defence that it would not be in the interest of the company to continue with this ad-hocism any more and that they may not confine their choice to IPS officers only but consider the officers, approved by the Commission, from other organised services also. The Ministry were also advised to impress upon the CMD the necessity of taking over the functions of CVO by him till a regular CVO is appointed, with the assistance of the officer working as ad hoc CVO.

In March, 1989, the Ministry of Defence had proposed the names of two officers for the posts of CVOs in two Defence Shipyards viz. Mazagon Dock Ltd and Garden Reach Shipbuilders and Engineers Ltd. The Commission approved their names pointing out, however, that one of them was attaining the age of 58 years in May, 1989 and the other in July, 1989 and that if the retirement age in their case was 58 years, there will be no advantage in selecting/appointing them. Later, it was intimated by the Ministry of Defence that the Department of Personnel & Training had also not agreed to their appointment in view of their impending retirement and that they had instead recommended the names of two IPS officers, who were not found suitable. Thus, it would be observed that neither the post of CVO has been filled up for about six years, nor another
panel has been sent to the Commission for its consideration. The CMD has also not taken over the functions of CVO as suggested by the Commission.

(c) MINERAL EXPLORATION CORPORATION:

The Department of Mines took a view that the CVO in Mineral Exploration Corporation should be a whole-time officer taken on deputation from All India Services or Central Services. For that purpose, they furnished a panel of names of three officers belonging to Indian Police Service for the Commission's consideration. The Commission's approval for appointment for one of them as CVO was conveyed in July, 1986. The State Government of Madhya Pradesh, to whose cadre the officer belonged, however, did not relieve him. A fresh panel of names for the Commission's consideration is still awaited, and the functions of the CVO continues to be performed by the Company Secretary in addition to his own duties.

(p) NATIONAL JUTE MANUFACTURES CORPORATION LTD:

In December, 1982, the Ministry of Commerce sought the Commission's approval for the appointment of a retired Inspector General of Police as Chief Vigilance Officer in National Jute Manufactures Corporation Ltd. (NJMC) against a newly created post. The Commission however asked for a panel of names as per the prescribed procedure. On receipt of a panel of names in December, 1984, the Commission's approval was conveyed in April, 1985. In December, 1985, it was, however, reported that the said officer was not available for appointment as CVO in NJMC. On receipt of a panel of names of IPS officers from the Establishment Officer, the Commission approved the names of three IPS officers for this post in February, 1986. Perhaps, they were not even considered. In November, 1986, the Ministry recommended the name of another IPS officer for the post, who, however, was not approved by the Commission. The name of another officer was recommended in January, 1987, and the Commission's approval was conveyed in February, 1987. The State Government to whose cadre the officer belonged issued an order in May, 1987, placing the services of the officer at the disposal of the Centre for this assignment. But later, the order was cancelled by the State Government in September, 1987. Another panel is yet awaited.
Oil India Ltd. became a public sector enterprise with effect from 14.10.1981. The matter regarding appointment of CVO in this company is being pursued since April/May, 1983. In August, 1984, the Department of Petroleum furnished a panel of names of three IPS officers and the Commission approved the name of one of them. The State Government, to whose cadre the officer belonged, however, was not willing to spare the services of the officer. In September, 1986, the Ministry of Petroleum & Natural Gas recommended the name of another IPS officer and the Commission approved this proposal. It was later intimated that the officer had joined the Ministry of Home Affairs. In June, 1987, the Ministry furnished a fresh panel of three names to the Commission and the Commission approved the names of two officers leaving it to the Ministry to appoint either of them. The Ministry sent the offer for appointment to one of them in September, 1987, but he did not join. In September, 1988, the DOPT recommended the name of another IPS officer. The Commission however asked for a panel of names as per the prescribed procedure. In December, 1988, the DOPT stated that they have no further name to suggest for the said post except the officer already recommended. As such the Commission approved the name of that officer. The Government's approval to the appointment of that officer was conveyed to the undertaking in February, 1989, but he was also not appointed. In June, 1990, the Commission concurred in the proposal that the charge of CVO may be entrusted to the Director (Exploration & Development) as an additional charge, on temporary basis, and that they may take quick action to appoint a regular CVO expeditiously. The proposal in this regard, however, has not been sent to the Commission so far. Thus it would be seen that no regular CVO has been appointed in this large undertaking since its inception in 1981.

Projects & Equipment Corporation of India Ltd:

In February, 1984, the Ministry of Commerce recommended the names of two officers, for the post of CVO in Projects & Equipment Corporation of India Ltd. (PEC) and the Commission's approval was conveyed for one of them in July, 1984. In August, 1985, it was intimated that the Minister had not approved the appointment of that officer as early as August, 1984. Another panel was furnished by the DOPT and the Commission's approval was conveyed for appointment of one of them. The Ministry, however, requested for
reconsideration by the Commission for another officer in the panel. This was agreed to by the Commission in November, 1986. The ACC approved the proposal in February, 1987. The officer, however, was not willing to join. In February, 1988, the Ministry selected an IPS officer, duly approved by the Commission, but he did not join. In March, 1989, the Ministry selected another officer from the panel approved by the Commission for the posts of CVOs. He has also did not join. In November, 1989, the Ministry of Commerce furnished a fresh panel of names of three officers for the Commission's consideration and the Commission's approval was conveyed for one of them. Later, however, it was reported that services of that officer were not available for this post. Fresh proposal is still awaited. Thus, in this undertaking, the post of CVO has not been filled up on regular basis for the last seven years.

(s)
SMITH STANISTREET PHARMACEUTICALS LTD:

The Commission has been pursuing the question of appointment of a regular Chief Vigilance Officer in Smith Stanistreet Pharmaceuticals Ltd. (SSPL) since February, 1980, without any positive response. The different functionaries of the undertaking were being designated by the management as ad hoc Chief Vigilance Officers from time to time resulting in poor attention to vigilance work in the organisation. In September, 1985, a panel of two names was furnished to the Commission for consideration with the CRs for one year only. The Commission approved the name of one of them provisionally and asked for complete CR dossiers which were not furnished. In June, 1986, the Commission pointed out to the Department of Chemicals and Petrochemicals the deficiencies in the vigilance work of the organisation and emphasised the need for a thorough reorganisation of the vigilance unit of SSPL, preferably with an outsider as the CVO and desired them to take quick steps for the purpose. It was only in September, 1989, that the Department of Chemicals and Petrochemicals stated that the financial position of the SSPL was quite poor; it was one of the sick public sector pharmaceutical companies, and that it had been decided that the Company Secretary who was already working as CVO, in addition to his own duties, should continue to do so, and sought Commission's concurrence to this arrangement. The Commission, however, did not agree to this arrangement on the ground that a Company Secretary had many other routine day-to-day duties to perform and was also comparatively a junior officer who may not be able to pull his weight vis-a-vis senior
executives of an undertaking. The Commission, therefore, suggested that even though a full-time CVO may not be appointed for the present, a senior level executive of the undertaking should be entrusted with the duties of CVO, with prior approval of the Commission, and that such officer should perform functions of CVO directly under the Chief Executive. The proposal in this regard, however, has not been received for the Commission's concurrence so far, although more than a year has passed.

(t) TRADE DEVELOPMENT AUTHORITY:

The post of CVO in Trade Development Authority fell vacant in September, 1986, on account of retirement of the incumbent of the post. After 15 months, the Ministry of Commerce sent the proposal recommending that the Secretary of the Ministry may be allowed to function as CVO in addition to his other normal work. The Commission, however, asked for a panel of names of three officers for its consideration, as per the prescribed procedure for appointment of CVOs. After a period of about three years, in August, 1990, the Ministry of Commerce recommended the names of three officers, belonging to Trade Development Authority for the post, as an interim arrangement, until such time an officer is appointed as Secretary in the authority. The Commission, however, informed the Ministry that it would prefer an outsider to be the CVO in the organisation and that a panel of names of such officers may be furnished to the Commission. Such panel is awaited.

(u) TRIVENI STRUCTURALS LTD:

It has repeatedly been reported in the Commission's Annual Reports that the Commission had undertaken a review of the vigilance activity in Triveni Structurals Ltd. and observed that there was no worthwhile vigilance activity in the undertaking. The Commission, therefore, advised the administrative Department in July, 1983 to appoint an outsider as full-time Chief Vigilance Officer in the company in place of the CVO then functioning. In March, 1984, the Department had recommended the name of an IPS officer which was approved by the Commission. Later, it was intimated that the services of that officer were not available, and therefore a panel comprising of two names was furnished for the Commission's consideration. The Commission approved the name of one of them, but the services of that officer too were reported to be not available for this purpose. The Commission, therefore, advised the Department to widen their choice to Central
Services also and not to confine to All India Services only. A panel of three names was furnished in May, 1985. The Commission's approval was conveyed for one of them. But regrettably the services of this officer were also stated to be not available for the purpose. The acting Chief Vigilance Officer was also reported to have resigned. Though the management need to give urgent attention to staffing of vigilance posts for meaningful vigilance work, no progress has been made in this regard for years together.

7.10 TRAINING:

The Commission also laid emphasis on the training of Chief Vigilance Officers and other vigilance staff. The Commission itself organises training courses for Chief Vigilance Officers. Training for Presenting Officers and Inquiry Officers is arranged by the concerned Organisations. The Commission however provides assistance for the proper organisation/running of these courses by, inter alia, suggesting suitable curriculum, names of speakers and provision of faculty, etc. During 1990, four training courses for CVOs were held by the Commission in which 71 CVOs participated. The Commission also deputed as faculty members its officers in 53 vigilance training courses organised by various Organisations to give talks on 78 occasions on different aspects of vigilance work.

7.11 BULLETINS:

In order to keep the Chief Vigilance Officers etc. aware about the instructions/procedures to be followed in vigilance cases, the Commission also brings out bulletins. These contain, inter alia, summaries of important judicial decisions and important circulars relevant to vigilance work. During the year, two bulletins were brought out.
CHAPTER 8

NEED TO CUT DOWN DELAYS IN VIGILANCE MATTERS

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8.1 The Commission feels concerned about the avoidable delays in various aspects of vigilance cases, namely, investigation of complaints, appointment of Commissioners for Departmental Inquiries, implementation of Commission's advice, processing of vigilance cases etc. Such delays, apart from being undesirable from the administrative point of view, also tend to demoralise the officials against whom cases are contemplated. It is, therefore, imperative that the organisations should evolve an effective monitoring system aimed at expediting vigilance cases at all stages, from investigation to the final action. In its earlier reports, the Commission has had occasions to emphasise the desirability of taking prompt action in vigilance matters. However, avoidable delays persist and sincere efforts are required to be made to ensure that delays in vigilance matters are considerably cut down.

8.2 Some of the instances involving delays which the Commission has come across are given in the subsequent paragraphs.

8.3 DELAY IN INVESTIGATION OF COMPLAINTS:

The Commission has observed that considerable delay occurs in investigation of complaints by some of the Departments/organisations. Normally, it is expected that Chief Vigilance Officers will be able to complete an investigation within three months. It is, however, observed that out of the complaints forwarded by the Central Vigilance Commission to the Central Bureau of Investigation/Departments upto June, 1990, investigation reports on 757 complaints had not been received in the Commission by the end of the year 1990. Out of these, investigation reports on 259 complaints were pending for more than 3 years and reports on 311 complaints were pending for periods ranging 1-3 years. Organisation-wise break up of these cases is given below:-
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<tr>
<td>71. INDIAN TELEPHONE INDUSTRIES</td>
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</tr>
<tr>
<td>72. INDIA TOURISM DEVELOPMENT CORPN.</td>
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<tr>
<td>73. KENDRIYA VIDyalaya BAMANATHAN</td>
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<tr>
<td>74. KSHAB AND VILLAGE INDUSTRIES COMMISSION</td>
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<tr>
<td>75. KSEB</td>
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<tr>
<td>76. LIFE INSURANCE CORPN.</td>
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<tr>
<td>77. MAFI DNOG LTD.</td>
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<td>78. MINISTRY OF COMMERCE</td>
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</tr>
<tr>
<td>82. MINISTRY OF FINANCE (BANKING DIVISION)</td>
<td>3</td>
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<td>83. MINISTRY OF FINANCE (INSURANCE DIVISION)</td>
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<td>84. MINISTRY OF HEALTH AND FAMILY WELFARE</td>
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<td>86. MINISTRY OF INFORMATION AND BROADCASTING</td>
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<td>88. MINISTRY OF SCIENCE AND TECHNOLOGY</td>
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<td>89. MINISTRY OF URBAN DEVELOPMENT</td>
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<td>91. MINING AND ALLIED MACHINERY CORPN.</td>
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<tr>
<td>92. MUNICIPAL CORPN. OF DELHI</td>
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<td>93. NABARD</td>
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<td>94. NATIONAL BUILDINGS CONSTRUCTION CORPN.</td>
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<td>96. NATIONAL HYDROELECTRIC POWER CORPN.</td>
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<td>97. NATIONAL INSURANCE CO.</td>
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<td>6</td>
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<td>98. NATIONAL SEEDS CORPN.</td>
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<td>99. NATIONAL THERMAL POWER CORPN.</td>
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<td>101. NEW BANK OF INDIA</td>
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</tr>
<tr>
<td>102. NEW DELHI MUNICIPAL COMMITTEE</td>
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<td>3</td>
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<tr>
<td>103. NEW INDIA ASSURANCE CO.</td>
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<tr>
<td>104. NEW MANGALORE PORT TRUST</td>
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<td>105. NEVVELI LIGNITE CORPN.</td>
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<tr>
<td>106. OIL AND NATURAL GAS COMMISSION</td>
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<td></td>
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<tr>
<td>107. ORIENTAL INSURANCE CO.</td>
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<tr>
<td>108. PLANNING COMMISSION</td>
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<tr>
<td>109. PUNJAB &amp; SIND BANK</td>
<td>3</td>
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<td>1</td>
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<tr>
<td>110. PYRITES &amp; PHOSPHATES CO. LTD.</td>
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<td>111. RAILWAYS</td>
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<td>15</td>
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<td>112. RASHTRIYA CHEMICALS AND FERTILISERS LTD.</td>
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<td>113. RESERVE BANK OF INDIA</td>
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<td>114. STATE BANK OF INDIA</td>
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<tr>
<td>115. STATE BANK OF INDORE</td>
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<td></td>
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<td>116. STEEL AUTHORITY OF INDIA LIMITED</td>
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<td></td>
<td></td>
<td>1</td>
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<tr>
<td>117. SYNDICATE BANK</td>
<td>5</td>
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<td>1</td>
<td></td>
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<tr>
<td>118. UCO BANK</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>119. UNITED INDIA INSURANCE COMPANY</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

**Total** | 187 | 311 | 259 |   |
3.4 DELAY IN APPOINTMENT OF COMMISSIONERS FOR DEPARTMENTAL INQUIRIES (CDI):

After receipt of the advice of the Central Vigilance Commission for initiation of major penalty action against a public servant in any case, the disciplinary authority issues a charge-sheet to the concerned public servant directing him to submit his written statement of defence within a specified period (normally 10 days) and also to state whether he desires to be heard in person. If the charged officer admits the charges, the disciplinary authority records its finding on each charge and after obtaining the Commission's second stage advice, takes a further action for imposition of a penalty. In case the charged officer denies the charges, normally an oral inquiry by a CDI nominated by the Commission is held. The instructions issued by the Department of Personnel & Training are that the charge-sheet should be issued within one month of the receipt of CVC's advice and that the Inquiry Officer should be appointed, if necessary, immediately after the receipt of written statement of defence denying the charges. As such, it should be possible to appoint the CDI nominated by the Commission as Inquiry Officer within two months of the receipt of CVC's advice. However, at the end of the year under report, there were 177 cases more than 3 months old in which the disciplinary authorities had not issued orders appointing the CDIs as Inquiry Officers. Of these, 114 were more than one year old. Organisation-wise break-up of these cases of delay in appointing CDIs is given below:

<table>
<thead>
<tr>
<th>S.NO.</th>
<th>ORGANISATION</th>
<th>NO. OF PENDING NOMINATIONS</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>MORE THAN 3</td>
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<tr>
<td></td>
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<td>MONTHS BUT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LESS THAN</td>
</tr>
<tr>
<td>-------</td>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>1.</td>
<td>ANDHRA BANK</td>
<td>1</td>
</tr>
<tr>
<td>2.</td>
<td>BANK OF BARODA</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>BANK OF MAHARASHTRA</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>BANKING DIVISION</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>BHARAT EARTH MOVERS LTD.</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>BOMBAY PORT TRUST</td>
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<tr>
<td>7.</td>
<td>CEMENT CORPN. OF INDIA</td>
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</tr>
<tr>
<td>8.</td>
<td>CENTRAL BOARD OF DIRECT TAXES</td>
<td>5</td>
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166
<p>| | | | |</p>
<table>
<thead>
<tr>
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</thead>
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<tr>
<td>9.</td>
<td>CENTRAL BOARD OF EXCISE AND CUSTOMS</td>
<td>3</td>
<td>8</td>
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<tr>
<td>10.</td>
<td>CENTRAL BOARD OF FILM CERTIFICATION</td>
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<tr>
<td>11.</td>
<td>CENTRAL SILK BOARD</td>
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<tr>
<td>12.</td>
<td>CHANDIGARH ADMIN.</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>13.</td>
<td>COAL INDIA LTD.</td>
<td>-</td>
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</tr>
<tr>
<td>14.</td>
<td>DELHI ADMIN.</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>15.</td>
<td>D.D.A.</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>16.</td>
<td>D.E.S.U.</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>17.</td>
<td>D.T.C.</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>18.</td>
<td>DENA BANK</td>
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<tr>
<td>19.</td>
<td>DEPTT. OF CIVIL AVIATION</td>
<td>-</td>
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<tr>
<td>20.</td>
<td>DEPTT. OF INDUSTRIAL DEVELOPMENT</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>21.</td>
<td>DEPTT. OF MINES</td>
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<td>1</td>
</tr>
<tr>
<td>22.</td>
<td>DEPTT. OF POSTS</td>
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<td>1</td>
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<tr>
<td>23.</td>
<td>DEPTT. OF POWER</td>
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<td>1</td>
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<tr>
<td>24.</td>
<td>DEPTT. OF SUPPLY</td>
<td>-</td>
<td>-</td>
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<tr>
<td>25.</td>
<td>DEPTT. OF TELECOMMUNICATIONS</td>
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<td>3</td>
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<tr>
<td>26.</td>
<td>DEPTT. OF TOURISM</td>
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<tr>
<td>27.</td>
<td>DREDGING CORPN. OF INDIA</td>
<td>-</td>
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<tr>
<td>28.</td>
<td>EXPORT INSPECTION AGENCY</td>
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<tr>
<td>29.</td>
<td>FOOD CORPN. OF INDIA</td>
<td>-</td>
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<tr>
<td>30.</td>
<td>GOVT. OF ARUNACHAL PRADESH</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>31.</td>
<td>GOVT. OF GOA</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>32.</td>
<td>INDIAN AIRLINES</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>33.</td>
<td>INDIAN OVERSEAS BANK</td>
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<td>1</td>
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<tr>
<td>34.</td>
<td>KENDRIYA VIDYALA SANGATHAN</td>
<td>-</td>
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<tr>
<td>35.</td>
<td>METALLURGICAL AND ENGG. CONSULTANTS (I) LTD.</td>
<td>-</td>
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<tr>
<td>36.</td>
<td>MINISTRY OF DEFENCE</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>37.</td>
<td>MINISTRY OF HOME AFFAIRS</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>38.</td>
<td>MINISTRY OF SURFACE TRANSPORT</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>39.</td>
<td>MINISTRY OF URBAN DEVELOPMENT</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>40.</td>
<td>MINISTRY OF WELFARE</td>
<td>1</td>
<td>-</td>
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<tr>
<td>41.</td>
<td>M.C.D.</td>
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<td>10</td>
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<td>42.</td>
<td>NATIONAL INSTT. OF PUBLIC COOPERATION AND CHILD DEVELOPMENT</td>
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<td>43.</td>
<td>NATIONAL PROJECTS CONSTRUCTION CORPN.LTD.</td>
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</tbody>
</table>
8.4.2 After appointing the CDI as Inquiry Officer, the disciplinary authority is expected to forward to him the relevant documents, such as copies of the charge sheet, reply of the Charged Officer, the order appointing Presenting Officer and the relied upon documents for further action. However, at the end of the year under report, there were 34 cases, more than three months old, in which the disciplinary authorities did not furnish the relevant documents to the concerned CDIs. Of these, 21 were pending for more than a year. Organisation-wise break up of these cases is given below:

<table>
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<th>S. No.</th>
<th>Organisation</th>
<th>Pending for Receipt of Documents</th>
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<td></td>
<td></td>
<td>For More Than 3 Months But Less Than A Year</td>
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<tr>
<td>1</td>
<td>ANDHRA BANK</td>
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<tr>
<td>2</td>
<td>DIRECT BOARD OF DIRECT TAXES</td>
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</table>

TOTAL: 63

8. No. = 63

118
3. CENTRAL BOARD OF EXCISE & CUSTOMS
4. CENTRAL SILK BOARD
5. COAL INDIA LTD.
6. DADRA, NAGAR, HAVELI ADMIN.
7. DELHI ADMIN.
8. D.D.A.
9. D.E.S.U.
10. DEPTT. OF TELECOMMUNICATIONS
11. GOVT. OF ARUNACHAL PRADSH
12. GOVT. OF GOA
13. INCOME TAX APPELLATE TRIBUNAL
14. MINISTRY OF HOME AFFAIRS
15. M.C.D.
16. RAILWAYS
17. STATE BANK OF BIKANER AND JAIPUR
18. STATE BANK OF INDIA

TOTAL 13

8.4.3 Apart of the cases mentioned in paras 8.4.1 and 8.4.2, there are other cases also in which the Commission has advised the concerned departments to initiate major penalty proceedings against the officers involved and to approach the Commission for nomination of CBI's if the charged officers, in reply to the charges, deny the charges, and if it becomes necessary to hold inquiries. The number of such cases in which the response from the departments, was awaited at the end of the year was 270. It included as many as 124 cases pending for more than six months. Organisation-wise distribution of these cases is given below:

<table>
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<tr>
<th>S. No.</th>
<th>ORGANISATION</th>
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<td>1.</td>
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<tr>
<td>2.</td>
<td>CALCUTTA POST TRUST</td>
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<td>3.</td>
<td>CENTRAL BOARD OF DIRECT TAX</td>
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<tr>
<td>4.</td>
<td>CENTRAL BOARD OF EXCISE &amp; CUSTOMS</td>
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<td>5.</td>
<td>CENTRAL PROVIDENT FUND COMMISSIONER</td>
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<td>6.</td>
<td>COAL INDIA LTD.</td>
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</table>
8.5 **DELAY IN IMPLEMENTATION OF COMMISSION'S ADVICE:**

The Commission notes with concern that the disciplinary authorities have not been prompt in implementing its advice in many cases. Although the disciplinary authorities are expected to issue charge sheets within one month of the receipt of CVC's first stage advice, and to take final decision within two months of the receipt of CVC's second stage advice, yet, there are as many as 782 cases pending for over 6 months.
for implementation of the 1st stage advice and 202 cases pending over 6 months for implementation of 2nd stage advice. Organisation-wise break-up of these cases is given below:

<table>
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<tr>
<th>S. NO.</th>
<th>ORGANISATION</th>
<th>NO. OF CASES PENDING</th>
<th>IMPLEMENTATION OF CVC'S ADVICE FOR MORE THAN SIX MONTHS</th>
<th>1ST STAGE</th>
<th>2ND STAGE</th>
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<td>ANDAMAN &amp; NICOBAR ADMN.</td>
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</tr>
<tr>
<td>3.</td>
<td>ANDHRA BANK</td>
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<td>-</td>
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<td>-</td>
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<tr>
<td>4.</td>
<td>BANK OF BARODA</td>
<td>9</td>
<td>-</td>
<td>-</td>
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<tr>
<td>5.</td>
<td>BANK OF INDIA</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>6.</td>
<td>BANKING DIVISION</td>
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<td>7.</td>
<td>BANK OF MAHARASHTRA</td>
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<td>8.</td>
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<td>9.</td>
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<td>BHARAT DYNAMICS LTD.</td>
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<td>BOMBAY PORT TRUST</td>
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<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>12.</td>
<td>CABINET SECRETARIAT</td>
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8.6 **DELAY IN PROCESSING OF VIGILANCE CASES:**

The following are some illustrative cases of delay on the part of authorities concerned in processing vigilance matters:

(a) **CENTRAL BOARD OF EXCISE AND CUSTOMS:**

In January 1989 the Central Board of Excise and Customs (CBEC) sought the Commission's advice for initiating major penalty proceedings against a Supdt. of Central Excise, on the allegations that he failed to satisfactorily account for certain smuggled goods seized/recovered during search operations. On scrutiny of the records, it was observed that on completion of the investigation, the concerned Collector of Customs and Central Excise had forwarded the matter to the CBEC in December 1986 and that the CBEC in December, 1986 had thereafter taken more than two years to refer the case to the Commission for advice. The Commission could find no justifiable reasons to explain this delay on the part of CBEC.

While endorsing the Department's recommendation for initiation of major penalty proceedings, the Commission drew their attention to the inordinate delay in processing the case. The Department wrote back to the Commission giving a chronological account of the progress/processing of the case, which however did not convince the Commission. The only point which emerged from the Department's version was that the Collector's report recommending disciplinary action against the officer was sent to them in August, 1987 and not in December, 1986. But even then, in the Commission's view, the Department should not have taken 17 months to refer the case to the Commission for advice.

(b) **CENTRAL BOARD OF EXCISE & CUSTOMS:**

The Central Board of Excise and Customs (CBEC) referred a case to the Commission, in January,
1990, involving certain officials of the Calcutta Customs. The basic allegation against the officers was that they had caused undue favours/benefits to certain private importers of steel items through various acts of omission and commission and had, in the process, caused loss to the Department. On scrutiny of the case records, it was noticed by the Commission that the incidents forming the basis of the case related to 1982-84 and thus, there was undue delay on the part of the Department in processing/following up the case and in seeking the Commission's advice. Another point noticed was that the Customs Collector had made investigation into the case in 1986 and had sent his proposal for initiating disciplinary proceedings against the main accused to the CBEC in September, 1986 or there about. However, the Department decided to examine the role/involvement of the other officers connected with the impugned transactions and, in doing so, they took more than 3 more years. It was however observed by the Commission that despite this inordinate delay in processing the case and referring it to the Commission, the investigation was still incomplete. It is a matter of common experience that in cases of this sort, oral evidence is as important as documentary evidence but unlike in the case of documentary evidence, oral evidence tends to wither away with the passage of time and there is a real possibility of even prima facie strong cases getting diluted in the process. The Commission has, therefore, all along been emphasising the need to process such cases expeditiously and with the least possible delay. While it was all right for the Department to get further investigations made into the case with a view to assessing the degree of involvement/culpability of the other officials connected with the transactions, it surely should not have and need not have taken the Department more than 3 years to complete this exercise.

While advising disciplinary proceedings against the concerned officials on 26.2.1990, the Commission brought the delay aspect to the notice of the Department. However, the Department took about seven months in issuing charge sheets to the concerned officers.

(c) DEPARTMENT OF TELECOMMUNICATIONS:

On the basis of a CBI investigation which pinpointed responsibility of a Junior Engineer and a Divisional Engineer of the Department of Telecommunications for awarding the contract of Civil work of a building twice, and thus, causing loss to the
Government, Commission, in January, 1988, advised major penalty proceedings against the Junior Engineer for his direct involvement, and minor penalty proceedings against the Divisional Engineer for lack of supervision. After about 2 and 1/2 years, Department proposed reconsideration of the Commission's advice, informing it that the Divisional Engineer had retired in May, 1990 and that as a minor penalty would not be effective at this stage, case against him may be dropped. Commission, however, noted that despite knowledge that the officer was due for retirement, the Department showed no urgency in finalising the proceedings before the officer retired. Department's explanation for the delay was that the related documents were in the custody of the CBI who did not make them available to the Disciplinary Authority in time for examination of the charged officer's reply. This is not tenable as firstly there was delay in the issue of charge sheet itself which took 8 months from the date of Commission's advice, and secondly, the charged officer was allowed as long a period as 15 months to give a reply to the charge sheet, whereas normally only 10 days' time is required to be given. Thirdly, the Department could take up the matter regarding non-availability of documents with the CBI at higher level. Further, the documents had been received in the Department on 8.5.1990, and thus, ample time was available to the Department till 30.5.1990 for taking a decision when the charged officer retired. Commission has advised the Department to fix responsibility for rendering the minor penalty proceedings infructuous.

(d) DEPARTMENT OF TELECOMMUNICATIONS:

In June, 1985, Commission advised initiation of minor penalty proceedings against a Divisional Engineer of the Department of Telecommunications for orally instructing the Assistant Engineers working under him to advance heavy amounts to a Junior Engineer, even when it was brought to his notice that the Junior Engineer had misutilised the advances, and also allowed him to pass bills in the capacity of an Assistant Engineer. Commission is concerned to note that it was only in September, 1990, that the Department issued instructions for initiation of minor penalty proceedings against him. Thus no action was taken on the Commission's advice for more than five years. Meanwhile the officer was promoted as Assistant General Manager.
ENFORCEMENT DIRECTORATE:

A businessman of Allahabad made a complaint in June, 1988, alleging that two officers of the Enforcement Directorate, Varanasi, extorted a bribe of Rs.20000 from him, under threat, during the course of a search conducted by them in the office and residential premises of the complainant on 28.3.88. Preliminary investigations made into the complaint showed that the allegation was prima facie true and, consequently, the two officers were placed under suspension in July, 1988. However, instead of referring the case to the Commission at this stage, the Department took up the matter with the CBI. The CBI replied to the Department in January, 1989, saying that the evidence on record was not adequate to make out a case under the Prevention of Corruption Act and that the Department may take such action as deemed fit against the suspect officials, at the departmental level, on the basis of available material. It was, however, only in December, 1989, that the Department approached the Commission for its advice in the matter proposing initiation of major penalty proceedings against the two officials. While agreeing to the Department's proposals, the Commission was distressed to note the undue delay in processing the case and in seeking Commission's advice. In the Commission's view, the Department should have referred the case to the Commission immediately after the preliminary investigation into the complaint was over and after the two officials had been placed under suspension. Not only that, but the department took almost an year in referring the case to the Commission even after receipt of the CBI's reply in January, 1989. Though the Department attempted, subsequently, to explain and justify this delay, the Commission found the explanation to be unconvincing and unsatisfactory. In fact, one of the points mentioned by the Department in this connection was that delay occurred in the process of ascertaining the "status" of the officials concerned - i.e. whether they were gazetted officers or non-gazetted. It was inconceivable when the identity and designations of the officers were already on record.

INCOME TAX:

In September, 1990, the Central Board of Direct Taxes (CBDT) sought the Commission's advice in a case involving an Income Tax Officer (ITO) and a Deputy Commissioner of Income Tax (DCIT). The basic allegation in the case was that an amount of Rs.16 lakhs approx. was deleted, for the purpose of assessment of income tax, from the income of a private trader unjustifiably
and without reason, thus bestowing undue favour on the private party in the matter of assessment of income tax with corresponding loss of tax/revenue to the exchequer.

The Commission was dismayed to note that the case had its origin in a complaint, received by the Department in October, 1983, and that the impugned transaction related to the assessment year 1980-81. Thus, it took the Department about 7 years to process the case and to report it to the Commission. It was also seen that the ITO concerned had retired from service on 30.6.86 and therefore, no action was possible against him even under the Pension Rules as the impugned incident was more than four years old. Thus, there was no option but to close the case against the ITO eventhough, as per the Department's own assessment, it was distortion of facts etc. which resulted in an amount of Rs.16 lakhs being exempted from the taxable income of the private party. This situation would have been avoided if the complaint in question, received in October, 1983, was investigated within a reasonable time limit. Thus, in short, on account of the inexorable delay on the part of the Department in investigating the complaint and processing the case, an officer, who was prima facie guilty of grave misdemeanour, was allowed to go scot free.

(g) MINISTRY OF URBAN DEVELOPMENT:

In July, 1986, a complaint containing certain allegations against a Chief Engineer (Food Zone), CPWD, was sent to the Ministry of Urban Development for a factual report. The Ministry of Urban Development informed the Commission in May, 1987 that they were not investigating the matter as the CBI had taken up the case for investigation. Thereafter, the Commission did not receive any report either from the CBI or from the Ministry till, on 31.1.1990, the day on which the official complained against was due to superannuate, the Ministry of Urban Development referred their investigation report to the Commission for advice. The Ministry of Urban Development thus took about 3 and 1/2 years to respond to the Commission's call for a report.

(h) MINISTRY OF URBAN DEVELOPMENT:

The Commission had advised, in August, 1988, institution of minor penalty proceedings against a Deputy Director (Hort.) CPWD for certain irregularities in the execution of horticultural works at Hyderabad involving -
(a) digging of holes for planting trees and shrubs and also filling them with good earth and manure;

(b) purchase of tools like phawras, pick-axes, sprayers etc.; and

(c) painting of tree-guards.

In these works, the rates at which works orders were given or purchases were made were found to be exorbitant and having no relation with contemporary market-trends. The cost of certain work-items was manipulated to keep it within the Dy. Director's financial power. Proper account of paint issued and consumed was not maintained.

In May, 1989, the Ministry of Urban Development issued the charge sheet to Dy. Director who replied to the same in June, 1989. The CPWD/Ministry of Urban Development took nearly one year to process the reply of the charged officer and on 2.7.1990 a tentative view for imposing a minor penalty was taken with the approval of the Minister. The UPSC's advice was received on 19.9.1990. However, by the time the Ministry could pass final orders of punishment, the Deputy Director retired on 30.9.1990. No penal action was possible thereafter under the pension rules as the case initiated was for a minor penalty only. The department handled this case in a very lethargic manner with the result that the guilty official escaped punishment.

(i) PUNJAB & SIND BANK:

During, 1987, the investigations made by Punjab and Sind Bank revealed that the Manager of one of their Branches in Delhi Region, had granted huge advances to the extent of Rs.1.70 crores, irregularly, under different heads, in violation of the rules, thus putting the bank's funds in jeopardy. This Manager had also left India without permission. Major penalty proceedings were initiated against the Manager and on conclusion of the proceedings, he was dismissed from service. The investigations also revealed that the Regional Manager had failed in his control and supervisory duties in as much as he failed to carefully examine the increases in the advances on the said Branch. When called upon to explain, the Regional Manager gave his explanation in his letter dated 10.8.1987. Though the Bank held his explanation as unsatisfactory, they made a reference to the Commission recommending initiation of minor penalty proceedings against the Regional Manager in May, 1989. When the
Commission called for the reasons for this abnormal delay, the Bank took more than a year to give their reasons which do not satisfactorily explain the abnormal delay. The Bank, in the process, took more than three years to finalise a simple case involving supervisory lapses.

8.7 GENERAL OBSERVATIONS:

8.7.1 Delay in finalisation of disciplinary proceedings is neither in the interest of the Department nor in the interest of the employee facing such proceedings. While, on one hand, the departments are bound to keep a dishonest and unwanted employee on its roll, the honest employee, on the other hand, also feels demoralised and does not take the initiative in his duties in future. The Government have therefore laid down instructions for expeditious finalisation of disciplinary cases. According to these instructions, it should be possible for the departments to issue charge sheets within three months of the receipt of investigation report, to issue orders for the appointment of the Inquiry Officer and the Presenting Officer immediately after it is decided to hold an inquiry, and to complete the oral inquiry within six months thereafter. If the time-limits prescribed by the Government are adhered to by the departments, it should be possible to take a final decision on a disciplinary case in about a year's time after receipt of investigation report. But it is not so, as it would be observed from the preceding paragraphs that a lot of time is taken by the departments in implementing the Commission's first stage and second stage advice, and also in appointment of Inquiry Officers.

8.7.2 Delay in investigation is also one of the matters causing concern to the Commission. Conduct, Discipline and Appeal Rules of many organisations do not provide for continuance of disciplinary proceedings after retirement of the employees for the purpose of withholding gratuity and, therefore, the departmental proceedings initiated against them will have to be concluded before they retire. It is, therefore, essential that investigation should be done as expeditiously as possible, particularly in the cases involving officers who are about to retire.
**ANNEXURE I.1**

******************************************************************************
WORK DONE BY CHIEF VIGILANCE OFFICERS DURING THE PERIOD 01-01-1980 TO 31-12-1980
******************************************************************************

(Para 7.8.1)

(1) Col. 2 indicates the ministry including departments & public sector undertakings attached to it, except when such departments/public sector undertakings are indicated separately.

(2) F.D. = For Disposal; (3) D = Disposed off; (4) Inv. = Investigation; (5) Inq. = Inquiry; (6) Bpt. = Report

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ANNEXURE I.2
(Para 7.7.1)

N.B. 1 : NO FIGURES HAVE BEEN INCLUDED IN RESPECT OF THE FOLLOWING DEPARTMENTS FOR WANT OF RECEIPT/REconciliation OF FIGURES

1. INDIAN RARE EARTHS LTD
2. DEPTT. OF CHEMICALS & PETROCHEMICALS
3. BENGAL CHEMICALS & PHARMACEUTICALS LTD.
4. BENGAL IMMUNITY LTD
5. HINDUSTAN ANTIBIOTICS LTD
6. HINDUSTAN INSECTICIDES LTD
7. ORISSA DRUGS CHEMICALS LTD
8. U.P. DRUGS & PHARMACEUTICALS CO. LTD.
9. CENTRAL INSTT. OF PLASTICS ENGG. & TECH
10. DEPTT. OF TELECOMMUNICATIONS
11. TELECOMMUNICATION CONSULTANTS INDIA LTD.
12. MAHANAGAR TELEPHONE NIGAM LIMITED
13. MINISTRY OF TEXTILES
14. CENTRAL COTTAGE INDUSTRIES CORPN. OF INDIA LTD.
15. COTTON CORPORATION OF INDIA
16. EXPORTS CREDIT GUARANTEE CORPN
17. TEXTILES COMMITTEE
18. TOBACCO BOARD
19. TRADE DEVELOPMENT AUTHORITY
20. DEPTT. OF COAL
21. C. & A.G. OF INDIA
22. DEPTT. OF CULTURE
23. DEPTT. OF YOUTH AFFAIRS
24. NATIONAL BOOK TRUST, INDIA
25. ALIGARH MUSLIM UNIVERSITY
26. BAI BHAVAN SOCIETY
27. BOARD OF APPRENTICESHIP TRAINING, KANPUR
28. BOARD OF PRACTICAL TRAINING
29. CENTRAL INSTT. OF ENGLISH & FOREIGN LANGUAGES
30. DELHI PUBLIC LIBRARY
31. INDIAN COUNCIL OF HISTORICAL RESEARCH
32. INDIAN COUNCIL OF SOCIAL SCIENCE RESEARCH
33. INDIAN INSTT. OF MANAGEMENT, CALCUTTA
34. I.I.T., MADRAS
35. INDIAN MUSEUM
36. CENTRAL INSTT. OF HINDI
37. LAKSHMI BAI COLLEGE OF PHYSICAL EDUCATION
38. NATIONAL INSTITUTE OF FOUNDRY & FORGE TECHNOLOGY
39. NETAJI SUBHAS NATIONAL INSTT. OF SPORTS
40. RAJA RAM MOHAN ROY LIBRARY FOUNDATION
41. SANGEET NATAK AKADEMI
42. SPORTS AUTHORITY OF INDIA
43. CENTRAL INSTT. OF BUDDHIST STUDIES
44. TECHNICAL TEACHERS TEG. INSTT., BHOPAL.
45. TECHNICAL TEACHERS TEG. INSTT., CALCUTTA
46. I.I.T., NEW DELHI
47. CENTRAL BOARD OF SECONDARY EDUCATION
48. NEHRU YUVAK KENDRA SANGATHAN
49. I.I.T., AHMEDABAD
50. BANARAS HINDU UNIVERSITY
51. DEPTT. OF FERTILIZERS
52. PARADERP PHOSPHATES LTD
53. KRISHAK BHARAT COOPERATIVES LTD.
54. CHITTARANJAN NATIONAL CANCER RESEARCH CENTRE
55. DENTAL COUNCIL OF INDIA
56. MEDICAL COUNCIL OF INDIA
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1. COCONUT DEVELOPMENT BOARD
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3. HINDUSTAN ORGANIC CHEMICALS LTD
4. MINISTRY OF COMMERCE
5. MINISTRY OF DEFENCE
6. MINISTRY OF DEFENCE (FINANCE DIVISION)
7. RACHITRIYA SANSKRIT SANSTHAN
8. UNIVERSITY GRANTS COMMISSION
9. I.I.T., KHARAGPUR
10. HINDUSTAN LATEX LTD
11. MINISTRY OF PERSONNEL, P.G. & PENSIONS
12. MINISTRY OF INFORMATION & BROADCASTING
13. CHILDREN’S FILM SOCIETY, INDIA
14. GENERAL INSURANCE CORPN. OF INDIA LTD.
15. NATIONAL INSURANCE CO. LTD.
16. DEPTT. OF LABOUR
17. BHARAT PROCESS & MECHANICAL ENGINEERS LTD
18. NATIONAL INDUSTRIAL DEV. CORPN. LTD
19. NATIONAL INSTT. OF IMMUNOLOGY, NEW DELHI
20. TUTICORIN PORT TRUST
21. MINISTRY OF WATER RESOURCES
22. DELHI ADMINISTRATION
23. D.E.S.U.
24. ANDHRA BANK
25. BANK OF INDIA
26. STATE BANK OF INDORE
27. GOVT. OF PONDICHERRY
28. NATIONAL INSTT. FOR REHABILITATION TRAINING AND RESEARCH.

N.B. 2(b): FIGURES FOR THE FOLLOWING DEPARTMENTS ARE FOR A PERIOD OF TWO QUARTERS ONLY

1. BRITISH INDIA CORPORATION LTD.
2. INDIAN INSTT. OF MANAGEMENT, BANGALORE
3. DEPTT. OF ECONOMIC AFFAIRS (BANKING DIVISION)
4. BRAITHWAITE & CO. LTD.
5. DADRA & NAGAR HAVELI
6. DEPTT. OF ELECTRONICS
7. DEPTT. OF LEGAL AFFAIRS & LEGISLATIVE DEPARTMENT
8. A.Y.J. NATIONAL INSTT. FOR HEARING HANDICAPPED
9. INSTT. FOR PHYSICALLY HANDICAPPED

N.B. 2(c): FIGURES FOR THE FOLLOWING DEPARTMENTS ARE FOR A PERIOD OF ONE QUARTER ONLY

1. I.I.T., BOMBAY
2. EXTERNAL AFFAIRS
3. MINISTRY OF HEALTH & FAMILY WELFARE
4. INDIAN MEDICINES PHARMACEUTICALS CORPN. LTD
5. KHADI & VILLAGE INDUSTRIES COMMISSION
6. DEPTT. OF MINES
7. PETROFILS CO-OP LTD.
8. NATIONAL INSTT. OF RURAL DEVELOPMENT
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(A) MINISTRIES/DEPARTMENTS

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2. Department of Supply
3. Department of Culture
4. Department of Mines
5. Department of Industrial Development
6. Department of Power
7. Department of Public Enterprises
8. Department of Telecommunications
9. Department of Steel
10. Department of Food
11. Ministry of Health & Family Welfare

(B) PUBLIC SECTOR UNDERTAKINGS:

1. Hindustan Antibiotics Ltd.
2. Hindustan Insecticides Ltd.
3. International Airports Authority of India
4. British India Corporation Ltd.
5. Cotton Corporation of India Ltd.
6. Bengal Chemicals & Pharmaceuticals Ltd.
7. Bharat Wagon & Engineering Co.Ltd.
8. Bongaigaon Refineries & Petrochemicals Ltd.
10. Garden Reach Shipbuilders and Engineers Ltd.
11. Heavy Engineering Corporation Ltd.
12. Hindustan Fertilizers Corporation Ltd.
13. Hindustan Steelworks Construction Co.Ltd.
14. Mazagon Dock Ltd.
15. Oil India Ltd.
16. Projects & Equipment Corpn. of India Ltd.
17. Smith Stanistreet Pharmaceuticals Ltd.
18. Northern Coalfields Ltd.
19. Eastern Coalfields Ltd.
20. Trade Fair Authority of India Ltd.
21. Hindustan Zinc Ltd.
22. Hindustan Teleprinters Ltd.
23. IBP Balmer Lawrie Group of Companies
24. Mahanagar Telephone Nigam Ltd.
(C) **BANKS:**

1. Central Bank of India
2. Punjab National Bank
3. State Bank of Indore
4. State Bank of Mysore
5. State Bank of Patiala
6. State Bank of Travancore

(D) **OTHERS:**

1. Bombay Port Trust
2. Calcutta Port Trust
3. Cochin Port Trust
4. Delhi Transport Corpn. Ltd.
5. New Delhi Municipal Committee
6. Super Bazar
7. Staff Selection Commission
ANNEXURE - III
(Para 6.7.1)

LIST OF SOME ORGANISATIONS WHO DID NOT SEND QPR FOR TWO OR MORE QUARTERS:

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<td>26. TRIVENI STRUCTURALS</td>
<td>X</td>
</tr>
<tr>
<td>27. VISAKHAPATNAM STEEL PLANT</td>
<td>X</td>
</tr>
<tr>
<td>28. WHEEL &amp; AXLE PLANT (RLY.)</td>
<td>X</td>
</tr>
</tbody>
</table>

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ANNEXURE - IV
(Para 6.9)

YEARWISE BREAK UP OF CTES' COMPLAINTS PENDING FOR INVESTIGATION WITH CVOS:

(Only cases referred upto 1989 and Organisations with 5 or more cases are listed)

<table>
<thead>
<tr>
<th>S.NO.</th>
<th>ORGANISATION</th>
<th>NO. OF CASES REFERRED TO CVOS IN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>D.D.A.</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>DELHI ADMN.</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>C.P.W.D.</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>I.T.D.C.</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>M.C.D.</td>
<td>1</td>
</tr>
<tr>
<td>6.</td>
<td>N.D.M.C.</td>
<td>1</td>
</tr>
<tr>
<td>7.</td>
<td>N.T.P.C.</td>
<td>-</td>
</tr>
<tr>
<td>8.</td>
<td>GOVT. OF GOA</td>
<td>-</td>
</tr>
<tr>
<td>9.</td>
<td>I.A.A.I.</td>
<td>-</td>
</tr>
<tr>
<td>10.</td>
<td>DEPTT. OF PUBLIC ENTERPRISES</td>
<td>-</td>
</tr>
<tr>
<td>11.</td>
<td>DEPTT. OF POSTS</td>
<td>-</td>
</tr>
<tr>
<td>12.</td>
<td>DEPTT. OF TELECOM</td>
<td>-</td>
</tr>
<tr>
<td>13.</td>
<td>AIR INDIA</td>
<td>-</td>
</tr>
<tr>
<td>14.</td>
<td>CENTRAL BANK</td>
<td>-</td>
</tr>
<tr>
<td>15.</td>
<td>I.T.I.</td>
<td>-</td>
</tr>
<tr>
<td>16.</td>
<td>L.I.C.</td>
<td>-</td>
</tr>
<tr>
<td>17.</td>
<td>MAZAGON DOCK LTD.</td>
<td>-</td>
</tr>
<tr>
<td>18.</td>
<td>N.P.C.C.</td>
<td>-</td>
</tr>
<tr>
<td>19.</td>
<td>O.N.G.C.</td>
<td>-</td>
</tr>
<tr>
<td>20.</td>
<td>MARUTI UDYOG</td>
<td>-</td>
</tr>
<tr>
<td>21.</td>
<td>N.B.C.C.</td>
<td>-</td>
</tr>
<tr>
<td>22.</td>
<td>R.C.F.</td>
<td>-</td>
</tr>
<tr>
<td>23.</td>
<td>DEPTT. OF TOURISM</td>
<td>-</td>
</tr>
</tbody>
</table>

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ANNEXURE - V
(Fara 6.9.)

ORGANISATIONS WHO HAVE CASES PENDING FOR INVESTIGATIONS FOR MORE THAN FIVE YEARS:

1. C.P.W.D.
2. CENTRAL BANK OF INDIA
3. CENTRAL WAREHOUSING CORPN.
4. D.D.A.
5. DAMAN & DIU (UT)
6. DEPTT. OF EDUCATION
7. DEPTT. OF FOOD
8. HINDUSTAN AERONAUTICS LTD.
9. I.T.D.C.
10. I.A.A.I.
11. INDIAN TELEPHONE INDUSTRIES
12. INDIAN OVERSEAS BANK
13. JESSOP & CO.
14. MUNICIPAL CORPN. OF DELHI
15. N.T.F.C.
16. N.D.M.C.
17. DEPTT. OF POSTS
18. DEPTT. OF TELECOMMUNICATIONS

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