

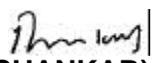


Annual Report

2004

Central Vigilance Commission  
New Delhi

The Central Vigilance Commission presents its 41<sup>st</sup> Report relating to the calendar year 2004, as prescribed in the Section 14 of the CVC Act, 2003.

  
(P. SHANKAR)  
**CENTRAL VIGILANCE COMMISSIONER**

New Delhi  
Dated: the 24<sup>th</sup> June, 2005

## **ACKNOWLEDGEMENT**

The Commission thanks its team of Chief Vigilance Officers, and all Departments/Organisations for their cooperation and assistance, especially the Department of Personnel and Training and the Central Bureau of Investigation.

## CONTENTS

<b>S. NO.</b>	<b>TITLE</b>	<b>PAGES</b>
1.	<b>INTRODUCTION</b>	1-6
2.	<b>OBSERVATIONS AND INITIATIVES</b>	7-10
3.	<b>COMMISSION'S ACTIVITIES DURING THE YEAR- DEALING WITH VIGILANCE CASES</b>	11-18
4.	<b>COMMISSION'S ACTIVITIES DURING THE YEAR- HANDLING OF COMPLAINTS</b>	19-22
5.	<b>SUPERINTENDENCE OF VIGILANCE ADMINISTRATION</b>	23-38
6.	<b>NON-COMPLIANCE, DELAYS AND OTHER MATTERS OF CONCERN</b>	39-62
7.	<b>CHIEF TECHNICAL EXAMINERS' UNIT</b>	63-77
8.	<b>FUNCTIONING OF DELHI SPECIAL POLICE ESTABLISHMENT (CENTRAL BUREAU OF INVESTIGATION)</b>	78-84
	<b>ANNEXURES</b>	
I	Group-wise staff strength and related information	86
II	Organisation-wise details of punishments imposed during 2004 in respect of cases where Commission's advice was obtained	87-90
III	Work done by CVOs during the period 1.1.2004 to 31.12.2004	91-101
IV	List of organisations yet to submit reports on complaints forwarded by the Commission	102-105
V	List of organisations yet to appoint CDIs nominated by the Commission as IOs	106
VI	Organisation-wise list of cases in which Commission has not received information about implementation of its advice	107-111
VII	Cases inspected by CTE resulting in advice of penalty proceedings by the Commission	112

## **CHAPTER-1**

### **Introduction**

The Central Vigilance Commission (CVC) was established in 1964, as an apex body for exercising general superintendence and control over vigilance administration, through the Government of India Resolution of 11.2.1964. The main mandate of the Commission was based on the report of the Committee on Prevention of Corruption, popularly known as the Santhanam Committee. The establishment of the Commission was considered essential for evolving and applying common standards in deciding cases involving lack of probity and integrity in administration.

The Resolution empowered the CVC to undertake inquiry into any transaction in which a public servant is suspected or alleged to have acted for an improper purpose or in a corrupt manner irrespective of his or her status. Through subsequent ordinances and legislations the Government has added to the functions and powers of the Commission. Subsequent to the directions of Hon'ble Supreme Court in the judgement of the Writ Petition filed in public interest by Shri Vineet Narain and others in Jain Hawala Case, the Government promulgated an Ordinance in 1998. The Ordinance of 1998 conferred statutory status to the CVC and the powers to exercise superintendence over functioning of the Delhi Special Police Establishment, and also to review the progress of the investigations pertaining to alleged offences under the Prevention of Corruption Act, 1988 conducted by them.

In 1998 the Government introduced the CVC Bill in the Lok Sabha in order to replace the Ordinance, though it was not successful. The Bill was re-introduced in 1999 and remained with the Parliament till September 2003, when it became an Act after being duly passed in both the Houses of Parliament and with the President's assent. The provisions of the Act include inquiries into offences alleged to have been committed by certain categories of public servants of the Central Government; corporations established by or under any central Act; government companies; societies; and local authorities owned or controlled by the Central Government; and for matters connected therewith or incidental thereto. To give effect to the provisions of the Act of 2003, the Commission exercises all powers and functions entrusted to it under the Government of India Resolution No.24/7/64-AVD dated 11.2.1964, which are not inconsistent with this Act.

A year has passed since the enactment of CVC Act of 2003, and prevention of corruption continues to be the prime concern of the Highest Judiciary. Recently, in response to a PIL which was filed in the Supreme Court on account of the murder of Satyendra Dube, the Supreme Court directed the Government to designate a suitable machinery to act on complaints from "whistle blowers" till such time as a suitable legislation was enacted to that effect. The Central Government while implementing the directive of the Supreme Court has reposed its faith on the CVC. Through a Resolution dated 21 April, 2004, the Government has designated the Central Vigilance Commission as the agency to act on complaints from "whistle-blowers" till such time as the Parliament passes a law on the subject. According to the GOI Resolution on "Public Interest Disclosure and Protection of Informer", 2004, the Commission has been entrusted with the additional responsibility of keeping the identity of the complainant secret and the power to take action against complainants

making motivated or vexatious complaints. There is no restriction on jurisdiction of the Commission in the Government of India Resolution, 2004.

### **Important Features of the CVC Act, 2003**

- The Commission shall consist of a Central Vigilance Commissioner (Chairperson) and not more than two Vigilance Commissioners (members).
- The Central Vigilance Commissioner and the Vigilance Commissioners shall be appointed by the President on recommendation of a Committee consisting of the Prime Minister (Chairperson), the Minister of Home Affairs (Member) and the Leader of the Opposition in the House of the People (Member).
- The term of office of the Central Vigilance Commissioner and the Vigilance Commissioners would be four years from the date on which they enter their office or till they attain the age of 65 years, whichever is earlier.
- The Commission, while conducting the inquiry, shall have all the powers of a Civil Court with respect to certain aspects.

### **Important Features of the “Whistle-Blowers” Resolution**

- The CVC shall, as the Designated Agency, receive written complaints or disclosure on any allegation of corruption or of mis-use of office by any employee of the Central Government or of any corporation established under any Central Act, government companies, societies or local authorities owned or controlled by the Central Government.
- The designated agency will ascertain the identity of the complainant; if the complainant is anonymous, it shall not take any action in the matter.
- The identity of the complainant will not be revealed unless the complainant himself has made either the details of the complaint public or disclosed his identity to any other office or authority.
- While calling for further report/investigation, the Commission shall not disclose the identity of the informant and also shall request the concerned head of the organisation to keep the identity of the informant a secret, if for any reason the head comes to know the identity.
- The Commission shall be authorised to call upon the CBI or the police authorities, as considered necessary, to render all assistance to complete the investigation pursuant to the complaint received.
- If any person is aggrieved by any action on the ground that he is being victimised due to the fact that he had filed a complaint or disclosure, he may file an application before the Commission seeking redress in the matter, wherein the Commission may give suitable directions to the concerned person or the authority.
- If the Commission is of the opinion that either the complainant or the witnesses need protection, it shall issue appropriate directions to the concerned government authorities.
- In case the Commission finds the complaint to be motivated or vexatious, it shall be at liberty to take appropriate steps.

- The Commission shall not entertain or inquire into any disclosure in respect of which a formal and public inquiry has been ordered under the Public Servants Inquiries Act, 1850, or a matter that has been referred for inquiry under the Commissions of Inquiry Act, 1952.
- In the event of the identity of the informant being disclosed in spite of the Commission's directions to the contrary, it is authorised to initiate appropriate action as per extant regulations against the person or agency making such disclosure.

### **Powers and Functions of CVC**

- to exercise superintendence over the functioning of the Delhi Special Police Establishment (DSPE) with respect to investigation under the Prevention of Corruption Act, 1988; or offence under CRPC for certain categories of public servants and to give directions to the DSPE for purpose of discharging this responsibility;
- to review the progress of investigations conducted by the DSPE into offences alleged to have been committed under the PC Act;
- to undertake an inquiry or cause an inquiry or investigation to be made into any transaction in which a public servant working in any organisation, to which the executive control of the Government of India extends, is suspected or alleged to have acted for an improper purpose or in a corrupt manner;
- to tender independent and impartial advice to the disciplinary and other authorities in disciplinary cases, involving vigilance angle at different stages i.e. investigation, inquiry, appeal, review etc.;
- to exercise a general check and supervision over vigilance and anti-corruption work in Ministries or Departments of the Govt. of India and other organisations to which the executive power of the Union extends; and
- to chair the Committee for selection of Director (CBI), Director (Enforcement Directorate) and officers of the level of SP and above in DSPE.
- to undertake or cause an inquiry into complaints received under the Public Interest Disclosure and Protection of Informer and recommend appropriate action.

### **Jurisdiction**

In principle, the jurisdiction of the Commission extends to all organisations to which the executive power of the Union extends. Section 8(1)(d) of CVC Act restricts its jurisdiction with respect to level of employees for inquiry into complaints. Further, for practical reasons, the Commission has been advising on vigilance cases also, pertaining to certain categories of employees, viz., the 'Group A' officers in Central Government, All India Service Officers, and other officers of public sector undertakings, autonomous organisations, local authorities, societies etc. as notified by the Government; for investigations to be made into any complaint alleging offences under the PC Act.

### **Commission's Jurisdiction under CVC Act**

- Members of All India Services serving in connection with the affairs of the Union and gazetted officers of the Central Government.
- Board level appointees and other senior officers upto two grades below the Board level, in the Public Sector Undertakings of the Central Government;
- Officers of the rank of Scale III and above in the Public Sector Banks;
- Officers of the rank of Assistant Manager and above in the Insurance Sector (covered by LIC and GIC and four non-life insurance companies in the Public sector); and
- Officers drawing basic pay of Rs. 8700/- per month and above in autonomous bodies/local authorities or societies owned or controlled by the Central Government.

The Commission however retains its residuary powers to call for any individual case in respect of employees other than those who are within its normal advisory jurisdiction. In addition, cases of difference of opinion between the CBI and the concerned administrative authorities, in respect of employees who are not within the normal jurisdiction of the Commission, are also resolved by the Commission.

### **Approval of Central Government**

The CVC Act provided for inclusion of the following section, after Section 6 of the DSPE Act.

The DSPE shall not conduct any inquiry or investigation into any offence alleged to have been committed under the PC Act 1988 except with the previous approval of the Central Government where such allegation relates to:

- the employees of the Central Government of the level of Joint Secretary and above; and
- such officers as are appointed by the Central Government in Corporations established by or under any Central Act, Government Companies, Societies & Local authorities owned or controlled by that Government.

However, such approval is not necessary for cases involving arrest of persons on the spot on the charge of accepting or attempting to accept any gratification other than legal remuneration.

### **Advisory Role**

The advisory role of the Commission extends to all matters on vigilance administration referred to it by the organisations/departments. However, it is

mandatory on the part of the departments to seek its advice on reports called for by the Commission.

The investigation reports furnished by the CVO or by the CBI are examined in the Commission and, depending upon the circumstances and facts of each case, the Commission advises (a) initiation of criminal and/or departmental proceedings against the concerned public servant(s); or issuance of administrative warning to him/her; (c) or the closure of the case. The Commission's advice at this stage is termed as first stage advice.

The departmental proceedings could be for imposition of a major or a minor penalty. The inquiry report in major penalty cases is furnished to the Commission for its second stage advice before taking a final decision. It also tenders second stage advice in those cases in which the departmental proceedings for minor penalty were initiated on its advice, but the administrative authorities propose exoneration on consideration of defence statement.

### **Present Commission**

The Commission was set up as a single member body in 1964. In terms of the Central Vigilance Commission Act 2003, the Commission has been made a multi-member body, consisting of the Central Vigilance Commissioner (CVC) and two Vigilance Commissioners (VCs) as its members. The appointment of the CVC as well as that of the VCs has been made by the President on the recommendations of a Committee consisting of (a) the Prime Minister, (b) the Minister of Home Affairs and (c) the Leader of the Opposition in the Lok Sabha. Shri P. Shankar, IAS (Retd.) is appointed as the Central Vigilance Commissioner by the President for a period of four years. Shri H.J. Dora, IPS (Retd.) and Shri Janki Ballabh (Retd. Chairman, State Bank of India) are appointed as Vigilance Commissioners for a period of three years before the enactment of CVC Act.

### **Staff Composition**

The Central Vigilance Commission is assisted by a Secretary (of the rank of Additional Secretary to the Government of India), two Additional Secretaries (of the rank of Joint Secretary to the Government of India) and other staff which include nine officers (of the rank of Director/Deputy Secretaries), an OSD and four Under Secretaries. In addition, there are fourteen Commissioners for Departmental Inquiries (CDIs) who are nominated to conduct departmental inquiries relating to major penalty proceedings on behalf of the disciplinary authorities in serious and important disciplinary cases. The group-wise staff strength of the Commission as on 31.12.2004 and related information is at **Annexure - I**.

### **Technical Wing**

The Chief Technical Examiner's (CTE) Unit, which is the technical wing of the Commission, assists it actively with two Chief Technical Examiners (of the rank of Chief Engineer), who in turn are assisted by eight Technical Examiners (of the rank of Executive Engineer), six Assistant Technical Examiners (of the rank of Assistant Engineer) and other subordinate staff.

The CTE unit of the Commission is engaged in examination of civil and electrical works including air-conditioning and horticulture works, being executed by Ministries/ departments of Government of India, central public sector undertakings, banks and financial institutions and cooperative bodies etc., falling within the jurisdiction of the Commission. The inspection of stores purchase contracts and works for computerisation etc. are also undertaken by the CTE Unit.

### **Chief Vigilance Officers**

The vigilance units in the departments/organisations, to which the advisory jurisdiction of the Commission extends, are headed by the Chief Vigilance Officers (CVO) who act as the extended arms of the Commission. The CVOs are required to provide expert assistance in advising the head of the concerned organisation in all vigilance matters concerning it. The CVO is the key link between the departments/organisations and the CVC and his function is to minimise factors which provide opportunities for malpractices, by initiating review of systems and procedures and by introducing suitable measures of preventive vigilance in a sustained and effective manner. On the punitive side, the CVO ensures speedy processing of vigilance and disciplinary cases. The Commission has introduced a monthly reporting system for the CVOs besides the Quarterly Statistical Returns which is an integral part of reporting by CVOs about the vigilance activities of the organisation.

The Commission ensures that the CVOs are vigilant and effective through the monthly reporting system and increased interaction with them in the zonal meetings, sectoral meetings and their personal visits to the Commission, where necessary. It obtains from each CVO a detailed note highlighting his performance during the year, and an action plan for implementation during the following year. It also attaches considerable importance to training of CVOs and other vigilance personnel, and has come to an understanding with the CBI Training Academy, Ghaziabad, for imparting training to the CVOs.

At present, seven departments of the Government of India, and the larger PSEs, banks and insurance companies have full-time CVOs while others have part-time CVOs. The total number of posts available for full-time CVOs is 186. The functions of CVOs in other organisations are performed by the part-time CVOs who are officers of appropriate level already working in the organisation.

During the year under report, the Commission considered the suitability of 130 officers recommended by the administrative authorities for appointment to the post of CVOs in different organisations. It also approved 93 names of officers for appointment as part time CVOs in various Departments/Ministries/Autonomous Bodies.

The Commission also accorded 341 vigilance clearance for Board Level appointments.

## CHAPTER-2

### Observations & Initiatives

Year 2004 was the first full year of Commission in its statutory form. The Commission, during the year under report, concentrated on strengthening the vigilance administration under the different organisations, further streamlining the processing of complaints received and preventive vigilance initiatives in select departments. While details of some of these steps taken by the Commission would find place in separate chapters in the Report, an attempt is made here to clearly focus on certain issues which need to be addressed if the main responsibility vested in the Commission has to be discharged effectively.

#### Complaints

The Commission has come to realise that complaints would continue to be the main means for the public to deal with corruption and harassment at the hands of public servants. The complaints policy of the Commission has been clearly set out and finds a prominent place in its web-site. **The Commission has also attempted to lay down the various steps that would be mandatorily undertaken in the Commission as soon as a complaint is received.** This process has been worked out in the Commission along the lines of the standard on handling complaints evolved by the Bureau of Indian Standards. The Commission is extremely conscious of the need to adhere to this process scrupulously and without exception in order that the complainants are assured of prompt and effective action on the complaints sent to it. **While the Commission, mainly, on account of the problem of logistics will be unable to entertain correspondence with the complainants individually, it has put in place a mechanism whereby a complainant will be able to know the status of his complaint through the Commission's web-site.** All complaints being taken up for investigation by the Commission will have a unique number which will be communicated to the complainant through which he will be able to ascertain the status of his complaint. Apart from this, the Commission has improved the monitoring of complaints sent for investigation to the CVOs of the organisations. **The Commission has also observed that, by coincidence or otherwise, delays occur invariably where there are prima facie serious irregularities alleged or where senior and influential officers are involved. To overcome this problem of lethargy on the part of the organisations, the Commission has begun invoking its powers under Section 11 of the CVC Act and taking up such complaints for direct inquiries / investigations through its own officers.** This should further improve the credibility of the complaints handling process in the Commission and, more important, the confidence of the complainants in the process.

#### Vigilance Administration

As has been repeatedly emphasised by the Commission, the vigilance structure in Government rests on the Chief Vigilance Officers in the various departments / organisations. **The Commission has taken some important steps to make sure that this foundation of vigilance is firm and strong.**

- i) The Commission has been taking extreme care to ensure that only officers with impeccable record of efficiency and integrity are empanelled for the posts of CVOs.
- ii) The Commission has been discouraging all attempts to influence this process by the CVOs both for general empanelment and later on for postings in specific organisations.
- iii) The Commission has put in place a detailed reporting system to ensure that the CVOs function effectively in the organisations concerned.
- iv) The Commission has been at pains to ensure that management action does not in any way impair the independence and neutrality of the vigilance set up in the organisations, both in the case of CVOs and the other vigilance functionaries.

**However, there are a few more steps needed to make the vigilance set-up really effective in the PSUs and Government departments. The Commission has taken up these issues with the Government and is hopeful that these will be addressed during the next few months.**

- i) There should be no delay in the posting of regular CVO after the completion of the tenure of the incumbent CVO. The ACC has to ensure that the appointments are processed with utmost expedition in any case not later than one month before the expiry of tenure of the incumbent CVO. If there is delay in the selection, the incumbent CVO should get an automatic extension of tenure until a successor is posted. Of course, this would not apply in cases where the Commission has consciously desired that the tenure of the incumbent CVO need not be extended.
- ii) The tenure of the CVO is for a period of three years extendable by two years. The Commission some times has observed that this works against the independence and neutrality of the CVO. **The Commission recommends that such extension should be automatic subject to the Commission certifying the satisfactory performance/functioning of the CVO. No discretion should be left in the hands of the CEOs of the organisations and the Ministry concerned.**
- iii) In the case of Ministries/Departments of Government, the CVO is still a part-time functionary. **The Commission has recommended that there is need for full-time CVO at least in major departments, particularly those having a number of important PSUs under their administrative control.** In other departments there could be a system of group CVOs as in the case of Financial Advisers.
- iv) **In certain departments like the Railways, Telecom, CPWD, Posts & Telegraphs, CBDT and CBEC, even though there are full-time CVOs, the time has come when Government should consider posting “outsiders” as CVOs.** Without in any way detracting from

the fairly efficient vigilance organisations in these departments, such a step would further strengthen the independence and objectivity of vigilance besides protecting the vigilance personnel from victimisation and harassment once their tenure in vigilance is over.

### **Vigilance in Public Sector Undertakings**

The Commission in its earlier reports had referred to the steps taken to remove unnecessary apprehension in the minds of executives who have to take quick commercial decisions. In the case of Banks, the steps taken by the Commission have had a salutary effect and the feed-back the Commission has been getting has been extremely gratifying. **Commission proposes similar steps in the case of PSUs.** However, there are many other policy decisions which may have to be taken by the Government if PSUs have to really enjoy autonomy and freedom of operation in an increasingly competitive market scenario. **The report submitted by the Group of Experts on Empowerment of Central Public Sector Enterprises addresses several important issues which if implemented will give the required freedom to top executives of the PSUs while at the same time removing certain unhealthy practices which are a source of corruption in Government.** The Commission, in particular, would like to flag the following issues which have the potential to foster corruption.

- a) There have been instances of some departments informally and sometimes even formally interfering in areas like purchase, causing delays and giving rise to serious complaints of corruption.
- b) **Complaints against top executives are handled in a very subjective and non-transparent manner and there have been instances of such investigations being used to bring pressure on the officers concerned.**
- c) Delays are also seen in personnel issues such as appointment of CMDs/Directors on the basis of PESB recommendations and more important, confirmations and extensions of tenure.
- d) **The power to issue Presidential directive should be rarely used and the specific public interest served by the issue of such a directive needs to be explicitly clear.** Clear-cut guidelines are needed here as also an appropriate institutional mechanism to process the cases for issue of such directives which should involve more than just the administrative Ministry/Department concerned.

### **Public Procurement**

Government purchases and award of contracts have continued to be one of the major areas of concern. **In fact, the Transparency International has identified this as the most important single source of corruption and attributed the country's low standing from the point of view of the Corruption Perception and Probity Index, to lack of transparency and delays in purchases by Government departments and public sector undertakings.** The Commission has, therefore,

increased its attention on this area. The inspections of the Chief Technical Examiner's Organisation has been further strengthened by involving the Chief Vigilance Officers of organisations and even designated officers of the Commission to cover a wider segment of Government purchases. **Initiatives, such as, publication of tender notices on the web-sites, monthly bulletins of results of Government tenders and increased resort to e-procurement are expected to make a significant dent on corruption in this area. The Commission has also joined hands with Transparency International, India to popularise the adoption of the concept of Integrity Pact by leading Government departments and public sector undertakings.** The concept is being popularised through seminars and workshops in different parts of the country and the initial response has been encouraging. **The Ministry of Defence has incorporated the idea of 'Integrity Pact' in some form in its new defence procurement procedure and the ONGC has also announced the adoption of Integrity Pact in all its procurements with effect from July 2005.** It is hoped that with these initiatives, complaints of corruption in public procurement would become less and less and vendor confidence would also improve contributing to improved perception of the country from the stand-point of probity and more important, considerable saving in cost of procurement to the public exchequer.

The Commission has observed that there is the rather disturbing practice of several public sector companies entering into back to back contracts with private sector entities to execute works. They obtain contracts on nomination basis from Government departments and other PSUs and then entrust them to these private sector 'partners'. **This has led to unscrupulous private sector entities in the public sector undertakings as a convenient 'front' and obtain orders which they would not have obtained otherwise because of their lack of pre-qualification criteria.** Needless to say this breeds corruption in which officials of the Ministry concerned and the officials of both the PSUs get involved. The Commission has brought to light several such irregularities during inspections by the CTEO. While preference is sometime justified in the case of potentially viable but financially sick manufacturing PSUs, there is no justification at all for extension of such preference to PSUs who have no particular technical or manufacturing experience and who do not really employ qualified technical personnel either. Unfortunately this issue has not been addressed with the seriousness it deserves. **Worse is the case of institutions like the Kendriya Bhandar which obtain orders from Government departments without the formality of a public tender. Originally meant to supply items of daily use and consumables today these institutions have become convenient front agencies for unscrupulous public servants as also private traders to seek and obtain favourable orders at the cost of the public exchequer. In spite of several voices raised against this practice including from MPs and the Commission, Government has not taken as yet serious note of the problem and the irregularities continue.**

## CHAPTER-3

### Commission's Activities During the Year – Dealing with Vigilance Cases

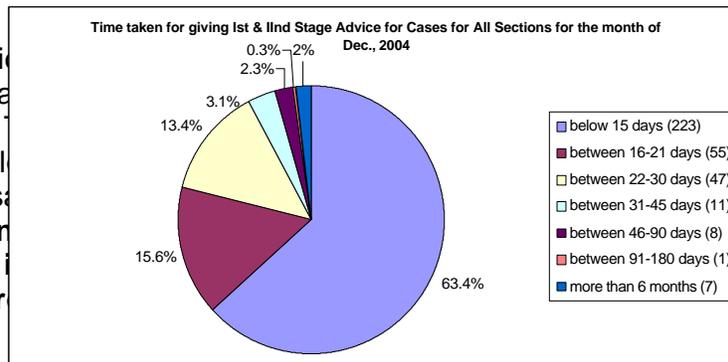
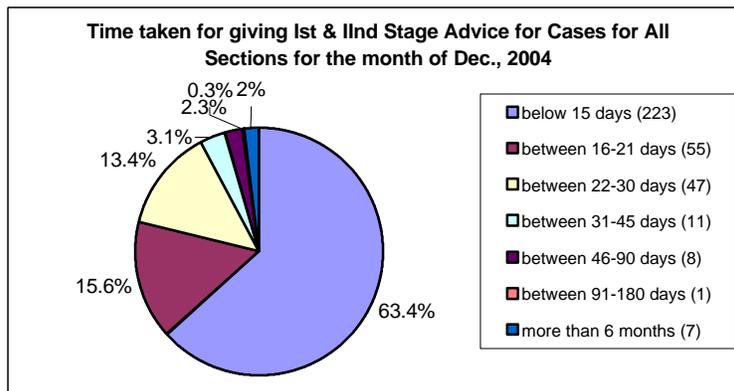
As per the CVC Act, the Commission is required to tender its advice on cases of disciplinary proceedings forwarded to it by the various organisations of the Central Government. The Commission lays extreme importance to timeliness in conveying its advice in all such case and emphasis that the organisations also complete the disciplinary proceedings in a time bound manner.

#### In House Improvements

**During 2004 it had stressed on implementing an efficient delivery system by emphasis on timeliness in dealing with vigilance cases. As a first step, the file tracking software was implemented fully in the Commission and it adhered to strict time schedule for tendering its advice to the department in the vigilance cases referred to it.**

As a result, the Commission had significantly cut down the time taken by it in tendering its advice to the departments in the vigilance cases referred to it. **The average time taken by the Commission in tendering its advice is about four weeks; almost 73 percent of its advices are tendered within three weeks of receipt of the cases.** Only 13 percent cases are delayed beyond four weeks mainly due to non-receipt of complete inputs or some additional details. **(Chart-1)**

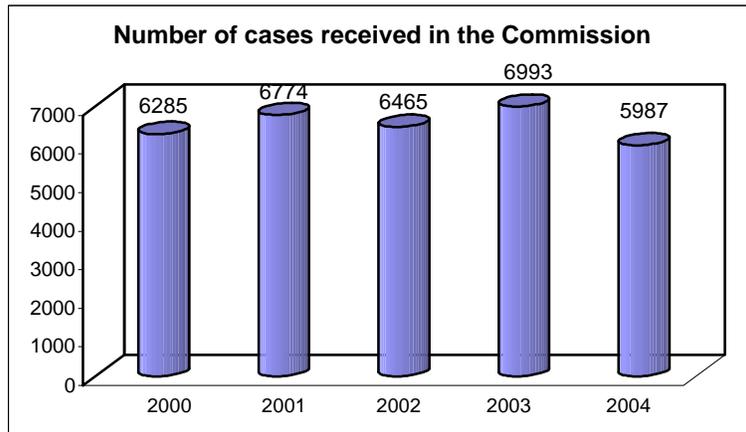
**Chart-1**



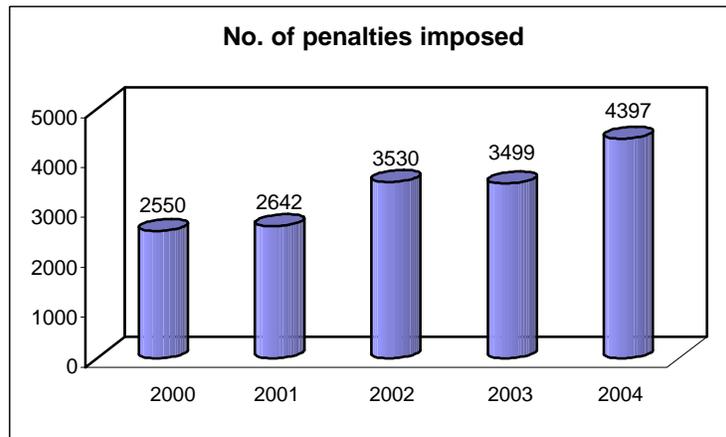
The Commission CMDs, emphasise on the organisations. CVOs and follow up speedy disposal of cases wherein the Commission, has achieved about 50 per cent efficiency in its achievements during the year 2004 (Chart- 2, 3, 4).

and the CEOs/ CMDs, by the reports of the officers to ensure that a percentage of the cases received in the Commission is an average of 50 per cent in overall efficiency. This is an important

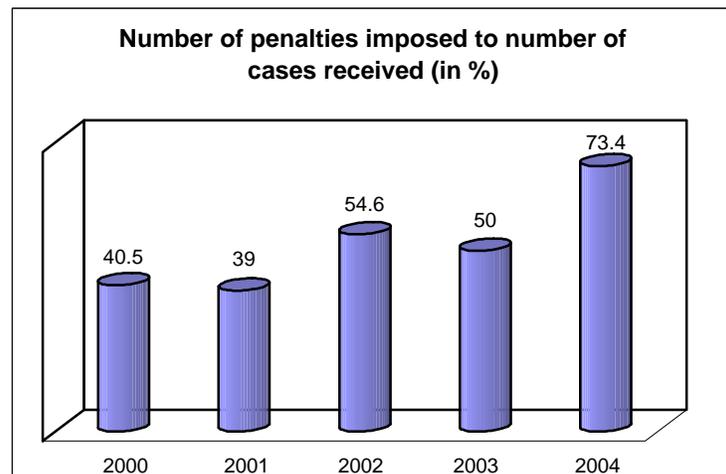
**Chart-2**



**Chart-3**



**Chart-4**



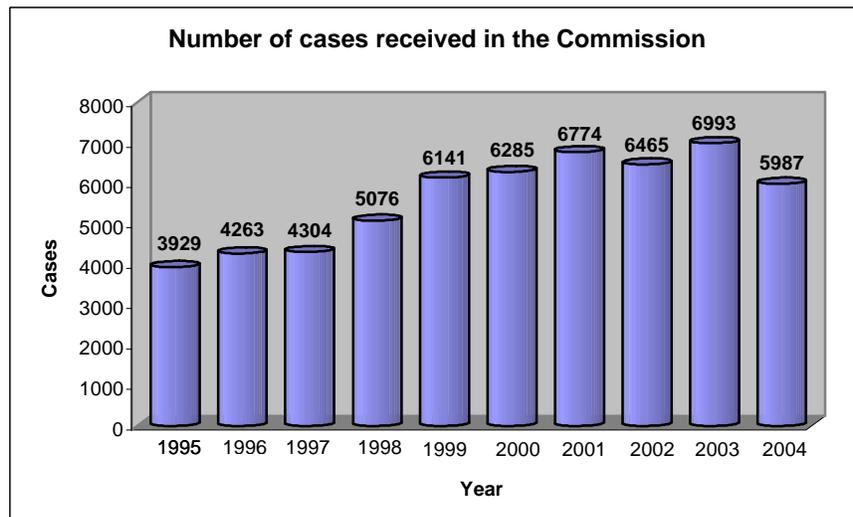
## Vigilance Cases

The Commission examines a large number of vigilance cases arising out of investigations conducted by the CVOs or by the CBI for giving its advice. This process of consultation with the Commission can be at the first stage, for initiation of criminal and/or departmental proceedings or at the second stage for imposition of a major or minor penalty after completion of departmental proceedings. Its second stage advice is also required for exoneration in a case where the Commission had advised for minor penalty proceedings at the first stage.

### *Receipt and Disposal of Cases*

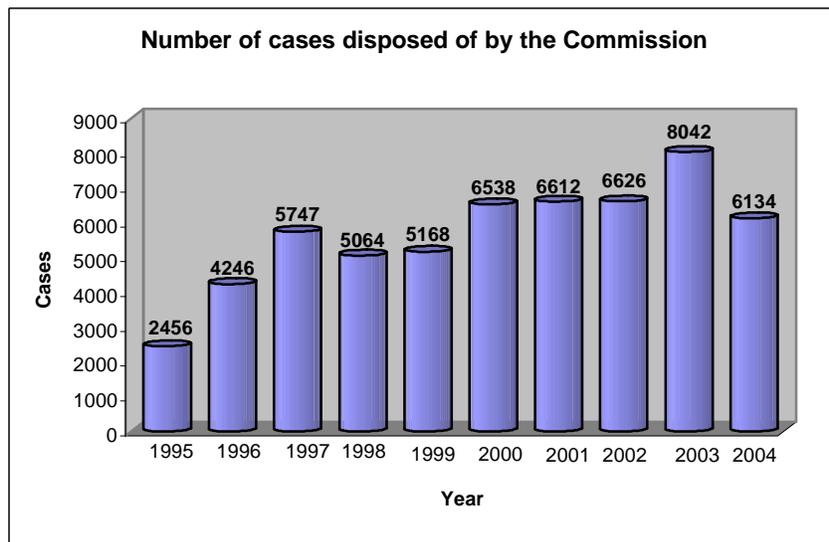
During the year 2004, the Commission has raised the level of the officers under its jurisdiction, for mandatory reference of cases by the departments, for seeking the advice of the Commission before initiation of penalty proceedings. In case of Central Government Officers, Commission would look into cases against Group-‘A’. In case of Public Sector Banks, it was raised from Scale-III to Scale-V. Consequently, the number of the cases received by the Commission in 2004 was 5987 as compared 6993 in 2003. Based on the cases received and brought forward the Commission tendered its advice in 6134 cases, compared with 8042 advices tendered in 2003. As compared to the last year the total pending cases carried forward to the next year are only 246 as against 393 brought forward from the previous year (**Chart-5**), indicating once again the quick disposal of vigilance cases on account of close monitoring by the Commission.

**Chart- 5**



The number of cases disposed of by the Commission during the last ten years is given in **Chart-6**.

**Chart-6**



***First stage advice cases***

The Commission tendered its first stage advice in 2908 cases during the year, of which 440 were on the investigation reports of the CBI and 2468 were on that of the CVOs (Table-1). Among the CBI investigated cases, it advised prosecution in 25 percent of the cases, major penalty proceedings in 24.1 percent cases and minor penalty proceedings in 7.3 percent cases. Among the CVO investigated cases major penalty proceedings were advised in 26.2 percent cases and minor penalty proceedings in 11.3 percent cases, the rest being allegations not established conclusively.

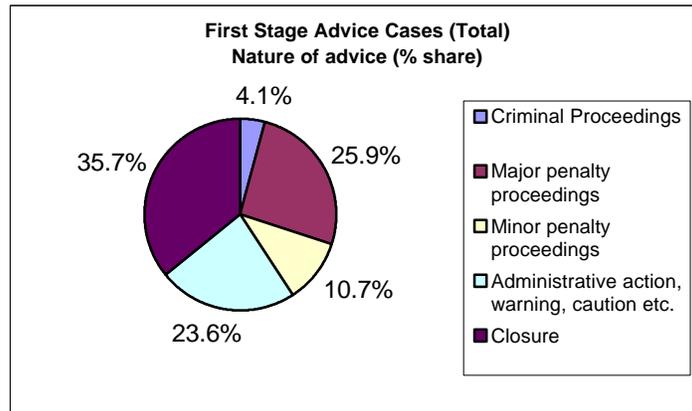
**Table – 1**

**First Stage Advice Cases During 2004**

Nature of advice	On the investigation reports of		Total
	CBI	CVO	
Criminal Proceedings	110	10	<b>120</b>
Major penalty proceedings	106	647	<b>753</b>
Minor penalty proceedings	32	279	<b>311</b>
Administrative action, warning, caution etc.	107	579	<b>686</b>
Closure	85	953	<b>1038</b>
<b>Total</b>	<b>440</b>	<b>2468</b>	<b>2908</b>

Further it is observed that during 2004, as per the investigation reports received from the CBI and CVOs, in over 40.7 percent of the cases referred to the Commission, some penalty was recommended. (Chart-7).

**Chart- 7**



**Second stage advice cases**

The Commission tendered its second stage advice in 2012 cases during the year, of which Commissioners of Departmental Inquiries (CDI) of the CVC inquired 275 cases and in 1737 cases inquiring authorities were appointed from within departments/undertakings (**Table-2**).

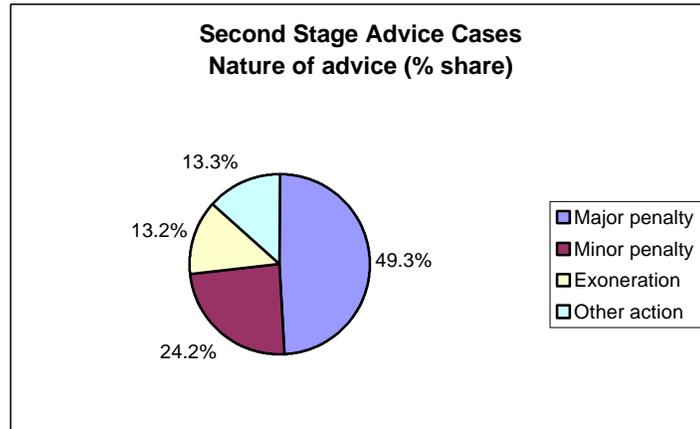
**Table – 2**

**Second Stage Advice Cases During 2004**

Nature of advice	On the CDI's Reports	On the cases received from CVOs	Total
Major penalty	160	831	<b>991</b>
Minor penalty	72	415	<b>487</b>
Exoneration	18	248	<b>266</b>
Other action	25	243	<b>268</b>
<b>Total</b>	<b>275</b>	<b>1737</b>	<b>2012</b>

On the whole, it recommended major and minor penalty in 49.3 percent (991) and 24.2 percent (487) cases respectively. It was in 13.2 percent of the cases that the charges could not be conclusively proved (**Chart-8**). This compares favourably against imposition of penalty in 2003 wherein only in 47.7 percent cases major penalty was imposed and in 25.3 percent cases minor penalty was imposed.

**Chart- 8**



**Prosecution and Punishments**

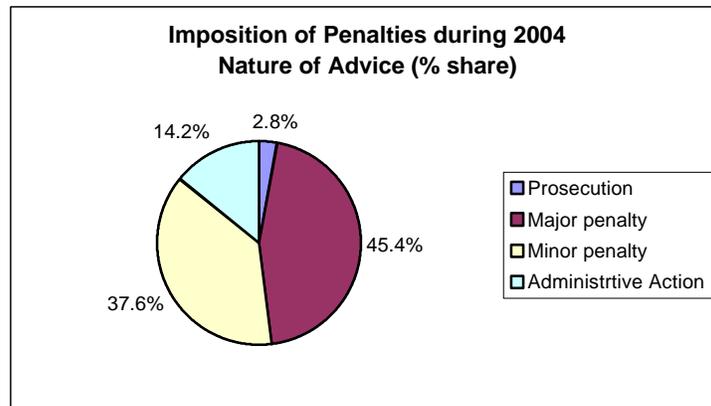
In pursuance of the Commission’s advice, the disciplinary authorities in various organisations, issued sanction for prosecution of 120 public servants, imposed major penalties on 1951 public servants and minor penalties on 1616 public servants during 2004 (**Table-3, Chart-9**).

**TABLE – 3**

**Prosecution Sanctioned and Punishment Awarded**

Year	Prosecution sanctioned	Punishment awarded			Total
		Major penalty	Minor penalty	Administrative Action	
2000	51	1116	876	507	<b>2550</b>
2001	53	1067	861	661	<b>2642</b>
2002	51	1162	957	1360	<b>3530</b>
2003	127	1432	1372	568	<b>3499</b>
2004	120	1951	1616	611	<b>4298</b>

**Chart-9**



**This includes officers from Indian Administrative Service officers (6), Indian Police Service (1), Indian Forest Service officers (2), Commissioner of CBEC (1), Chief Engineer of Chandigarh Administration(1), Senior GM of Ordnance Factory Board (1), GM of Daman & Diu and Dadra & Nagar Haveli Admn (1), Director of D/o Culture (1), Deputy Director of Department of Supply (1), and Deputy Director of Ministry of Labour etc against whom prosecution sanctions were issued by the department.** Further one Director, D/o Telecom; three Deputy General Managers of public sector banks; one Deputy Commissioner of CBDT; one CGM and three GM of Northern Coalfields Ltd.; one RGM of NSIC; one Scientist of CSIR; one DGM of M/o Defence have been dismissed from service. One CMD and one DGM of public sector bank; one GM of Andrew Yule & Co. Ltd. were removed from service. Two Chief Engineers of M/o Railways; one Chief Commissioner, one Deputy Commissioner and one Assistant Commissioner of Income Tax; and one Director of D/o Animal Husbandry & Dairying were imposed penalty of cut in pension @ 50 percent, 10 percent, 50 percent, 50 percent, 50 percent and 30 percent respectively. The organisation-wise break-up of such cases is given in **Annexure-II**.

An analysis of organisation-wise break up of penalties imposed by the disciplinary authority in cases where the Commission's advice was obtained shows that **the maximum number of prosecution sanctions have been issued by D/o Telecom (46) followed by the CBEC (11); M/o Home Affairs (5) and the UT of Daman & Diu and Dadra & Nagar Haveli and BSNL, each having issued prosecution in four cases.** The Oriental Insurance Co. Ltd., D/o Commerce, M/o Environment & Forests, DOPT and Ordnance Factory Board each have issued prosecution in three cases. The New India Assurance Co. Ltd., SBI, D/o Culture, DDA, CPWD and Lakshdweep Administration have each issued prosecution in two cases; and the Indian Bank, State Bank of Mysore, Union Bank of India, United India Insurance Co. Ltd., Vijaya Bank, CBDT, D/o Health, Food Corp. of India, M/o Labour, M/o Social Justice & Empowerment, M/o Water Resources, National Project Construction Corp., Chandigarh Administration and the Cabinet Secretariat have issued sanction for prosecution in one case each.

The maximum number of punishments including Administrative Action during 2004 have been imposed, by the Ministry of Railways (609), State Bank of India (507), D/o Posts (278), Punjab National Bank (206), Bank of India (132), Union Bank of India (127), Andhra Bank (123), State Bank of Travancore (112) Canara Bank (93), Delhi Development Authority (88), Bank of Maharashtra (84), National Insurance Co. Ltd.

(83), Oriental Bank of Commerce (83), Central Board of Excise & Customs (77), State Bank of Mysore (76), State Bank of Hyderabad (74), State Bank of Bikaner & Jaipur (68), Vijaya Bank (65), Indian Bank (62), Ministry of Urban Development (49), and CBDT (43) besides others.

**Amongst the penalties so imposed, major penalties of the higher order, viz. dismissal, removal and compulsory retirement from service were imposed on 332 officers from various organisations.**

An analysis of the cases wherein final orders were passed by the organisations during 2004 show that about 3 percent of these cases resulted out of the complaints forwarded by the Commission and 0.4 percent of the cases were due to the inspections conducted by the Chief Technical Examiners. About 13.5 percent of the cases originated from investigations conducted by CBI and the majority 74 percent cases were referred by the CVOs of the respective organisations. Thus, the majority of the cases where final orders were issued by the departments subsequent to the advice of the CVC were as a result of the action initiated by the departments themselves.

### **Pendency**

**The Commission has a significantly lower pendency during 2004 as a result of its efforts in streamlining its own functioning. Out of a total of 6380 cases including those brought forward, it disposed of 6134 cases – leaving a pendency of 246 cases only at the end of 2004.** Of these, 112 cases were pending for want of clarifications/comments on the CBI reports from the concerned organisations (**Table-4**). Thus only 134 cases were awaiting advice of the Commission. This is much lower than the 215 cases awaiting advice of the Commission in 2003.

**Table – 4**

**Number of Cases Received and Disposed of During the Year**

<b>Cases</b>	<b>Investigation Reports (1<sup>st</sup> Stage)</b>	<b>Inquiry Reports and minor penalty cases (2<sup>nd</sup> Stage)</b>	<b>Other Reports/cases such as reconsideration etc.</b>	<b>Total</b>
Brought forward	262	88	43	<b>393</b>
Received	2806	1997	1184	<b>5987</b>
Total	3068	2085	1227	<b>6380</b>
Disposed of	2908	2012	1214	<b>6134</b>
Pending	160	73	13	<b>246</b>

Thus the Commission has tried to lead by setting its own example as far as ensuring that there is no delay in handling vigilance cases referred to it for advice is concerned. **The Commission monitors all these aspects including the dispatch of advices and timely disposal of cases in its monthly meetings.**

## CHAPTER-4

### Commission's Activities During the Year – Handling of Complaints

The CVC Act, 2003 empowers it to make inquiries/investigations into various complaints received by it and tender its advice to the disciplinary and other authorities. A large number of complainants approach the Commission to redress their grievance. Complaints are received by the Commission through postal dak/couriers and through the complaint lodging facilities on its own web site. Besides the complaints received from outside complainants, the Chief Technical Examiners Unit in the CVC also gives source information to the Commission, subsequent to the independent examination of works and procedures undertaken by them.

The Government of India vide its Resolution dated 21.04.2004 authorised the Central Vigilance Commission as the designated agency to receive written complaints or disclosure of any allegation of corruption or misuse of office by any employee of Central Government and its organisations. Under this Resolution on "Public Interest Disclosure and Protection of Informer" the Commission is bound not to reveal the identity of the complainant and after obtaining the response of the concerned organisation to initiate appropriate proceedings against the concerned Government servant wherever required and recommend corrective measures to prevent recurrence of such events in future.

#### General complaints received by the Commission

Complaints are one of the important source information for the Commission on various matters relating to corruption in Government Organisations. Though the Commission receives a large number of complaints however, only a small percentage of these complaints are actionable. **Majority of the complaints relate to grievances/administrative issues or are outside the jurisdiction of the Central Vigilance Commission.**

The Commission gives extreme importance to the complaints received by it. **In 2004, the Commission adopted BIS standards 15400 in its complaints handling process.** Accordingly, each complaint is registered and processed in a prescribed standardised format to ensure proper screening and it passes through a level of officers for proper decision on the further processing of the complaints.

The Commission, as a matter of policy, does not entertain anonymous or pseudonymous complaints, nor does it allow other organisations to do so. However, if any department/organisation proposes to look into any verifiable facts alleged in such complaints against any employee, the department/organisation may refer the matter to the Commission for concurrence through the CVO or the head of the organisation. The Commission, while discouraging such anonymous or pseudonymous complaints, has also taken steps to inspire confidence in potential complainants by offering to maintain confidentiality as to the identity of the complainant if it is so requested, in view of apprehension of any retributive action against the complainant. In all complaints made by the personnel of any organisations against their superiors, the identity of the complainant is kept confidential.

While the Commission received 10735 complaints during the year 2004, nearly one-fifth of them were anonymous or pseudonymous and were filed as per its policy. A large number of complaints were also found to be vague, general and without specific allegations. There were complaints, which did not contain any allegation with vigilance angle but were more in the nature of grievances or on administrative issues. Complaints were also received in large numbers against public servants who were not within its advisory jurisdiction like public servants working in the state governments.

Only 646 (6 percent) complaints received by the Commission required further action and these were duly forwarded to the CVOs of the concerned departments or were referred to the CBI, for investigation and report (Charts 10 and 11).

The Commission, out of a total of 10966 complaints (including 231 brought forward from the previous year) disposed of 10592 during the year. 374 complaints were pending scrutiny in the Commission at the end of the year. The nature of complaints and action taken in respect of the disposed complaints during the year is given in Table-5.

Table – 5

Complaints received and Disposed of During 2004

Complaints	Nos.	Action Taken
No. of complaints received and B/F	10966	
Anonymous/Pseudonymous	1850	Filed
Vague/Unverifiable	5614	Filed
Non-vigilance	2482	For necessary action to Orgns. / Deptts.
Verifiable	646	For investigation to CVO / CBI
Total disposed of	10592	
Pendency	374	

Chart-10

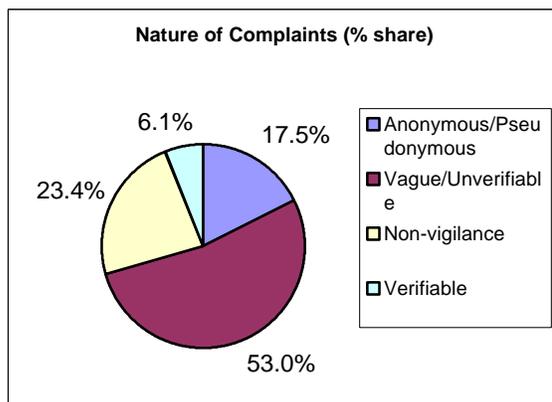
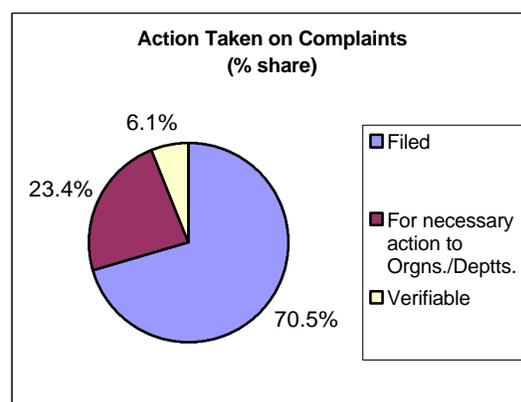


Chart-11



The complaints forwarded by the Commission to various departments for action and report are complaints of serious nature wherein the Commission has advised the departments to send their reports within a period of 3 months. **However, it has been the experience of the Commission that there is a considerable delay in taking action on complaints by the various departments. In view of the continued delay by the organisations, the Commission has decided to invoke its powers under the CVC Act and summon the CEO/CVOs with documents in such matter where it is felt that the delay is unjustified.** A large number of such serious complaints which have been pending for a long time have been identified by the Commission for direct inquiry and given to its Commissioners for Inquiries, to call for reports and issue summon for CVO/CEOs to present documents, wherever it is not forthcoming.

### **Complaints Received under Government of India Resolution**

In April 2004, the Government of India had designated the Central Vigilance Commission as the agency to receive the complaints from the "Whistle Blowers" under the "Public Interests Disclosure & Protection of Informer" Regulation, 2004.

**The modalities of handling such complaints particularly the direction to be followed by the complainant in making such complaints were outlined by the Commission and published in the leading newspapers.** The CVOs of all the organisations were also advised to give due publicity to the Government of India Resolution and the Commission's notification, to enable the public and employees in organisations to make complaints against officials under the Central Government and its organisations to the Central Vigilance Commission without any fear.

**The Commission has prescribed a proper procedure to ensure that the identity of the complainant is not at all disclosed to the organisation while dealing with such complaints. Joint Secretary (Home), Ministry of Home Affairs has been made the nodal incharge to arrange for protection to the complainants wherever required and directed by the Commission.** All such complaints are put to a screening committee to take a decision on further action on such complaints.

Out of 374 complaints received by the Commission in this category during April to December 2004, 185 were sent to the CVO for investigation and report, which constitute 50 percent of the total complaints received by the Commission. 31(8 percent) of the complaints have been sent for necessary action and 158, i.e. 42 percent were filed as being petty/anonymous/pseudonymous. Out of the 185 complaints sent for investigations and reports, reports have been received in 52 cases, 16 cases have been closed, regular departmental action has been recommended in 2 cases and, administrative action/displeasure has been issued in 4 cases. Other cases are being further examined. **The Commission is constrained to observe that in spite of its clear directions there is a considerable delay by the departments for submitting their reports to the Commission. The Commission refers all such complaints wherein the delay is unjustified, to its Commissioners of Inquiries, for direct inquiry into the complaint, to ensure proper and timely redressal.**

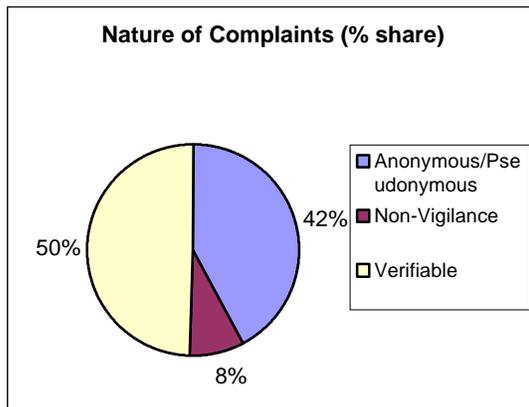
**Table 6** below gives the nature of complaints and action taken during the year:

**Table – 6**

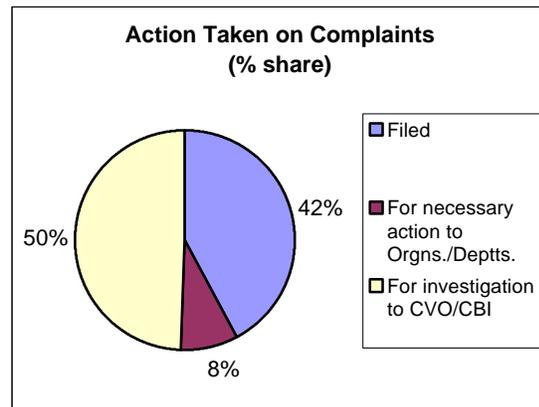
**Complaints Received and Disposed of from April to Dec.2004  
Under the GOI Resolution**

<b>Complaints Received</b>	<b>Nos.</b>	<b>Action Taken</b>
No. of complaints received	374	
Anonymous/Pseudonymous	158	Filed
Non-vigilance	31	For necessary action to Orgns. / Deptts.
Verifiable	185	For investigation to CVO / CBI
Total disposed of	374	

**Chart-12**



**Chart-13**



It is observed that the quality of complaints in terms of giving specific and verifiable charges is much higher in this category of complaints.

## CHAPTER-5

### Superintendence of Vigilance Administration

Superintendence in Vigilance Administration is one of the most important powers and functions of the CVC. Though the Central Vigilance Commission is the sole central agency to supervise the administration of vigilance, yet it is the responsibility of the CEO/heads of the organisations to ensure proper vigilance administration. The Commission has therefore, time and again, expressed that vigilance has to be administered as any other key integral function of the organisation and by the organisation itself. The role of the Commission is advisory in nature and its function is to give impartial and objective advice to enable the organisations to take suitable punitive, corrective and preventive actions. It believes that good corporate governance is the key to minimise corruption.

The Commission exercises its powers of superintendence of vigilance administration through the Chief Vigilance Officers (CVOs) posted in various organisations. Hence the Commission monitors the work done by the CVOs through the monthly reporting system and also through regular sectoral meetings and annual meetings conducted in four zones.

#### Performance of CVOs

The performance of CVOs is reported to the Commission through the prescribed Monthly Returns and Annual Returns. These returns give statistical details of the complaints handled, vigilance cases examined and inspections undertaken by the CVOs. The qualitative performance of the CVOs is also examined by the various reports submitted by them through the monthly and annual reports on the actions initiated by them on various aspects of preventive vigilance, timeliness in handling cases, ensuring implementation of various guidelines issued by the Commission etc. Besides the complaints and cases, which are referred to the Commission, the CVOs are responsible for overall guidance to the management in implementation of effective vigilance administration in respect of the officers outside the jurisdiction of the CVC. The monthly and the annual reports also monitor the disposal of cases with respect to such officers. The performance of the CVOs as reported by them in the annual report to the Commission is given in **Annexure-III A- F. The list of organisations who have submitted the annual report to the Commission within the stipulated time is enclosed at Annexure III G.**

**Based on the data as in the above annexure, during the year 2004, formal punishments were awarded in a total of 11729 cases (for all category of officers) dealt with by the CVOs at their end. Amongst these major penalty was awarded in 3717 cases and minor penalty was awarded in 8012 cases. The details on major and minor penalties imposed in such cases are as follows (Table-7).**

**Table – 7**

**Details of Penalties Imposed in cases for all category of officers handled by the CVOs**

<b>S. No.</b>	<b>Nature of Penalty</b>	<b>No. of officers</b>
	<b>Major Penalty</b>	<b>3717</b>
1.	Cut in pension	85
2.	Dismissal/Removal/Compulsory retirement	913
3.	Reduction to lower scale/rank	1711
4.	Other major penalty	1008
	<b>Minor penalty</b>	<b>8012</b>
5.	Minor penalty other than censure	2913
6.	Censure	5099
	<b>Total</b>	<b>11729</b>

*Note: This data is not comprehensive since some organizations have not sent their annual reports.*

The Commission reviews the performance of the CVOs through the annual review meetings/sectoral meetings, 12 such meetings were held during the year in which about 111 CVOs of major organisations attended. **During the meetings the Commission focused on increasing the internal inspections and conduct of CTE like inspections by the CVOs. CVOs were urged to send the reports on the complaints sent by the Commission in a time bound manner failing which the Commission would undertake direct inquiry and this would reflect on the quality of performance of the CVO. The need for streamlining the vigilance administration in various organisations by pro-active action of the CVOs to bring in improvement in the systems and procedures of the organisations was reiterated.** The other areas covered during the individual review of the CVOs were preparation of Agreed list and list of officers of doubtful integrity, identification of sensitive areas prone to corruption and implementation of rotational transfers of officials working in sensitive areas etc. In addition, the status of complaints, first stage, second stage advices pending implementation in the organisations and reasons for delay were reviewed. The Commission also gave specific directions to the CVOs, wherever necessary.

**Pendency with CVOs – All categories**

The Commission viewed complaints and cases pending with the CVOs seriously. The Commission has been pursuing with the CVOs to bring down the level of pendency. The total number of complaints pending consideration with the CVOs at the close of the year was 6925 of which 2676 were pending for more than 6 months. The complaints forwarded by the Commission mainly relating to officers under the Commission's jurisdiction were 826 of which 305 were still pending at the close of 2004. The number of departmental inquiries pending with the inquiry authorities was 849 in respect of officers under the jurisdiction of the CVC and 5429 in respect of officers outside its jurisdiction.

**During 2004 a total of 669 cases were received from the CBI for sanction of prosecution. The disciplinary authorities gave sanction for prosecution in 361 cases and denied sanction in 66 cases. However, 242 cases were pending for decision with respect to sanction for prosecution, of which 84 were pending for more than 6 months.**

**The overall picture points to the fact that there has been a significant decline in the level of pendencies with the Departments. However, there is still an imperative need to quicken the process of conducting the proceedings and finalisation of cases, which is beyond the control of the CVO as these matters are essentially the function of administration/personnel department.** The Commission has been emphasizing the need for quick finalisation of disciplinary cases and therefore all organisations/departments need to focus and monitor the progress on this front. The Commission has also issued directives that the Boards of PSUs should review the activities of vigilance units once in six months and the details in this regard should be informed by the CVO to the Commission.

### **Appointment of CVOs**

The Commission considers that the CVOs are the most important link for it in performing its mandate of overall superintendence of vigilance administration. Accordingly it attaches extreme importance to the selection of the most suitable candidate as the CVO in each of the organisation. The Department of Personnel is the nodal agency for appointment of CVOs in PSUs. It receives applications from the individual officials and then selects the appropriate official in consultation with the Central Vigilance Commission. Normally the process of selecting a CVO in a Department takes about six months. For appointment of CVO in select organisations the DOPT sends a panel of officers for approval of Commission. The Commission approves and selects a small list, which is forwarded to DOPT for further process of appointment. **The Commission, during the year, 2004 considered the suitability of 130 officers recommended by the administrative authorities for appointment to the post of CVOs in different organisations. It has also approved 93 names of officers for appointment as part-time CVOs in various Ministries/Departments/Autonomous Bodies.**

The Commission observed that in many organisations the selection of a successor CVO had taken a long time with the result that the organisations had appointed part-time CVOs from within the organisation.

The Commission has issued instructions that the process of selection of a successor CVO should be initiated well in time and in cases, where due to some specific reasons the successor has not been appointed, the incumbent CVO should not be relieved. Notwithstanding this instruction, the Organisations/Ministries were making ad-hoc arrangements. **It was also observed that during this interim period the part-time CVO took decision in a number of cases recommending closure of cases. The Commission had accordingly advised all Secretaries of the Ministries/CEOs of PSUs/Banks/Organisations that before closing such cases, part-time CVOs should report the matter to the Commission and obtain prior approval of the Commission irrespective of the fact whether the suspected official (s) came within the jurisdiction of the Commission or not.**

To make the functioning of CVOs effective the Commission had decided that those officials who are already working under Central Deputation and do not have a minimum period of 3 years left for further deputation would not be recommended for appointment as CVO. Further, it directed that the officer who were being recommended for appointment as CVO in the select organisations, should be empanelled for appointment as Joint Secretary or equivalent at the Centre. **The Commission is constrained to observe that sometimes the administrative Ministries did not accept the Commission's recommendations and rejected the panel without assigning any cogent reasons. The Commission had suggested to the Department of Personnel and Training that if the administrative Ministries had anything against the officers recommended by the Commission apart from what is discernible from their ACRs and CBI records, the Secretary of the Department could inform the Commission and the Commission could consider the matter. Otherwise the entire exercise of selecting CVO through the Commission became meaningless.** Many a time due to non-acceptance of persons selected by the Commission, fresh panels are called again and again and the appointment of the CVOs gets delayed.

**Some of the cases where there had been considerable delay in the appointment of CVO are listed below:**

#### **Airports Authority of India (AAI)**

The post of CVO in AAI was lying vacant since 25/11/2003. In January 2004 on the recommendation of M/o Civil Aviation, the Commission agreed to allow CVO, Indian Airlines to hold additional charge of the post of CVO, AAI till a regular incumbent joins. In the meantime a panel of 5 officers was received from DOPT for Commission's clearance for appointment as CVO in AAI. The Commission found only 2 names from the panel suitable for the post of CVO, AAI and the DOPT was requested to forward another panel of officers in addition to above. Accordingly, DOPT forwarded 5 more names. The Commission in April 2004 could clear only two names for the post of CVO, AAI. After ACC approved the name of the CVO and she took over the charge of the post of CVO, AAI in October 2004. However, she demitted the post on 11/11/2004 and the additional charge of the post has been entrusted to the Chairman, AAI, and is still lying vacant for a regular CVO. Thus it took Government almost a year to fill the post of the CVO which again became vacant in one month due to the CVO demitting office.

#### **Employees Provident Fund Organisation (EPFO)**

EPFO has been included in the list of select organisation maintained by the Commission. DOPT was therefore requested for a panel of officers for Commission's specific clearance for appointment of CVO in EPFO. Accordingly, DOPT sent a panel of 3 officers and the Commission cleared all the 3 names in November 2004. However, the finalisation of selection of an officer for the post of CVO, EPFO is pending due to non-availability of full time CVO post in EPFO which is under consideration in the Ministry of Labour for creation of a full time CVO post in EPFO.

### **HUDCO**

The post of CVO, HUDCO is lying vacant since 15/05/2004. The competent authority approved the proposal of the Ministry of Urban Development and Poverty Alleviation for lateral shift of CVO, NBCC as CVO in HUDCO for a period up to 14.06.2006. The Commission also conveyed its 'no objection' for the, NBCC was under process of disinvestments. However, it was learned later this appointment was withdrawn by Ministry. The Commission further on the proposal of the Ministry of Urban Development and Poverty Alleviation agreed to entrust the additional charge of the post of CVO, HUDCO to CVO, NBCC on 07.10.2004 till regular CVO is appointed in HUDCO.

### **ITDC**

The post of CVO in ITDC is lying vacant since 16.10.2001 and the vigilance work in ITDC is supervised by an internal officer. The filling up of the post of CVO in ITDC has been delayed. Since ITDC is a select organisation a panel of three officers was received from DOPT for Commission's specific clearance for appointment of CVO in it and the Commission cleared all the three names on 27/10/04. However, the work of CVO ITDC is still looked after by an internal officer.

### **Kolkata Port Trust**

The post of CVO in Kolkata Port Trust fell vacant on 06.07.2002. The Commission on 1<sup>st</sup> November 2002 requested the DOPT to send a panel of names of officers for its consideration. In January 2004 a panel of 3 officers was received from DOPT for appointment as CVO in Kolkata Port Trust. The Commission cleared two names in March 2004. However, an internal arrangement made in the Port Trust was continued and no CVO is appointed

### **National Highways Authority of India (NHAI)**

In National Highways Authority of India, tenure of CVO expired on 2.7.2003. DOPT sent a panel of names of four officers in May 2003. The Commission on 30.05.2003 approved names of two officers but the Ministry of Road Transport did not accept the Commission's approved panel and asked for some more names. DOPT sent another panel of 5 names in October 2003 and the same was returned to DOPT asking to forward a fresh panel.

In January 2004 a fresh panel of six officers was received from DOPT for Commission's concurrence for the post of CVO NHAI and the Commission approved two names in February 2004. In October 2004 DOPT was reminded to finalise the appointment of CVO, NHAI as the filling up the post of CVO was delayed. In October 2004 DOPT intimated that the one of the officer cleared by the Commission was approved by the Ministry of Road Transport and Highways. However, the officer

withdrew his willingness. Another officer whose name was cleared by the Commission was not found suitable by the Ministry. Then the DOPT forwarded a further fresh panel of six officers. The Commission cleared all the six names for the post of CVO NHA1 in November 2004. However, the internal arrangement is continuing.

### **Satluj Jal Vidyut Nigal Ltd. (SJVNL)**

SJVNL has been included in the list of select organisation. The post of CVO, SJVNL became vacant on 13.01.2004. The additional charge of the post of CVO, SJVNL has been given to CVO, NHPC. In the mean time the Commission cleared the names of three officers on 10.02.2004 out of the panel sent by DOPT for the post of CVO, SJVNL but the post is still lying vacant.

### ***Vigilance Clearance***

The Commission has been authorised to give vigilance clearance for board level appointments in PSUs. **During this year, the Commission also issued 341 vigilance clearances in respect of Board Level appointees.** The Commission has streamlined the process of issuing vigilance clearance as a result of which such clearances are given within 4 weeks of receipt of request accompanied by bio-data/vigilance inputs from the Ministry/Department concerned. Delays are, however, continuing in receiving the requests from the Ministries/Departments.

### **Systems Improvement**

#### **Vigilance Advisory Council**

**The Commission continued to focus on preventive vigilance during the year 2004. In continuation of its efforts to improve vigilance administration to get independent and external advice on such issues the Commission constituted a Vigilance Advisory Council** to advise it on important aspects of vigilance related activities and focus on changing the 'corruption perception of India' to more positive ratings. The Council has eminent persons and experts in various fields.

The first meeting of the Vigilance Advisory Council was held on 17.11.04 which resulted in useful insights. **One of the important reasons identified by the Council for the low-perception of India as regards corruption is its non-transparent public-procurement system.** The Commission has time and again pointed out such deficiencies, found in the various inspection reports submitted by the CTE's to the organisations. However, unfortunately, it is observed by the CTE's that the organisations continue to commit these mistakes again and again. The CTE's were able to conduct inspection of only about 186 works in 2004. **In order to further streamline the system of public procurement the Commission has emphasized to all CVOs of PSUs/PSBs to conduct at least two CTE type inspections every month. The CTEs have clearly identified the non-technical areas where the CVOs should focus and ensure proper follow up of procedures.** With this the Commission hopes that about 1000 inspections of public-procurement would be done with a view to ensuring transparency and fair play in these matters. **The**

**Commission has further asked all the CVOs to publish the details of the tenders awarded to the organisations on their websites to enable the competitors to be informed of the decisions.**

Some of the other important issues/items identified by the Vigilance Advisory Council and taken up for further action by the Commission relates to (i) **advising important PSUs, the Chamber of Commerce and Industries and State Vigilance Commission to create awareness and ensure implementation of the integrity pact, especially in key organisations like the defence, oil sector PSUs, steel sector, coal sector etc.**; (ii) Study of extent of corruption and systems improvements required by conducting surveys and gathering public perception. The Commission has already identified few eminent NGOs working in area of anti corruption for undertaking such studies; (iii) **It has also taken up key identified organisations for study of their systems and procedures and then suggest specific action to the concerned CEOs/Secretaries of the Department which would enable them to minimise the corruption in their organisation. Measures for improvement have been suggested for Central Board of Direct Taxes (CBDT), Central Board of Excise & Customs(CBEC), Delhi Government Health Services(DGHS), Ministry of Information & Broadcasting, Insurance Sector etc.**

#### **Leveraging Technology for transparency and fair play**

Technologies, systems and procedures, which would require minimum human interface, are key to minimising corruption. Accordingly, the Commission had in 2003 advised all departments/organisations to necessarily use the web site for posting of tender information. The Commission regularly monitors the action taken by various departments on this issue. Though most of the organisations have started to post tender notices in the web-site, many of them are yet to allow tender documents to be in downloadable format, so that the agencies can directly download and submit the tender. **To overcome the difficulties of the organisations which lack infrastructure and technical manpower, the NIC has developed a portal wherein all tenders to be called for, by the Government of India and its agencies can be posted free of cost. The Commission has emphasized to its CVOs the need to ensure the use of this web-site to enable best bargains for the government.** The Commission has further directed all the organisations to display the details on award of contracts subsequent to the finalisation of the tender process.

#### **Attacking delay in payments**

As delay and corruption in payment of bills by government agencies, has increased its procurement cost and poor rating in corruption prescription; e-payments, use of ECS, EFT and RTGs technologies are identified as important areas which would enable organisations to handle this problem. **The Commission had organised a number of presentations/workshops for the organisations on these aspects to ensure that maximum amount of payments in public procurement are done instantaneously and simultaneously by electronic methods.** The Commission has also urged the public sector banks (PSB) and the Reserve Bank of India(RBI) to enhance these facilities so that organisations even in remote areas can avail this through links with their designated branches and head

offices. The percentage of such payments being made by the organisation is a key indicator of the usage of e-payment, and the Commission is happy to note that organisations like ONGC, BHEL, GAIL, SAIL, NALCO etc., have made notable beginnings in this area. The Commission would like all Navratanas, Miniratanas and government departments like the Pay and Accounts Offices AOs, Controller General of Defence Accounts(CGDA) etc. to ensure usage of e-payment mechanism.

**Separately the Commission has also advised all the organisations to ensure that the bills are paid strictly in the order in which they are received. CVOs have been asked to monitor delays in payment of bills.**

### **Computerisation of Banks**

**The Commission in 2001 had set the target of 100 percent computerisation of bank branches by December 2004. It is happy to note that a large number of banks have achieved 100 percent or more than 90 percent computerisation which covers over 95 percent of the total business of public sector banks. Most of the banks have reported that computerisation in some of the rural and semi-urban branches is the only area which is not covered due to practical difficulties.** The Commission has nevertheless emphasized to the remaining banks the need for achieving 100 percent computerisation. Banks like the State Bank of India (SBI), Punjab National Bank (PNB), Union Bank of India already have well developed centralised banking solution in a large number of branches, besides ECS/EFT/RTGs/internet banking facilities. Other public sector banks are also developing fast. The Commission thus continues its pursuance of initiatives in these areas of preventive vigilance which seem procedural but hold the key to prevent and minimise corruption in procurements, payments of bills etc.

### **Addressing Delay in handling of files**

**Delay in handling of files is another important area in procedural improvement.** The Ministry of Public Grievances & Pension is monitoring the implementation of e-governance and the Document Management and Information System(DMIS) developed by the NIC. Necessary infrastructure and software have been created and installed in 17 departments as per the information given by Ministry. **However, the Commission has observed that none of the departments have actually implemented e-governance fully and only some of them have implemented it in part.** Changing the culture of the organisations to develop and sustain the system of electronic file tracking is an important issue. The initiative and commitment on this aspect has to flow from the top. The Commission has tried to address this problem to the CVOs of these ministries/departments, to encourage them to start it in their vigilance set-ups and ensure its application in key units of decisions making/public dealing, especially where such files are routinely delayed. The Commission has successfully implemented this system in its own office and considerably brought down its own pendency levels and delays, not only in handling cases but also in despatch of advice.

### **Vigilance Audit**

The CVC Act 2003 had raised the level of Central Government Officers who would come under the jurisdiction of the CVC under Section 8(1)(d) to Group A from Group B Gazetted. Keeping parity with this level, and in order to address the perceived grievances of stifling competition and decision making due to vigilance machinery, the CVC in consultation with the Government raised the level of the officers of public sector banks under its jurisdiction from scale III to scale V. It has recommended similar parity in the level of officers in insurance companies and other financial institutions, the government. notification in this regard is awaited. This puts greater responsibility on the management and CVOs to ensure that proper and informed decisions are taken by the respective disciplinary authorities. **The Commission on its part has felt the need for vigilance audit of some of the identified organisations to get a feed back on the procedures being followed by them, the general feeling after the increase in the level of jurisdiction of the CVC, the systems improvement required to ensure better management of vigilance administration and the methods to prevent corruption. Accordingly, it conducted vigilance audit of 14 organisations in 2004 and suggested several far reaching changes in systems improvements for these organisations, especially in Protectorate General of Immigrants, NALCO etc.**

### **Data Management System**

In order to have greater accountability and follow up on vigilance related cases the DOPT, in consultation with the Commission, had developed the disciplinary cases monitoring and management information system(DCM & MIS) to enable all the departments/Organisations to enter data on a global platform, relating to registered complaints and vigilance cases for proper monitoring and follow up. **The Commission has been emphasising and urging all the departments/organisations to input their data in this monitoring system. Many of the organisations like banks and PSUs have complied and most of the government departments except the larger ones like CBEC, CBDT and the Railways are entering their data in this system.** The Commission, alongwith the DOPT, has further enabled the organisation heads to generate their own reports and the CVOs generate major part of their monthly report to the Commission with the help of this programme

Thus, this integrated mechanism of follow-up of vigilance administration has been established and the need now is for disciplinary authorities to constantly monitor it for updation so that vigilance cases are not unduly delayed. List of various instructions issued by the Commission during January-December 2004 is attached.

### **Initiatives taken by the Commission & implemented by the Organisations**

The Commission has been regularly and persistently following up with the organisations for implementation of its suggestions for improving probity in public life of government servants. It has given very specific directions to the ministries and organisations based on its observations on disciplinary cases, vigilance audit, CTEs inspections and complaints. Some of the key initiatives taken by a few of these organisations are as follows:

## Ministry of Environment & Forests

Pursuant to vigilance audit of Ministry of Environment & Forests by the Commission, a number of measures were taken by them to streamline its working. The Ministry of Environment & Forests is responsible for various regulatory functions, like environmental clearance, forestry clearance, coastal zone regulation, genetic engineering approvals permission for animal experimentation etc. With a view to re-engineering the regulatory procedures, the Ministry brought out a paper on 'Good Practices in Environmental Regulation' and circulated it to all concerned for strict compliance. **Subsequently, operational guidelines for observance of good practices in environmental regulation were also finalised in November 2004. All the regulatory units have been advised to follow these guidelines strictly.**

A number of statutory, judicial and other committees have been set-up under the Ministry of Environment & Forests in relation to the matters within the mandate of the Ministry. Non-official persons are also represented on some of these committees, but their appointments were not governed by any guidelines. **The Ministry has taken initiative and have formulated guidelines for selection of non-officials to various committees.** These guidelines broadly lay down parameters for selection of experts/professionals/non-officials, their tenure, cooling-off period, age limit etc., and are aimed at more professional input and optimization of efficiency.

There has been a decisive move in the direction of adoption of e-governance on a comprehensive basis, comprising office procedure automation (OPA) connectivity grids, and ground database for monitoring. **Instructions have been issued to upload maximum information on the website of the Ministry to enable the public and other concerned to have an easy access to the information.** Training programmes have been organised for imparting training to the officials concerned with e-governance activities. An Institute has been entrusted with the finalisation of the request for proposal (RFP) for the system's requirements specifications of the Ministry. The appointment of an e-consultant is expected to be made by April 2005. It would be followed by engagement of consultants for development of software architecture.

## Municipal Corporation of Delhi (MCD)

With regard to the large number of complaints/cases of unauthorised construction, referred to the Commission for advice, various initiatives/suggestions have been recommended by the Commission to curb this malaise. **The Commission had suggested that an effective method of preventing unauthorised construction could be to identify areas where unauthorised construction had taken place on a large scale and get dated videography of these areas so that responsibility could be easily fixed on the concerned officers in whose period the unauthorised construction took place.** Further, that periodic inspection of the supervisory staff responsible for checking unauthorised construction and forming linked teams, whereby officials from one area were deputed to inspect another area etc., could be undertaken. The Commission suggested that the MCD may consider ear-marking two Dy. commissioners exclusively for the work relating to action against unauthorised construction, e.g. inspection of areas, fabrication of files etc. This would help in putting some check and lessening corruption. The Commission

also desired that confidence building measures should be initiated among the registered architects so that the architects could confidently certify completion reports based on the existing by-laws. Another suggestion of the Commission was that the penalties awarded to officials responsible for allowing unauthorised construction should be publicised/displayed on the website of the MCD.

The Commission had taken further steps to consolidate the measures suggested by Chief Secretary, Delhi, who had issued instructions to the land owning agencies (LOA) with regard to public encroachment and unauthorised construction in Delhi. **For instance, it suggested that the names and designations of the officials given the responsibility of over-seeing the updating of video films, fencing the areas concerned, arranging for watch and ward and overseeing the same for specific locations be sent to the Commission for record.** The Commission would use such lists while dealing with complaints received by it.

As a result of the above initiatives, the MCD has sent to the Commission the list of officials (zone-wise and ward-wise) who are responsible for protection of public land and prevention of encroachments. **It has also undertaken steps towards videography in this connection.**

The land owning agencies had pointed out that interaction with the police in removing unauthorised construction had not been very satisfactory in terms of availability of the police and the role of the Special Task Force set up under the Delhi Police. **The Commission in response has taken the initiative in this regard by meeting the STF and obtaining from them a list of surveys pertaining to the last two years conducted by the STF. The reports, where land-owning agencies, including MCD had taken no effective action were sent to them.** Due to the initiative of the Commission, compliance reports of action taken by the LOA's on the STF surveys regarding public encroachment are being received in the Commission.

The Commission had suggested that in order to curb delay and prevent corruption, payments to vendors (suppliers/contractors, employees etc.) should be done through a computerised monitoring system of electronic billing and electronic payment. Further, the MCD should adopt the system of unit area method for road laying/road repairing as was being followed by the municipal authorities in Hyderabad. The Commission also suggested that short-term tenders adopted for bids below Rs.2 lac should be published on the website of MCD.

**As a result of the above initiatives, the MCD is in the process of implementing the unit area method for small projects costing less than Rs. 2 lac.** A list of contractors would be prepared on the basis of the quality of their work and the projects would be allotted to these. This method is expected to curb delay and corruption.

#### **Delhi Development Authority (DDA)**

The DDA allots institutional land on the basis of sponsorship given to various societies by the Registrar of Societies. **The Commission, concerned at the existence of corruption in the allotment of institutional land, had stressed the**

**need for streamlining systems and procedures in this regard.** The Commission desired that since the present system of recommendation and allotment of institutional land was not transparent, the matter should be placed before the Lieutenant Governor for policy changes on the subject. As a result of this, the DDA is in the process of formulating a more transparent policy, keeping a few 'suspect' cases of allotment on hold till the policy is finalised.

**Due to the Commission's initiative of requesting land owning agencies like the DDA to install dated videography systems, the DDA has already videographed almost 50 percent of the identified land for the purpose.** It is also sending to the Commission the lists of nodal officers responsible for preventing public encroachments.

The Commission had desired that the system may be streamlined to reduce possibilities for corruption and also to handle the grievances in this field in an effective manner.

Even though space has been set aside for hawkers, as per the statutory Master Plan provisions of the DDA, in reality this space is being diverted for other uses. Profiteering on public land leads to extortion by vested interests, leading to organised corruption. The Commission had requested the Chief Secretary, Delhi, to conceptualise an action plan with regard to the problem. As a result of this, the matter was taken up by the GNCTD with DDA. **Based on the same initiative taken by the Commission earlier, a committee was constituted under the Chairmanship of the Principal Secretary, Urban Development to study all aspects relating to the plying of cycle rickshaws and to regulate the same.**

### **Ministry of Railways**

System improvements has been done at the instance of Railway Vigilance in areas such as (a) the system of viva-voce was done away with in most of the selections so as to eliminate subjectivity; (b) a suggestion has been made to RITES to modify the duty list of inspecting officials so as to include test checks by higher officials and to review the work of JEs/AIEs; (c) electronic weight bridges have been provided for weighment of goods rakes and scrap material in the stores depots.

**It has been noted that there are many complaints alleging malpractices in the recruitments made by the Railway Recruitment Board, such as leakage of question papers, etc. and therefore, the areas like printing of question papers etc. need to be strengthened.** It was also observed that there have been a number of complaints relating to the conduct of departmental examinations for promotion of employees. The Commission desired that the preventive checks might be conducted in these areas as a matter of routine.

In November 1998, the Commission had issued instructions banning post-tender negotiations except with the lowest tenderer. In the Railways, however, there was a system to bypass the lowest offer on the ground that the lowest tenderer did not meet the eligibility criteria as prescribed in the tender notice. Keeping in view that the Commission's instructions, the Railways did not distinguish between the technically qualified and unqualified tenderers, and on the basis of the fact that the tenders

floated by the Railways are normally of high value, the Commission suggested that the Railways could follow a two-bid system, i.e. technical bid and financial bid, and that the financial bid of only those tenderers should be opened who are technically qualified. **The Railway Board has since issued detailed instructions which define the lowest tenderer as the lowest, valid, eligible and technically acceptable tenderer, who would have been otherwise considered for the award of contract if the rates were not unreasonably high.** The instructions issued by the Railway Board also provide that the two-packet system of tendering might be adopted in specifically identified situations for obtaining consultancy services for higher technical works, where parameters could not be precisely predefined, or for execution of works which are either technically complicated or specialised in nature and/or which are executed very rarely.

**The Commission has observed that there were no written guidelines for allotment of wagons/rakes for loading/unloading and that such a procedure could pave a way for malpractices by the public servant.** It has, therefore, advised the Railway Board to frame the written guidelines on the subject matter.

**General instructions/guidelines issued by the Commission – January 2004 to December 2004.**

- Instruction on difference of opinion between CBI and Administrative Authorities (Circular No. 003/DSP/9 dated 08.01.2004)
- Instruction on obtaining Commission's advice in composite cases (Circular No. 000/VGL/187 dated 08.01.2004)
- Disciplinary Cases Monitoring and Management Information System(DCM& MIS)- package for expeditious disposal of vigilance cases – instruction regarding ( Circular No. 003/VGL/31 dated 14.01.2004)
- Preparation of Agreed List- clarification regarding (Circular No. 3K/DSP/10 dated 19.01.2004.)
- Exposure of CVOs to the global developments in fighting corrupting (Circular No. 001/TRGF/01 dated 03.02.2004)
- Common irregularities in the award of contracts (Circular No. OFF-1-CTE-I dated 05.02.2004)
- Improving Vigilance Administration – Increasing transparency in procurement/sale – use of web-site – regarding (Circular No. 98/ORD/1 dated 09.02.2004)
- Improving Vigilance Administration – Increasing transparency in procurement/tender Process- use of web-site regarding (Circular No. 98/ORD/1 dated 11.02.2004)
- Commission's advice in cases not having vigilance angle(Circular No. 004/VGL3 dated 19.02.2004.)
- Procedure for making reference to the Commission for its first stage advice regarding (Circular No. NZ/PRC/1 dated 26.02.2004)
- Delay in finalising of vigilance cases (Circular No. 000/VGL/18 dated 27.02.2004)
- Role of Disciplinary Authority in decision taken (Circular No. 003/DSP/3 dated 26.02.2004)
- Court case against Central Vigilance Commission (Circular No. 003/VGL/27 dated 11.03.2004)
- Disposal of Complaints (Circular No. 002/VGL/61 dated 01.04.2004)
- Sanction of Housing Loan/Consumer Loan by PSBs – procedural lapses regarding(Circular No. 003/VGL/29 dated 11.03.2004)
- Power and functions of the Central Vigilance Commission in relation to PSBs (Circular No. 98/VGL15 dated 06.04.2004)
- Improving Vigilance Administration : Increasing transparency and cutting delays by e-payments and e-receipts by Govt. Organisations etc.(Circular No. 98/ORD/1 dated 06.04.2004)
- Vigilance angle- definition of.(Circular No. 004/VGL/18 dated 13.04.2004)
- Vigilance angle – Determination in Banking Sector(circular No. 004/VGL/18 dated 15.04.2004)
- Jurisdiction of Central Vigilance Commission in relation to the officers of the level of Group B, Gazetted.(98/VGL/15 dated 16.04.2004)
- Submission of Monthly Report and Annual Report by CVOs (Circular No. 004/RTN/3 dated July 2004.)
- Reducing delays in Departmental Inquiries (Circular No. 99/VGL/3 dated 26.04.2004)

- Action taken on the decisions taken in review meetings held in Nov.2003. (Circular No. 004/VGL/14 dated 27.04.2004)
- Acceptance of gifts by Government servants (Circular No. 002/MS/70 dated 26.04.2004)
- Govt. of India Resolution on Public Interest Disclosures & Protection of Informer (Circular No. 004/VGL/26 dated 17.05.2004)
- Improving Vigilance Administration- Sensitizing the Public about corruption (Circular No. 99/VGL/16 dated 14.05.2004)
- Govt. of India Resolution on Public Interest Disclosures & Protection of Informer (Circular No. 004/VGL/26 dated 08.06.2004)
- Prequalification Criteria(PQ) 12-02-1-CTE-6 dated 07.05.2004.
- Mobilisation Advance (Circular No. 4CC-1-CTE-2 dated 08.06.2004)
- Receipt and Opening of Tenders (Circular No. 05-04-1-CTE-8 dated 08.06.2004)
- Improving Vigilance Administration : Increasing transparency in procurement /sale etc. – use of website regarding. (Circular No. 98/ORD/1 dated 02.07.2004)
- Improving Vigilance Administration : Increasing transparency in procurement /sale etc. – use of website regarding. (Circular No. 98/ORD/1 dated 05.07.2004)
- Reporting of frauds perpetrated by Bank employees to local police /CBI (Circular No. 003/VGL/1(Part.) dated 05.07.2004)
- Central Vigilance Commission's directives on use of website in public tenders.(Circular No. 98/ORD/1 dated 13.07.2004)
- Adherence to time-limits in processing of disciplinary cases.(Circular No. 000/VGL/18 dated 09.08.2004 and 10.08.2004)
- Proforma for Vigilance Audit for Banking Sector – (Circular No. 004/VGL/50 dated 13.08.2004)
- Observance of Vigilance Awareness Week during the year 2004 (Circular No.004/VGL/47 dated 16.08.2004)
- Delay in finalising of vigilance cases (Circular No.004/VGL/18 dated 25.08.2004)
- Time-Limit for investigation for complaints – regarding (Circular No. 004/VGL/62 dated 31.08.2004) – The circular has been superseded by another circular of even no. dated 08.02.2005)
- Disciplinary Cases Monitoring and Management Information System(DCM& MIS) ( Circular No. 003/VGL/31 dated 02.09.2004)
- Amendments to the Special Chapter on Vigilance Management in Public Sector Banks – regarding(Circular No. 003/VGL/1 (Pt.)dated 08.09.2004.)
- Acceptance of gifts by Government Servants(Circular No. 004/MS/32 dated 22.09.2004)
- Reporting in ACRs by the officers under investigation of the officers conducting vigilance investigation (Circular No. 004/VGL79 dated 04.10.2004)
- Foreign visits by the Government employees (Circular No 004/VGL/87 dated 25.10.2004)
- Leveraging Technology – e-payment & e-receipt (Circular No. 98/ORD/1 dated 20.10.2004)
- Turnkey contracts for net-working of computer systems (Circular No. 004/ORD/8 dated 03.11.2004)

- Appointment of retired officers as Inquiring Authority (Circular No. 004/VGI/63 dated 18/11/2004)
- Transparency in tendering system- Guidelines regarding. (Circular No. 004/ORD/9 dated 10.12.2004.)
- Foreign visits by the Government employees (Circular No 004/VGL/87 dated 08.12.2004)
- Participation of consultants in tender- guidelines regarding (Circular No. 98/DSP3 dated 24.12.2004)

## CHAPTER-6

### Non-Compliance, Delays and other Matters of Concern

#### Non-compliance

The Central Vigilance Commission is an apex anti-corruption body and an independent authority, which plays an important advisory role in all aspects of vigilance administration. The advice tendered by the Commission is after due and careful consideration of the facts of the cases forwarded to it. It has been the experience of the Commission that its advice is almost always accepted and implemented by the Disciplinary Authorities. However, there are a few cases of either non-acceptance of Commission's advice or non-consultation with the Commission w.r.t. officers under its jurisdiction.

Non-acceptance of the Commission's advice or non-consultation with the Commission vitiates the vigilance process and weakens the impartiality of the vigilance administration. In all such cases the Commission conveys its concern to the Departments concerned. However, a few cases of deviation from procedure or non-acceptance of Commission's advice are considered fit for specific mention and as such presented in this Report. During the year under report the Commission observed that in 225 cases, wherein final orders were issued in 2004, there was deviation from the Commission's advice. Some of the significant cases are as follows (**Table-8**):

**Table – 8**

#### Cases of non-compliance

S. No.	Department/ Organisation	Commission's advice	Action taken by the Department	Remarks
1.	Central Board of Excise & Customs (CBEC)	Prosecution/Regular departmental action (RDA)	Case dropped	Non compliance
2.	Central Board of Excise & Customs (CBEC)	Major penalty proceedings	Case dropped	Non compliance
3.	Central Public Works Department	Major penalty proceedings	Censure	Non compliance
4.	Department of Commerce	Stiff major penalty (dismissal/removal/ compulsory retirement)	Reduction in pay by three stages for three years	Non compliance
5.	Department of Personnel & Training	Not to accept the resignation	Accepted the resignation	Non acceptance
6.	Ministry of Health & Family Welfare	Stiff minor penalty	Government displeasure after	Non compliance

			retirement	
7.	Ministry of Railways	Major penalty proceedings	Counselling	Non compliance
8.	Ministry of Railways	Minor penalty proceedings	Closure	Non acceptance
9.	Airports Authority of India	Major penalty proceedings	Case dropped	Non compliance
10.	Airports Authority of India	Called for investigation report	Warning	Non compliance
11.	Fertilizers & Chemicals Travancore Ltd.	Minor penalty	Case dropped	Non compliance
12.	Food Corporation of India	No advice obtained	Minor penalty	Non consultation
13.	Minerals & Metals Trading Corp. (MMTC)	Major penalty proceedings	Exoneration	Non-consultation
14.	Steel Authority of India Ltd.	Suitable recovery from terminal dues	Set aside the penalty	Non compliance
15.	National Insurance Co. Ltd.	Major penalty proceedings	Case dropped	Non compliance
16.	Employees State Insurance Corp. (ESIC)	Stiff minor penalty	Exoneration	Non compliance
17.	Govt. of NCT of Delhi	Cut in pension	Government displeasure	Non compliance
18.	Govt. of NCT of Delhi	Major penalty	Government displeasure	Non compliance
19.	Municipal Corporation of Delhi	Major penalty proceedings	Exonerated	Non compliance
20.	Municipal Corporation of Delhi	Major penalty	Exonerated	Non compliance

### Ministries/Departments

#### Central Board of Excise & Customs (CBEC)

##### Case 1

The Central Board of Excise & Customs (CBEC) had carried out investigations, in 1999, into a case relating to massive evasion of excise duty involving substantial amounts by a private firm. The investigations brought out serious lapses/irregularities on the part of a number of departmental officials which was clearly indicative of their collusion with the private firm. The Department made a report in this regard to the Commission in December 1999. Subsequently, on the basis of the CBI's report, the Commission advised prosecution and/or departmental proceedings against the erring officials including a retired Inspector. This advice was tendered in November 2003.

The Department informed the Commission, in December 2004, that the case against the retired Inspector, referred to above, had become time barred, in terms of the four year limitation clause for departmental proceedings. It was noticed from the Department's reference that this was not a case where the official concerned retired on superannuation, but a case where he was allowed voluntary retirement from service. **Thus, the CBEC had knowingly allowed an erring official to escape without punishment.**

#### Case 2

In November 1997, the Commission had advised, in agreement with CBEC, major penalty proceedings against six officials of the Customs Departments in a case involving a loss amounting to Rs.22.53 lac which had resulted from refund of fraudulent draw-back claims. However, the inquiry could not make any headway since the requisite case records were not available to the Inquiry Officer, despite repeated requests from him. Subsequently, it was informed by the Department in February 1999 that the case records were missing and were not available.

The Commission again advised the Department, in January 2000, to the effect that the plea of non-traceability of the records is not acceptable, and that the Department should carry out due investigation into the matter with a view to fixing responsibility for the disappearance of the documents.

In the meantime, one of the charged officers moved the Central Administrative Tribunal (CAT) challenging the proceedings against him and the Tribunal quashed the charge-sheet. The Department's appeal in this regard was turned down first by the High Court and then by the Supreme Court. In view of this, the Commission was left with no option, but to advise closure of the case insofar as this official was concerned. Cases against the other five officials were also held as not proved on account of non-availability of the original documents. In the light of this, there was no option available but to advise dropping of the proceedings against these five officials as well. It was, however, noted by the Commission that although the Department was advised in January 2000 to cause an investigation into the disappearance of the documents, no investigation worth the name was carried out by the Department. No report in this regard was, in any case, furnished to the Commission.

**In the Commission's view, therefore, this was a case where not only the requisite records must have been removed surreptitiously by the delinquent officials themselves but also where the Department did not bother even to carry out a proper investigation into the matter with a view to fixing responsibility for the disappearance of the documents. Thus the officials who were responsible for causing substantial loss to the exchequer had been left off scot-free. Such lenient attitude in serious matters is, held to be deplorable by the Commission.**

#### **Central Public Works Department (CPWD)**

In a case of sub-letting of government accommodation by a superintending engineer

(SE) of the CPWD, the CBI after investigating the case had recommended initiation of major penalty proceedings against the SE. The Commission agreeing with the CBI's recommendation had also advised initiation of major penalty proceedings against the SE. After the departmental inquiry, the charge was held proved and imposition of a major penalty advised against the SE by the Commission. The Ministry of Urban Development & Poverty Alleviation, however, approached the Union Public Service Commission (UPSC) for advice, who in return advised imposition of the minor penalty of censure on the ground that the proven misconduct could not be taken as serious impropriety. **The Commission is of the view that sub-letting is a serious offence and by imposing a penalty of censure a guilty officer has been let off with a light penalty by the CPWD.**

### Department of Commerce

**Major penalty proceedings were instituted against the officers of the Chief Controller of Imports and Exports on the charge of opening a bank account in a fictitious name and depositing substantial amounts (worth about Rs.1.60 lac) therein.** In the inquiry that followed, the charge against the officials was held as proved. The Commission accordingly advised imposition of a stiff major penalty (like dismissal, removal or compulsory retirement) on the official. The UPSC, and also the Department of Personnel & Training (DOPT), however, observed that a penalty of reduction in pay by three stages for three years would suffice in the case. Orders were accordingly issued by the Department of Commerce in August 2002.

The explanation given by the accused at the time of investigation of the case was that the fictitious name that he chose (for opening the impugned account) was actually his 'pet' name and that the amounts deposited in the account belonged to his brother-in-law. However, the fact was that he did not participate in the inquiry, which was, therefore, concluded ex-parte. This was thus a clear case where the officer opened the impugned account deliberately in a fictitious name. And hence the amounts deposited therein were also to be taken as his own ill-gotten/unaccounted money. **The UPSC and the DOPT, however, have treated this as a case of mere "non-intimation" (of the fact of opening and operating the impugned bank account). Obviously the Department of Commerce also failed to properly appreciate and assess the facts and the gravity of the case. Thereby, benefit of doubt was given to an accused who did not deserve it at all, resulting in the official getting away with a light punishment in a case where a severe penalty and exemplary punishment was certainly warranted.**

### Department of Personnel & Training (DOPT)

A source information relating to possession of disproportionate assets by an IAS officer was received in the Commission in 1998. The DOPT was asked to verify the sources of acquisition of various properties held by the officer. In reply, the DOPT in April 1999 sent a 'self-contained note' informing the Commission about the CBI's view on the large number of properties acquired by the officer, which was not in tune with his known sources of income. The Commission, therefore, advised the CBI in May 1999 to register a regular case against the officer for investigation. Meanwhile,

the officer tendered his resignation and the DOPT sought the Commission's advice on the acceptance of the resignation. The Commission in response advised the DOPT not to accept the resignation since the officer was involved in a case of moral turpitude. The DOPT, however, accepted the resignation of the officer contrary to the Commission's advice. **It is thus evident that the DOPT dealt with this case in a very perfunctory manner without paying any heed to the Commission's advice.**

### **Ministry of Health & Family Welfare**

In a clear case of favouritism and by-passing of prescribed recruitment procedure by an ex-Director, Post Graduate Institute of Medical & Educational Research (PGIMER), the Ministry of Health and Family Welfare had recommended major penalty proceedings. To enable a quick decision of the case, the Commission advised minor penalty proceedings with a view to imposing stiff minor penalty on the then Director, PGIMER, Chandigarh. An inquiry was held and charges were held as proved. **The Ministry proposed a token cut of 5 percent in pension, which was agreed upon by the Commission. However, the disciplinary authority decided to convey only Government's displeasure against the official on grounds of Rule position.** The first stage advice of the Commission having been conveyed in March, 2003; if timely action had taken place, an appropriate penalty in accordance with the Commission's advice and the gravity of the lapse could have been imposed on the official while in service. **Thus, laxity shown by the disciplinary authority in the matter led to the official getting away with no penalty.**

### **Ministry of Railways**

#### **Case 1**

The matter pertains to award of day-to-day lease front of SLR of train No.9105 in two stretches, i.e. for a distance of 27 kms from Ahmedabad to Kalol at the rate of general parcel rate plus 10 percent by Vadodara Division, and for a distance of 908 kms from Kalol to Delhi at the rate of concessional parcel rate by Rajkot Division. Thus, by splitting the lease into two parts, the firm was required to pay Rs.6330 per day as against Rs.7383; causing a loss of Rs.1053 per day to the Railways.

**The investigation revealed that goods loaded at Ahmedabad were not unloaded or freshly loaded at Kalol and were allowed to pass through Kalol to Delhi on the parcel way bill (PWB) prepared at Kalol, ex-Kalol to Delhi, under the specific instructions of the DCM, Rajkot, on the basis of the fax of the PWB ex-Ahmedabad to Kalol.** It also revealed that the DCM, Rajkot had advised the Sr. DCM, Vadodara about leasing of SLR ex-Kalol to Delhi, yet the mischief of the party of splitting the contract into stretches was not taken note of. Further, even after the vigilance check, the firm was allowed another lease in two stretches, ex-Ahmedabad to Mehsana and ex-Mehsana to Delhi, though the stoppage at Mehsana was five minutes and loading/unloading was not possible even at that station.

These facts raised an inference of connivance of the Sr. DCM, Vadodara and other

Railway employees with the private firm to cause undue benefit to the private firm with a corresponding loss to the Railways. **The Commission, therefore, advised initiation of major penalty proceedings against the Sr. DCM, Vadodara, the DCM, Rajkot, the Commercial Inspector and the Divisional Commercial Inspector, Kalol.** While the Commission is yet to hear from the Railway Board about the action taken against other employees, the disciplinary authority in the case against the Sr. DCM, Vadodara (now Dy. CCM/HQ) has not accepted the Commission's advice for initiation of major penalty proceedings against him and administered counselling on him even for such a serious irregularity.

#### Case 2

On a preventive check, the vigilance department of North Western Railway observed certain irregularities in the grant of freight discount to a private firm under the scheme of station to station rates, such as (i) the discount was allowed to a private party who had failed to load the material during last three months due to a stay; order granted by a Court to prevent pollution, whereas the scheme was applicable only to 'new' traffic; (ii) the party had committed to load the material below its actual loading during the previous year while this rate of concession was admissible only on 'incremental' traffic; and (iii) the party had revalidated the bank guarantee on 15.10.2003 though the notification was issued on 17.10.2003, thus anticipating that the proposal would get through. It was also observed that though the Accounts Department had referred this traffic as 'existing' traffic, yet it did not pursue this line of action. Subsequently, nor did it refer to the need for Railway Board's concurrence prior to the notification, as there was a doubt about the admissibility of 12% concession. The Commission, therefore, advised initiation of minor penalty proceedings against the then CCM(G) and counseling of the then CCM/NWR, the FA&CAO and the Dy. FA&CAO. The disciplinary authorities concerned, however, closed the cases against all of them.

### Public Sector Enterprises

#### Airports Authority of India (AAI)

#### Case 1

The case relates to the award of work of special repairs to the main runway 10/28 and payments for other operations at the Indira Gandhi International Airport by the AAI (erstwhile IAAI) to a private party in 1990-92 which caused a loss of over Rs.1.5 crores to the AAI. Irregularity in procedures, stifled competition, improper evaluation/justification of tender by the Work Advisory Board (WAB); overpayments and favouritism to a particular contractor etc. were noticed in the case. It was observed that in the first call (original call), the factors mentioned for loading the tender were not considered but for a similar situation in the second call (Balance work), these were considered. The then Member (Operation) failed to record the reasons for considering the new factors, inspite of objections by the Executive Director (F&A). Further, he failed to ensure the full quorum of WAB and obtained the Chairman's approval without even financial clearance. Since a tender of this magnitude requires concurrence of the WAB before the Chairman's approval, the then member

(Operations) acted in haste to get the tender cleared. Prima facie he was instrumental in limiting the tenders and thus award of work at high rates.

The Commission had, therefore, advised initiation of major penalty proceedings against the then Member (Operations) on 23.10.1997. Subsequently, the Ministry of Civil Aviation, the Disciplinary Authority as well as the AAI did not implement the Commission's advice for over four years, and finally on 20.11.2001, the Ministry of Civil Aviation approached the Commission for closure of the case as he had already demitted office of Member (Operations) w.e.f. 16.10.2001 and no charge sheet could be issued to him and no action was possible against him. **Since it prima-facie appeared that the then Member (Operations) was let off deliberately, the Ministry of Civil Aviation was asked on 14.2.2003 to fix responsibility for the inordinate delay in processing the case. The Ministry, in April 2003, furnished their clarifications without enclosing any record, stating that though delay had occurred at both the Ministry as well as the AAI's level, the delay was bonafide and no responsibility could be fixed.** However, as the relevant documents were not forwarded to the CVC inspite of repeated reminder to the Ministry, the Ministry's justification on delay cannot be accepted. Accordingly, **the Commission has treated this case as one of non-implementation of its advice.**

#### Case 2

This is an instance where a private party was given 1750 Sq. mtrs. (175mX10m) of land on lease for construction of an access road to a commercial venture on AAI's land at Andheri, Mumbai at a very low rate of license fee, the rate in question was Rs.450 per sq.m. per annum instead of Rs.1400 per sq.m per annum which was internally estimated, or at an average rate of Rs.4225 per sq.m. per annum, based on market rates in response to an NIT issued in 1995 for leasing land at Juhu Airport. The lease was approved by Board of Directors, AAI. It led to AAI sustaining losses ranging from Rs.1.78 crores to 7.39 crores.

The Commission observed that the matter involved financial consideration as well as undue advantage to a private party to the detriment of the AAI and called for an investigation report from the Ministry of Civil Aviation in February, 1999. Despite numerous reminders, the Ministry gave no response and the first response came from AAI in September, 2002 wherein it was stated that the Chairman, AAI being the disciplinary authority had decided to initiate minor penalty proceedings against the concerned officials. The disciplinary authority upon considering the written statement of defence of the delinquent officials was of the view that there should be an award of penalty of warning followed by closure of the case against them.

**This is a classic case of the Ministry and AAI not paying heed to the repeated letters from the Commission and a fait accompli in the form of issuance of warning to the concerned officers being presented before the Commission.**

The Commission, therefore, refrained from giving second stage advice to the Ministry as that would be tantamount to legitimising the course of action already adopted by the Ministry of Civil Aviation/AAI which was not with the approval of the Commission.

### **Fertilizers & Chemicals Travancore Ltd. (FACT)**

In March 2003, the Commission advised imposition of a minor penalty on seven officials of FACT, in connection with lapses/irregularities noted on their part in the award and operation of contracts for Cooling Water Treatment. It was reported to the Commission in August 2004 that disregarding the Commission's advice, one of the said officials was exonerated by the Disciplinary Authority in May 2003. On enquiry it was intimated by the CVO in October 2004 that of the remaining six officials, four had retired from service even before receipt of the Commission's advice, aforesaid, of March 2003 and that proceedings against other two officials had been dropped by the Disciplinary Authority concerned. As per the extant procedure, the disciplinary authority (DA) is expected to seek a reconsideration of the Commission's advice, in case the advice is considered to be unacceptable by the DA for any reason.

**In the present case, the DA did not bother to seek any such reconsideration and instead, unilaterally dropped the proceedings against the officials, disregarding the Commission's advice in the process.** The DA's action, thus, amounted to deviation from the established procedure and non-acceptance of Commission's advice.

### **Food Corporation of India (FCI)**

A complaint alleging sale of 1766 MT paddy at lower rates ignoring offers at higher rates was sent for investigation in October 2000 by the Commission. It has been observed from the delayed report sent by FCI that the proposal for acceptance of offer of a firm for purchase of paddy at the rate of Rs.481/- per quintal could not be processed and accepted in time due to deliberate delay on the part some of the officers/officials of the FCI. Time limit of the tender was allowed to lapse. However, no action was taken in the matter and FCI had to suffer huge loss due to mishandling of the case in which connivance with the party to whom rice was eventually sold at Rs. 351/- per quintal cannot be ruled out. Further the EMD of firm who quoted higher rate was refunded irregularly. **A minor penalty of Censure and recovery of Rs. 1,50,000 was imposed on two officials and penalty of censure was awarded to two other officials involved without Commission's advice.** The guilty officials were let off with token recovery and censure which makes delay in furnishing an investigation report and non-consultation by Disciplinary Authority a suspicious act in the eyes of the Commission. **The way the case has been handled clearly shows not only the violation of prescribed consultation mechanism with the Commission in the case but also an attempt to shield the officers/officials involved who were instrumental in huge loss to the Food Corporation.**

### **Minerals & Metals Trading Corporation (MMTC)**

In September 2001, the Commission advised, inter-alia, major penalty proceedings against three officials of MMTC, on the basis of a CBI report for irregularities committed by the said officials in the course of MMTC's dealings with a private firm. It was alleged that the MMTC officials gave undue favour to a private exporter of

jewellery by allowing huge outstandings to the tune of US\$ 2 million beyond the permissible limits and facilitating misappropriation of 6 Kgs of gold by the private party. Pursuant to the Commission's advice, the officials were served with major penalty charge sheets and a departmental enquiry was also ordered against the three. Subsequent to the findings of the Inquiry Officer, the disciplinary authority (DA) exonerated all the three officials without consulting the Commission.

**Since this was a case where proceedings were instituted on the advice of the Commission, it was incumbent upon the disciplinary authority to consult the Commission for obtaining its second stage advice before taking a final decision. However, this was not done – as stated above. The DA's action, thus, amounted to non-consultation with the Commission, in violation of the extant instructions and has been viewed seriously due to the leniency shown in cases of serious lapses by the MMTTC.**

### **Steel Authority of India Ltd. (SAIL)**

Pursuant to the Commission's advice, a senior officer of SAIL who was earlier posted at Durgapur Steel Plant was issued a charge-sheet containing two charges, the first being that he was instrumental in signing a memorandum of settlement (MoS) in February 1997, with workers on the issue of determination of age/date of birth of the employees. **His action in this regard was arbitrary and the said MoS led to revision of dates of birth of as many as 558 employees, resulting in the loss of over Rs.15 lac to the Company.** The second charge was that he had surreptitiously empanelled a travel agency for hiring of tourist cars.

The Ministry of Steel advised a suitable recovery from the terminal dues of the officer who had retired in between. This was agreed upon by the Commission. Pursuant to the Commission's advice, orders were issued by the Chairman, SAIL on 30.11.2003 for recovery of an amount of Rs.1.40 lac from the terminal dues of the officer. The case was however, reviewed by the Board of Directors of SAIL in its meeting held on 27.4.2004; and it was decided to set-aside the aforesaid penalty/punishment. **In the Commission's view, this is a case where undue leniency was shown to the charged officer who was found guilty of a grave misconduct resulting in substantial loss to the organisation. The decision of the Board of Directors reflects insensitivity to vigilance/disciplinary matters and it sent a wrong message down the line.**

### **Public Sector Banks and Insurance Companies**

#### **National Insurance Company Ltd. (NICL)**

**A branch manager of the NICL had committed gross misconduct by manipulating records with a view to getting an inadmissible claim passed. Major penalty proceedings were initiated against the manager by the Company in consultation with the Commission.** It was observed that an insurance policy issued in respect of a rice mill did not have the 'flood risk' cover. After filing of the

claim, the Branch Manager reported to the Divisional Office that the office copy of the policy was not traceable and proceeded to collect the difference in premium without approval of higher authorities knowing fully well that flood risk was not covered in the original policy. Even the original policy submitted by the Insured along with the claim was found to be tampered with by way of inserting the word "FLOOD". These acts of omission and commission on the part of the Branch Manager led to the claim of Rs. 8,22,095/- being settled in favour of the rice mill.

There was sufficient evidence to indicate that the original cover note was allowed to be manipulated in the duplicate cover note, which stood established on the documentary evidence itself. The Commission endorsed the recommendation of the DA for imposition of a suitable major penalty. The major penalty of reduction in pay by two stages was accordingly imposed on the Branch Manager.

However, the GM (Personnel) acting in the capacity of Appellate Authority set aside the punishment imposed by the disciplinary authority and exonerated the officer without cogent reasons. **The Commission has viewed this action of the Appellate Authority as non-compliance of its advice, as such lenient actions tend to send wrong signals and vitiate the vigilance administration of organisations.**

#### **Autonomous/Local Bodies**

##### **Employees State Insurance Corporation (ESIC)**

On investigation of a complaint it was found that Deputy Director(ESIC), had earlier harassed his landlord, refused to vacate the house and pressurised him for its sale. He bought the house much below its market value and issued a stop payment order to the bank in respect of the cheque he issued to the seller. Further, he did not intimate the Government about his action as per CCS(CCA) Rules. The Commission had advised stiff minor penalty against the official, and accordingly, the disciplinary authority had imposed a penalty of withholding the next increment. **However, the appellate authority exonerated the official, noting that on the date of registration the payment had been made ignoring the fact that the credit had been reversed in the account of the seller on the previous day based on the stop payment order of the charged officer.** The non-intimation of the transaction under the conduct rules on time was also ignored as a technical omission. **Exoneration on proven lapses is viewed seriously, hence the Commission has treated this as deviation from its advice.**

##### **Government of NCT Delhi (GNCTD)**

In two cases where the Commission had advised major penalties, the officers were let-off scot-free by the GNCTD.

###### **Case 1**

The Commission had advised imposition of a cut in pension on a retired Sales Tax Officer (STO) concerned in the GNCTD, for failing to tax, sales amounting to

Rs.17.09 Lakhs with regard to a private firm, in May, 2003. The charges were proved against the STO during the course of the departmental inquiry. However, the GNCTD instead of imposing a cut in pension issued government displeasure to the STO on the grounds that he had already retired from service. The GNCTD had thus allowed an official guilty of serious misconduct to go unpunished. **Such lenient actions on proven charges dilute the vigilance administration and is viewed seriously by the Commission.**

Case 2

**The Commission had advised the imposition of major penalty on an Executive Engineer (amongst others) in GNCTD in January, 2003, for irregularities in the work of desilting of the Najafgarh drain, which had led to an over payment to the contractor, to the tune of nearly six lac rupees. The GNCTD, vide their order dated 7.4.2004, issued government displeasure to the concerned EE on the ground that the EE had already retired from service. The Commission is of the view that even after retirement of the EE, a suitable cut in pension could have been imposed on him. Thus, by issuing government displeasure the GNCTD has let off an official with a light penalty although the charges against him were serious in nature.**

### Municipal Corporation of Delhi (MCD)

Case 1

**In a case relating to allowing unauthorised construction by MCD officials the Commission had advised initiation of major penalty proceedings against the concerned Zonal Engineer(ZE). The inquiry was conducted by the departmental IO. The Commission in agreement with the MCD's proposal advised imposition of major penalty on the ZE. The disciplinary authority imposed a major penalty on the ZE but the Appellate Authority exonerated him after giving him a personal hearing without indicating the ground for exonerating the officer. The Commission considers this as a non-compliance of its advice which is a serious matter especially as an official whose guilt was established during the inquiry was left unpunished by the MCD. This would further vitiate the vigilance administration in the organisation.**

Case 2

**The Commission had advised the imposition of a major penalty on Director (Horticulture) of the MCD in October, 2003, for availing benefits of promotion on the basis of a false caste certificate. Prior to the inquiry, the National Commission for SC&ST had also advised the MCD for termination of the services of the Director (Hort.). However, the disciplinary authority instead of imposing a major penalty, exonerated the official. Thus an official who was found guilty of manipulation of his service record was let off without a penalty.**

## Delays and Deficiencies

The need for expeditious follow up actions on complaints, investigation reports, inquiry reports etc. need hardly be emphasized. In fact, the Commission has always been underlining the imperative of this. It goes without saying that undue delay in processing of vigilance matters is neither in public interest nor in the interest of the individual officials concerned. If the individual is really guilty, delay comes to his rescue in many ways: as for example, in his escaping any punishment through the retirement-route, in his earning promotions etc.; and if the individual is not guilty, the delay contributes to his agony and harassment, besides depriving him of his due promotions. It also aggravates his social approbation. Thus, in short, delay leads to miscarriage and at times denial of justice. Despite all this, it is unfortunate that many of the organisations go about vigilance-job in a routine and insensitive manner. **The prominent areas of delays during the year under report were in the investigation of complaints/cases, issue of chargesheet for initiating proceedings, appointment of inquiry officers and issue of final orders after completion of disciplinary proceedings.**

### Delay in investigation of complaints

There are a large number of cases of delay in investigation on complaints. After careful scrutiny of each, the complaints which are serious and verifiable are referred to the organisation for investigation and reports, rest of the complaints are either sent for necessary action or closed in the Commission. The complaints sent for investigation and reports are very small in number about five to six percent of the total complaints; however, still the organisations delay considerably, the investigations in such matter. It is the Commission's apprehension that such delays are more in serious cases where senior officers are involved.

The Commission during the year 2004 had received 10735 complaints. It has decided to itself call for the documents and institute inquiry through its CDIs in such matters as per terms of the CVC Act 2003. The table-9 below gives the details of such complaints delayed during 2003 and 2004:

**Table – 9**

#### Complaints Pending for Investigation and Report

Year	Upto one year	Between 1-3 years	More than 3 years
2003	258	540	765
2004	375	290	392

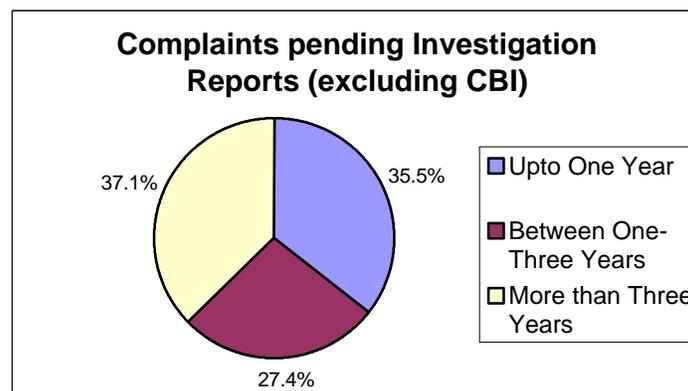
**Some of the organisations which have delayed reports on large number of complaints are:**

Organisations/Departments	Delays in reports on complaints
Central Board of Direct Taxes	105
Central Board of Excise & Customs	86

Municipal Corp. of Delhi	69
Govt. of NCT Delhi	64
Ministry of Railways	59
Deptt. of Health	42
Delhi Vidyut Board	39

The administrative authorities are required to complete investigation into a complaint normally within a period of three months. In case of the Central Bureau of Investigation, the period for completion of any investigation is six months. However, at the end of the year 2004, investigation reports were awaited in 1057 complaints forwarded by the Commission to departmental vigilance units for investigation and reports. Of these, 392 (nearly 37 percent) complaints were pending for investigation for more than three years and 290 (nearly 27.4 percent) complaints for the period ranging between one to three years (**Chart 14**).

**Chart – 14**



**Some illustrative cases of delay in investigation of complaints by the organisations are listed below:**

**Airports Authority of India Ltd. (AAI)**

The Commission had forwarded a complaint dated 30.11.1988 against the then Chairman, International Airports Authority of India (IAAI) to Ministry of Civil Aviation for investigation and report. Though repeated reminders were sent, it was only on 1.7.1992 that a tentative report was sent to the Commission. The Commission thereupon advised the Department of Civil Aviation to:

- (i) Report on CBI's recommendations against the officials involved in the irregularities in recruitment of Air-hostesses;
- (ii) Look into the irregularities in the award of work of construction of air strip at Lakshdweep; and
- (iii) Fix responsibility for non-recovery of dues to the tune of Rs.1.4 crore from M/s Cambatta Aviation.

Allegation (i) was considered as not substantiated and the matter was therefore closed.

In respect of award of contract for construction of the air strip of Lakshdweep, the CBI on the basis of the discreet inquiry concluded that the award of contract to National Buildings Construction Corporation (NBCC) was made even when the officials of NBCC had already entered into an agreement with the private party, and had handed over the entire contract to this firm on an exclusive basis in violation of a specific clause in the agreement. **Thus, it was a case of sub letting the entire contract on back to back basis in which the serious acts of omission and commission on part of the officers of NBCC as well as IAAI was clearly noted.** Due to inordinate delay departmental proceedings could not be initiated against the concerned officers of the IAAI, including the then Chairman, as they had reportedly either retired or left the organisation.

Regarding the irregularity in pursuing the recovery of dues to the tune of Rs.1.4 crore, it is observed by the Commission that only two installments of Rs.10 lac each were recovered. **Though the Ministry had stated on 1.3.1994 that the accountability for accommodation of dues is being looked into, obviously it did not initiate any action and only after a decade, on 10.3.2004, stated that due to the case being old it could be difficult to fix responsibility on anyone.** The DCA also stated that there is a dispute about the payment, which is not accepted by the Commission as M/s Cambatta Aviation had paid two installments earlier. There is clearly misconduct and laxity, on the part of the IDA and its officers which is bear of covered up by DCA.

**The Commission expresses its deep displeasure on the manner in which the complaint has been handled by the DCA which shows their indifferent attitude and lack of promptness, and due to which the delinquent officials could get away on account of retirement or lack of evidence, even in the face of grave misconduct on their part.**

### **Central Board of Excise & Customs (CBEC)**

In a complaint received by the Commission in March 1997, it was alleged that an audit of the Iron & Steel Manufacturers of Gorakhpur Division was carried out by a special audit team of the Central Excise Department and that during the audit, excise duty evasion worth crore of rupees was detected. It was also stated in the complaint that a report in this regard was submitted to the Commissioner of Central Excise, Allahabad. According to the complaint, it was a case of connivance between the Central Excise official concerned and the private parties.

The Commission called for a report in the matter from the CVO of the CBEC. The CVO was also requested to furnish a copy of the audit report in question, to the Commission. It was, however, only as late as in October 2004 (i.e. after more than seven and a half years) that the CBEC furnished a report in this regard to the Commission. As per this report, the audit objections had already been duly settled and further, no lapses were noted on the part of any official of the organisation. The Department, therefore, recommended closure of the case.

**The time taken by the Department (i.e. seven and a half years) in furnishing a report to the Commission is, by any standards, far too long. Needless to say that such inordinate delays on the part of the Department in dealing with/following up vigilance matters defeats the very purpose and impact of vigilance and is indicative of the Department's apathy towards vigilance matters.**

#### **Department of Culture**

A complaint relating to the Archaeological Survey of India was forwarded to the Department of Culture in April for investigation and report. After repeated reminders, in May, 2004 the Commission was apprised that a similar complaint had been investigated and closed with the approval of the Commission. However, the two complaints were separate. The only common issue between the two complaints was regarding preparation of false muster rolls and there were a number of other alleged irregularities because of which the Commission had sent the subsequent complaint for investigation and report. **The Commission expressed its unhappiness over the matter and also observed that the subject matter of the complaint is an area of abuse of powers and misappropriation of funds for which the system of control and supervision should be improved.** No further report has been received.

#### **Indian Council of Agricultural Research (ICAR)**

In June 1999, a complaint regarding misuse of public funds to the tune of Rs.3.5 crore by officers of the Sugarcane Breeding Institute, Coimbatore was sent to ICAR for investigation and report.

After more than five years in December 2004, the ICAR informed the Commission that the Council has tentatively decided to close the case and sought the Commission's advice. The Commission expressed its unhappiness and concern on such inordinate delay on the part of the Council; particularly on a complaint which could have been investigated by going through the accounts/records within six months. **This indicates the slackness in the vigilance administration in ICAR.**

#### **Ministry of Urban Development & Poverty Alleviation**

A complaint received in the Commission alleging that some CPWD officials awarded tenders for fan regulators at exorbitant rates and split the tenders without authorisation was forwarded to the Ministry of Urban Development and Poverty Alleviation for investigation and report in September 1998. The investigations, prima-facie, established serious lapses on the part of the CPWD officials involved, warranting initiation of major penalty proceedings. The Department, however, took more than six years to investigate and come to the above conclusion and during the intervening period, one Executive Engineer and two Assistant Engineers retired so that no action could be taken against them as the case became time barred. **Thus, due to inordinate delay in investigation of the case on the part of the Ministry**

**of Urban Development & Poverty Alleviation, the officials who committed serious irregularities could not be punished.**

### **Delay in holding oral inquiry**

In cases where the Commission advises initiation of departmental proceedings against an erring official on the basis of a preliminary investigation report, the disciplinary authority is required to issue a charge sheet to the delinquent employee within one month of receipt of the Commission's advice. Keeping in view the time frame prescribed for issuing a charge sheet and obtaining written statement of defence from the CO, it should be possible for the disciplinary authority to appoint inquiry officers (IO) within two months of the receipt of the Commission's advice for initiation of major penalty proceedings.

**There were, however, 127 cases in which the disciplinary authorities had not issued orders appointing the Commissioners for Departmental Inquiries (CDI), nominated by the Commission as Inquiry Officers (IO). Of these, 86 cases were more than one year old and 41 cases were more than three months old.** The organisation-wise break-up of these cases of delay in appointment of CDIs is given in **Annexure-V**.

Further, the IO appointed by the disciplinary authority to conduct departmental inquiry in a particular case cannot start the inquiry unless related documents, viz., a copy of the charge sheet, reply of the charged officer, order of appointment of the Presenting Officer and the listed documents/witnesses, are furnished to him. These documents are required to be made available to the IO immediately on his appointment as IO. However, at the end of the year under report, 4 cases were pending for more than one year, in which the disciplinary authorities had not furnished the relevant documents to the CDIs appointed as Inquiry Officers.

### **Delay in implementation of Commission's advice**

**At the end of the year under report, as many as 3077 cases were pending for over six months for implementation of the first stage advice of the Commission and 1093 cases pending for over six months for implementation of the second stage advice of the Commission.** The organisation-wise break-up of these cases is given in **Annexure-VI**. Maximum number of delays are as follows:

**Table – 10**

#### **Delay in implementation of Second Stage Advice for over 6 months**

<b>Organisations/Departments</b>	<b>Second Stage Advice</b>
Central Board of Excise & Customs	281
D/o Telecom	120
Delhi Vidyut Board (erstwhile)	96
M/o Railways	47
Govt. of NCT Delhi	35
M/o Home Affairs	27
M/o Urban Development	26

D/o Defence Production & Supplies	26
Cabinet Secretariat	24

### **Delay in seeking advice/conduct of disciplinary proceedings/imposing penalties**

Delay in disciplinary proceedings has been one of the major areas of concern of the Commission. The delayed proceedings lead to injustice to the charged officials and result many times more in letting the guilty officials get scot-free due to retirement, or lack of availability of original documents which are shown as lost or untraceable. Further, the disciplinary authorities fail to take strong action against the personnel responsible for loss of papers, delays etc., inspite of clear direction of the Commission. The Commission has in a number of cases expressed its displeasure and advised against such officers.

### **Some of the illustrative cases of delay in implementation of the Commission's advice by the organisations are listed below:**

#### **Central Board of Direct Taxes (CBDT)**

##### *Delay in completion of inquiry*

In March 1980, the Commission advised initiation of major penalty proceedings against an Income Tax Officer (ITO). Accordingly, he was charge-sheeted on 4.7.1980 and subsequently an I.O. was also appointed in the case. The CO then moved to the Court which stayed the proceedings. The Court directed, in October 1981, to afford an opportunity to the CO to submit his defence statement, after inspection of documents within four weeks from the notification. However, it was only in December 1983 that the Department initiated action in this regard, and the CO on his part came up for inspection of documents only in October 1985. The matter dragged on further for inexplicable reasons and it was only on 3.2.1986 that the CO finally turned out for inspection of documents. **In the course of examination of documents by the CO on 6.2.1986, he allegedly removed/tampered with certain vital documents with the intention of destroying the evidence against him.** Although this was reported to the police, they eventually filed a closure report in the matter.

**On account of these developments, the main case against the officer was allowed to drag on, for which, in the Commission's view, there was no justification.** When the matter was reported to the Commission in February 1987, it advised, inter-alia, that further necessary action in the case may be taken expeditiously. However, it was only in May 1987, that the case was entrusted to the IO.

**Despite all these, there was still no serious/sincere effort from the Department to get the inquiry completed without further delay.** Even after fourteen years therefrom and despite several reminders from the Commission as well, the Department has not so far informed the Commission about the outcome/status of the inquiry proceedings against the delinquent officers. Such delays on account of the

departments encourage the corrupt and make a mockery of vigilance administration.

### Central Board of Excise & Customs (CBEC)

#### Case 1

##### *Delay in obtaining first stage advice*

In November 2004, the CBEC sought the Commission's advice in a case relating to alleged misuse of modvat credit by certain fictitious firms from Howrah, North Division of Central Excise Department, Kolkata. While going through the details of the case, it was noted by the Commission that the impugned events pertain to the period 1992-94 and that the Department had thus taken unduly long time to examine/process the case and that, during the interim period, as many as eight officials who were associated with the impugned irregularities had retired from service. Needless to say that since these officials had retired, no departmental action was feasible/ permissible against them in terms of the four year limitation clause. In the Commission's view, this was thus a case indicative of a deliberate attempt on the part of the Department to shield the guilty officials. **While tendering its advice in the case, the Commission, therefore, conveyed its extreme displeasure to the Department over this. It also suggested the Department to look into the process of investigation with a view to fixing accountability for the inordinate delay in the processing of the case.**

#### Case 2

##### *Delay in obtaining second stage advice of the Commission*

**The Commission advised, in June 1994, initiation of major penalty proceedings against nine officials of the Customs & Central Excise Department** in a case relating to issuance of as many as 120 permits, illegally and arbitrarily, for transportation of Sal timber into Nepal through the Customs station at Panitanki, West Bengal, on the Indo-Nepal Border. **However, it was only as late as in March, 2004 that the Department came up for the Commission's second stage advice in the case – and that too in respect of only seven officials.** In the case of the remaining two officials, the second stage advice of the Commission was sought only in November, 2004. The Commission expressed concern while noting that it took the Department as much as ten long years to complete inquiry proceedings in the case although as per instructions a departmental inquiry is expected to be completed in six months or so. **The present case was thus illustrative of the Department's apathy towards vigilance matters and lack of any mechanism for monitoring progress of vigilance/disciplinary matters, which the Commission has been emphasising time and again.**

## Food Corporation of India (FCI)

### *Delay in implementation of Commission's advice*

#### Case 1

The first case pertains to storage of paddy belonging to the FCI in private godowns. Huge loss of 19.7 crore was caused to the FCI in storage of paddy in the premises of M/s Oswal Agro Finance Ltd. due to dishonouring of the milling agreement, loss by way of transportation charges, payment of rent, damage to paddy, retaining the resultant rice by the firm etc. The Commission advised initiation of major penalty proceedings against the alleged officer in September 2003.

In November 2003, the Department of Food & Public Distribution (DFPD) approached the Commission for reconsideration of its advice, but the Commission reiterated its advice in January 2004. However, the DFPD proposed to the Department of Personnel & Training initiation of minor penalty proceedings, which was a deviation from the Commission's advice apart from a deliberate attempt to dilute the case with passage of time.

The DOPT, which is Cadre Controlling Authority for one of the officers, has further observed that the case for minor penalty does not exist and asked the Commission to reconsider its advice. The Commission has however reiterated that there is no case for reconsideration of its advice.

#### Case 2

In another case pertaining to diversion of wheat meant for supply in open market to non-existing firms, the Commission, on the recommendation of the CVO, Department of Food & Public Distribution (DFPD), had advised major penalty proceedings against the concerned official in June 2002. On follow-up from the Commission the Department had approached the Commission in Dec., 2003 for reconsideration of their advice, stating that they have reassessed the facts and found the officer's reply convincing. The Department further recommended that the officer may be either cautioned or subjected to minor penalty proceedings. The Commission having reconsidered the case further reiterated its advice of initiation of major penalty proceedings. In January 2004 using the alibi that the charge sheet is under preparation, the Department delayed the matter further and again sent the case back for reconsideration to the Commission. The Commission too once again reiterated its earlier advice of initiation of major penalty proceedings in July 2004.

In October 2004, the DFPD informed that the draft charge sheet is under preparation in consultation with the FCI, which will be sent to the DOPT. So far the Commission has not been apprised about the issue of the charge sheet. This is yet another case of deliberate delay on the part of the Department (DFPD) in respect of a senior officer which points to leniency in handling of vigilance cases in the Department. **The manner in which these two cases were handled in the Ministry shows lack of will to initiate disciplinary proceedings against the senior officers and poor state of vigilance administration of the Department.**

## Ministry of Health & Family Welfare

### *Delay in sanction of prosecution*

The CBI had investigated certain irregularities in the purchase of stationary and cleaning materials by AIIMS in 1997-98 and found that spurious and sub-standard items had been purchased involving an estimated extra expenditure of Rs.13 lakhs. The CBI recommended, on 7.9.01, prosecution and departmental proceedings against two officials of the National Consumers Co-operative Federation (NCCF) and seven officials of the AIIMS. On pursuing the matter, the Commission has been repeatedly informed that the matter was being submitted to the next meeting of the Governing Body. **While the NCCF had issued the sanction in respect of its employees, the AIIMS is yet to take a decision and issue the sanction though more than three years have lapsed**, with the result that the CBI has not yet been able to file the charge sheet and launch prosecution. **Such delays by disciplinary authorities are factors which encourage unscrupulous persons and dilute the vigilance administration, hence are viewed seriously by the Commission.**

## Ministry of Information & Broadcasting

### *Delay in fixing responsibilities and seeking first stage advice of the Commission*

#### Case 1

This case of M/o Information & Broadcasting shows how a case of serious lapses within the clarifications were sent, nor did the Ministry fixed responsibility for delay and loss to the organisation. Intensive examination of the construction work of a T.V. studio at Jaipur was carried out by the CTE Unit in March 1985, and thirty paras containing serious observations were referred to the Executive Engineer(C) with copy to CE and SE in the Year 1987/1988/1990, as the replies of subordinate officers were not found satisfactory. The paras mostly relate to non-testing of materials, acceptance of defective workmanship, and certain materials being below specification standards. However, despite issuance of several reminders the department did not send any report to the Commission till 1995 (even after lapse of eight years), when the **Commission wrote to the CVO, Ministry of Information & Broadcasting on 31.10.1995 to investigate into the case of inordinate delay in sending the report and fix responsibility for loss to the organisation as well as non-submission of the reply on CTE's paras.**

But the M/o I&B further took more than nine years to submit the report to the Commission, saying that no single or group of officers are to be held responsible for the delay in submission of reply on the CTE paras, as they 'might' have been pre-occupied with other important jobs or that there might have been difficulties of correspondence with the concerned office in absence of correct postal addresses. Further, the Ministry concluded that most of the officers identified/responsible for inept handling of the case have either expired/retired or been repatriated to their parent organisation and, therefore, the case may be closed.

It is thus, evident that in support of their recommendation the Ministry extended grounds/reasons not really strong or valid in trying to justify the delay. As a result of this lackadaisical approach of the Ministry and consequent delay in the investigation, many officers who were eventually found responsible for lapses went unpunished. **The case has been handled in most non-serious manner which is not conducive for vigilance administration in the ministry.**

#### Case 2

The work relating to construction of a studio-cum-office building including AHU Room at All India Radio station, Shillong at an estimated cost of Rs.7,75,787/- was awarded for a tendered cost of Rs.13,44,735.27. The work which was due to be completed on 23.10.1986 was inspected by a team of CTE Unit of the CVC in April, 1986 and a report was sent to the Executive Engineer (C), Shillong with a copy to the Chief Engineer (C) and Superintending Engineer (C) on 12.8.1986. The concerned SE took more than six years to confirm the findings of the CTE Unit.

The main observations of CTE in the case were (i) sub-standard work and payment at full rates and (ii) wrong reporting of the rectification/replacement of the sub-standard work. This resulted in over payment to the contractor. Subsequently, relevant paras of the report were referred to the CVO, Ministry of Information and Broadcasting for detailed investigation and report on 18.5.1994. Two out of four officers had expired and the third one superannuated before the Ministry referred the case for first stage advice of the Commission in 1998. **The Ministry took further six years to seek the Commission's second stage advice. It has been noted that the investigation report on CTE's observation and subsequent action thereon was unnecessarily and inordinately delayed by the Ministry. Such delays make vigilance meaningless and totally ineffective.**

### Ministry of Urban Development & Poverty Alleviation

#### *Delay in imposing penalty*

The case relates to releasing payments for earth filling in the work of construction of General Pool Residential Accommodation at Malad, Mumbai, without checking the final measurements which resulted in over-payments to the extent of Rs.40 lac to the contractor. The Executive Engineer was found responsible for failing to conduct the test check of the final levels and for accepting the fictitious test check done by the Assistant Engineer before passing the final bill of Rs.1,37,62,371/-.

The Commission in agreement with the Ministry of Urban Development and Poverty Alleviation advised initiation of major penalty proceedings against the Executive Engineer. The inquiry was conducted and the IO held the charges as partly proved. The Commission then advised imposition of suitable minor penalty, which was communicated to the Department on 23.12.2002, which in turn referred the matter to the UPSC for consultation on 4.4.2003. Before the UPSC tendered its advice on 1.7.2003, the Executive Engineer retired on 31.5.2003 and as a result, no minor penalty could be imposed on him. **There was an undue delay on the part of the Department in making a reference to the UPSC due to which an officer found**

**responsible for making irregular payments was allowed to go unpunished by the Department.**

### **Other Areas of Concern**

The functioning of vigilance units and the administrative authorities in some departments has been an area of serious concern for the Commission, mainly due to their indifferent and lax approach to vigilance matters. A few such examples of departments/organisations are given below:

#### **Central Warehousing Corporation (CWC)**

A number of mistakes committed by the Central Warehousing Corporation were noticed by the Commission as regards the consultation mechanism with it, as prescribed in the Vigilance Manual and also in circulars issued from time to time for the purpose. It was also noted that no action is being taken against erring officials in disagreement with the Commission's advice and sometimes without referring the same for reconsideration. This is being corroborated by the facts that the Commission was constrained to include as many as four cases including a CBI case of disagreement in its last year's Annual Report. In one case, even the recommendation of the CVO of the organisation was not accepted by the DA.

The Commission viewed the matter with great concern and brought the state of Vigilance administration of the organisation in the knowledge of its controlling department, viz. the Department of Food and Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution. The Ministry, instead of reviewing the cases or taking some concrete action, simply advised the CWC to consider the advice of the CVC carefully. The lack of sensitivity to vigilance administration on the part of the Ministries is an area of utmost concern which is addressed by the Commission in Chapter 2 of the report.

#### **Ministry of Railways**

##### **Case 1**

In a departmental inquiry, the charges against a Divisional Engineer (DEN) of the Eastern Railway, pertaining to (i) possession of disproportionate assets and (ii) non-intimation/non-obtaining of prior permission in respect of transactions of immovable/movable properties were held as proved. The Commission advised imposition of a penalty of dismissal or removal from service on him. On receipt of a show cause notice from the disciplinary authority, proposing a penalty of removal from service, the DEN filed an application in the High Court of Kolkata, which quashed the charge sheet and the disciplinary proceedings on the ground that the charge sheet was issued with a closed mind. The Ministry of Railways filed an appeal on 09.12.1980, which was dismissed by the Hon'ble High Court for default as no one appeared on behalf of the appellant, nor on behalf of the respondent, when the matter was called on for hearing. The Eastern Railway held the Railway Advocate as solely responsible for no-attendance in the High Court. The Commission, however, observed that

Railway officials cannot escape their responsibility for not pursuing the matter as the appeal filed on 09.12.1980 was dismissed for default on 21.02.2002. Further, the relevant file of the Railway Board was destroyed while the proposal to impose a penalty of removal from service on the DEN was pending, which was also a subject matter of the appeal filed in the High Court.

The Eastern Railway/Railway Board could not fix responsibility on the pretext that the case was very old and original papers might have been destroyed in a fire incident that took place in 1996. The only action taken in the matter was that the concerned dealer/Law Superintendent in the Eastern Railway was counseled in writing; and the concerned Railway Advocate was de-paneled. **This does not seem to be adequate action taken looking at the nature of misconduct/negligence which led to the closure of the case against the DEN who, otherwise, could have been removed from service.** Such laxity in handling vigilance matters are viewed seriously by the Commission.

#### Case 2

In another case, the disciplinary authority had issued a charge sheet for minor penalty to the then Chief Permanent Way Inspector (CPWI), Bikaner on 23.11.1993, while he was due to superannuate on 30.11.1993. After considering his reply to the charge sheet, the disciplinary authority held him guilty of the charge and proposed to continue the proceedings under the Railway Services(Pension) Rules. The Ministry of Railways also took a tentative decision to forfeit Rs.63,360/- from the DCRG, payable to him in addition to a 10 percent cut in his pension, and referred the matter to the UPSC for advice. The UPSC, however, asked for certain documents, which are now reported to have been lost including the original file on which the proceedings were initiated against the CPWI. The Railway Board have thus observed that it might not be possible to process the case under the Pension Rules and Proposed to close the case. **Loss of documents including the DAR file when the disciplinary proceedings are still pending is not only a serious matter but also reflects the casual manner in which vigilance cases/disciplinary matter are being handled in the department.**

#### Ministry of Urban Development & Poverty Alleviation

In a case of irregularities in construction of LIG and MIG flats at Motia Khan, the Commission had advised initiation of major penalty proceedings against an official of the Delhi Development Authority (DDA). A charge sheet was issued to the Executive Engineer (EE) in May, 2000 and the IO was appointed in August 2003. Meanwhile the EE approached the Hon'ble Central Administrative Tribunal (CAT) which, on 15.10.2003, ordered completion of inquiry proceeding within a period of six months. The DDA was unable to provide the original documents to the Presenting Officer due to which the case could not make any progress. The Commission was left with no option but to advise closure of the case. **Thus, due to the DDA's inability to provide the relevant documents an official who was held responsible for allowing sub-standard construction was allowed to go unpunished.**

## Videsh Sanchar Nigam Ltd. (VSNL)

### *Failure to follow procedure*

During 1998, the then Director(O), VSNL, had shown undue favour to M/s Teleglobe, Canada by placing the order on them for provisioning of 45 MB(DSS) Internet Bandwidth Connectivity, involving an expenditure to the tune of US\$ 1.8 million per annum for a period of three years (i.e. Rs.28 Crores for three years) on a single quotation basis. This was done without any negotiations, and with undue haste. Also, valid information was not provided to one of the parties regarding the last date for submission of offers. **Instead of meticulous adherence to procedures and guidelines, the then Director(O) acted arbitrarily, exercised excessive discretion and powers in excess of his authority, and did not consult and obtain the concurrence of Finance in finalising the said procurement order.** Thus he failed to ensure that the normal procedures for tendering are followed and did not follow the financial norms and propriety as laid down in the Delegation of powers.

The Commission had advised initiation of major penalty proceedings against the then Director(O), VSNL on 8.5.2001. After serving the charge-sheet the Department of Telecommunications approached the Commission for closure of the case against the then Director (O), keeping in view the changed circumstances of VSNL having been privatised, on the grounds that (i) the contract of the then Director (O) stands terminated w.e.f. 3.6.2001; (ii) there is no provision in the VSNL (CCS) Rules, 1992 for continuation of proceedings after the termination of employment; and (iii) VSNL is no longer a public sector undertaking. Therefore, the Commission had no option but to advise closure of the case against the then Director (O) on 22.3.2004.

## CHAPTER-7

### Chief Technical Examiners' Unit

**The CTE Unit is a direct investigating agency of the Commission.** This Technical Unit of the Commission has been conducting inspection of civil, electrical and horticulture works being carried out by the Central Government departments, public sector undertakings/enterprises of the Government of India and Central financial institutions/banks etc. This unit also conducts inspection of stores/purchases contracts and works for computerisation etc.

The works or contracts for intensive examination are selected from the details furnished by the CVO in the quarterly progress reports sent to the CTE Unit. The intensive examination of works carried out by the CTE Unit helps in detecting shortcomings in execution of works, e.g., use of substandard materials, avoidable and /or ostentatious expenditure, and undue favours or overpayment to contractors etc. Information in respect of civil works in progress having the tender value exceeding Rs.1 crore, electrical/mechanical/electronics works exceeding Rs.30 lac, horticulture works more than Rs.2 lac and store/purchase contracts valuing more than Rs.2 crore are required to be sent by the CVOs of all organisations. However, the Chief Vigilance Officers are free to recommend other cases also, while submitting the returns for examination of a particular work, if they suspect that any serious irregularities had been committed. The inspections carried out by the CTE helps in detecting deficiencies and malpractices in the execution of works/contracts, as well as suggesting remedial measures to prevent recurrence of such instances.

The CTE in its examination has observed that the irregularities are committed by organisations in both the stages of contracts, i.e. pre-award and post-award. These two stages of the contract relate mainly to the procedural aspects of public procurement and follow-up of the terms of contract. Time and again, inspite of pointing out these deficiencies by the CTE, the organisations tend to make the same mistakes. If these aspects are checked by the CVOs it would result in more transparency and fair practices in the awards of contract. The Commission has thus emphasized that all the CVOs should themselves conduct CTE like inspections wherein they are urged to look into the procedural aspects of the public procurement as to whether the contracts have been through open tender or limited tender; whether the pre-qualification criteria has been fixed properly; whether the panel of approved contractors has been updated regularly etc.

**The CVO should also ensure that duly updated works and procurement manuals exist in organisations.** In post-award of contracts, it is observed by the CTE that not taking the CAR policy, not implementing the delay clause, substitution of items without proper accounting or justification and, allowing substandard materials are a few of the routine lapses. **The organisations are still continuing to award contracts on nomination basis and appointing consultants in arbitrary manner without any accountability clauses.** The Commission has therefore urged the CVOs to conduct investigation on all these aspects which are non-technical in nature and ensure transparency and fair play as well as proper follow-up of the terms of contract.

CVOs have also been advised to fix a cut off criteria depending on the contracts/purchases by their organisations and conduct inspection of the process. In case of apparent problems in the contracts, the matter may be referred to the CTE. This way the Commission plans to increase the number of such inspections to about 1000 as compared to 182 conducted by the CTE. The CVOs are also required to confirm that all the eligible contracts have been reflected in their Quarterly Progress Report (QPR).

To further enhance the transparency of the contract/procurement, the Commission has urged all the CVOs to publish details of all the contracts that have been awarded in a monthly/quarterly bulletin. Such details should also be published in the web-site of the organisations.

The CVOs are also advised to confirm that all the NITs are being published by the organisations in their web-sites for better transparency. **It was observed by the CTE that some of the organisations published the tender on their web-site after the award of the contract. Such unscrupulous tendencies of the organisations are highly condemnable.**

### Technical Examinations

Based on the quarterly progress reports received from about 450 organisations, the Chief Technical Examiners' Organisation (CTEO) inspected works of 97 organisations and submitted 182 reports. The details of these examinations are as follows:

**Table – 11**

#### **Inspection by CTE Unit during 2004**

<b>Details of Organisation</b>	<b>No. of Deptts./PSUs</b>	<b>No. of I.E. Reports</b>
Government Departments	19	46
Banks/Insurance Companies & Financial Institutions	11	15
Public Sector Undertakings, Autonomous Bodies, etc.	67	121
<b>Total</b>	<b>97</b>	<b>182</b>

Depending upon the seriousness of lapses and irregularities noticed in course of inspections or during the subsequent pursuing; the inspection reports were referred to the CVOs or the CBI for detailed investigation from the vigilance angle. During the year, 23 such cases were referred to the CVOs for investigation. Of these 11 reports pertained to matters relating to civil works, 7 related to electrical works and 5 were regarding stores and purchases. Investigation reports received from the CVOs were examined by the Commission to tender appropriate advice.

**As a result of the inspections conducted by the CTE during the year, recoveries were effected to the extent of Rs.41.10 crore on account of either overpayments made to the contractors or deficiencies noticed in the quality of materials, or imposing of penalties for non-fulfillment of contract conditions**

**etc.** There were double the amount of recoveries of Rs.20.69 crore during the previous year. Table 12 indicates recoveries effected during the last three years.

**Table – 12**

**Recoveries effected during last three years**

<b>Year</b>	<b>Amount (Rs. in Crores)</b>
2002	16.46
2003	20.69
2004	41.10

**The preventive aspects of vigilance have always been emphasized by the Commission,** and in pursuance of this objective to create awareness for quality control, economy and adherence to rules and procedures, the CTE Unit, during the year issued circulars on important matters. In order to make the functioning of the CTE more effective the Commission had advised the CTE to act more like a vigilance audit wing and get the organisations to rectify smaller and procedural defects then and there, as this would result in saving time in undue correspondences. Only serious instance of lapses noted by the CTEs in their inspections reports were sent for further comments/explanations by the departments/organisations concerned.

Some of the selected organisations inspected by the CTE during this year, i.e. 2004 were Delhi Metro Rail Corporation, Chennai Petroleum Corporation Ltd., Delhi Development Authority, Mumbai Port Trust, Airport Authority of India, Civil Construction Wing of All India Radio/Prasar Bharati, Power Grid Corporation of India Ltd.; Mishra Dhatu Nigam Ltd.; Reserve Bank of India, Mumbai; Oil and Natural Gas Corporation Ltd., Gas Authority of India Ltd.; Bharat Sanchar Nigam Ltd.; Damodar Valley Corporation, Kolkata and National Highways Authority of India, Bharat Heavy Electricals Ltd., Nuclear Power Corporation of India Ltd., Indian Oil Corporation Ltd., CPWD, Indian Railways, and National Thermal Power Corporation etc.

**CTE Investigation on important organisations**

During the year the CTE conducted inspections of some of the major works of important organisations. **These inspections had revealed that even if the organisations were known to be reputed and doing excellent work, there were areas of deviation and sub-standard work which would affect their credibility, and if not dealt with properly would create nexus and thereby corruption.** It was the endeavour of the CTE to point out such areas so that the organisation can take immediate corrective steps in cases of negligence and procedural lapses and also effect recovery from unscrupulous contractors. These deficiencies were to be further investigated by the CVOs to take vigilance action as warranted.

**Lapses detected**

Some of the prima facie irregularities detected by the CTE are as follows:

### ***Splitting of works***

#### Case 1

In the case of the work of providing blanketing material on top of embankment with mechanical compaction etc., from chainage 75.00 to 87.20 between Mallickpur-Ballurghat, the total project cost for the new line was about Rs. 200 crore. **It was noticed that the project had been divided into a number of contracts of small value – some even costing Rs. 30 lac. This seems to have resulted in participation by small contractors who may not have sufficient in-house expertise and infrastructure to undertake quality work.** The original estimate was prepared for Rs.4.49 crore @ Rs.401.50 per cum and the revised detailed estimate for the said work was prepared @ Rs.502.25 per cum, keeping the content of stone dust as 70 percent (Rs.498/- per cum) and local sand as 30 percent (Rs. 196/- per cum) of the total cost. The revised estimate worked out to Rs.5.62 crore.

#### Case 2

In the work of a hydro power plant, the estimate of Rs. 200 crore for three packages was sanctioned in January 1995. **There was no apparent reason for splitting the work of the powerhouse into three packages.** The estimate had been prepared in an ad hoc manner, as it was not supported with details of quantities as per the site requirement. Moreover, it was prepared one and half years after the invitation of the bids. Despite the Director (Technical) expressing concern about invitation of tenders, without approved estimates, the techno-commercial bids were called. The same company were lowest in all the three packages, for which tenders were issued simultaneously. Considering the rebate of 1.5 percent offered by them for all the packages, they were awarded contracts for all the three packages. However, they were not meeting the aggregate requirement for maximum monthly rate of underground rock excavation as per the PQ criteria for all the packages put together. There was hardly any competition in any of the packages. Rate justification based on prevailing market rates was also not prepared.

The total approved estimated cost for all the three packages being Rs. 200 crore and award of all the three packages to the same firm, raises suspicion, and the exercise of inviting separate tenders seem to have been rendered infructuous. In fact, if one tender had been invited for all the packages put together, it would have attracted more competition and better rates. **The project was delayed by four years mainly due to lack of mobilisation of manpower and machinery by the firm but the extension was nevertheless granted without levy of liquidated damages.**

### ***Improper estimates and pre-qualification***

In the work of four-laning and strengthening of a Highway in Bihar, the detailed project report (DPR) was not prepared properly and was not based on actual site requirement. For example, the item of provision of cement stabilisation of soil amounting to Rs. 4.56 crore as earmarked in DPR was not executed. Similarly, provision of anticorrosive treatment to reinforcement to the tune of Rs. 5.68 crore was not operated during execution. Further, large-scale variations in the quantities

of “earthwork in excavation” were noticed. **The consultancy contract was awarded without establishing the credibility of claims for experience and qualifications though a weightage of 80 percent was given for technical score.** Further, during the execution of the contract, the technical staff was being replaced freely on flimsy grounds, causing a negative impact on the consistency in construction approach as well as quality and speed of the work.

**Thus an ineligible firm was prequalified and ultimately awarded the work.** Further, the work was sub-let by the main contractor without approval of the Engineer-in-charge. Though there were enough evidence on record regarding unauthorised sub-letting of work, no action was taken against the contractor.

#### ***Lack of post-award supervision***

In the same work, a payment of Rs. 52.86 crore on account of plant and machinery, and mobilisation advance were released to the contractor, and till the date of inspection, only Rs. 8 crore of this advance was recovered. The contract provided for pro-rata recovery from each interim payment certificate (IPC). However, since the progress of the work was extremely slow, i.e. only 14.15 percent as against the stipulated 55 percent, the payment released to the contractor on the work done was also less, having adverse effect on timely recovery of the interest free advance. **Thus, Rs.44.86 crore of Government money remained with the contractor without any interest and without any bonafide use in the project. Moreover, no action was taken against the contractor in terms of levying liquidated damages on account of the abysmally slow progress of the work.**

#### ***Award of work without press publicity***

**In the work of a de-mineralisation plant, including raw water pre-treatment plant for refinery modernisation project by an oil PSU, tenders were invited from selected contractors based on the in-house information available with the consultants, and without open press publicity.** No justification was prepared based on the prevailing market rates to assess the reasonableness of the contract amount. The contention that the quoted amount was 30 percent less than the estimated cost and such may be considered reasonable, was untenable as the estimate, which failed by a margin of 30 percent itself lacked authenticity.

In the same work, approved sub-vendors were specified in the contract document for supply of various components/materials. **But during inspection, it was seen that most of the materials/components were not procured from these approved sub-vendors.** The stipulated date of completion of the work was 24.07.2003 but till 14.10.2004, 99 percent of the work was stated to be completed. There appeared to be no cause of delay either on the part of the organisation, or due to any site constrains. **However, no action in terms of levying liquidated damages against the agency, under clause 3.9 of GCC of the contract, was taken.**

### ***Inflated estimates***

In the work of four-laning of a Bypass, the estimate for the work was found to be inflated. Relevant provisions contained in the Ministry of Surface Transport (MOST) data book were violated and the contractor profit & overhead were considered to be on the higher side. Adoption of higher and unrealistic rates of aggregates etc. in rate-analysis resulted in inflated estimates. Similarly, hire charges for the machinery, considered on hourly basis, also appeared to be on a much higher side. Since the machineries are hired for months together, hire charges should have been in the same proportion.

In view of the express and unambiguous provision in the contract, that in respect of the items for which no rates are quoted, rates will be deemed to be covered in that quoted for rest of the items, the action of adding up the estimated rates to work out the price quoted by L-1 appears to be aimed at extending undue financial benefit to the contractor and consequent loss to the government exchequer to the tune of Rs.1.29 Crores.

**The tender evaluation committee while evaluating the tender mentioned the estimated cost as Rs.45 crore, whereas the actual estimated cost was Rs.42 crore only. The work was awarded at Rs.46.78 crore, i.e. approximately Rs.4.6 crore higher than the estimated cost of Rs.42 crore (11 percent).** Since the estimate was stated to have been prepared on current market rates, awarding the work at an amount higher than the estimates does not appear to be in order.

At the site, wide and running cracks were observed on the right side of the main carriageway at a number of locations throughout the stretch. The right hand side service lane was found heavily damaged. Also, at some locations bituminous layers were totally damaged and large potholes were found developed.

### ***Award of contract on nomination basis***

#### Case 1

In case of a construction PSU, though PQ notice prescribed that the firms should be registered with DOS/MES/CPWD/Railway but firms registered with AP/PWD and TN/PWD were qualified and work was awarded to one of them. **The work for the construction of a flyover was entrusted by the Government of Uttar Pradesh to the PSU on nomination basis for a total amount of Rs.106 crore on a lump sum/turn key basis.** The PSU entered into a joint venture with a private agency without open competition, and the percentage charges as signed in the MOU was also reduced to favour the private agency.

#### Case 2

**A Central Government Corporation awarded a total project of Rs.700 crore to another Central Government PSU without resorting to any competitive bidding.** The latter PSU awarded various packages of the project to different contractors in a

random and adhoc manner. Most of the packages were awarded on the basis of limited tendering in which offers were received from two to three firms and in some cases even from one firm. Surprisingly for some packages, the tender inquiries were issued to the firms which were not even dealing in such packages. During site examination, it was found that measurements of certain items were wrongly recorded and overpayments were made to the contractors. The areas in which overmeasurements were noticed are mainly related with excavation items.

#### ***Award of work to ineligible contractor***

In another case of construction of general and special ward block at a Government hospital, the contractor did not meet the eligibility pre-qualification criteria of possessing a concrete pump of suitable capacity. **However, the firm was pre-qualified and ultimately the work was awarded to the firm, not meeting the PQ criteria.** Moreover, during execution, plant and machinery advance was given to the firm for purchase of the concrete pump.

#### ***Payment of interest free mobilisation advance***

In yet another case of construction of a showroom and office complex of a central PSU, interest free mobilisation advance of Rs.40 lac was paid to the contractor, and various alternative items were kept in the detailed estimate, thus violating the guidelines issued by the Commission.

#### ***Restrictive pre-qualification criteria***

**In a case of construction of a proposed zonal office cum residential complex at the staff college by a Bank, the pre-qualification criteria was made restrictive by setting aside at least one work for execution in the city; this naturally resulted in restricted competition.** Floor to floor clear height was found to be less than 3.0 meters. M:30 grade concrete was used with cement consumption @ 420 kg/m<sup>3</sup> over agreement item of 1:05:1 with cement consumption @ 900 kg/m<sup>3</sup>. Payment is also being made as extra over 1:2:4, although less cement is being used.

#### ***Non-recovery of compensation for delay***

In a case of construction of a building by a central PSU, the work was noted to have been delayed badly. The work which started in June, 2002 was scheduled to be completed in May, 2003, but only 75 percent was found completed till October, 2004. **As per clause 2 of the agreement, the contractor had to pay Rs. 20,000/- per day as compensation for delay but no recovery had been made till date of the CTE inspection.** Moreover, as per clause 2.1 and 2.2 of general conditions of the contract, an amount of Rs. 20,000/- per day is to be deducted from the running bills in case the Milestones were not achieved at the stipulated date of its completion.

The Milestones were not achieved as per the stipulations in the Agreement but no

amount was deducted from the bills, resulting in extension of temporary undue financial benefit to the contractor. The quality and strength of the RCC work in the school residential complex was found to be very poor at almost all the places. Bricks of inferior quality were found used in the building work. On the whole, the quality was found to be poor and sub-standard.

#### ***Award of work at high rates***

In a departmental undertaking pertaining to the construction of a water treatment plant, the rates of L1 bidder were found to be on extremely higher side compared to the estimates prepared by the department. **Estimates prepared by the department were of Rs.60.92 crore but the work was awarded with a cost of Rs. 188.80 crore.** The issue of price negotiation was also dealt in a rather unusual manner. Although the rates of L1 bidder were much above the estimates yet the negotiation was avoided on unjustified grounds. **Ironically, the negotiation was opposed by the finance and accounts authority even though the same was proposed by the technical authorities.**

#### ***Over payment***

**In a tender, one item of the schedule was increased disproportionately and was paid in such a way that a financial benefit to the tune of Rs.75,000/- was extended to the contractor.** The item pertains to the mounting of a 21" intelligent colour TV. On further examining it was found that the mounting of the TV was included in another item of the schedule, i.e. alongwith the supply and mounting of the TV.

In another case the insulation of chilling units was to be done in a factory in USA, but actually the insulation work was found being done at a site in New Delhi as part of the installation. This has apparently resulted in certain financial implications, mainly due to the different labour rates prevailing in India & USA.

#### ***Arbitrary appointment of consultants***

In a case, the appointment of a consultant was done without requisite transparency. The marks obtained by a bidder were only 55 out of 100 but this particular firm was given higher ranking as against another firm who obtained 70 marks out of 100.

#### ***Improper technical evaluation***

In a case of procurement of U2 Grade Steel castings by a central PSU, the technical evaluation of offers was quite ad hoc and arbitrary. **There was no clear reasoning for accepting/rejecting the bidders. For the same set of criteria some firms were considered acceptable while others were rejected.** One firm was rejected simply because the place where the firm was located was not considered safe. Purchase preference was not applied correctly to the PSU. Though the rate of the

PSU was more than 10 percent of L1 rate and tender value was less than Rs.5 crore, purchase preference was given to the PSU. Payment was to be made after receipt and acceptance of the material, but 50 percent of the payment was released without final acceptance of the material. Liquidated damages levied from the firms were also waived subsequently without any valid reasons.

### ***Improper procurement of stores***

In certain cases of procurement of stores, the page numbering of procurement files was not done. **The tenders were not received through tender box and bidders were not invited during the opening of the tender.** As for the modalities, the mode of procurement through limited tender enquiry was resorted to even for high value purchases. The terms and conditions of bidding documents were insufficient and sketchy, and provision of earnest money deposit was not incorporated in the bidding documents. Payment of the stores was also made without weighing the same. **Further, the policy regarding placement of order on “L1” was not implemented, and no recovery was made from the defaulting firm.** The bidders were given very short time periods while inviting offers. Security deposit was either not called for or insufficient amount was demanded. The clause regarding warranty/warranty bank guarantee was not incorporated in the bid documents/resultant contract. Improper pre-dispatch inspection was done, resulting in rejection of the store by the consignee. Besides, the pre-qualification criteria was found to be highly restrictive. The purchase manual needed revision in line with latest instructions. And finally, insufficient and sketchy specifications were stipulated in the tender documents.

### **Lapses involving vigilance angle**

Following were the serious lapses which were referred to the CVO for detailed investigation, by the CTEs:

#### **Intensive examination of the work of construction of LIG houses at NOIDA.**

**Work costing approx. Rs.10 crore had been awarded without call of tenders under variation clause resulting in favouritism to a single firm.** No detailed justification for not inviting open tenders has been placed on record. Award of work without call of tenders is all the more unjustified in the present circumstances when already select list of contractors was available with the PSU. The department also took more than four months in awarding the work without call of tenders although the time taken during award of other contracts is less than one to half a month, (including time taken for pre-qualification). The above clearly establishes that undue favour has been shown towards the contractor.

#### **Intensive examination of the work of construction of LIG houses at NOIDA.**

Adequate and wide publicity for pre-qualification of contractors was not done in this case. The publicity period was also not adequate. Criteria for pre-qualification of

contractors was neither specified in press notice nor placed on record.

#### **Intensive examination of the work of off-site area civil works package for Thermal Power Plant**

**This work of magnitude of Rs.26 crore was awarded to a contractor without inviting open tenders. Basis of selection of two parties for inviting bids was also not placed on record.** No proper documentation regarding efforts made by the PSU for selecting contractors for pre-tender tie up is available. Further, there was also no written correspondence with the contractors on record and the bids were also collected based on verbal discussions on back-to-bact basis. Eventually, **there was no transparency in selection of firm for pre-tender tie-up.**

Bids were also invited from the contractors with various changes in the scope of work. In the final offer submitted by L-1 firm, the total contract price quoted is Rs.26,20,01,003.50. This amount includes the cost of sheeting work, which was added in the scope and the contractor was asked to submit the revised bid. In this quoted amount, the cost of sheeting work works out to Rs.2,24,12,450/- only. The earlier offer submitted by this contractor excluding sheeting work was for Rs.23,39,38,850/-. If the cost of sheeting work (quoted in the final offer) is included in the previous offer, the final contract price works out to Rs.25,63,51,300/- (23,39,38,850/- + 2,24,12,450/-). However, the work was finally awarded at Rs.26,20,01,003.50 which is Rs.56.49 lac (26,20,01,003.50 – 25,63,51,300/-) more than the earlier quoted price plus cost of sheeting.

#### **Intensive examination of the work of offshore platform at Mumbai**

The lowest tender of the consortium of contractor and a PSU was rejected by another PSU on plea of lack of competition in tender, restricted competition due to questionable change in the ambient temperature in the specifications etc.; but subsequently the work was awarded to the same PSU on nomination basis (which was not meeting the bid evaluation criterion).

**The award of work to PSU on nomination basis amounts to award of work to consortium of contractor and PSU since as per the bid document of the PSU, the contractor was their main sub-contractor and the major portion of work was executed by that contractor.** The PSU also did not obtain the offers from other PSUs and contractors, which were fulfilling the bid evaluation criterion, before awarding the work to PSU on nomination basis, although the original tender was cancelled due to lack of competition etc.

#### **Intensive examination of the work of offshore platform at Mumbai**

(i) Open tenders were not invited for appointment of a back up consultant at a fee of Rs.2.23 crore. Limited enquiries were floated to five firms even though there was no urgency. The work was awarded to the PSU by another PSU on 3.1.02 but the limited enquiries were floated for appointment of back up consultant on 8.5.02,

i.e. after nearly four months. The basis of selection of five firms for limited enquiry is not recorded. Out of the five firms three regretted to quote, while the fourth firm stated to have been merged with the fifth, thus resulting in a single offer. No effort was made to select more firms to obtain competitive offers. The scope of this consultancy work includes deputing one senior project management consultant for the entire contract period (from 15.7.02 to 31.1.04) with 4-1/2 months unpaid holiday. **Thus, Rs.2.23 crore has been paid for taking support of a single person for a period of 14 months, and an average, Rs.15.92 lac per month have been paid without proper justification.**

(ii) **Further, PSU awarded the subject work to a contractor at a cost of Rs.605.76 crore without inviting open tenders, thus showing undue favour to contractor.** No justification statement was prepared by the PSU to assess the reasonableness of rates before award of work to the contractor. The agreement for this work was executed on 13.9.03 after prolonged correspondence including negotiation in rates till date of the agreement. However, substantial payments were made to the contractor till 13.9.03 even before signing of the agreement.

#### **Construction of flyovers and allied works at NOIDA**

In spite of a provision of 5 percent, i.e. approximately 5 crore, and sanction obtained from NOIDA, a consultant was not appointed by the PSU and instead it was passed on to the contractor to appoint and pay the consultant. Only one agency was selected for a work of magnitude of 100 crore (approximately) without any proper justification/ basis. The margin of 4.25 percent was considered justified without inviting open competitive offers and preparing justification for the same.

#### **Pipe laying and civil works for providing water supply and sewerage facilities to newly added wards of Bangalore Mahanagar Palika (BMP)**

In the above tender, a PSU had a pre-bid tie-up for supply of DI pipes with a private company but at the same time both were competitors while bidding for this project. However, the quoted rates of the PSU were less than those of the private company, reportedly the only manufacturer of DI pipes in India, when approximately 60 percent of the project cost was for DI pipes only.

Further, 100 percent payments are agreeable from PSU to private company against supply of DI pipes but the PSU is getting only 75 percent from the tendering authority against the supply of material and the balance 25 percent after successful installation and testing of the pipes. **In the process, the PSU is making 25 percent extra payment for the time being from their own account, from the date of receiving the pipes at site to the date of final testing of the pipes, which may be a significant period, thus losing on account of interest for such long periods.** Moreover, there is no stake of the private supplier for defects in the supplied material as they receive 100 percent payments, that too through irrevocable LC.

### **Erection testing and commission of balance of plant at Panipat**

In the said contract, the work of balance of plant (BOP) has been given to a firm without generating any competition. The work worth Rs.528.00 crore was awarded to a private firm on nomination basis which appears to be a case of favouritism and lack of transparency by the PSU.

### **Cases of delays**

A number of paras referred by the CTE to the organisations have not been replied to by the concerned Executive Engineer (EE) and Superintending Engineer (SE) despite reminders and serious lapses. Reports on such delayed lapses have now been called from the CVOs. Some of these cases are as follows:

### **Construction of GNEC Phase-III at New Delhi (SH: providing & installing sub-station equipments) Department: PWD, Delhi**

In this case, revised price bid was called for without proper reasons, and original price bid was also opened. The revised offer based on which the work was finalised is Rs.27,52,650/-, against the estimated value of Rs.41,50,918/-. The offer of the same firm was close to the estimated value in the initial offer and was highest, indicating favouritism.

### **Tender for fabrication of ship units and major seat framework on order placed by MDL**

In this tender, opening of bids for the work was improper, with overwriting on the serial numbers written on seven of the eight bids. The eighth bid had no overwriting and was found to be the lowest. The bidders were not invited during opening though the bids had been submitted on the same day till 1500 hrs. The detailed terms and conditions which were a part of the notice inviting quotations were not made a part of the order. For another work, negotiations were carried out with a non- L1 firm, and the work was awarded to them.

### **Providing internal electrification works for lab blocks of NCPGR Project at New Delhi**

This is a case of lack of publicity resulting in poor response to the NIT. One of the three firms, which was qualified and finally awarded the work, was disqualified later for another similar work, on the basis of poor quality of work experience. The previous work of the firm, on the basis of which it had been claiming competence had been inspected two times, once each before qualifying the firm for the respective works. In the first inspection the work was found satisfactory and in the second inspection, the same work was found to be of poor quality. Also, 50 percent of the items of the tender were modified and in spite of absence of any urgency, no fresh tenders were called.

### **Procurement of heat activated ultra violet film by Government Security Press**

In this case though the specifications were revised, tender sample was not asked for from the past supplier who had supplied this item as per old specifications. Tender samples were handled in a non-transparent manner. There was no proper coding and de-coding of these samples. Further, though the order was placed as per the revised specifications, supplies have been accepted as per old specifications.

### **Procurement of computers and peripherals for computerisation of various branches by Public Sector Bank**

The Management Committee of the Board desired that the pre-budget and post-budget prices of the hardware items proposed to be purchased should be furnished. Accordingly, the bank asked the firms to submit their pre-budget and post-budget prices. These revised bids were opened in the absence of bidders. As per the revised bids, the rates of one firm was L1. Surprisingly, L2 on their own offered further discount and, therefore, reduced their prices to such a level as to become marginally lower than L1. The subsequent discount offered by this firm, being post-tender revision, should not have been accepted. By accepting the post-tender revision of L2, the order placed on them is highly objectionable and against the spirit of transparency and fair play.

### **Recoveries effected**

During inspection the CTE Unit came across certain persistent and glaring omissions by organisations resulting in financial recoveries after the inspection carried out by the CTE Unit. Certain illustrative cases are listed below:

### **Four-laning and strengthening of NH-8 from Km 36.63 to Km 107.18 (Gurgaon Haryana/Rajasthan Border section) and four laning with strengthening of NH 8 from Km 107.18 to Km 162.50 (Haryana Rajasthan Border to Kot Putli section) executed by a Central Government organisation**

In this work, the additional burden suffered by the organisation in terms of interest on advances, escalation, ADB loan cost, difference in cost arising out of subsequent award of work at higher rates etc., due to rescinding of the contract was recovered from the contractor, i.e. M/s Birla GT ME / E JL(JV) . In addition to this, in the same work samples collected for a stone masonry drain failed, with a high margin as compared to contract requirements. Besides, inadmissible payment to the tune of Rs.3.6 crore on account of removal of stumps and Rs.20 lac on account of not considering the reduction in the quantity of earthwork due to reduction in the width of the flyover, were allowed. **The organisation finally confirmed recovery of Rs.12.26 crore based on the observations of the CTE Unit.**

**Construction of nurses residential complex at Srinivas Puri, New Delhi**

In the particular work, huge recovery to the tune of Rs.67.76 lac was effected from the contractor due to delayed completion of the project.

**Modernisation of Jetty at Mumbai**

For this work, recovery of Rs.1.10 crore was made on account of interest on retention money, released to the contractor in lieu of bank guarantee, without any specific provision for such release of retention money in the contract agreement.

**Construction of LIG houses by a central PSU at NOIDA**

In this case, total recovery of Rs.75 lac was effected for all the packages awarded by the PSU to different contractors. The main irregularities pointed out by the CTE Unit, which resulted in recovery, are as under:

- (i) Cost index of 25.95 percent paid over and above the market rate for some of the items
- (ii) Aluminium butt hinges not provided in flush door shutters
- (iii) Sub standard steel windows
- (iv) Less thickness of mud phuska
- (v) Less thickness of marble
- (vi) Extra payment for cutting holes made, which was not admissible as per contract specifications.

**Construction of Outer Ring Road between Magadi Road and Tumber Road (Package-I) Bangalore, executed by a central PSU**

In the aforementioned work, recovery of Rs.62,76,662/- was made on account of not providing insurance, hire charges of machinery arranged by the department delaying completion of work etc. This recovery, however, included similar lapses in package-II, III & IV, also being executed by the same PSU.

**Construction of local head office building by a nationalised bank at Chennai**

In this work, a total recovery of Rs.38.81 lac has been under consideration due to various deficiencies noticed in the execution of the work and also penalty on the consultant due to his failure to complete the work in time.

**Design, engineering, erection, testing and commissioning of upgradation of combustion system in a Government steel plant**

In this case, a total recovery of Rs.25.85 lac was effected because the other PSU

entrusted with the execution job did not execute the ash pond work as envisaged in the contract agreement.

**Construction of effluent treatment plant of a central PSU in Mehsana (Gujrat)**

In this work, a total recovery of Rs.63.00 lac was made on account of liquidated damages due to delay in work. This recovery was effected by the organisation after the CTE's observations.

In another case of a Central Government refinery, a huge amount of Rs.2.162 crore was recovered due to liquidated damages after the CTE's protracted persuasion.

**Procurement of Silico Manganese**

In this work, recovery of Rs.33.87 lac was effected due to deficiencies noticed during analysis of the samples collected at the time of the CTE's inspection.

## CHAPTER - 8

### Functioning of Delhi Special Police Establishment (Central Bureau of Investigation)

As per the CVC Act, 2003, the Commission has been vested with the responsibility of exercise superintendence over the functioning of DSPE, issue directions and review the progress of investigations under the PC Act, 1988 or an offence with which a public servant may be charged under the Cr.P.C. at the same trial.

The Commission in its last report had drawn attention to the fact that the superintendence over CBI is confined to cases under the P.C. Act, while Government continues to exercise such superintendence in respect of other matters. Over the last year or so there have been several instances where the courts and the public at large have expressed some concern over CBI's independence and neutrality in the context of certain developments in some sensitive cases. These instances have caused equal concern to the Commission since the public expectations after the Supreme Court judgement in the Vineet Narain case and the enactment of the CVC Act in 2003 are indeed high. If the objectivity, political neutrality and impartiality of CBI are questioned, as a natural corollary the role of the Commission under the CVC act to ensure these also comes under critical review. The Commission is fully aware of the tremendous responsibility cast on it under the CVC Act. However, the Commission would like to place on record certain constraints vis-à-vis its responsibility with regard to superintendence over CBI.

- a) CVC superintendence over CBI is confined to cases under the Prevention of Corruption Act (PC Act). In respect of other functions of CBI, Government continues to exercise superintendence over CBI.
- b) Even in the PC Act, the CVC superintendence is only over investigation of cases. Once investigations are over and cases are filed or closure reports filed in the relevant Courts, CVC ceases to have any control over the CBI. Matters like appointment of prosecutors etc. continue to be under the control of Government. In some cases recently the Courts have expressed their disapproval of the transfer of the Public Prosecutors in the middle.
- c) Even though appointment and removal of officers of the rank of SP and above in the CBI are subject to the recommendations of the Committee under the chairmanship of Central Vigilance Commissioner, all other administrative matters continue to be with the Government. This to a large extent compromises the autonomy and independence of the CBI. This includes powers as Disciplinary Authority over officers of CBI. It is also noticed that the Director, CBI does not enjoy the same amount of powers, financial and otherwise as Head of Department unlike the other Heads of Central Police Organisations.
- d) Appeals to be preferred against lower court judgements by CBI are also subject to Government approval through the Law Ministry again. This compromises the independence of the CBI.

## Monthly Review Meetings

In the exercise of its superintendence over the DSPE, the Commission has adopted a mechanism of monthly review of cases investigated by the CBI. The Commission also ascertains that the investigations in all the cases registered by the CBI are being conducted without any external factor coming in the way of such investigations. The Commission periodically follows-up with the Ministries and Departments as well as in Public Sector Organisations to expedite the sanction of prosecution wherever required. The Commission continued its efforts to bring about agreement in cases where the sanctioning authorities and CBI have different point of views. In this regard joint-meetings were held with the department concerned and CBI representatives to resolve the issues and speed up the process of sanctions of prosecution. Such efforts have been quite successful specifically in regard to nationalised banks and PSUs.

The Commission had held 12 review meetings with the Director, CBI during the year 2004 in which cases of senior officers of the Government, Executives of Banks/ Public Sector Enterprises (PSEs) and others were reviewed. The cases pending sanction of prosecution of public servants with the competent authorities and sanctions received by the CBI during the year 2004 are given in the table below:

**Table-13**

<b>Month</b>	<b>No. of cases relating to prosecution of public servants pending</b>	<b>Sanctions Received</b>
Jan.2004	142	20
Feb.2004	137	24
Mar.2004	141	34
Apr.2004	174	24
May2004	196	24
Jun 2004	185	52
July 2004	187	45
Aug.2004	189	37
Sep.2004	176	56
Oct.2004	184	40
Nov.2004	181	38
Dec.2004	153	84

## Prosecution against Central Government employees posted in States

It was brought to the notice of the Commission that there were a number of cases of sanction of prosecution which were pending with the State Governments. The Commission took up this matter with the Secretary, Ministry of Home Affairs. The Commission also took up the matter with the concerned disciplinary authorities wherever it was observed that the sanction for prosecution was delayed beyond three months especially in respect of Ministry of Finance. **As the Ministries continued to delay such sanctions inspite of follow-up, the Commission has put the names of all the officials against whom sanction for prosecution is pending for last one year as on 31.12.2004 on its web-site.**

Department-wise details of cases pending sanction of prosecution as on 31.12.2004 are given in table below (Table-14). Out of these 153 cases, 21 cases were pending for more than 3 years, 26 cases between 2-3 years, 25 cases between 1-2 years while 28 cases were pending for less than 1 year.

**Table-14**

**Number of cases pending for sanction for prosecution as on 31.12.2004**

<b>Ministry</b>	<b>Number of cases</b>
Ministry of Coal	2
Ministry of Commerce	1
Ministry of Communication	16
Ministry of Defence	8
Ministry of External Affairs	1
Ministry of Finance (Revenue & others)	1
Ministry of Finance (Banking)	31
Ministry of Finance (Custom & Central Excise)	25
Ministry of Finance (Income Tax)	7
Ministry of Finance (Insurance)	5
Ministry of Food	1
Ministry of Health & Family Welfare	2
Ministry of Home Affairs	4
Ministry of Industry	1
Ministry of Labour	1
Ministry of Personnel, Public Grievances & Pensions	4
Ministry of Petroleum & Natural Gas	3
Ministry of Railways	7
Ministry of Steel	1
Ministry of Urban Development	2
Ministry of Water Resources	3
Govt. of Andhra Pradesh	1
Govt. of Assam Meghalaya	2
Govt. of Bihar	3
Govt. of Haryana	4
Govt. of Jammu & Kashmir	4
Govt. of Jharkhand	1
Govt. of Kerala	2
Govt. of NCT Delhi	8
Govt. of Punjab	2
Govt. of Rajasthan	1
Govt. of Tamilnadu	1
Union Territories	3
Govt. of Uttar Pradesh	5
Govt. of West Bengal	2
<b>Total</b>	<b>165*</b>

*\*However, a total of only 153 cases are pending for prosecution sanction, as 12 cases are common to more than one Ministry/State Govt., etc.*

## Activities of the Central Bureau of Investigation

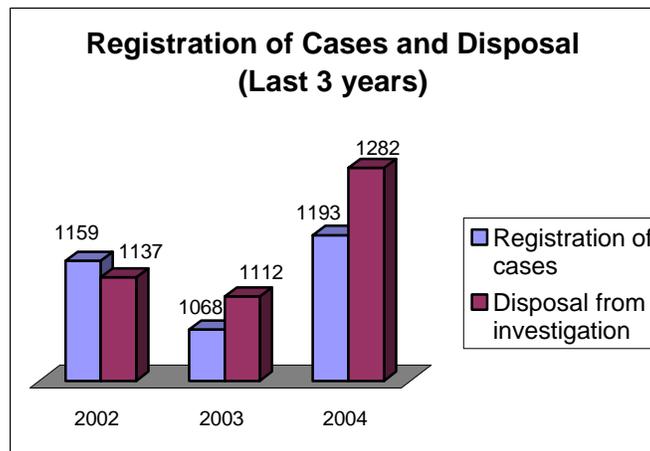
### **Registration of cases:**

During the year 2004, 1193 cases were registered as against 1068 cases registered in last year. The cases registered included 7 cases taken up at the instance of State Government/Union Territory Administrations and 118 cases taken up for investigation on the directions of the Supreme Court/High Courts.

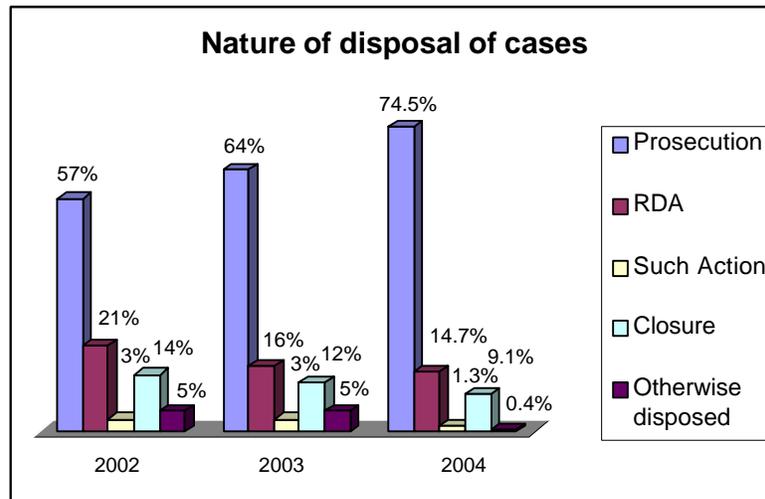
These 1193 cases include 1007 (Regular cases) and 186 (PE), 2046 public servants were named in these cases including 1127 gazetted officers. These cases mainly pertained to criminal misconduct by showing undue favour, obtaining bribes, amassing assets disproportionate to known source of income etc. 218 trap cases and 87 cases of possession of disproportionate assets by public servants were registered. At the end of the year, 1354 cases were under investigation. During the year charge-sheets were filed in 814 cases and judgements delivered by the Courts in 549 cases. The conviction rate for the year 2004 was 66.33%. There were as many as 6614 cases under trial in various courts at the end of the year.

The following charts contain the comparative status during the last three years of the registration and disposal of cases (Chart-15) and the nature of disposal of cases (Chart-16) by CBI.

**Chart 15**



**Chart 16**



***Cases pending investigation:***

During 2004, the CBI completed investigations of 1282 cases which include 1085 RCs and 197 PEs Charge sheet were filed in 814 cases after receipt of sanction for prosecution. On the other hand, at the end of the year 2004, 1354 cases were pending under investigation in comparison to 1435 cases pending as on 31.12.2003.

***Cases of trial and their conviction:***

During the year 2004, various courts, disposed of 549 cases under trial, as compared to 692 cases in 2003 and 673 in 2002. Out of these 549 cases, 329 cases resulted in conviction, 132 in acquittal, 35 discharged, 53 cases were disposed off for other reasons. The overall rate of conviction in CBI cases during 2004 was 66.3 percent as compared to 68.4 percent in 2003 and 68.7 percent in 2002. 6614 cases were pending under trial as on 31.12.2004, as compared to 6327 cases as on 31.12.2003.

**Dealing with investigation of CBI with RDA recommendations**

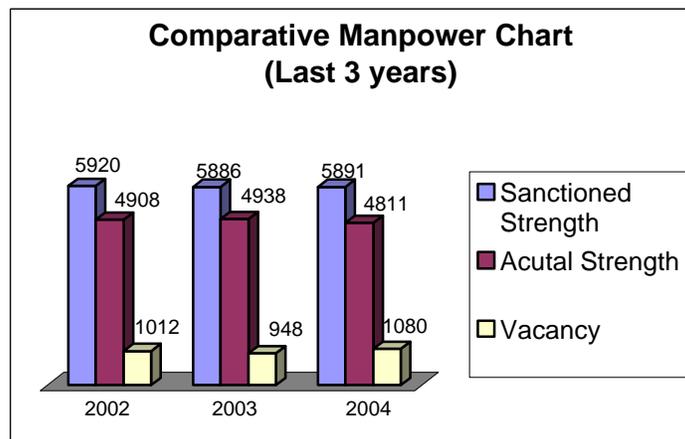
The Commission has observed that cases investigated by the CBI which do not result in prosecution, but only regular departmental action is recommended need not be followed-up by the concerned IO of CBI. The Commission in consultation with the concerned Disciplinary Authority and CVO would decide these cases.

**Manpower**

The total sanctioned strength of CBI as on 31.12.2004 was 5891. However, the actual manpower available was 4811. There were 1080 posts lying vacant at the end of the year (Chart-17). These vacancies were mainly in the ranks of Senior Superintendent of Police (SSP)-6; Superintendent of Police (SP)-7; Additional Superintendent of Police (ASP)-12; Deputy Superintendent of Police (DSP)-61;

Inspectors-196; Sub-Inspectors-132+14; Asstt. Sub-Inspectors-27; Head Constables -31; and Constables-106+95. Besides, there were vacancies of 76 Law Officers at various levels. 96 Technical posts were also lying vacant.

**Chart 17**



### **Training – CBI Academy**

CBI Academy at Ghaziabad started functioning w.e.f. 10.1.1996. Prior to that a Training Centre was at Lok Nayak Bhawan, New Delhi for conducting short-term in-service courses. For basic courses of Dy. SsP, SIs and Constables, CBI depended on State Police Training Institutions and NPA, Hyderabad.

The Academy is organising different types of training courses. These include:-

- (i) Basic courses for the directly recruited Deputy Superintendent of Police, Law Officers, Sub-Inspectors, Ministerial Staff and Constables of the CBI Cadre.
- (ii) Orientation courses for deputationists immediately after their induction into the CBI.
- (iii) Post promotional courses to equip the officers to handle new responsibilities arising out of change in the nature of their job.
- (iv) Specialized courses for Investigating Officers of CBI. This training is compulsory for officers shifted from one field of investigation to the other.
- (v) Short-term in-service courses in the areas of professional interest like Scientific Investigation, Interview and Interrogation Techniques, Cyber Crime, Vigilance Courses, Trial Management etc.

During this year the VIIIth batch of directly recruited Constable reported to the Academy on 3.5.2004 for basic training course. After completing their 26 weeks of training, 92 Constables passed out on 5.11.2004. In addition to their training in law,

professional skills and physical fitness, they were also imparted training in computers and typing.

Besides this, the VIIIth batch of directly recruited Sub-Inspectors reported to the Academy on 31.10.2004 for basic training course. After completion of their institutional training (Phase-I & Phase-II) of 59 weeks, the Passing out parade of 31 Cadets was organised on 30.12.2004. The Director, CBI took the salute of the parade. The other dignitaries, including senior officers of CBI were also present on the occasion.

During the year 2004, the Academy conducted 60 courses and trained 1745 officers/officials, including 909 from CBI and 836 from State Police and other organisations. The comparative chart/graph of the training activities for the last three years i.e. from 2002 to 2004 are as under:-

Year	Total No. of courses	No. of participants			Training Mandays
		CBI	State Police & other organisations	Total	
2002	68	1535	556	2091	17781
2003	101	3095	672	3767	27250
2004	60	909	836	1745	29564

# ANNEXURES

## Annexure-I

### Group wise Staff Strength and related information, as on 31.12.2004

	Group 'A'	Group 'B'	Group 'C'	Group 'D'	Total
Sanctioned Strength	44*	92	73	73	282
Officials in position	38	80	61	69	248

\*Excluding the post of CVC & VCs

### Representation of Scheduled Castes, Scheduled Tribes and OBCs

As per the Government's policy and instructions, the Commission has been making every effort for implementing the same in respect of the posts under its administrative control. The percentage of Scheduled Castes/Scheduled Tribes and OBCs in the various group of posts filled/held otherwise than by deputation as on 31.12.2004 is given below:

	Group "A"	Group "B"	Group "C"	Group "D"
Scheduled Castes	22.22%	16.66%	16.39%	40.57%
Scheduled Tribes	11.11%	4.16%	6.58%	2.89%
OBC	-	8.33%	16.39%	11.59%

### Progressive Use of Hindi

The Official Language Policy is being given due emphasis by the Commission for implementation of the provisions as also achievement of the objectives envisaged in the Official Language Act, 1963.

## Annexure-II

**Organisation-wise details of Punishments imposed during 2004 in respect of cases where Commission's advice was obtained**

S. No.	Name of the Department/ Organisation	Prosecution	Major Penalty	Minor Penalty	Admn. Action
1.	Air India	-	-	1	-
2.	Airports Authority of India	-	-	6	1
3.	All India Institute of Medical Sciences	-	1	2	-
4.	Allahabad Bank	-	7	9	1
5.	Andaman & Nicobar Admn.	-	5	2	-
6.	Andhra Bank	-	24	6	-
7.	Andrew Yule & Co. Ltd.	-	3	-	2
8.	Bank of Baroda	-	78	44	1
9.	Bank of India	-	76	45	11
10.	Bank of Maharashtra	-	56	26	2
11.	Bharat Coking Coal Ltd.	-	-	-	4
12.	Bharat Dynamics Ltd.	-	-	1	-
13.	Bharat Heavy Electricals Ltd.	-	3	8	13
14.	Bharat Sanchar Nigam Ltd.	4	-	-	-
15.	Bongaigaon Refineries & Petrochemicals Ltd.	-	7	3	-
16.	Border Roads Development Board	-	-	2	-
17.	Bureau of Indian Standards	-	-	9	2
18.	Cabinet Secretariat	1	-	-	-
19.	Canara Bank	-	70	21	2
20.	CAPART	-	2	-	-
21.	CBI	-	-	3	-
22.	Cement Corp. of India Ltd.	-	-	9	-
23.	Central Bank of India	-	9	4	-
24.	Central Board of Direct Taxes	1	20	11	12
25.	Central Board of Excise & Customs	11	40	33	4
26.	Central Coalfields Ltd.	-	-	1	-
27.	Central Warehousing Corp.	-	1	4	6
28.	Chandigarh Admn.	1	-	3	-
29.	Coal India Ltd.	-	-	7	3
30.	Corporation Bank	-	9	8	-
31.	Council for Scientific & Industrial Research	-	10	-	8
32.	CPWD	2	10	8	20
33.	D/o Agriculture & Cooperation	-	3	2	-
34.	D/o Animal Husbandary & Dairying	-	3	-	2
35.	D/o Atomic Energy	-	2	-	-
36.	D/o Chemicals & Petrochemicals	-	-	2	1
37.	D/o Coal	-	7	2	9
38.	D/o Commerce	3	5	2	2
39.	D/o Defence Production & Supplies	-	12	12	-

<b>S. No.</b>	<b>Name of the Department/ Organisation</b>	<b>Prosecution</b>	<b>Major Penalty</b>	<b>Minor Penalty</b>	<b>Admn. Action</b>
40.	D/o Fertilizers	-	-	-	1
41.	D/o Health	1	4	-	-
42.	D/o Heavy Industry	-	3	-	-
43.	D/o Industrial Policy & Promotion	-	-	5	1
44.	D/o Mines	-	-	2	-
45.	D/o Personnel & Training	3	1	-	-
46.	D/o Posts	-	6	4	3
47.	D/o Science & Technology	-	5	18	3
48.	D/o Steel	-	-	1	-
49.	D/o Telecom	46	132	119	27
50.	D/o Women & Child Development	-	1	-	-
51.	Damodar Valley Corp.	-	1	7	-
52.	DDA	2	23	46	19
53.	Delhi Jal Board	-	-	17	1
54.	Dena Bank	-	29	17	-
55.	DSIDC	-	-	1	-
56.	DTC	-	-	-	1
57.	DVB (now DTL/IPGCL)	-	4	3	3
58.	Eastern Coalfields Ltd.	-	4	2	-
59.	Employees Provident Fund Organisation	-	3	1	-
60.	Employees State Insurance Corp.	-	2	1	-
61.	Food Corp. of India	1	2	5	6
62.	Gas Authority of India Ltd.	-	-	1	-
63.	Govt. of NCT, Delhi	-	12	7	5
64.	Hindustan Aeronautics Ltd.	-	5	1	-
65.	Hindustan Fertilizers Ltd.	-	-	1	2
66.	Hooghly Dock & Port Engineers Ltd.	-	-	1	-
67.	HUDCO	-	-	2	-
68.	IBP Co. Ltd.	-	2	-	-
69.	IGNOU	-	1	4	2
70.	India Tourism Development Corp.	-	-	-	1
71.	India Trade Promotion Organisation	-	2	13	-
72.	Indian Bank	1	40	19	3
73.	Indian Council of Agricultural Research	-	2	2	1
74.	Indian Oil Corp. Ltd.	-	7	2	15
75.	Indian Overseas Bank	-	7	5	1
76.	Industrial Investment Bank of India	-	3	8	-
77.	IRCON	-	-	-	2
78.	Jawaharlal Nehru Port Trust	-	-	3	-
79.	Jute Corp. of India Ltd.	-	2	-	-
80.	Kendriya Vidyalaya Samiti	-	3	3	-
81.	Khadi & Village Industries Commission	-	2	2	-

<b>S. No.</b>	<b>Name of the Department/ Organisation</b>	<b>Prosecution</b>	<b>Major Penalty</b>	<b>Minor Penalty</b>	<b>Admn. Action</b>
82.	Lakshdweep Admn.	2	-	-	-
83.	Life Insurance Corp.	-	13	7	-
84.	M/o Civil Aviation	-	-	1	-
85.	M/o Culture	2	-	2	-
86.	M/o Defence	-	3	7	-
87.	M/o Environment & Forests	3	2	-	-
88.	M/o External Affairs	-	1	5	-
89.	M/o Home Affairs	5	7	3	2
90.	M/o Information & Broadcasting	-	7	8	-
91.	M/o Labour	1	2	-	-
92.	M/o Non-Conventional Energy Sources	-	-	3	-
93.	M/o Petroleum & Natural Gas	-	1	-	-
94.	M/o Railways	9	124	275	210
95.	M/o Small Scale Industries	-	1	8	-
96.	M/o Social Justice & Empowerment	1	-	-	1
97.	M/o Textiles	-	1	2	-
98.	M/o Urban Development & Poverty Alleviation	-	14	30	5
99.	M/o Water Resources	1	-	4	2
100.	Mahanadi Coalfields Ltd.	-	14	5	11
101.	Mazagon Dock Ltd.	-	1	-	-
102.	MCD	-	-	-	2
103.	Minerals & Metals Trading Corp.	-	-	11	-
104.	Mishra Dhatu Nigam Ltd.	-	1	-	-
105.	Mumbai Port Trust	-	-	-	1
106.	NABARD	-	4	-	-
107.	NALCO	-	-	2	-
108.	National Building Construction Corp.	-	2	-	3
109.	National Consumer Co-operative Federation	-	5	7	-
110.	National Highways Authority of India	-	-	1	3
111.	National Insurance Co. Ltd.	-	50	33	-
112.	National Mineral Development Corp.	-	-	2	-
113.	National Project Construction Corp.	1	-	-	1
114.	National Small Industries Corp. Ltd.	-	11	17	-
115.	National Water Development Agency	-	-	2	-
116.	Navodaya Vidyalaya Samiti	-	1	-	-
117.	NDMC	-	7	1	-
118.	New India Assurance Co. Ltd.	2	5	6	1
119.	North Eastern Electronic Power Corp.	-	1	-	-
120.	Northern Coalfields Ltd.	-	8	-	-
121.	NTPC	-	2	1	1
122.	Nuclear Power Corp. of India Ltd.	-	4	3	-

<b>S. No.</b>	<b>Name of the Department/ Organisation</b>	<b>Prose- cution</b>	<b>Major Penalty</b>	<b>Minor Penalty</b>	<b>Admn. Action</b>
123.	Numaligarh Refineries Ltd.	-	1	8	-
124.	O/o Comptroller & Auditor General	-	-	4	-
125.	O/o Controller General of Defence Accounts	-	6	18	-
126.	ONGC	-	3	2	8
127.	Ordnance Factory Board	3	-	-	-
128.	Oriental Bank of Commerce	-	46	37	-
129.	Oriental Insurance Co. Ltd.	3	6	10	-
130.	PGIMER	-	-	-	2
131.	Punjab & Sind Bank	-	17	29	6
132.	Punjab National Bank	-	128	56	22
133.	Rashtriya Ispat Nigam Ltd.	-	-	2	-
134.	Reserve Bank of India	-	-	1	-
135.	RITES	-	-	-	1
136.	Satluj Jal Vidyut Nigam Ltd.	-	-	1	-
137.	South Eastern Coalfields Ltd.	-	1	32	-
138.	State Bank of Bikaner & Jaipur	-	35	25	8
139.	State Bank of Hyderabad	-	43	29	2
140.	State Bank of India	2	259	169	79
141.	State Bank of Indore	-	12	10	2
142.	State Bank of Mysore	1	46	24	6
143.	State Bank of Patiala	-	24	7	3
144.	State Bank of Saurashtra	-	14	3	1
145.	State Bank of Travancore	-	54	48	-
146.	State Trading Corp. of India	-	5	9	3
147.	Steel Authority of India Ltd.	-	6	7	2
148.	Super Bazar	-	1	2	1
149.	Syndicate Bank	-	25	11	-
150.	Tuticorin Port Trust	-	-	1	-
151.	UCO Bank	-	24	7	1
152.	Union Bank of India	1	60	54	13
153.	United Bank of India	-	14	12	2
154.	United India Insurance Co. Ltd.	1	15	4	2
155.	UT of Daman & Diu and Dadra & Nagar Haveli	4	6	4	-
156.	Vijaya Bank	1	37	27	1
	<b>Total</b>	<b>120</b>	<b>1951</b>	<b>1616</b>	<b>611</b>

## Annexure-III (A)

### Work done by CVOs in 2004

#### Details on Complaints on other employees

SNo	Department/Sector	Total Received	disposal	Pending	pending for more than 6 months
1	AGRICULTURE	0	0	0	0
2	ATOMIC ENERGY	28	10	18	11
3	BANKS	3011	2428	583	166
4	CBDT	2209	1617	592	221
5	CENTRAL BOARD OF EXCISE & CUSTOMS	1173	600	573	315
6	CHEMICAL & PETROCHEMICALS	10	6	4	0
7	CIVIL AVIATION	110	74	36	27
8	COAL	698	565	133	23
9	COMMERCE	67	52	15	5
10	DEFENCE	185	185	0	0
11	FERTILIZERS	76	60	16	7
12	FINANCE	33	26	7	7
13	FOOD & CONSUMER AFFAIRS	1040	919	121	68
14	GOVT. OF NCT DELHI	35859	34894	965	350
15	HEALTH & FAMILY WELFARE	0	0	0	0
16	HEAVY INDUSTRY	116	81	35	25
17	HUMAN RESOURCE DEVELOPMENT	0	0	0	0
18	INDUSTRIAL DEVELOPMENT	2	2	0	0
19	INSURANCE	1160	659	501	322
20	LABOUR	13	12	1	0
21	MHA	252	168	84	39
22	MINES	34	22	12	10
23	PETROLEUM	1028	746	282	136
24	POWER	290	182	108	50
25	RAILWAYS	6448	4602	1846	519
26	RURAL DEVELOPMENT	0	0	0	0
27	SCIENCE & TECHNOLOGY	0	0	0	0
28	STEEL	249	139	110	17
29	SURFACE TRANSPORT	544	367	177	51
30	TELECOMMUNICATIONS	1349	1295	54	26
31	TEXTILES	26	19	7	1
32	TOURISM	138	101	37	8
33	URBAN AFFAIRS	752	450	302	123
34	WATER RESOURCES	5	4	1	1
...	Total	56905	50285	6620	2528

Note : The data is based on the Annual reports submitted by the CVO's.

## Annexure-III (A)

### Work done by CVOs in 2004

#### Details on Complaints Sent by CVC including Whistle Blower

SNo	Department/Sector	Total Received	disposal	Pending	pending for more than 6 months
1	AGRICULTURE	0	0	0	0
2	ATOMIC ENERGY	3	0	3	2
3	BANKS	101	80	21	7
4	CBDT	55	22	33	24
5	CENTRAL BOARD OF EXCISE & CUSTOMS	21	9	12	7
6	CHEMICAL & PETROCHEMICALS	0	0	0	0
7	CIVIL AVIATION	10	2	8	2
8	COAL	34	20	14	5
9	COMMERCE	8	5	3	2
10	DEFENCE	5	5	0	0
11	FERTILIZERS	3	1	2	0
12	FINANCE	3	2	1	0
13	FOOD & CONSUMER AFFAIRS	12	4	8	3
14	GOVT. OF NCT DELHI	219	155	64	37
15	HEALTH & FAMILY WELFARE	0	0	0	0
16	HEAVY INDUSTRY	20	17	3	1
17	HUMAN RESOURCE DEVELOPMENT	0	0	0	0
18	INDUSTRIAL DEVELOPMENT	0	0	0	0
19	INSURANCE	24	11	13	11
20	LABOUR	0	0	0	0
21	MHA	0	0	0	0
22	MINES	2	2	0	0
23	PETROLEUM	79	54	25	4
24	POWER	13	6	7	4
25	RAILWAYS	25	15	10	2
26	RURAL DEVELOPMENT	0	0	0	0
27	SCIENCE & TECHNOLOGY	0	0	0	0
28	STEEL	32	21	11	4
29	SURFACE TRANSPORT	25	15	10	4
30	TELECOMMUNICATIONS	56	32	24	22
31	TEXTILES	1	1	0	0
32	TOURISM	10	4	6	0
33	URBAN AFFAIRS	65	38	27	7
34	WATER RESOURCES	0	0	0	0
...	Total	826	521	305	148

Note : The data is based on the Annual reports submitted by the CVO's.

## Annexure-III (A)

### Work done by CVOs in 2004

#### Details on Complaints on all category of employees

SNo	Department/Sector	Total Received	disposal	Pending	pending for more than 6 months
1	AGRICULTURE	0	0	0	0
2	ATOMIC ENERGY	31	10	21	13
3	BANKS	3112	2508	604	173
4	CBDT	2264	1639	625	245
5	CENTRAL BOARD OF EXCISE & CUSTOMS	1194	609	585	322
6	CHEMICAL & PETROCHEMICALS	10	6	4	0
7	CIVIL AVIATION	120	76	44	29
8	COAL	732	585	147	28
9	COMMERCE	75	57	18	7
10	DEFENCE	190	190	0	0
11	FERTILIZERS	79	61	18	7
12	FINANCE	36	28	8	7
13	FOOD & CONSUMER AFFAIRS	1052	923	129	71
14	GOVT. OF NCT DELHI	36078	35049	1029	387
15	HEALTH & FAMILY WELFARE	0	0	0	0
16	HEAVY INDUSTRY	136	98	38	26
17	HUMAN RESOURCE DEVELOPMENT	0	0	0	0
18	INDUSTRIAL DEVELOPMENT	2	2	0	0
19	INSURANCE	1184	670	514	333
20	LABOUR	13	12	1	0
21	MHA	252	168	84	39
22	MINES	36	24	12	10
23	PETROLEUM	1107	800	307	140
24	POWER	303	188	115	54
25	RAILWAYS	6473	4617	1856	521
26	RURAL DEVELOPMENT	0	0	0	0
27	SCIENCE & TECHNOLOGY	0	0	0	0
28	STEEL	281	160	121	21
29	SURFACE TRANSPORT	569	382	187	55
30	TELECOMMUNICATIONS	1405	1327	78	48
31	TEXTILES	27	20	7	1
32	TOURISM	148	105	43	8
33	URBAN AFFAIRS	817	488	329	130
34	WATER RESOURCES	5	4	1	1
...	Total	57731	50806	6925	2676

Note : The data is based on the Annual reports submitted by the CVO's.

**Annexure-III (B)**

**Work done by CVOs in 2004**

**Details on Departmental Inquires against officers  
(UNDER THE CVC JURISDICTION)**

SNo	Department/Sector	Total Received	disposal	Pending	pending for more than 6 months
1	AGRICULTURE	2	2	0	0
2	ATOMIC ENERGY	1	1	0	0
3	BANKS	443	293	150	78
4	CBDT	20	1	19	10
5	CENTRAL BOARD OF EXCISE & CUSTOMS	216	94	122	84
6	CHEMICAL & PETROCHEMICALS	0	0	0	0
7	CIVIL AVIATION	6	0	6	1
8	COAL	24	13	11	8
9	COMMERCE	52	16	36	33
10	DEFENCE	7	2	5	4
11	FERTILIZERS	2	0	2	2
12	FINANCE	24	24	0	0
13	FOOD & CONSUMER AFFAIRS	2	2	0	0
14	GOVT. OF NCT DELHI	36	6	30	28
15	HEALTH & FAMILY WELFARE	0	0	0	0
16	HEAVY INDUSTRY	12	11	1	0
17	HUMAN RESOURCE DEVELOPMENT	0	0	0	0
18	INDUSTRIAL DEVELOPMENT	0	0	0	0
19	INSURANCE	154	58	96	67
20	LABOUR	0	0	0	0
21	MHA	34	14	20	16
22	MINES	8	0	8	5
23	PETROLEUM	67	9	58	17
24	POWER	16	2	14	14
25	RAILWAYS	194	77	117	67
26	RURAL DEVELOPMENT	0	0	0	0
27	SCIENCE & TECHNOLOGY	0	0	0	0
28	STEEL	21	12	9	4
29	SURFACE TRANSPORT	43	17	26	18
30	TELECOMMUNICATIONS	18	6	12	5
31	TEXTILES	0	0	0	0
32	TOURISM	5	1	4	4
33	URBAN AFFAIRS	177	76	101	93
34	WATER RESOURCES	3	1	2	2
...	Total	1587	738	849	560

Note : The data is based on the Annual reports submitted by the CVO's.

## Annexure-III (C)

### Work done by CVOs in 2004

#### Details on Departmental Inquire against other employees

SNo	Department/Sector	Total Received	disposal	Pending	pending for more than 6 months
1	AGRICULTURE	0	0	0	0
2	ATOMIC ENERGY	11	0	11	6
3	BANKS	3242	1934	1308	439
4	CBDT	183	40	143	105
5	CENTRAL BOARD OF EXCISE & CUSTOMS	668	261	407	290
6	CHEMICAL & PETROCHEMICALS	1	0	1	1
7	CIVIL AVIATION	34	12	22	14
8	COAL	72	29	43	31
9	COMMERCE	53	33	20	6
10	DEFENCE	79	53	26	9
11	FERTILIZERS	52	18	34	24
12	FINANCE	41	20	21	19
13	FOOD & CONSUMER AFFAIRS	712	536	176	65
14	GOVT. OF NCT DELHI	1732	703	1029	572
15	HEALTH & FAMILY WELFARE	1	0	1	1
16	HEAVY INDUSTRY	50	31	19	8
17	HUMAN RESOURCE DEVELOPMENT	1	0	1	1
18	INDUSTRIAL DEVELOPMENT	0	0	0	0
19	INSURANCE	920	365	555	410
20	LABOUR	6	2	4	3
21	MHA	22	16	6	4
22	MINES	14	12	2	2
23	PETROLEUM	218	96	122	82
24	POWER	62	38	24	12
25	RAILWAYS	2381	1124	1257	583
26	RURAL DEVELOPMENT	2	0	2	0
27	SCIENCE & TECHNOLOGY	1	0	1	0
28	STEEL	119	100	19	7
29	SURFACE TRANSPORT	78	16	62	43
30	TELECOMMUNICATIONS	173	92	81	30
31	TEXTILES	27	24	3	1
32	TOURISM	34	20	14	12
33	URBAN AFFAIRS	38	24	14	12
34	WATER RESOURCES	1	0	1	1
...	Total	11028	5599	5429	2793

Note : The data is based on the Annual reports submitted by the CVO's.

## Annexure-III (D)

### Work done by CVOs in 2004

#### Details on Prosecution Sanctions for all categories

SNo	Department/Sector	Total cases for sanction	disposal		Pending	pending for more than 6 months
			Sanctioned	Refused		
1	AGRICULTURE	0	0	0	0	0
2	ATOMIC ENERGY	0	0	0	0	0
3	BANKS	168	76	52	40	20
4	CBDT	38	26	6	6	2
5	CENTRAL BOARD OF EXCISE & CUSTOMS	75	54	0	21	16
6	CHEMICAL & PETROCHEMICALS	0	0	0	0	0
7	CIVIL AVIATION	1	1	0	0	0
8	COAL	5	3	0	2	0
9	COMMERCE	1	1	0	0	0
10	DEFENCE	4	4	0	0	0
11	FERTILIZERS	0	0	0	0	0
12	FINANCE	1	1	0	0	0
13	FOOD & CONSUMER AFFAIRS	2	2	0	0	0
14	GOVT. OF NCT DELHI	69	50	0	19	6
15	HEALTH & FAMILY WELFARE	0	0	0	0	0
16	HEAVY INDUSTRY	10	1	0	9	8
17	HUMAN RESOURCE DEVELOPMENT	0	0	0	0	0
18	INDUSTRIAL DEVELOPMENT	0	0	0	0	0
19	INSURANCE	45	43	2	0	0
20	LABOUR	0	0	0	0	0
21	MHA	3	0	0	3	1
22	MINES	13	12	0	1	0
23	PETROLEUM	7	2	3	2	0
24	POWER	110	4	0	106	3
25	RAILWAYS	58	27	1	30	27
26	RURAL DEVELOPMENT	0	0	0	0	0
27	SCIENCE & TECHNOLOGY	0	0	0	0	0
28	STEEL	18	16	0	2	1
29	SURFACE TRANSPORT	1	1	0	0	0
30	TELECOMMUNICATIONS	31	30	0	1	0
31	TEXTILES	0	0	0	0	0
32	TOURISM	1	1	0	0	0
33	URBAN AFFAIRS	8	6	2	0	0
34	WATER RESOURCES	0	0	0	0	0
...	<b>Total</b>	669	361	66	242	84

Note : The data is based on the Annual reports submitted by the CVO's.

**Annexure-III (E)**

**Work Done by CVOs in 2004**

**Details on punishment awarded (all categories) in cases of Minor Penalty Proceedings**

S. No.	Name of the organisation	Reduction to lower stage	Postponement/withholding of increment	Recovery from pay	Withholding of promotion	Censure/Warning	No action	Total
1.	Agriculture	0	0	0	0	0	0	0
2.	Atomic Energy	0	0	0	0	0	0	0
3.	Banks	286	63	8	22	662	59	1100
4.	CBDT	2	4	0	0	11	2	19
5.	CBEC	11	31	2	1	51	16	112
6.	Chemicals & Petro-Chemicals	0	0	0	0	0	0	0
7.	Civil Aviation	0	11	0	0	36	1	48
8.	Coal	0	12	1	0	64	1	78
9.	Commerce	0	3	0	0	16	1	20
10.	Defence	0	5	1	0	3	0	9
11.	Fertilizers	0	1	0	0	2	0	3
12.	Finance	8	0	1	0	10	1	20
13.	Food & Consumer Affairs	215	152	1058	6	365	380	2176
14.	Govt. of NCT, Delhi	4	3	9	0	2791	2020	4827
15.	Health & Family Welfare	0	0	0	0	0	0	0
16.	Heavy Industry	0	5	0	1	34	2	42
17.	Human Resource Development	0	0	0	0	0	0	0
18.	Industrial Development	0	0	0	0	0	0	0
19.	Insurance	2	60	13	7	87	26	195
20.	Labour	0	0	0	0	0	0	0
21.	MHA	0	3	0	0	10	1	14
22.	Mines	0	0	0	0	1	1	2
23.	Petroleum	2	15	1	0	64	30	112
24.	Power	0	9	3	3	27	6	48
25.	Railways	12	57	0	3	118	21	211
26.	Rural Development	0	0	0	0	0	0	0
27.	Science &	0	0	0	0	0	0	0

	Technology							
28.	Steel	0	77	3	0	71	3	154
29.	Surface Transport	0	19	0	0	31	11	61
30.	Telecom	0	4	0	0	2	0	6
31.	Textiles	0	7	0	0	15	0	22
32.	Tourism	0	0	1	0	2	0	3
33.	Urban Affairs	15	9	3	0	33	25	85
34.	Water Resources	0	0	0	0	1	0	1
	<b>Total</b>	557	550	1104	43	4507	2607	9368

**Annexure-III (F)**

**Work Done by CVOs in 2004**

**Details on punishment awarded (all categories) in cases of Major Penalty Proceedings**

S. No.	Name of the organisation	Cut in Pension	Dismissal/ Removal/ Compulsory Retirement	Reduction to lower time scale/rank	Other major penalties	Minor penalties other than Censure/ Warning	Censure/ Warning	No action	Total
1.	Agriculture	0	2	0	0	0	0	0	2
2.	Atomic Energy	0	0	0	0	0	1	0	1
3.	Banks	9	626	951	483	142	207	92	2510
4.	CBDT	10	13	9	0	2	2	3	39
5.	CBEC	4	21	43	46	36	31	68	249
6.	Chemicals & Petro-Chemicals	0	0	0	0	0	0	0	0
7.	Civil Aviation	0	2	5	0	22	3	16	48
8.	Coal	0	8	21	11	5	17	16	78
9.	Commerce	0	1	1	6	10	5	5	28
10.	Defence	0	1	12	14	14	10	1	52
11.	Fertilizers	0	6	1	0	2	9	5	23
12.	Finance	0	8	3	3	0	0	0	14
13.	Food & Consumer Affairs	0	37	39	162	288	124	32	682
14.	Govt. of NCT, Delhi	4	90	299	74	14	89	152	722
15.	Health & Family Welfare	0	0	0	0	1	0	4	5
16.	Heavy Industry	0	8	4	13	2	7	6	40
17.	Human Resource Development	0	0	0	0	0	0	0	0
18.	Industrial Development	0	0	0	2	0	0	1	3
19.	Insurance	27	42	146	95	36	26	32	404
20.	Labour	1	0	0	0	0	0	1	2
21.	MHA	1	4	9	3	4	7	6	34
22.	Mines	0	0	0	0	0	0	1	1
23.	Petroleum	0	7	15	3	11	16	21	73
24.	Power	3	3	9	3	4	6	2	30
25.	Railways	14	4	38	10	14	5	18	103

26.	Rural Development	0	0	0	0	0	0	0	0
27.	Science & Technology	0	0	0	0	0	0	0	0
28.	Steel	0	8	70	46	29	11	7	171
29.	Surface Transport	1	7	1	15	0	3	3	30
30.	Telecom	4	6	1	1	2	6	4	24
31.	Textiles	0	1	1	0	0	0	0	2
32.	Tourism	0	1	0	0	10	3	3	17
33.	Urban Affairs	7	7	33	18	11	4	26	106
34.	Water Resources	0	0	0	0	0	0	0	0
	<b>Total</b>	85	913	1711	1008	659	592	525	5493

**ANNEXURE-III (G)**

**ORGANISATIONS FROM WHOM ANNUAL REPORT  
FOR THE YEAR 2004 - RECEIVED**

<b>S. No.</b>	<b>Organisation</b>	<b>S. No.</b>	<b>Organisation</b>	<b>S. No.</b>	<b>Organisation</b>
1.	Airports Authority of India	54.	Electronics Corp. of India	107	National Insurance Co. Ltd.
2.	Allahabad Bank	55.	Employees State Insurance Corp.	108	National Mineral Dev. Corp.
3.	Alliance Air	56.	Engineers India Ltd.	109	National Water Dev. Agency
4.	Andhra Bank	57.	Fertilizer & Chemicals Travancore Ltd.	110	NCR Planning Board
5.	Andrew Yule & Co. Ltd.	58.	Fertilizer Corp. of India Ltd.	111	NDMC
6.	Bank of Baroda	59.	Food Corp. of India	112	New India Assurance Co. Ltd.
7.	Bank of India	60.	Gandhi Darshan Samiti	113	NHAI
8.	Bank of Maharashtra	61.	Garden Reach Shipbuilders & Engineers	114	North Eastern Electric Power Corp.
9.	Bengal Chemicals & Pharma. Ltd.	62.	Gas Authority of India Ltd.	115	Northern Coalfields Ltd.
10.	Bharat Bhari Udyog Nigam Ltd.	63.	Govt. of NCT Delhi	116	NTPC
11.	Bharat Coking Coal Ltd.	64.	Hindustan Aeronautics Ltd.	117	Nuclear Power Corp. of India
12.	Bharat Dynamics Ltd.	65.	Hindustan Insecticides Ltd.	118	Numaligarh Refineries Ltd.
13.	Bharat Electronics Ltd.	66.	Hindustan Organic Chemicals Ltd	119	O/o Coal Mines Provident Fund
14.	Bharat Heavy Electricals Ltd.	67.	Hindustan Paper Corp. Ltd.	120	Oil India Ltd.
15.	Bharat Petroleum Corp. Ltd.	68.	Hindustan Shipyard Ltd.	121	ONGC
16.	Bongaigaon Refineries & Petrochem.	69.	Hoogly Dock & Port Engineers Ltd.	122	Oriental Bank of Commerce
17.	Border Security Force	70.	HPCL	123	Oriental Insurance Co. Ltd.
18.	Braith Waite & Co. Ltd.	71.	HUDCO	124	Paradip Port Trust
19.	Burn Standard Co. Ltd.	72.	IIBI	125	Power Finance Corp.
20.	Canara Bank	73.	India Trade Promotion Orgn.	126	Power Grid Corp. of India
21.	Cement Corp. of India Ltd.	74.	Indian Overseas Bank	127	Project & Equipment Corp. Ltd.
22.	Central Bank of India	75.	Instrumentation Ltd.	128	Projects & Development India Ltd.
23.	Central Board of Direct Taxes	76.	Intelligence Bureau	129	Punjab & Sind Bank
24.	Central Board of Excise & Customs	77.	International Instt. for Population	130	Punjab National Bank
25.	Central Board of Workers Education	78.	Inter-State Council Secretariat	131	Rashtriya Chem. & Fert. Ltd.
26.	Central Coalfields Ltd.	79.	IRCON International Ltd.	132	Rashtriya Ispat Nigam Ltd.
27.	Central Cottage Ind. Corp. of India	80.	IREDA	133	Reserve Bank of India
28.	Central Electricity Authority	81.	ITDC	134	RITES
29.	Central Electronics Ltd.	82.	Jawaharlal Nehru Port Trust	135	Rural Electrification Corp. Ltd.
30.	Central Industrial Security Force	83.	KRIBHCO	136	SAIL Ltd.
31.	Central Instt. of Plastic Engineering	84.	Kochi Refineries Ltd.	137	Satluj Jal Vidyut Nigam Ltd.
32.	Central Mines Planning & Design Instt.	85.	Kochi Shipdard Ltd.	138	Scooters India Ltd.
33.	Central Pulp & Paper Research Instt	86.	Kolkata Port Trust	139	Shipping Corp. of India
34.	CPWD	87.	Kudremukh Iron & Ore Co. Ltd.	140	SIDBI
35.	Central Reserve Police Force	88.	M/o Commerce	141	South Eastern Coalfields Ltd
36.	Central Tool Room & Trg. Centre	89.	M/o Petroleum & Natural Gas	142	State Bank of Bikaner & Jaipur
37.	Chennai Petroleum Corp. Ltd.	90.	M/o Railways	143	State Bank of Hyderabad
38.	Chennai Port Trust	91.	M/o Road Transport & Highways	144	State Bank of India
39.	Corporation Bank	92.	M/o Rural Development	145	State Bank of Indore
40.	Cotton Corp. of India	93.	M/o Small Scale Industries	146	State Bank of Mysore
41.	D/o Official Languages	94.	Madras Fertilizers Ltd.	147	State Bank of Saurashtra
42.	D/o Mines	95.	Mahanadi Coalfields Ltd.	148	State Bank of Travancore
43.	D/o Posts	96.	Mazagon Dock Ltd.	149	STC of India Ltd.
44.	D/o Steel	97.	Metal Scrap Trading Crop.	150	Syndicate Bank
45.	Damodar Valley Corp.	98.	MMTC Ltd.	151	TCIL
46.	Delhi Metro Rail Corp. Ltd.	99.	Mormugao Port Trust	152	Tea Board
47.	Delhi Police	100	MTNL	153	United Bank of India
48.	Delhi Urban Art Commission	101	National Agriculture Coop. Mktg. Fed	154	United India Insurance Co. Ltd.
49.	Dena Bank	102	National Board of Examinations	155	University of Hyderabad
50.	DG Assam Rifles	103	National Buildings Const. Corp.	156	Uranium Corp. of India Ltd.
51.	Dredging Corp. of India Ltd.	104	National Fertilizers Ltd.	157	Vijaya Bank
52.	DTC	105	National Institute of Ayurveda	158	Visakhapatnam Port Trust
53.	Eastern Coalfields Ltd.	106	National Instt. of Health & Family	159	Western Coalfields Ltd.

## Annexure-IV

**List of organisations yet to submit reports on complaints forwarded by the Commission**

S. No.	Name of the organisation	Complaints pending with CVOs for investigation		
		Upto one year	Between one-three years	More than three years
1.	Air India	3	-	-
2.	Airports Authority of India	5	5	-
3.	All India Council for Technical Education	2	1	1
4.	All India Institute of Medical Sciences	-	2	-
5.	Alliance Air	-	1	-
6.	Andaman & Nicobar Admn.	4	-	2
7.	AYUSH	-	5	1
8.	Bank of India	-	1	-
9.	BAT, Kanpur	-	1	-
10.	Border Roads Development Board	-	2	1
11.	BSNL	10	1	-
12.	Cabinet Secretariat	5	-	-
13.	Canara Bank	1	-	-
14.	CAPART	-	1	-
15.	CBI	1	-	-
16.	CBSE	-	2	-
17.	Cement Corp. of India Ltd.	-	1	-
18.	Central Bank of India	3	-	-
19.	Central Board of Direct Taxes	12	22	52
20.	Central Board of Excise & Customs	16	15	74
21.	Central Silk Board	-	-	3
22.	Central Warehousing Corp.	5	3	-
23.	Chandigarh Admn.	4	-	-
24.	Chennai Port Trust	1	-	-
25.	Coal India Ltd.	-	2	-
26.	CPWD	9	3	2
27.	CSWB	1	-	-
28.	D/o Agriculture & Cooperation	5	2	2
29.	D/o Animal Husbandry & Dairying	1	3	-
30.	D/o Bio-Technology	1	1	-
31.	D/o Coal	3	3	1
32.	D/o Commerce	6	4	3
33.	D/o Company Affairs	4	1	7

S. No.	Name of the organisation	Complaints pending with CVOs for investigation		
		Upto one year	Between one-three years	More than three years
34.	D/o Consumer Affairs	-	2	1
35.	D/o Culture	2	3	-
36.	D/o Defence Production & Supplies	-	-	1
37.	D/o Economic Affairs	1	-	14
38.	D/o Food & Public Distribution	4	-	1
39.	D/o Health	8	22	12
40.	D/o Heavy Industry	-	-	4
41.	D/o Industrial Policy & Promotion	1	1	1
42.	D/o Personnel & Training	1	1	2
43.	D/o Posts	9	7	5
44.	D/o Revenue	-	4	8
45.	D/o Science & Technology	2	-	-
46.	D/o Secondary & Higher Education	5	9	8
47.	D/o Steel	-	1	-
48.	D/o Telecom	24	4	-
49.	D/o Women & Child Development	-	1	-
50.	D/o Youth Affairs & Sports	-	1	4
51.	Damodar Valley Corp.	-	-	1
52.	DDA	9	5	2
53.	Delhi Jal Board	-	5	2
54.	Delhi Metro Rail Corp.	-	1	-
55.	DSIDC	1	9	1
56.	DTC	1	-	1
57.	DVB (now DTL/IPGCL)	38	1	-
58.	Employees Provident Funds Organisation	5	2	1
59.	Employees State Insurance Corp.	4	1	-
60.	Food Corporation of India	4	1	-
61.	Geological Survey of India	1	-	-
62.	Govt. of NCT, Delhi	16	26	22
63.	Govt. of Pondicherry	1	-	1
64.	Hindustan Petroleum Co. Ltd.	2	-	-
65.	HMT Ltd.	3	1	-
66.	Hospital Services Consultancy Corp.	-	1	-
67.	Hotel Corp. of India	1	-	-
68.	HUDCO	-	-	2
69.	IBP Co. Ltd.	1	-	-
70.	IIT, Delhi	1	-	-

S. No.	Name of the organisation	Complaints pending with CVOs for investigation		
		Upto one year	Between one-three years	More than three years
71.	IIT, Kanpur	-	1	-
72.	IIT, Madras	1	1	-
73.	IIT, Mumbai	-	1	-
74.	India Tourism Development Corp.	4	-	-
75.	India Trade Promotion Organisation	1	-	-
76.	Indian Council of Agricultural Research	6	5	10
77.	Indian Council of Medical Research	-	1	-
78.	Indian Overseas Bank	1	-	-
79.	Indian Telephone Industries	-	1	-
80.	Jawaharlal Nehru University	1	-	-
81.	Kendriya Vidyalaya Samiti	1	3	2
82.	Kolkata Port Trust	-	-	1
83.	Konkan Railway Corp. Ltd.	1	-	-
84.	Lakshdweep Admn.	-	-	1
85.	Life Insurance Corp.	5	5	8
86.	M/o Defence	4	2	12
87.	M/o Environment & Forests	2	5	5
88.	M/o External Affairs	2	-	1
89.	M/o Home Affairs	3	1	8
90.	M/o Information & Broadcasting	1	1	16
91.	M/o Labour	3	2	-
92.	M/o Petroleum & Natural Gas	-	-	2
93.	M/o Power	-	-	6
94.	M/o Railways	16	12	31
95.	M/o Road Transport & Highways	1	-	-
96.	M/o Shipping	1	-	-
97.	M/o Social Justice & Empowerment	2	-	2
98.	M/o Textiles	-	-	4
99.	M/o Urban Development & Poverty Alleviation	-	2	4
100.	M/o Water Resources	2	-	-
101.	MCD	35	27	7
102.	MMTC	-	-	1
103.	MTNL	3	2	-
104.	Mumbai Port Trust	-	1	-
105.	National Book Trust	-	1	-
106.	National Buildings Construction Corp.	-	1	-
107.	National Highways Authority of India	3	6	-

S. No.	Name of the organisation	Complaints pending with CVOs for investigation		
		Upto one year	Between one-three years	More than three years
108.	National Insurance Co. Ltd.	3	2	9
109.	National Project Construction Corp.	1	1	-
110.	National Thermal Power Corp.	3	-	-
111.	NDMC	2	3	7
112.	New India Assurance Co. Ltd.	1	-	-
113.	Northern Coalfields Ltd.	1	1	-
114.	O/o Controller General of Defence Accounts	-	-	2
115.	Oil India Ltd.	1	-	-
116.	ONGC	1	-	-
117.	Ordnance Factory Board	1	-	-
118.	Oriental Insurance Co. Ltd.	4	-	4
119.	Pawan Hans Helicopters Ltd.	1	2	-
120.	PGIMER	1	1	-
121.	Punjab & Sind Bank	2	-	-
122.	Punjab National Bank	2	1	-
123.	Reserve Bank of India	-	2	-
124.	SEBI	-	3	-
125.	State Trading Corp. of India	-	-	2
126.	Super Bazar	-	-	1
127.	Syndicate Bank	1	-	-
128.	Tea Board	1	-	-
129.	TRIFED	-	-	1
130.	United India Insurance Co. Ltd.	2	1	2
131.	University Grants Commission	1	1	1
132.	UT of Daman & Diu and Dadra & Nagar Haveli	2	-	1
	<b>Total</b>	<b>377</b>	<b>290</b>	<b>394</b>

## Annexure - V

## List of Organisations yet to appoint CDIs nominated by the Commission

S. No.	Name of the Organisation	No. of nominations pending	
		>3 months but <1 year	>1 year
1.	Air India	-	2
2.	Bank of India	2	-
3.	Bharat Dynamics Ltd.	-	1
4.	Bharat Sanchar Nigam Ltd.	-	3
5.	Cabinet Secretariat	-	1
6.	CBDT	2	21
7.	CBEC	6	6
8.	Central Bank of India	-	1
9.	Central Bureau of Investigation	-	1
10.	Chandigarh Administration	2	-
11.	D/o Commerce	-	1
12.	D/o Food & Public Distribution	2	-
13.	D/o Personnel & Training	-	1
14.	D/o Telecom	-	8
15.	Eastern Coalfields Ltd.	1	-
16.	Food Corporation of India	-	2
17.	Hindustan Vegetable Oil Corporation Ltd.	-	2
18.	Indian Council of Agricultural Research	-	1
19.	Khadi & Village Industries Commission	-	1
20.	M/o Defence	1	-
21.	M/o External Affairs	-	1
22.	M/o Home Affairs	1	2
23.	M/o Information & Broadcasting	6	-
24.	M/o Shipping	1	-
25.	M/o Textiles	-	1
26.	M/o Urban Development & Poverty Alleviation	-	3
27.	MCD	12	-
28.	MMTC	4	-
29.	National Buildings Construction Corporation	-	5
30.	National Project Construction Corporation	-	3
31.	National Small Industries Corporation Ltd.	-	1
32.	New India Assurance Co. Ltd.	1	4
33.	Oriental Insurance Co. Ltd.	-	3
34.	South Eastern Coalfields Ltd.	-	8
35.	UCO Bank	-	2
36.	United India Insurance Co. Ltd.	-	1
	<b>Total</b>	<b>41</b>	<b>86</b>

## Annexure-VI

**Organisation-wise list of cases in which Commission has not received information about implementation of its advice**

S. No.	Name of the organisation	No. of cases pending implementation of CVC's advice for more than six months	
		First Stage Advice	Second Stage advice
1.	Airports Authority of India	3	1
2.	All India Institute of Medical Sciences	2	-
3.	Allahabad Bank	40	3
4.	Andaman & Nicobar Admn.	12	2
5.	Andhra Bank	17	2
6.	AYUSH	3	6
7.	Bank of Baroda	34	4
8.	Bank of India	36	3
9.	Bank of Maharashtra	8	2
10.	Betwa River Board	1	-
11.	Bharat Coking Coal Ltd.	3	-
12.	Bharat Dynamics Ltd.	3	1
13.	Bharat Heavy Electricals Ltd.	2	-
14.	Bharat Petroleum Corp. Ltd.	3	-
15.	Border Roads Development Board	1	-
16.	Brahmaputra Board	1	-
17.	British India Corp. Ltd.	1	-
18.	Bureau of Indian Standards	8	6
19.	Burn Standard Co.	1	-
20.	BIBCOL	1	-
21.	Cabinet Secretariat	12	24
22.	Canara Bank	14	3
23.	Central Bank of India	57	9
24.	Central Board of Direct Taxes	54	20
25.	Central Board of Excise & Customs	253	281
26.	Central Council for Research in Ayurveda and Siddha	1	-
27.	Central Council for Research in Homoeopathy	1	-
28.	Central Warehousing Corp.	1	-
29.	Chandigarh Admn.	26	-
30.	Chennai Port Trust	2	-
31.	Coconut Development Board	1	-
32.	Corporation Bank	10	-
33.	Council of Scientific & Industrial Research	6	1
34.	CAPART	1	-
35.	CBI	5	-

S. No.	Name of the organisation	No. of cases pending implementation of CVC's advice for more than six months	
		First Stage Advice	Second Stage advice
36.	CPWD	47	7
37.	D/o Agriculture & Cooperation	2	4
38.	D/o Animal Husbandry & Dairying	1	-
39.	D/o Atomic Energy	1	1
40.	D/o Chemicals & Petrochemicals	1	-
41.	D/o Coal	2	1
42.	D/o Commerce	8	1
43.	D/o Company Affairs	8	5
44.	D/o Consumer Affairs	2	-
45.	D/o Culture	7	-
46.	D/o Defence Production & Supplies	13	26
47.	D/o Economic Affairs	8	7
48.	D/o Food & Public Distribution	2	1
49.	D/o Food Processing Industries	2	-
50.	D/o Health	38	10
51.	D/o Heavy Industry	-	2
52.	D/o Industrial Policy & Promotion	1	2
53.	D/o Personnel & Training	26	9
54.	D/o Posts	7	13
55.	D/o Revenue	12	6
56.	D/o Science & Technology	-	1
57.	D/o Secondary & Higher Education	2	4
58.	D/o Space	-	1
59.	D/o Steel	-	1
60.	D/o Telecom	717	120
61.	D/o Youth Affairs & Sports	6	1
62.	Delhi Jal Board	5	15
63.	Dena Bank	9	2
64.	Dredging Corp. of India	2	-
65.	DDA	102	15
66.	DSIDC	1	-
67.	DTC	1	-
68.	DVB (now DTL/IGPCL)	89	96
69.	Eastern Coalfields Ltd.	-	3
70.	Employees Provident Fund Organisation	24	4
71.	Employees State Insurance Corp.	7	-
72.	Export Inspection Council of India	1	-
73.	Food Corp. of India	2	2
74.	Gas Authority of India Ltd.	1	-
75.	General Insurance Corp.	2	4

S. No.	Name of the organisation	No. of cases pending implementation of CVC's advice for more than six months	
		First Stage Advice	Second Stage advice
76.	Govt. of NCT, Delhi	28	35
77.	Govt. of Pondicherry	28	4
78.	Hindustan Aeronautics Ltd.	2	-
79.	Hindustan Antibiotics Ltd.	1	-
80.	Hindustan Petroleum Corp. Ltd.	3	-
81.	Hindustan Shipyard Ltd.	1	-
82.	Hindustan Vegetable Oil Corp.	5	-
83.	Hospital Services Consultancy Corp.	1	-
84.	HFCL	-	2
85.	HMT Ltd.	-	4
86.	HUDCO	1	-
87.	India Trade Promotion Organisation	1	2
88.	Indian Oil Corp. Ltd.	1	1
89.	Indian Bank	42	6
90.	Indian Council of Agricultural Research	12	1
91.	Indian Overseas Bank	72	11
92.	Industrial Development Bank of India	1	-
93.	IBP Co.	2	-
94.	Jawaharlal Nehru Port Trust	1	-
95.	Khadi & Village Industries Commission	2	1
96.	Kendriya Bhandar	1	-
97.	Kendriya Vidyalaya Sangathan	18	3
98.	Lakshdweep Admn.	6	-
99.	Life Insurance Corp.	8	12
100.	M/o Civil Aviation	1	1
101.	M/o Defence	77	16
102.	M/o Environment & Forests	7	8
103.	M/o External Affairs	21	1
104.	M/o Home Affairs	45	27
105.	M/o Information & Broadcasting	65	21
106.	M/o Labour	12	4
107.	M/o Petroleum & Natural Gas	1	1
108.	M/o Railways	161	47
109.	M/o Rural Development	2	-
110.	M/o Shipping	3	2
111.	M/o Social Justice & Empowerment	4	-
112.	M/o Textiles	3	4
113.	M/o Urban Development & Poverty Alleviation	63	26
114.	M/o Water Resources	10	1
115.	Mazagon Dock Ltd.	1	1

S. No.	Name of the organisation	No. of cases pending implementation of CVC's advice for more than six months	
		First Stage Advice	Second Stage advice
116.	Mishra Dhatu Nigam Ltd.	2	1
117.	Mormugoa Port Trust	1	-
118.	Mumbai Port Trust	3	-
119.	MCD	84	6
120.	MMTC	1	1
121.	MTNL	2	-
122.	National Buildings Construction Corp.	6	5
123.	National Highways Authority of India	3	-
124.	National Hydro-Electric Power Corp.	1	-
125.	National Insurance Co. Ltd.	109	9
126.	National Small Industries Corp.	1	1
127.	National Thermal Power Corp.	-	1
128.	Navodaya Vidyalaya Samiti	5	1
129.	New India Assurance Co. Ltd.	43	8
130.	Northern Coalfields Ltd.	2	-
131.	NDMC	3	-
132.	NIIE	-	1
133.	NPCIL	1	-
134.	O/o Comptroller & Auditor General	7	-
135.	O/o Controller General of Defence Accounts	10	4
136.	Ordnance Factory Board	1	-
137.	Oriental Bank of Commerce	20	1
138.	Oriental Insurance Co. Ltd.	18	2
139.	Punjab & Sind Bank	28	4
140.	Punjab National Bank	19	11
141.	PGIMER	5	-
142.	Small Industries Development Bank of India	3	-
143.	South Eastern Coalfields Ltd.	-	1
144.	Sports Authority of India	4	2
145.	State Bank of Bikaner & Jaipur	3	1
146.	State Bank of Hyderabad	33	3
147.	State Bank of India	44	11
148.	State Bank of Mysore	3	2
149.	State Bank of Patiala	2	-
150.	State Bank of Saurashtra	1	3
151.	State Bank of Travancore	7	-
152.	Super Bazar	-	1
153.	Syndicate Bank	14	4
154.	SEBI	-	2
155.	Tea Trading Corp.	-	1

S. No.	Name of the organisation	No. of cases pending implementation of CVC's advice for more than six months	
		First Stage Advice	Second Stage advice
156.	TRIFED	3	2
157.	UCO Bank	23	15
158.	Union Bank of India	11	-
159.	United Bank of India	3	2
160.	United India Insurance Co. Ltd.	18	3
161.	UT of Daman & Diu and Dadra & Nagar Haveli	27	8
162.	Vijaya Bank	7	2
	<b>Total</b>	<b>3077</b>	<b>1093</b>

**Annexure-VII****Cases inspected by CTE Unit resulting in advice of penalty proceedings by the Commission**

<b>S. No.</b>	<b>Name of the Organisation</b>	<b>Type of cases</b>	<b>Nature of 1<sup>st</sup> stage advice</b>	<b>Number of officers</b>
1.	SAIL	Case relating to procurement of Silico Manganese by DSP	Minor Penalty	2 Officers
2.	Bharat Dynamics Ltd.	Investigation report on appointment of consultancy for Akash & Nag projects	Major Penalty Minor Penalty	1 Officer 3 Officers
3.	CWC	C/o storage structure of 14200 MTC with ancillary structure, internal road, electrification etc. at SGT Whitefield, Bangalore (Phase-1) SH: Civil work	Major Penalty	3 Officers
4.	RITES Ltd.	Intensive examination of work-C/o staff quarters and administrative building at Mangalore	Major Penalty Minor Penalty	2 Officers 1 Officer
5.	NBCC	Intensive examination of C/o 384 LIG House, Sector 82, NOIDA	RDA for Major PP Minor Penalty	5 Officers 2 Officers
6.	NPCC	C/o Ash pond 'C' (Ph-1) at CTPS, Chandrapura (Bokaro)	Minor Penalty	2 Officers