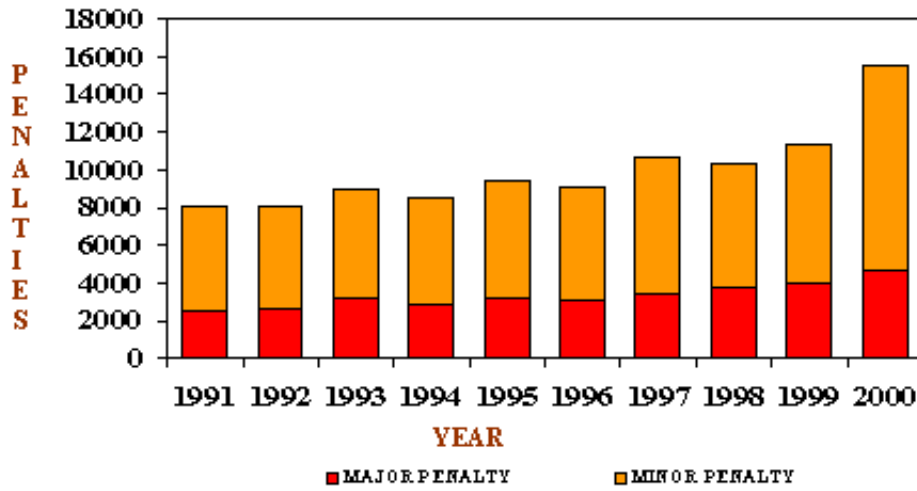




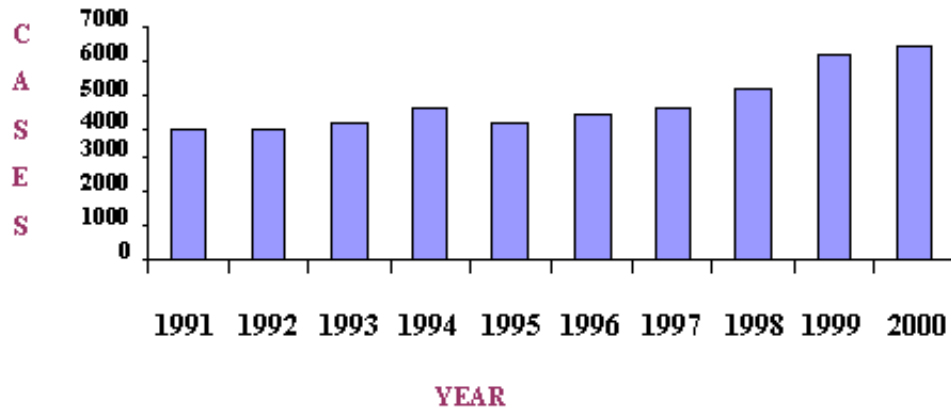
ANNUAL REPORT
1.1.2000 TO 31.12.2000

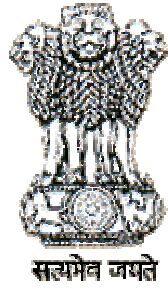


**No. of Cases Handled at CVOs' Level
Ending in formal Punishment**



**NUMBER OF CASES RECEIVED BY
CENTRAL VIGILANCE COMMISSION**





ANNUAL REPORT

1.1.2000 to 31.12.2000

CENTRAL VIGILANCE COMMISSION
NEW DELHI

*The Central Vigilance Commission presents its Thirty-
Seventh Report relating to the calendar year 2000.*

A handwritten signature in black ink, appearing to be 'N. Vittal', with a horizontal line extending from the end of the signature.

(N. VITTAL)
CENTRAL VIGILANCE COMMISSIONER

New Delhi
Dated: 3rd October, 2001

ACKNOWLEDGEMENT

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

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

The Commission appreciates the prompt and helpful response of all the Chief Vigilance officers.

CONTENTS

	SUBJECT	PAGES
1.	Jurisdiction, Role and Functions	1 - 8
2.	Advisory Role of the Commission	9 - 19
3.	Intensive Examination of Civil and other works/ contracts by Chief Technical Examiners' Organisation	20 - 25
4.	Cases of non-acceptance of Commission's advice and non-consultation with Commission	26 - 34
5.	Delays and other deficiencies in vigilance matters	35 - 50
6.	Chief Vigilance Officers	51 - 60
7.	Procedural/System improvements suggested by the Commission	61 - 70
8.	Functioning of Delhi Special Police Establishment (Central Bureau of Investigation)	71 - 73
9.	A Critical Analysis of the cases referred to the Commission by Public Sector Banks during 1999	74 - 80
	ANNEXURES	
I	Organisation-wise details of punishments imposed during 2000 in respect of cases where Commission's advice was obtained	82 - 84
II	Some examples of prima facie lapses/irregularities detected in the execution of works	85 - 120
III	Illustrative list of cases in which lapses/ irregularities noticed by CTEO were referred to CVOs for investigation from vigilance angle	121 - 126
IV	Illustrative examples of Commission's first stage advice on CTEO's inspection reports	127 - 128
V	Details of reports issued up to 31.12.1999 on which replies are awaited for a year or more as on 31.12.2000	129

VI	List of organisations which have five or more vigilance cases pending for investigation	130
VII	List of some major organisations which did not submit any Quarterly Progress Reports during 2000	131 - 132
VIII	List of organisations who are yet to submit reports on complaints forwarded by the Commission	133 - 136
IX	List of organisations yet to appoint CDIs nominated by the Commission	137 - 138
X	List of organisations who are yet to forward documents to the CDIs for holding inquiries	139
XI	Organisation-wise list of cases in which Commission has not received information about implementation of its advice	140- 143
XII	List of organisations which have not furnished Statistical Returns for any quarter during the year 2000	144 - 145
XIII	Performance of Chief Vigilance Officers during the period 1.1.2000 to 31.12.2000	146 - 147
XIV	Pendency with Chief Vigilance Officers	148 - 149
XV	List of organisations which celebrated Vigilance Awareness Week during the year 2000	150 - 152
XVI	Performance of various Banks and their staff strength	153 - 154
XVII	Number of advices Tendered to various Banks During 1999	155 - 156
XVIII	Nature of lapses committed in various Banks	157 - 158
XIX	Nature of advices tendered during 1999	159 - 160
XX	Analysis of First Stage Advice tendered and position of cases received for reconsideration during 1999	161 - 162

XXI	Analysis of Second Stage advice tendered and position of cases received for reconsideration during 1999	163 - 164
XXII	Analysis of advice tendered during 1999	165 - 166

CHAPTER - 1

JURISDICTION, ROLE AND FUNCTIONS

SETTING UP THE COMMISSION AS AN AUTONOMOUS ANTI-CORRUPTION BODY

1.1.1 The serious concern expressed by Members of Parliament in the Parliamentary debate in June, 1962, on "Growing menace of corruption in administration" led to the formation of a Committee on Prevention of Corruption, popularly known as Santhanam Committee, to review the problem and make suggestions. Among other things, the Santhanam Committee noticed the conspicuous absence of a dynamic integration between the vigilance units in various Ministries and the Administrative Vigilance Division in the Ministry of Home Affairs. The Committee also raised an important issue that the Administration could not be a judge of its own conduct. The Central Vigilance Commission was, therefore, conceptualized as an apex body for exercising general superintendence and control over vigilance matters in administration under Government of India Resolution dated 11.02.1964. 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.

ACCORDING STATUTORY STATUS TO THE COMMISSION

1.1.2. Consequent upon the directions given by the Supreme Court in the Writ Petition filed in Public Interest by Shri Vineet Narain and others in Hawala case, the Central Vigilance Commission was given statutory status, through an Ordinance dated 25.08.1998, which was amended on 27.10.1998. The Ordinance, inter-alia, conferred the powers upon the Central Vigilance Commission to exercise superintendence over the functioning of Delhi Special Police Establishment and review the progress of investigations being conducted by them insofar as it pertain to the investigation of offences alleged to have been committed under the Prevention of Corruption Act, 1988. Subsequently, in order to replace the Ordinance, the Government introduced the Central Vigilance Commission Bill, 1998 in Lok Sabha on 7th December 1998. The Central Vigilance Commission Ordinance was also re-promulgated on 08.01.1999. The CVC Bill was passed by the Lok Sabha on 15.03.1999 and was pending before the Rajya Sabha. Meanwhile, the CVC Ordinance, 1999, was to expire on 05.04.1999. Therefore, the Central Government resolved, on 04.04.1999, that the Central Vigilance Commission constituted under the Ordinance would continue to discharge its duties and exercise its powers under the Resolution which shall come into operation immediately after the expiry of the Ordinance. The Government, once again, introduced the Central Vigilance Commission Bill, 1999 [Bill No.137 of 1999] in the Lok Sabha on 20th December 1999, which was referred to a Joint Committee of both Houses of Parliament. The Joint Committee submitted its report on 22.11.2000. The Commission observed that some of the

Committee's recommendations, if implemented, were likely to result in diluting the effort being made by the Government to fight corruption, such as (I) adding a proviso under clause 8(1)(g) of the CVC Bill, restricting the Commission to exercise superintendence over the vigilance administration in a manner not consistent with the directions relating to vigilance matters issued by the Government, and to issue directions relating to any policy matters; and (ii) adding Section 6 (A) under Clause 27 (c), restricting the CBI to conduct any inquiry or investigation into any offence, under the Prevention of Corruption Act, alleged to have been committed by the employees of the Central Government of the level of Joint Secretary and above and the Central Government appointees in Corporations etc., except with the previous approval of the Central Government. The Commission's observations, as above, are under consideration of the Government. Thus, the Commission continued to discharge its functions under the Government's Resolution dated 04.04.1999 with effect from that date.

**POWERS AND
FUNCTIONS IN
TERMS OF
GOVERNMENT
RESOLUTION
DATED 11.02.1964**

1.1.3 Clause 24 of the Central Vigilance Commission Ordinance, 1998, had provided that the Central Vigilance Commission, set up by the Resolution dated 11.02.1964 of the Government of India, shall continue to discharge the functions assigned to it insofar as its functions are not inconsistent with the provisions of the Ordinance. Therefore, the Commission continues to perform the functions assigned to it in terms of Government of India's Resolution dated 11.02.1964, which are as under:-

- (a) 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;
- (b) tender independent and impartial advice to the disciplinary and other authorities in disciplinary cases having vigilance angle at different stages viz. investigation, inquiry, appeal, review, etc.;
- (c) conduct oral inquiries through its officers [Commissioners for Departmental Inquiries] in important disciplinary proceedings against the said public servants;
- (d) exercise a general check and supervision over vigilance and anti-corruption work in Ministries/Departments of the Government of India and other organisations to which the executive control of the Union extends;

- (e) initiate at such intervals, as it considers suitable, review of procedures and practices of administration insofar as they relate to maintenance of integrity in administration;
- (f) scrutinize and approve proposals for appointment of Chief Vigilance Officers in various organisations and assess their work;
- (g) conduct, through its organisation of Chief Technical Examiners, independent technical examination mainly from vigilance angle, of construction and other related works undertaken by various Central Government organisations; and
- (h) organise training courses for the Chief Vigilance Officers and other vigilance functionaries in Central Government organisations.

**ADDITIONAL
POWERS UNDER
THE CVC
ORDINANCE**

1.1.4 In addition to the above functions, the Central Vigilance Commission was empowered, under the CVC's Ordinance to:-

- (a) exercise superintendence over the functioning of the Delhi Special Police Establishment (DSPE) insofar it relates to investigation of offences alleged to have been committed under the Prevention of Corruption Act, 1988;
- (b) review the progress of investigations conducted by the DSPE into offences alleged to have been committed under the PC Act;
- (c) exercise the powers of a civil court trying a suit under the Code of Civil Procedure, 1908, while inquiring, or causing an inquiry or investigation to be made, into any complaint against a public servant, and in particular in respect of the following matters:-
 - (i) summoning and enforcing the attendance of any person from any part of India and examining him on oath;
 - (ii) requiring the discovery and production of any document;
 - (iii) receiving evidence on affidavits;
 - (iv) requisitioning any public record or copy thereof from any court or office;

- (v) issuing commissions for the examination of witnesses or documents; and
 - (vi) any other matter which may be prescribed.
- (d) head the committees to make recommendations for the appointments to the posts of the Director, CBI and the Director of Enforcement.

**COMMISSION'S
JURISDICTION**

1.1.5 Though the advisory jurisdiction of the Commission extends to all organisations to which the executive control of the Union extends, however, for practical reasons, the Commission presently advises only on vigilance cases pertaining to the following categories of employees:-

- (a) Gazetted Central Government officials;
- (b) Two levels below the Board level appointees in the public sector undertakings of the Central Government;
- (c) Officers of the rank of Scale- III and above in the public sector banks;
- (d) Officers of the rank of Assistant Manager and above in the Insurance Sector (covered by LIC and GIC); and
- (e) Officers in autonomous bodies/local authorities or societies comparable in status to that of a Gazetted Central Government officer.

Nonetheless, the Commission retains its residuary powers to call for any individual case in respect of employees other than those who are within its normal jurisdiction.

**COMMISSION'S
JURISDICTION IN
TERMS OF CVC
ORDINANCE**

1.1.6 As per the CVC Ordinance 1998 and the Central Vigilance Commission Bill, 1999, the Commission can undertake an inquiry or cause an inquiry or investigation to be made into any complaint against any official belonging to the following categories of officials wherein it is alleged that he has committed an offence under the Prevention of Corruption Act, 1988:-

- (a) Group "A" officers of the Central Government
- (b) Such level of officers of the corporations established by or under any Central Act, Government companies, societies and other local authorities, owned or controlled by the Central Government, as that Government may, by notification* in the Official Gazette, specify in this behalf:

* Provided that till such time a notification is issued under this clause, all the officers of the said corporations, companies, societies and local authorities shall be the persons referred above.

**RESOLVING
DIFFERENCE OF
OPINION
BETWEEN THE CBI
AND THE
ADMINISTRATIVE
AUTHORITIES
RESTRAINTS ON
THE
COMMISSION'S
JURISDICTION**

1.1.7 If there is a difference of opinion between the CBI and the concerned administrative authorities as regards the further course of action to be taken in respect of the employees, who are not within the normal jurisdiction of the Commission, the difference of opinion is resolved by the Commission by tendering appropriate advice.

1.1.8 Under the authority of Government of India's Resolution dated 11.02.1964, the Commission was empowered to undertake an inquiry into any transaction in which a public servant was suspected or alleged to have acted for an improper purpose or in a corrupt manner irrespective of his status. It was only through subsequent administrative instructions that the Commission's jurisdiction was restricted to certain categories of employees for the purposes of its advice. Even in that situation, the Commission could call for a report on any complaint of corruption, misconduct, lack of integrity, misdemeanor, etc. against any public servant irrespective of his status. While the intention of the Supreme Court's judgement in Vineet Narain's case to accord statutory status to CVC appears to strengthen the organisation, the provision in the CVC Bill, restricting its jurisdiction to inquire into or cause an inquiry or investigation to be made into the alleged commission of offences under the PC Act and Cr.PC only, and that too against certain categories of employees, in fact, tantamounts to weakening its authority. Further, the Commission has been given powers to exercise superintendence over the vigilance administration of various Ministries of Central Government, PSUs, societies, autonomous organisation etc. The restriction upon the jurisdiction of the Commission to call for suo moto reports on the complaints will only hamper its functioning. The Government of India should, therefore, reconsider their proposal and authorise the Commission to call for suo moto reports on complaints irrespective of the status of the official named therein.

1.1.9 It was envisaged in the Government of India's Resolution dated 11.02.1964 that the relevant rules under the All India Services Act would be amended in consultation with the State Governments in order to bring the Members of those Services under the purview of the Commission. However, even after 35 years of the Commission's existence, the All India Services Officers, particularly the Members of the IAS, IPS and Indian Forest Service, do not fall within the Commission's jurisdiction if the alleged irregularities committed by them are connected with the affairs of the State Governments. Recent experience has shown

that corruption at the State level flourishes due to the collusion between the Members of All India Services and the powers that be at the State level. If these officers are brought within the purview of the CVC, there is likely to be some psychological check on corruption. The Commission has, therefore, suggested to the Government of India to make necessary amendments to the CVC Bill before it is passed.

1.1.10 As stated above, the Commission now exists under the Government of India's Resolution dated 04.04.1999. The said Resolution, apart from not having the statutory backing, also limits the operation of the CVC inasmuch as it does not mention about the powers of the Commission to exercise superintendence over the functions of the CBI, appointments of the CVOs being made in consultation with the Commission and writing of their ACRs by the Central Vigilance Commissioner. The Commission has pointed out these deficiencies to Government of India for appropriate action.

1.2 ORGANISATION

MULTI MEMBER COMMISSION

1.2.1 The Commission was accorded statutory status through an Ordinance dated 25.08.1998, amended vide Notification No.47 dated 27.10.1998. The Ordinance envisaged the Commission to be a multi-member Commission, consisting of the Central Vigilance Commissioner (Chairman) and not more than four Vigilance Commissioners as its members. The appointments of the CVC and the VCs, were to be made by the President by warrant under his hand and seal on the recommendations of a committee consisting of (i) The Prime Minister, (ii) The Minister of Home Affairs and (iii) Leader of the Opposition in the House of People. The Government could make appointments against the posts of the Central Vigilance Commissioner and one Vigilance Commissioner through the above process, when the Ordinance expired. Presently, the Commission is headed by Shri N. Vittal, Central Vigilance Commissioner with effect from 3rd September 1998. Shri V.S.Mathur was appointed as Vigilance Commissioner on 16th March 1999. Since the Ordinance expired on 5th April 1999, the Government had passed a Resolution dated 4th April 1999, which inter-alia, provided that the Central Vigilance Commissioner, other Vigilance Commissioner, officers and employees of the Commission constituted under the Central Vigilance Commission Ordinance, 1999 shall continue to hold office as such on the same terms and conditions of their appointment as on date of the Resolution. Thus, the Central Vigilance Commission presently consists of two members, viz. the Central Vigilance Commissioner and the Vigilance Commissioner.

**COMMISSION'S
STAFF**

1.2.2 The Central Vigilance Commission is assisted by a Secretary, who is of the rank of Additional Secretary to the Government of India, two Additional Secretaries, who are of the rank of Joint Secretary to the Government of India, 9 Officers of the rank of Directors/Deputy Secretaries, an Officer on Special Duty, four Under Secretaries and other staff. In addition, there are fourteen officers, designated as 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.

TECHNICAL WING

1.2.3 There is also a Technical Wing attached to the Commission with two Chief Technical Examiners of the rank of Chief Engineers, who are assisted by eight Technical Examiners of the rank of Executive Engineers, six Assistant Technical Examiners of the rank of Assistant Engineers and other subordinate staff.

STAFF STRENGTH

1.2.4 The group-wise sanctioned staff and the number of officers in position as on 31.12.2000 is given below:-

	Group "A"	Group "B"	Group "C"	Group "D"	Total
Sanctioned	48	91	72	72	283
In position	42	85	66	72	265

1.3 PROGRESSIVE USE OF HINDI

The Commission, during the year under report, continued to give due emphasis to the implementation of the provisions and achievement of the objectives envisaged in the Official Language Act, 1963 and the rules framed thereunder.

**1.4 REPRESENTATION OF SCHEDULED CASTES/
SCHEDULED TRIBES AND OBC**

Appropriate reservation in service of Scheduled Castes/Scheduled Tribes and OBCs is a declared policy of the Government. In pursuance of this policy, the Central Vigilance Commission has been making every effort for implementing the relevant Government instructions in this regard in respect of Service/posts under its administrative control. During the year under report, six persons have been appointed to Group "C" and thirteen in Group "D" posts on direct recruitment basis. The percentage of

Scheduled Castes/Scheduled Tribes and OBCs in the various group of posts filled/held otherwise than by deputation, in the Central Vigilance Commission, as on 31.12.2000 is given below:-

	Group "A"	Group "B"	Group "C"	Group "D"
Scheduled Castes	33.33%	23.07%	12.5%	47.05%
Scheduled Tribes	16.66%	3.07%	3.36%	4.41%
Other Backward Classes	-	4.61%	8.92%	11.76%

CHAPTER – 2

ADVISORY ROLE OF THE COMMISSION

2.1.1 The Central Vigilance Commission acts as an apex body for rendering impartial and objective advice to the disciplinary and other authorities on vigilance matters and vigilance related cases, where a public servant is alleged to have acted for an improper purpose or in a corrupt manner in discharge of his official duties. In its functioning, the Commission is independent and, therefore, imparts an element of externality and objectivity in the decision making process of the administrative authorities in the matters relating to probity and integrity of the public servants. Apart from impartiality and objectivity, the functioning of the Commission also ensures consistency and common standard of action for similar kinds of misconducts including criminal misconducts. However, all cases of misconducts are not required to be referred to the Commission for its advice; only those cases, having a definite or potential vigilance angle and an element of corruption or criminal misconduct or malafide are required to be referred to the Commission.

2.1.2 During the year under report, the Commission received 6285 cases for advice as against 6141 received in the preceding year. Similarly, the number of cases in which advice was tendered during the year was 6438 as against 5168 cases disposed off during the preceding year.

2.2 COMPLAINTS RECEIVED BY THE COMMISSION

2.2.1 The Commission had observed in the past that a large number of complaints received were either anonymous or pseudonymous in nature. A peculiar feature of those complaints was that those were resorted to especially when a public servant's promotion was due or when an executive was likely to be called by the Public Enterprises Selection Board for interview for a post of a Director/CMD etc. If nothing else, the anonymous/pseudonymous complaints achieved the objective of delaying the promotion, if not denying the promotion. Such complaints also demoralised many honest public servants. Keeping in view the steps taken by the Commission to provide a channel of communication against the public servants, which included that (a) junior officer could complain to the CVC against seniors in cases of corruption, (b) the name of the complainant would not be revealed while forwarding the complaint to the appropriate authorities; and (c) the complainant could lodge complaints on the website of the CVC and also through e-mail, the Commission, in exercise of the powers vested in it under the Government of India's Resolution dated 04.04.1999, issued instructions on 29.06.1999 that no action should at all be taken on any anonymous or pseudonymous complaints. They must just be filed. Despite that, the Commission received 5064 anonymous/pseudonymous complaints during the year under report as against 1471 anonymous/pseudonymous complaints received during the previous year.

2.2.2 Complaints constitute an important source of information leading to the exposure of misconducts and malpractices. Complaints received in the Commission are duly scrutinised and, if they contain sufficient details to justify investigation, these are referred to the Chief Vigilance Officers (CVOs) of the departments concerned or the Central Bureau of Investigation (CBI) for investigation and report, depending upon the nature of allegations. During the year under report, the Commission received 12401 complaints of which 5064 complaints (nearly 41%) were either anonymous or pseudonymous.

2.2.3 Out of 12048 complaints scrutinised during the year, 965 complaints (nearly 8%) were found to contain sufficient information to justify further probe. These were accordingly forwarded to the CVOs of the organisations concerned or to the CBI for investigation and report, depending upon the nature of allegations made in the complaints. Of the remaining 11083 complaints, 8378 complaints (nearly 70%) were found to contain vague and unverifiable allegations, or were anonymous/pseudonymous in nature, and therefore, were filed. The remaining 2705 complaints (nearly 22%) either did not contain allegations prima facie bearing a vigilance angle or the public servant(s) complained against were not within the normal advisory jurisdiction of the Commission. These were, therefore, forwarded to the administrative authorities concerned for appropriate action at their end.

2.3 VIGILANCE CASES

2.3.1 The complaints received by the departments/organisations are scrutinised by the concerned CVOs to assess whether the allegations merit investigation. If the complaint pertains to a public servant, who falls within the normal advisory jurisdiction of the Commission, and the administrative authorities decide to conduct a preliminary enquiry into the allegations, it is necessary for them to forward a preliminary enquiry report to the Commission for its advice on the further course of action to be taken, except in those cases, where the administrative authorities had decided on their own, prior to 29.06.1999, to investigate the allegations contained in anonymous/pseudonymous complaints and now after investigation propose to close the matter. The departments/organisations are also required to forward a preliminary investigation report, together with their views thereon, in respect of all complaints forwarded to them by the Commission for investigation and report.

2.3.2 In cases, where the CBI had conducted preliminary investigation against a public servant, who falls within the normal advisory jurisdiction of the Commission, the concerned department is required to offer its specific comments on the recommendations made by the CBI for advice of the Commission. In respect of the cases involving the public servants, who are not within the normal advisory jurisdiction of the Commission, the matter is required to be referred to the Commission for its advice only if there is disagreement between the department and the CBI as regards the further course of action to be taken.

2.3.3 The investigation reports furnished by the CVO, or by the CBI, are examined in the Commission. The Commission, depending upon the circumstances and facts of each case, advises

initiation of criminal or departmental proceedings against the concerned public servant(s), or issuance of administrative warning to him, or the closure of the case. The Commission's advice at this stage is termed as first stage advice.

2.3.4 The departmental proceedings could be for imposition of a major penalty or a minor penalty. If the Commission advises initiation of departmental proceedings for major penalty, it also indicates whether the departmental inquiry is to be conducted by a Commissioner for Departmental Inquiries borne on the strength of the Commission or the department may appoint its own inquiry officer for the purpose. The inquiry report in either case, however, is furnished to the Commission for its second stage advice before taking a final decision. The Commission also tenders second stage advice in those cases in which the departmental proceedings for minor penalty were initiated on the Commission's advice and the concerned disciplinary authorities propose to close the case after examining defence statement.

2.3.5 The Commission is also consulted at the appeal/revision/review stage in those cases in which the appellate/revising/reviewing authorities propose to modify or set aside the penalty, which was imposed on a public servant in consultation with the Commission. The only exception to this requirement is the cases in which the administrative authorities are required to consult the Union Public Service Commission.

2.3.6 In view of its policy that there should be transparency in all matters, as far as possible, the Commission has withdrawn its earlier instructions, w.e.f. 28.09.2000, that the advice tendered by it was of a confidential nature. It has now been provided that a copy of the Commission's first stage advice on the investigation report may be made available to the concerned employee alongwith a copy of the charge-sheet served upon him, for his information. However, a copy of the Commission's second stage advice is to be made available to the concerned employee, alongwith the IO's report, to give him an opportunity to make representation against the IO's findings and the CVC's advice, if he so desires.

2.3.7 It was observed that references to the Commission for reconsideration of its advice were being made after a considerable time after the Commission tendered its advice. This could be in order to cover up delays in finalisation of the proceedings or an intention to prolong the proceedings. Thus, in order to prompt the administrative authorities to accord priority to the disciplinary cases, the Commission issued instructions on 06.03.2000 that if the administrative authorities desire to make references to the Commission for reconsideration of its advice, they might do so within a period of two months failing which the Commission would decline to entertain such references.

2.4 EXPEDITIOUS DISPOSAL OF VIGILANCE CASES

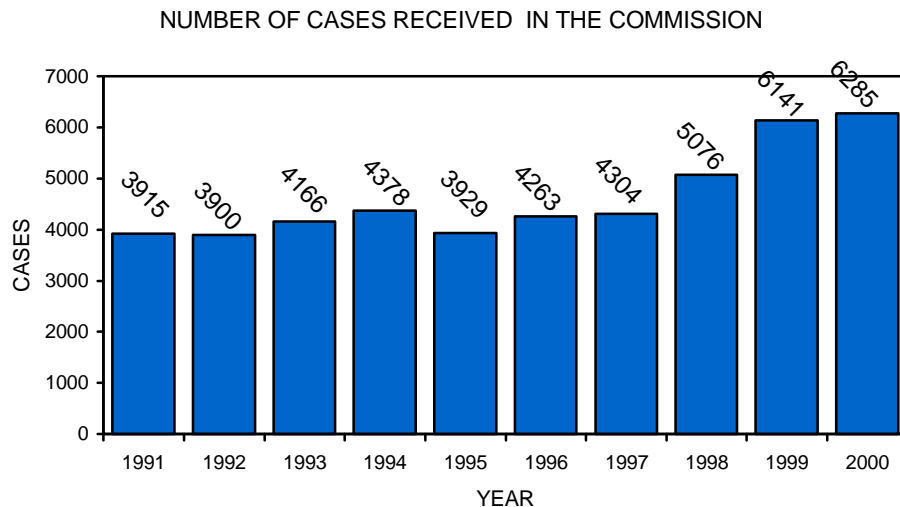
2.4.1 The effectiveness of vigilance depends on expeditious disposal of cases. Therefore, in consonance with the principles of natural justice, the Commission's effort has been to ensure that the administrative authorities take prompt and expeditious action in investigating the complaints and taking a view on the alleged commission of misconduct by the concerned employee. Therefore, the Commission has provided a model time schedule for conducting investigations and departmental inquiries. The

Commission has also been emphasising that the departmental inquiries must be completed within a period of six months and that the Commission's advice should be implemented promptly.

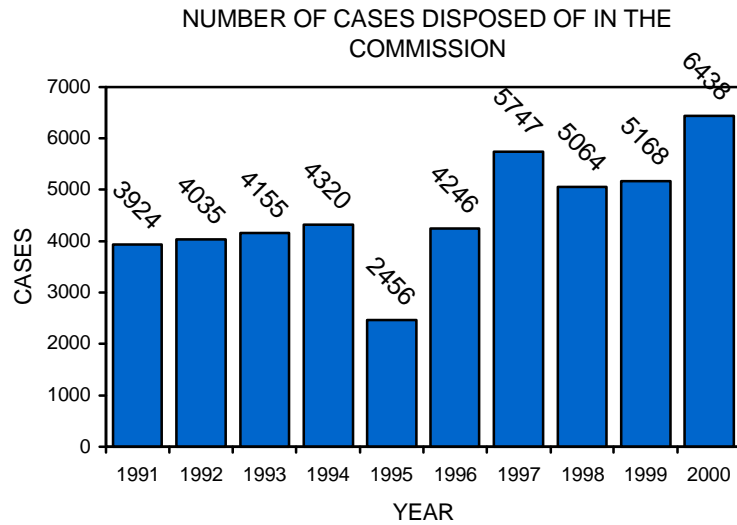
2.4.2 The Commission also reviews the pendency of vigilance cases with it every month. Because of close monitoring in the Commission and streamlining of procedures, it has generally been possible for the Commission to tender advice on vigilance cases to the concerned administrative authorities within a period of two months, if the references are complete, even with a steady increase in the inflow of cases. Likewise, the Commission has been in a position to advise on the antecedents of the candidates for Board-level appointments within a period of two/three weeks.

2.5 CASES RECEIVED AND DISPOSED OF BY THE COMMISSION

2.5.1 The number of cases received in the Commission during the year was 6285 as against 6141 cases received during the preceding year. The diagram below illustrates the point that over the last ten years, there has been a general increase every year in the number of cases referred to the Commission for advice. In fact, the number of cases received during the year under report confirms the trend of steady increase of cases during the decade.



2.5.2 The Commission tendered its advice in 6438 cases during 2000 as against 5168 cases in 1999. However, the number of cases handled annually during the preceding ten years in any case firmly establishes that there has been a steady increase in the volume of the work handled in the Commission. The diagram below illustrates this point.



2.6 FIRST STAGE ADVICE CASES

2.6.1 The Commission during the year under report tendered its first stage advice on 3067 cases. The nature of advice tendered by the Commission is indicated in the Table below (Table-1):

TABLE – 1

Nature of advice	On the investigation reports of		Total
	CBI	CVO	
Criminal Proceedings	73	5	78
Major penalty proceedings	140	1013	1153
Minor penalty proceedings	28	324	352
Administrative action, Warning, Caution etc.	52	355	407
Closure	102*	975	1077
TOTAL	395*	2672	3067

* This includes 6 CBI reports in which the Commission did not tender any advice as its advice was not necessary.

2.7 SECOND STAGE ADVICE CASES

2.7.1 The disposal of cases by the Commission at second stage is reflected in Table-2 below:

TABLE – 2

Nature of advice	On the CDI's Reports	On the cases received from CVOs	Total
Imposition of major penalty	220	927	1147
Imposition of minor penalty	40	322	362
Exoneration	90	305	395
Other action	34	167	201
TOTAL	384	1721	2105

2.8 FIRST STAGE ADVICE ON INVESTIGATION REPORTS

2.8.1 The Table-3 below gives an analysis of the nature of action advised by the Commission (by way of first stage advice) during the last five years:

TABLE – 3

(A) CBI INVESTIGATION REPORTS

Year	Total advices tendered	Nature of action advised			
		Prosecution	Major penalty proceedings	Minor penalty proceedings	Others
1996	427	76 (17.8)	125 (29.3)	42 (9.8)	184 (43.1)
1997	535	79 (14.8)	182 (34.0)	57 (10.7)	217 (40.5)
1998	377	53 (14.0)	133 (35.3)	35 (9.3)	156 (41.4)
1999	342	47 (13.7)	128 (37.4)	26 (7.6)	141 (41.3)
2000	395	73 (18.5)	140 (35.4)	28 (7.1)	154 (39.0)

(Figures in brackets indicate percentage to respective total advices)

TABLE - 4**(B) CVOs INVESTIGATION REPORTS**

Year	Total advices tendered	Nature of action advised			
		Prosecution	Major penalty proceedings	Minor penalty proceedings	Others
1996	2055	8 (0.4)	830 (40.4)	205 (10.0)	1012 (49.2)
1997	2282	15 (0.7)	1025 (44.9)	261 (11.4)	981 (43.0)
1998	1931	11 (0.6)	803 (41.6)	159 (8.2)	958 (49.6)
1999	2249	12 (0.5)	891 (39.6)	229 (10.2)	1117 (49.7)
2000	2672	5 (0.2)	1013 (37.9)	324 (12.1)	1330 (49.8)

(Figures in brackets indicate percentage to respective total advices)

TABLE - 5**(C) COMBINED CBI/CVOs INVESTIGATION REPORTS**

Year	Total advices tendered	Nature of action advised			
		Prosecution	Major penalty proceedings	Minor penalty proceedings	Others
1996	2482	84 (3.4)	955 (38.5)	247 (9.9)	1196 (48.2)
1997	2817	94 (3.3)	1207 (42.9)	318 (11.3)	1198 (42.5)
1998	2308	64 (2.8)	936 (40.5)	194 (8.4)	1114 (48.3)
1999	2591	59 (2.3)	1019 (39.3)	255 (9.8)	1258 (48.6)
2000	3067	78 (2.5)	1153 (37.6)	352 (11.5)	1484 (48.4)

(Figures in brackets indicate percentage to respective total advices)

2.8.2 It is obvious from the Tables 3-5 that the Commission continued to receive by far the largest number of cases from the departmental vigilance units. Out of 3067 cases in which the Commission tendered its first stage advice during the year under report, 2672 cases (i.e. approximately 87%) were investigated by the CVOs. It would also be observed that the CBI's

investigation could result in prosecution or initiation of major penalty proceedings in about 54% of the cases as against 38% of the cases investigated by the CVOs. Likewise, the percentage of cases not warranting any formal penalty proceedings was 39% in CBI investigated cases as against 50% of the CVOs' investigated cases. This indicates the need for better training to the departmental investigating officers.

2.9 SECOND STAGE ADVICE ON INQUIRY REPORTS

2.9.1 The Commission tenders its second stage advice on the inquiry reports submitted by the CDIs and the departmental inquiry officers in major penalty cases. It also tenders second stage advice on the reply furnished by the concerned employee in minor penalty cases if the disciplinary authority proposes to drop the charges at that stage. The Commission keeps in view such factors as gravity of the misconduct, the nature of evidence adduced during the inquiry and other attending circumstances, while advising imposition of a penalty at the second stage or the dropping of the charges. The Tables 6, 7 and 8 below indicate analysis of the Commission's second stage advice during the last few years: -

(A) SECOND STAGE ADVICE BASED ON INQUIRY REPORTS OF CDIs

TABLE - 6

Year	Total advices tendered	Nature of action advised		
		Major Penalty	Minor Penalty	Others
1996	509	343 (67.4)	41 (8.1)	125 (24.5)
1997	507	347 (68.5)	61 (12.0)	99 (19.5)
1998	512	328 (64.0)	66 (13.0)	118 (23.0)
1999	218	142 (65.1)	22 (10.1)	54 (24.8)
2000	384	220 (57.3)	40 (10.4)	124 (32.3)

(Figures in brackets indicate percentage to respective total advices)

(B) SECOND STAGE ADVICE BASED ON INQUIRY REPORTS OF DEPARTMENTAL INQUIRY OFFICERS

TABLE - 7

Year	Total advices tendered	Nature of action advised		
		Major Penalty	Minor Penalty	Others
1996	632	316 (50.0)	117 (18.5)	199 (31.5)
1997	1374	774 (56.3)	240 (17.5)	360 (26.2)
1998	1278	686 (53.7)	174 (13.6)	418 (32.7)
1999	1425	833 (58.5)	211 (14.8)	381 (26.7)
2000	1721	927 (53.9)	322 (18.7)	472 (27.4)

(Figures in brackets indicate percentage to respective total advices)

TABLE – 8

COMMISSION'S RECOMMENDATIONS AS SECOND STAGE ADVICE

Year	Total	Imposition of Major Penalty	Imposition of Minor Penalty	Others
1996	1141	659 (57.8)	158 (13.8)	324 (28.4)
1997	1881	1121 (59.6)	301 (16.0)	459 (24.4)
1998	1790	1014 (56.6)	240 (13.4)	536 (30.0)
1999	1643	975 (59.3)	233 (14.2)	435 (26.5)
2000	2105	1147 (54.5)	362 (17.2)	596 (28.3)

(Figures in brackets indicate percentage to respective total advices)

2.9.2 It would be observed from the tables 6-8 above that most of the cases in which the Commission had advised initiation of major penalty proceedings at the first stage ended in the Commission's second stage advice for imposition of a formal penalty. During the year 2000, the Commission advised imposition of a major penalty in 54.5% of the cases and imposition of a

minor penalty in 17.2% of the cases. It was only in 28.3% of the cases that the charges could not be conclusively proved.

2.10 ACTION TAKEN/PUNISHMENTS IMPOSED ON COMMISSION'S ADVICE

2.10.1 As per the information made available to the Commission, the disciplinary authorities in various organisations, during 2000, in pursuance of the Commission's advice, issued sanction for prosecution of 51 public servants, imposed major penalties on 1116 public servants and minor penalties on 876 public servants. The organisation-wise break-up of such cases is given in **ANNEXURE-I**. This includes an officer of the Indian Police Service, two Assistant Collectors of Customs & Central Excise Department, a Divisional Medical Officer of Railways, a Principal of Kendriya Vidyalaya Sanghathan, two General Managers and five Chief Managers of nationalised banks, who were dismissed from service; a Deputy General Manager and four Chief Managers of nationalised banks, who were removed from service; and an Assistant Commissioner of Income-tax, an Assistant General Manager and six Chief Managers of nationalised banks, a Deputy Director of Ministry of Textiles, a Deputy Director of Bureau of Indian Standards, a Branch Manager of National Consumer Co-operative Federation, who were compulsorily retired.

2.10.2 The comparative figures about the punishments imposed by the disciplinary authorities in various organisations, in pursuance of the Commission's advice, is indicated in the following table:-

TABLE – 9

NUMBER OF PUNISHMENTS IMPOSED ON COMMISSION'S ADVICE

Year	Number of punishments imposed.				
	Prosecution	Major penalty	Minor penalty	Administrative Action	Total
1995	8	316	457	281	1062
1996	1	293	349	283	926
1997	12	430	429	317	1188
1998	27	860	917	582	2386
1999	60	897	627	378	1962
2000	51	1116	876	507	2550

2.11 IMPOSITION OF PENALTIES OF HIGHER ORDER

2.11.1 During 2000, major penalties of the higher order, namely, dismissal, removal and compulsory retirement from service were imposed on 166 officers of various organizations, as per information available with the Commission. The comparative figures are given in the following Table-10:

TABLE - 10

Year	Type of Punishment			
	Dismissal	Removal	Compulsory Retirement	Total
1995	28	15	4	47
1996	19	10	8	37
1997	25	17	15	57
1998	73	23	20	116
1999	62	30	41	133
2000	84	33	49	166

2.12 PENDENCY

2.12.1 The following Table-11 indicates the pendency of cases with the Commission at the end of 2000:

TABLE – 11

	Complaints	Cases			Total
		Investigation Reports	Inquiry Reports and minor penalty cases	Other Reports/ cases such as reconsideration etc.	
Brought forward from previous year	484	977	397	220	1594
Received during the year	12401	3037	2035	1213	6285
Total	12885	4014	2432	1433	7879
Disposed of	12048	3067	2105	1266	6438
Pending	837	947	327	167	1441

2.12.2 There were 1594 cases pending with the Commission at the end of year 1999. Apart from this, the Commission had received 6285 cases afresh during the year under report. Thus out of a total of 7879 cases, the Commission disposed of 6438 cases leaving a pendency of 1441 cases. Even out of these 1441 cases pending at the end of 2000, 563 cases were pending for want of clarifications/comments on the CBI reports from the concerned organisations. In other words, only the remaining 878 cases were actually pending with the Commission at the end of the year 2000.

CHAPTER – 3

INTENSIVE EXAMINATION OF CIVIL AND OTHER WORKS/ CONTRACTS BY CHIEF TECHNICAL EXAMINERS' ORGANISATION

INTEGRAL PART OF THE COMMISSION

3.1 The Chief Technical Examiners' Organisation [CTEO] was initially created in 1957 as a distinct wing of the erstwhile Ministry of Works, Housing and Supply for the purpose of conducting a concurrent technical audit of works of the Central Public Works Department and securing economy in expenditure as also better technical and financial control. In 1963, the Committee on Prevention of Corruption (Santhanam Committee) recommended, in its report, the transfer of this Organisation to the Central Vigilance Commission so that its services could easily be made available to the Central Bureau of Investigation or/and for inquiries to be made under the direction of the Central Vigilance Commission. The recommendation was accepted by the Government of India and the Organisation now functions as a technical wing of the Central Vigilance Commission. Subsequently, it was decided that CTEO shall carry out inspection of civil, electrical and horticulture works being carried out by all the Central Government Departments, Public Sector Undertakings/Enterprises of Government of India and Central Financial Institutions/Banks etc.

JURISDICTION

3.2 The jurisdiction of the Organisation is co-extensive with that of the Commission. Till 1999, CTE's Organisation was engaged in examination of civil works, 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 Co-operative Bodies etc. falling within the jurisdiction of the Commission. However, due to large-scale industrialisation in the country in the last couple of decades, the expenditure in the fields other than civil engineering constructions etc. has grown exponentially – especially the purchase of materials/equipments/computer systems on capital account and for maintenance and production activities in the areas/fields of Oil, Steel, Power, Defence, Telecom Banks and Railways etc. With a view to enlarge the scope of inspections in the above referred areas; the inspection of stores purchase contracts, and works for computerisation etc. in the Banks, was also started from 1999 covering all the organisations under the jurisdiction of the Commission.

3.2.1 During the year 2000; a detailed investigation into major defence purchases was also assigned by the Defence Minister to the Commission. The detailed examination of the purchase cases formed a major part of the work done by the CTEO during the year. The interim report of the Commission containing the details of investigation was submitted in August, 2000. This was achieved without any additional inputs.

**INTENSIVE
EXAMINATION
OF WORKS/
INVESTIGATION
IN SELECT CASES**

3.3 To select the works for inspection, quarterly progress reports are required to be submitted by different organisations executing such works. At present, information is required to be given by the Chief Vigilance Officers of all the organisations in respect of civil works in progress and having tender value exceeding Rs.1 crore, electrical/ mechanical/ electronics works exceeding Rs.15 lacs, horticulture works more than Rs.2 lacs and store purchase contracts valuing more than Rs.2 crores. 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 any serious irregularity having been committed.

3.3.1 Over the years, the Organisation has proved to be an important and very effective wing of the Commission, in detecting deficiencies/malpractices in the award as well as execution of works/contracts and suggesting remedial measures to prevent recurrence of such instances. The Intensive Examination of works carried out by this organisation helps in detecting cases related to execution of sub-standard materials; infructuous/avoidable and/or ostentatious expenditure; and undue favours allowed to the contractors and overpayments, if any.

INVESTIGATIONS

3.3.2 Many organisations do not have the expertise for investigating cases of corruption and malpractices related to construction/electrical works and high value purchase contracts. In order to bridge this gap, the Commission decided in 1991 to assign the task of conducting investigations in select cases to the Chief Technical Examiners' Organisation.

3.3.3 Preliminarily investigations are carried out by the CTEO either at the request of an organisation/department regarding serious lapses or at the direction of the Commission or through public complaints or any other source of information.

**MAJOR
ACHIEVEMENTS**

3.4 The major achievements of the Chief Technical Examiners' Organisation, during the year 2000 are briefly indicated below :-

(a) Creation of awareness for quality control, economy and adherence to rules and procedures in construction management and stores procurement.

(b) The recovery of over-payments made to the contractors. The organisation meticulously follow up cases of over payments made to the contractors, either due to collusion of the officials with the contractors or due to slack supervision. During the year 2000, the over-payments accepted by the different organisations as a result of inspections carried out by this organisation and recoveries made amounted to Rs.8.57 crores; against such recoveries of Rs.5.93 crores during 1999. Incidentally the amount recovered is much more than the total budgeted expenditure of the Commission, which is about Rs.4 crores for the year 2000-2001.

(c) The special achievement of the organisation during the year 2000 was the detailed investigation into defence purchases, as assigned by the Defence Minister to the Commission. Arising out of the allegations made by ex-M.P. Shri Jayant Malhoutra in the Rajya Sabha during December, 1999 and writ petition filed by Admiral Purohit in Delhi High Court, Defence Minister asked CVC in February, 2000 to investigate all major defence purchases since 1985-86. As all such purchases constituted a fairly large number of cases, it was decided in consultation with the Ministry of Defence (MOD) to investigate the following:

- (i) A probe into the allegations regarding presence of agents, middlemen and middle companies in all major contracts for Defence procurement.
- (ii) Allegations made by Shri Jayant Malhoutra.
- (iii) Allegations contained in the writ petition of Rear Admiral Purohit.
- (iv) Defence deals of more than Rs.75 crores which are not covered by the allegations made either by Shri Jayant Malhoutra or Rear Admiral Purohit.
- (v) Cases where 10% or more advance was paid but the full/part of it could not be recovered due to non-supply of stores.
- (vi) Cases pertaining to CAG para where the Action Taken Note was either not accepted or was not sent at all.

In respect of the above category of cases, the MOD forwarded 468 files till December, 2000 pertaining to the different wings. Out of these, 417 files were examined till December, 2000. On the basis of examination of these files and the other inputs as made available by the MOD, the Commission submitted an interim report to the Defence Minister in August, 2000. The MOD's detailed response to the findings and observations made in the interim report is awaited. Meanwhile, after examination of the individual files, the suggestions/observations have been made relating to improvement in the procurement system, fixing up of responsibility where committed lapses/irregularities were of serious nature, and other follow-up actions. The comments/reply as furnished by the MOD to the Commission's findings in individual cases are being examined for taking final action in the matter. The final report on the investigation is likely to be submitted by 31st March, 2001.

(d) Improvements in specifications, construction practices and contract conditions etc. and

(e) Assistance to various organisations in preparation of Codes, Manuals and issue of guidelines and circulars to serve as effective tools for preventive vigilance.

**PERFORMANCE
DURING 2000**

3.5 During the year, the number of intensive examinations and investigations carried out by CTEO are given below :

S.No.	Details of Organisations	No. of Dept./PSUs inspected	No. of I.E. Reports	No. of Inv. Reports
1.	Govt. Departments	8	67	4
2.	Banks, Insurance Companies and Financial Institutions.	13	23	2
3.	Public Sector Undertakings, Autonomous Bodies, etc.	55	107	1
TOTAL		76	197	7

Special efforts were made to carry out inspections of some organisations which have never been inspected in the past.

**NATURE OF
LAPSES
DETECTED**

3.6 The illustrative nature of prima-facie lapses/irregularities detected in the execution of works as a result of inspections is indicated in the statement as **Annexure-II**. Serious instances of lapses and irregularities noticed in the course of inspections or during the subsequent processing of the inspection reports are referred to the CVOs or the CBI, depending upon the nature and seriousness of the lapse(s) for detailed investigation from vigilance angle. During the year under report, 23 such cases were referred to the CVOs for investigation. An illustrative list of these cases is given in the statement at **Annexure III**. Investigation reports received from the CVOs are examined by the Commission in order to tender appropriate advice. A few illustrative examples of the Commission's first stage advice in such cases are given in the statement at **Annexure-IV**.

**MAJOR
DEFICIENCIES
NOTICED BY
CTEO**

3.7 The major deficiencies noticed in taking proper follow up action on the observations made by the Chief Technical Examiner's Organisation and related areas are briefly indicated below :

I DELAYED RESPONSE

**TYPICAL
EXAMPLES OF
LACK OF
RESPONSE**

3.7.1 The Intensive Examination Reports forwarded by the CTEO are required to be examined and responded to within a period of 60/30 days. In the past there had been abnormal delay on the part of many organisations in this respect. However, with vigorous follow-up, there is significant improvement during the year. The number of reports where reply has not been received within a year is only 2 this year. A statement

of reports issued prior to 31/12/99 for which no reply has been received till 31/12/2000 is given in **Annexure-V**.

II DELAY IN INVESTIGATION

CASES PENDING INVESTIGATION

3.7.2 There had been considerable delay in submission of Investigation reports against the paras referred to Chief Vigilance Officers for detailed investigations in the past. However, with persistent follow-up during the year the number of pending cases has come down considerably and the outstanding cases now are 132. The Organisations which have more than 5 such pending cases are included in **Annexure-VI**.

III QUARTERLY PROGRESS REPORTS

NON-SUBMISSION OF PROGRESS REPORTS

3.7.3 The Quarterly Progress Reports in regard to Civil and other works prescribed by the Commission serve as an important input for exercising general check and supervision over the Vigilance and Anti-corruption Work of different Organisation. However, these Reports are not received regularly from many Organisations and some of them have not sent these reports at all. Some of the major Organisations carrying out Civil/Electric/Horticulture Works and Stores Procurement and who did not send reports during 2000 are identified vide **Annexure- VII**.

IV LACK OF INFRASTRUCTURE

OVER-DEPENDENCE ON EXTERNAL AGENCIES

3.7.4 Cases have come to notice of the CTE's Organisation when certain organisations took major construction works without availability of requisite technical establishment. They have depended wholly on private architects/consultants for planning and design and the contractors for execution of works. The contractors exploited the circumstances and executed sub-standard works or charged unduly high rates. The works as well as bills were not properly checked before making payments resulting in substantial overpayments. In addition, huge claims are being made by the contractors which could not be defended properly before Arbitrators/Courts in absence of the requisite technical support, resulting in huge losses to the Organisations. It has, therefore, been advised that where requisite engineering infrastructure is not available, major works could be entrusted to Central Government Organisations/Public Sector Undertakings, well organised to carry out such works.

V LACK OF CONTROL ON WORKS

IMPROPER ANALYSIS OF RATES

3.7.5 Many Organisations continue to prepare estimates and invite tenders which are not based on proper schedule of Rates or Analysis of Rates based on current market rates. Tenders are accepted without verifying the justified cost as per current market rates. In many tenders, rates are compared with estimated cost which itself is not authentic.

NON-ADHERENCE TO SPECIFICATIONS

3.7.6 Many times the tender documents do not provide proper specifications, or items are executed not following stipulations. For the important work of re-inforced cement concrete, controlled concrete with weigh batching and regular tests are specified but volumetric mix is used at site. Even testing is not carried out at regular intervals. For example, 3 cubes are taken instead of 6 and testing is not carried out at specified age which make tests redundant.

NEED FOR PROPER FOLLOW UP

3.8 Based on the Quarterly Progress Reports received from about 450 Organisations, the CTEs Organisation inspected works of about 76 organisations during the year. The CTEO covers a very small area of operation. The CTEO mainly inspects the works with vigilance angle and cannot be a substitute for internal arrangement for quality control and also checking of works by CVOs from vigilance angle.

3.8.1 The CVOs are required to furnish replies and clarifications to the observations made in the intensive examination report on the basis of inspections of works/contracts carried out by the CTEO. To meet the full requirements, it would be necessary that CVOs exercise independent checks on the works executed by their organisation on the lines of the CTEO inspections and bring out the deficiencies. The CVOs are also required to take necessary corrective action to ensure that lapses and irregularities pointed out in the reports do not recur in future. In this manner, the CVOs can derive the maximum benefit from the inspection of CTEO.

3.9 PREVENTIVE VIGILANCE

3.9.1 The CTEs' Organisation has been circulating instances of common irregularities in the execution of works as observed during technical examination of works of different departments/public sector undertakings.

3.9.2 The CTEs and TEs are participating in preventive vigilance courses/seminars being organised by various PSUs/CBI and other Government Departments.

CHAPTER - 4

CASES OF NON-ACCEPTANCE OF COMMISSION'S ADVICE AND OF NON-CONSULTATION WITH COMMISSION

4.1 As narrated in Chapter I, the main objective of setting up of the Commission was to evolve and apply common standards in deciding cases involving lack of probity and integrity in administration. Therefore, the administrative authorities are required to consult the Commission before taking any action on the investigation or inquiry reports, if any of the officials involved in the case is of the status for which the Commission's advice is necessary. In general, the organisations have been consulting the Commission in such cases and the Commission's advice is also accepted and implemented by the concerned administrative authorities. The compliance rate is very high when compared to large number of advices tendered by the Commission. However, there have been a few instances, where the administrative authorities either did not consult the Commission or did not accept and implement the Commission's advice. Such instances nullify, to a large extent, the objective for which the Commission was set up. During the year under report, there have been 18 important cases of the above nature, which are briefly narrated below:-

4.1.1 BHARAT COKING COAL LTD (BCCL)

BBCL was advised to initiate major penalty proceedings against one of its employees for alleged possession of disproportionate assets. Second stage advice of the Commission was not obtained and the disciplinary authority issued non-recordable warning which is not a statutory punishment. Hence, this is a case of non-compliance and non-consultation with the Commission.

4.1.2 CENTRAL BOARD OF EXCISE & CUSTOMS (CBEC)

The case is about the default of two officials in detecting irregular availment of MODVAT credit by a party and consequential loss of Rs. 4.56 lakhs. The case was detected on the basis of an audit objection on 14.02.1992. After necessary investigation, the Commissioner of Central Excise, Ahmedabad, referred the case to the Ministry in June, 1993. It may be pertinent to mention here that the officers had already retired from service on 31.03.1991 and 30.04.1991. Charge sheets were served on these two officials on 23.04.1994 and 16.04.1994. The CBEC did not bother to obtain Commission's first stage advice. The charges were inquired into by a departmental Inquiry Officer who submitted his report on 02.07.1996, holding the charges as "not proved". The disciplinary authority, in his

reference to the CBEC dated 19.09.1997, agreed with the findings of the inquiry officer and expressed the opinion in favour of dropping the charges against both the officers. The CBEC, in agreement with the disciplinary authority, recommended dropping the charges against both the officers and sought Commission's second stage advice. From the sequence of events, it may be observed that sheer delay at every stage has vitiated the proceedings/case against these two officials. Commission's first stage advice was not taken either. It will, thus, be redundant to go into the merit of the case of 1991 vintage, particularly when both the involved officials had retired in early 1991.

4.1.3 DELHI ADMINISTRATION, GOVT. OF N.C.T. OF DELHI

The CBI conducted a trap on receipt of a complaint and caught an Assistant Sub-Inspector of Delhi Police, red-handed, while accepting bribe. The incident took place in the Police Post, where the SHO, the Addl. SHO and an SI were also present. It was alleged that they had played a dubious role and did not co-operate with the CBI officials. The Commission advised initiation of major penalty proceedings against the three officials and a departmental inquiry was conducted. However, the Delhi Police finalised the case and dropped charges against them on receipt of the Inquiry Officer's reports, without seeking the second stage advice of the Commission.

4.1.4 DEPARTMENT OF PERSONNEL & TRAINING

The Department of Personnel and Training (DOPT) had, in May 2000, referred a case for the Commission's second stage advice in a disciplinary proceeding, initiated in 1987, against an Indian Administrative Service (IAS) officer by the State Government of Maharashtra. The charge framed was that the officer had purchased one dining table and six chairs, costing Rs. 10,296, for his personal use at his residence at government cost by misusing his official position and further made the Collector, Nasik to misuse the election funds to meet the expenditure for the furniture purchased. After the conduct of the inquiry proceedings, the inquiry officer submitted the report in July 1988 holding the charge as "not proved". The State Government on examining the inquiry report, remitted the case for further inquiry as per rules in January, 1993. The findings of the second inquiry holding the charge as "proved" was accepted by the State Government and after obtaining the representation of the concerned officer, on both the inquiry reports, tentatively came to the conclusion that the amount of Rs.10,296, with interest, may be recovered from the officer. However, since the officer, in the meanwhile, had retired from service in July 1996, the matter required the approval of the Central Government. The DOPT, to whom the case was referred by the State Government, also on examining the case agreed with the proposal of the State Government and sought the Commission's advice.

The Commission, on examining the matter, considering the vintage of the case, gravity of the lapses as well as the fact that the officer had retired in 1996 accepted the proposal of the State Government/DOPT. The concerned officer had also, in his representation on the inquiry officer's findings, stated that he was prepared to compensate the cost of the furniture to the Government. The DOPT, was therefore, accordingly advised in August,2000 to effect recovery of the amount from the pension of the retired officer.

The DOPT, later processed the case for the orders of the disciplinary authority (DA) and in December 2000 closed the case against the officer. The DA, while deciding to close the case had considered the first inquiry report in which the charges were held as "not proved" as well as the fact that the case was very old. The Commission observes that the order issued by the DOPT, on behalf of the disciplinary authority, was technically/procedurally incorrect as it took cognizance of the first inquiry report whereas the remitted (second) enquiry report should have been taken into consideration. Further, the officer has been let off without even a token penalty, especially when the charge was held "proved" against him. The Commission is of the view that the disciplinary authority has taken an incorrect view in deciding the case, which has resulted in non-acceptance of the Commission's advice.

4.1.5 DELHI TRANSPORT CORPORATION (DTC)

A DTC employee, allegedly, got himself appointed fraudulently after tampering with his date of birth in the matriculation certificate. As per rules, he should have either been dismissed or removed from service after the charge was held as "proved" in the departmental proceedings. But a Depot Manager, in his capacity as disciplinary authority, issued him a show cause notice, received his reply and ordered the punishment of reduction in pay by one stage of increment. The whole exercise was completed in one day. The disciplinary authority left the order of penalty ambiguous in that he did not mention the time frame. The disciplinary authority also recommended the case of the employee under the VRS on the same day enabling him to leave the organisation with all benefits. Therefore, major penalty proceedings were initiated against the Depot Manager on the Commission's advice. Subsequently, however, the DTC dropped charges against him without consulting the Commission.

4.1.6 DEPARTMENT OF TELECOM

The CBI had registered a case against an Assistant Engineer (Civil), Department of Telecom for alleged demand and acceptance of bribe of Rs. 4,000. On receipt of investigation report, the Commission advised initiation of major penalty proceedings against him on 27.10.1989. On denial of the charges by the officer, a departmental

inquiry was conducted by an officer of the Department. The Department forwarded the inquiry officer's report, alongwith their own recommendations, to the Commission for its second stage advice. The Commission advised imposition of a "suitable major penalty" on the officer, on 16.06.1999, in disagreement with the views of the department and the findings of the inquiry officer.

The Department referred the case to the Commission for reconsideration of its advice. Since no new points/facts were putforth by the Department, the Commission reiterated its earlier advice for imposition of a major penalty. The Department of Telecom, however, have exonerated the officer vide their order dated 24.07.2000.

4.1.7 INDIAN BANK

A Chief Manager of Indian Bank was held guilty in the inquiry proceedings for sanctioning credit limits to a firm without pre sanction inspection and discreet inquiry about the borrower and transgressing his delegated lending powers. He had purchased unauthorizedly 19 documentary bills during November, 1989 to February, 1990 for exceeding the sanctioned limit. Only two out of those 19 bills could be realized as the bills were fake and bogus as confirmed by the drawee of the bills i.e. FA&CAO, Northern Railway. In violation of the laid down system, he again presented the bills without entering them in the unpaid register and finally unauthorizedly sanctioned OD limit of Rs. 15 lacs and debited the full value of the unrealized bills to the OD account. He also caused revenue loss by not realizing the interest on the returned bills. The officer further purchased 13 bills for about Rs. 25 lacs on behalf of the second firm of the same owner, despite overdues in the Account exceeding the sanctioned limits and his delegated powers. Later on, when 11 bills were returned unpaid, he failed to recover the dues and also suppressed the factual position from the competent authority.

Considering the gravity of the proven charges and the resultant loss, the Commission advised the Bank to impose on the officer the penalty of "reduction of basic pay by 5 stages". The Bank, in turn, approached the Commission for reconsideration of its advice but it was declined by the Commission. The Bank did not comply with the Commission's advice and imposed a minor penalty of "censure" on the officer.

4.1.8 INDIAN OVERSEAS BANK

In an extra-ordinary case, the Indian Overseas Bank imposed the penalty of compulsory retirement on a Chief Manager for committing serious irregularities, while he was posted in one of the overseas branches of the Bank. The lapses related to violation of sanction stipulation, diversion of funds and unsatisfactory monitoring

which might result in a loss of Rs. 1.63 crores. The Bank held inquiry against the officer treating the same as "non-vigilance" without seeking first stage advice of the Commission. The inquiry was held ex-parte as the officer did not participate in the inquiry proceeding. The inquiry officer dismissed all the charges ignoring material evidences placed on record by the Presenting Officer (PO). The Inquiry Officer's findings were based on extraneous material, not lead by either the PO or the charged officer (CO) during the inquiry. Despite clear vigilance overtones, the Bank did not treat this as a vigilance case till the erstwhile CVO insisted and sought the Commission's second stage advice. Another inquiry against the CO was initiated belatedly after a gap of three years for his unauthorised absence from service and the same was also held ex-parte as the CO did not attend the inquiry proceedings. Notwithstanding that this officer had taken employment in a South-east Asian country for the past three years and the earlier vigilance chargesheet was still pending at the Commission for final disposal, the disciplinary authority imposed the punishment of compulsory retirement. The favouritism shown to the officer by the disciplinary authority is an extra-ordinary one, the inquiry report had several flaws and lacunas, which were evident before the Commission and the proven charges should have led to the officer's dismissal. The Inquiry Officer violated inquiry norms and resorted to extraneous circumstances to exonerate the officer of all charges. The action of the Bank in not dismissing the officer for his grave misconduct and instead favouring him with 'compulsory retirement' was an unjustifiable act.

4.1.9 INDIAN OIL CORPORATION (IOC)

The Commission had advised dismissal of the then DGM (Operations), IOC, now Principal IMA, and a Sr. Manager, IOC on the charges pertaining to serious financial irregularities committed by them in the supply of bulk Bitumen from Haldia to Barauni, putting the IOC to a loss of Rs. 11.74 crore during 1993-96. However, the IOC did not accept the Commission's advice and imposed the penalty of reduction of basic pay by one stage on both the officials. The IOC's action tantamounts to non-acceptance of the Commission's advice.

4.1.10 MINERALS & METALS TRADING CORP. LTD.

Investigation in the alleged irregularities relating to procurement and processing of 10,000 MT of Basmati Paddy for export commenced in 1994. MMTC was advised on 24.11.2000 to impose major penalty on one of the charged officers, who was going to retire on 30.11.2000. Disciplinary Authority toned down the penalty and made it minor. Hence, this is a case of non-acceptance of CVC's advice as well as delaying and prolonging the proceedings to the stage of retirement of one of the main players.

4.1.11 MAZAGON DOCK LIMITED (MDL)

In a case relating to irregular appointment of a lady as Asstt. Manager (Finance) in the Mazagon Dock Ltd. (MDL) and also for the lapses in the matter of procurement of sub-standard steel items at high rates by the then Director (CP&P), when he was also holding officiating charge of Director (Offshore) in the MDL, the Commission had advised initiation of major penalty proceedings against him on 31.03.2000. On a reference made by the Department of Defence Production & Supplies, the Commission reiterated its advice, on 28.07.2000, for initiating major penalty action against the officer and did not grant vigilance clearance in his favour for his direct involvement in the aforesaid irregularities. However, instead of issuing the charge sheet for major penalty action to the officer, the Deptt. of Defence Production & Supplies allowed termination of his services w.e.f. 08.08.2000 (AN) knowing fully well that as per the MDL CDA rules, action against an ex-employee was not possible. The Commission also observed that the officer had completed his 5 years tenure on 14.11.99 and extension of his tenure was approved by the ACC upto 31.08.2000 on the condition that if CVC reiterated its earlier advice for major penalty proceedings, his services should be terminated from the date of CVC's advice without further reference to the ACC. Thus, the ACC approval was available with the Deptt. of Defence Production and Supplies upto 31.08.2000. Therefore, the Department should have issued the charge sheet immediately to the officer on receipt of CVC's advice and thereafter terminated his services. This whole exercise could have been completed well before 31.08.2000. However, by not doing so and allowing the service of officer to terminate, the Department of Defence Production and Supplies have rendered the whole effort in-fructuous.

4.1.12 MINISTRY OF HEALTH & FAMILY WELFARE

The Commission advised imposition of a major penalty on an officer of the rank of Deputy Assistant Director General, Government Medical Stores Department (GMSD), Hyderabad for having favoured a firm in purchase of ampicillin capsules. The lower offers of three firms were rejected and the contract was placed with this firm, which was not even registered with the GMSD on the specious ground that the three lower firms could not meet with the dead line. This was despite the fact that at least two firms expressed their willingness to supply within time. The advice was given in April 1996 but no action was taken till July 2000 by the Ministry. Further, the Ministry imposed a "minor penalty" of reduction of pay by one stage for one year as against the Commission's advice for imposition of a "major penalty". This was a case which reflected on the officer's integrity and there was little justification for diluting the penalty.

4.1.13 MUNICIPAL CORPORATION OF DELHI (MCD)

In August 1999, the Commission advised imposition of a suitable major penalty on a Zonal Engineer (ZE) of MCD in connection with unauthorised construction of a commercial property. The ZE was busy observing paper formalities while the owner/builder went ahead with unauthorised construction. The construction continued for almost two years, but demolition action was not taken on the plea that police force was not made available. There was nothing to indicate that the ZE had brought the matter to the notice of higher authorities. However, against the Commission's advice for imposition of a major penalty, the MCD exonerated the ZE.

4.1.14 MUNICIPAL CORPORATION OF DELHI (MCD)

An unauthorised construction took place on a plot in East Rohtas Nagar, Shahadara, Delhi. The concerned Addl. Deputy Commissioner and Zonal Engineer did not take action to ensure demolition, although they were aware that the builder had broken the seal of the property twice to carry out unauthorised construction. This helped the builder complete the unauthorised construction. As against the Commission's advice for initiation of major penalty proceedings, the MCD closed the case against the two officials.

4.1.15 MUNICIPAL CORPORATION OF DELHI (MCD)

Unauthorised construction, which took place in a property in Vikas Puri, New Delhi during 1994, was booked in January, 1995. No demolition action was taken upto May, 1997 on the plea of non-availability of police force. The issue was not taken up with higher authorities in the MCD or with the Police Department. The Commission advised initiation of major penalty proceedings against some Zonal Engineers and a Junior Engineer. However, the MCD initiated minor penalty proceedings against them without furnishing reasons for not accepting the Commission's advice.

4.1.16 MUMBAI PORT TRUST

In February, 1996, the Commission had advised the Ministry of Surface Transport for initiation of major penalty proceedings against the then Chairman, Mumbai Port Trust and the then Dy. Chairman. A copy of the advice was endorsed to Department of Personnel & Training, being the cadre controlling authority in respect of the aforementioned officers as they belonged to IAS cadre. In the advice, it was clearly mentioned that the then Chairman was due to retire in August, 1996 and that the Department should take timely action in the matter.

This case was also investigated by the CBI. The Ministry of Surface Transport had requested the Commission in March 1998 to reconsider its advice on receipt of SP's report. The Commission, in October, 1998, affirmed that the CBI report did not throw any new facts insofar as the then Chairman & Dy. Chairman were concerned and re-affirmed its earlier advice. Meanwhile, any action against the then Chairman became time barred after his retirement on Aug. 31, 1997. The Department of Personnel & Training intimated the Commission, on 28.05.99, that the competent Authority had closed the case against both the officers.

The D.O.P.T. have not apprised the Commission of their failure in taking timely action on the advice of Commission and the reasons for closing the case without consultation, and thus violating the consultation, mechanism, though asked for.

4.1.17 STATE BANK OF INDIA

In a scam related case of State Bank of India Capital Markets Ltd., Chennai Regional Office (S.B.I. CAPS.), it was revealed that the SBI CAP had been exposed to a loss of Rs. 16.25 crores in respect of four ready forward deals entered into between SBI CAP and a private firm. A senior officer of the status of Assistant General Manager was found involved in respect of one ready forward transaction for Rs. 3 crores. Investigation conducted by the CBI revealed that the said officer had issued written instructions to the AGM, SBI Industrial Finance Branch, Chennai to make telegraphic transfer of Rs. 3 crores to SBI Mumbai Main Branch for credit of current account of a private individual even though the SBI CAP had concluded the transaction with the private firm. This procedure adopted by the officer facilitated easy diversion of SBI CAP funds by the private individual for his own benefit and not for the purpose for which the funds were intended. The CBI recommended prosecution of the officer. In agreement with the CBI, the Commission advised the SBI to accord sanction for prosecution of the officer. However, the Bank did not agree to the prosecution of the officer and twice sought reconsideration of the Commission's advice. On both the occasions, the Commission reiterated its advice because the action of the officer in writing to AGM, Industrial Finance Branch for telegraphic transfer of Rs. 3 crores to the credit of the private individual's account was a grave lapse and against all canons of Banking. The Commission is firmly of the view that the prosecution of the officer was fully justified and non-acceptance of its advice was not warranted.

4.1.18 UCO BANK

In UCO Bank, one Chief Dealer of Singapore Main Branch of the Bank was found responsible for not complying with the Bank's guidelines/instructions relating to interbank foreign exchange trading,

causing a loss of Singapore \$ 4,12,110 to the Bank. On a number of occasions, the officer reported fictitious/wrong figures of actual profits and actual losses in the position book in order to hide the loss incurred by him as dealer. The Bank initiated proceedings against the officer under non-vigilance category and disposed the same by imposing a minor penalty of "censure". The case clearly had a vigilance angle as he had suppressed the factual position and caused a loss to the Bank. Thus, the Bank did not comply with the relevant provisions/guidelines contained in the Special Chapter on Vigilance Management in Public Sector Banks and classified the above lapses of the officer under non-vigilance category and disposed of the same without prior consultation with the Commission.

CHAPTER - 5

DELAYS AND OTHER DEFECIENCIES IN VIGILANCE MATTERS

DELAY IN FINALISATION OF DISCIPLINARY PROCEEDINGS HAMPERS JUSTICE

5.1 Natural justice demands that disciplinary proceedings are finalised in an expeditious manner. The delay in completion of proceedings invariably hampers efforts to curb malpractices and mete out justice. It may, on the one hand, cause undue harassment and demoralization of innocent employees, who at the end of the proceedings are exonerated of the charges framed against them; and on the other hand, it enables the guilty officers to evade punitive action for longer periods of time. The delay in handling disciplinary cases has, on several occasions, been viewed adversely by the Courts also. There have in fact been instances where the proceedings initiated against the delinquent employees were quashed solely on the ground that there were inordinate delays in handling the disciplinary cases. The Commission, therefore, considers it imperative that instances of suspect malpractices are followed up vigorously by the administrative authorities so that all the delinquent employees can be identified and proceeded against without delay. It is equally important that the formal proceedings, once instituted, are completed within the time frame laid down by the Government so that timely action can be taken against the delinquent employees. However, during the year under report, the Commission noticed that delay in processing vigilance cases at various stages of investigation and inquiry was wide spread and a large number of organisations were not able to adhere to the normal time schedule prescribed for processing the disciplinary cases.

5.2 DELAY IN INVESTIGATION OF COMPLAINTS

DELAY IN INVESTIGATION LEADS TO LOSS OF VALUABLE EVIDENCE

The administrative authorities are required to complete investigation into a complaint normally within a period of three months. In case of Central Bureau of Investigation (CBI), the expected period for completion of an investigation is six months. It was, however, observed that, at the end of the year 2000, investigation reports were awaited on 1940 complaints forwarded by the Commission to departmental vigilance units for investigations and reports. Of these, 592 complaints (nearly 30%) were pending investigation for more than three years and 826 complaints (nearly 43%) for the periods ranging between one to three years. The organisation-wise break-up of this pendency is given in **ANNEXURE-VIII**. Similarly, out of 8 complaints pending with CBI for investigation and report, 4 complaints were pending for the periods ranging between one to three years. The Commission views with concern such inordinate delays in investigation of complaints. The failure to take timely action in investigating cases of misconduct often results in destruction/tampering of valuable

evidence and sometimes even in loss of documents. This eventually facilitates officers to escape consequences of their misconduct.

5.3 DELAY IN HOLDING ORAL INQUIRY

TIME FRAME FOR HOLDING DEPARTMENTAL INQUIRY

5.3.1 In cases, where the Commission advises initiation of departmental proceedings against an erring official on the basis of preliminary investigation report, the disciplinary authority is required to issue a charge sheet to the delinquent employee within one month of the receipt of Commission's advice. The charged officer (CO) is given normally a period of ten days to submit his statement of defence denying or admitting the charge(s). If the CO does not admit the charge(s), and the proceedings were initiated for imposition of a major penalty, the matter can be decided by the disciplinary authority only after holding an oral inquiry, for which purpose he is required to appoint an Inquiry Officer (IO). The Commission, while advising initiation of major penalty proceedings, normally advises the disciplinary authority whether to approach the Commission for nomination of a Commissioner for Departmental Inquiries, borne on the strength of the Commission, to hold the oral inquiry, or to appoint its own officer as IO. 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 within two months of the receipt of the Commission's advice for initiation of major penalty proceedings.

5.3.2 There were 265 cases in which the disciplinary authorities had not issued orders appointing the Commissioner for Departmental Inquiries (CDI), nominated by the Commission as Inquiry Officers, for more than three months. Of these 44 cases were more than one year old and 221 cases were more than 3 months old. The organisation-wise break-up of these cases of delay in appointment of CDIs is given in **ANNEXURE-IX**.

5.3.3 The IO appointed by the disciplinary authority to conduct departmental inquiry in a particular case is required to be furnished with the 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, etc., to enable him to hold the inquiry. 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, 12 cases were pending for more than a year and 15 cases were pending for more than three months, in which the disciplinary authorities had not furnished the relevant documents to the CDIs appointed as Inquiry Officers. The organisation-wise break up of these cases is given in **ANNEXURE-X**.

**LARGE NUMBER
OF ADVICES
PENDING
IMPLEMENTATION**

**5.4 DELAY IN IMPLEMENTATION OF COMMISSION'S
ADVICE**

The Commission notes with concern that the disciplinary authorities, in many cases, have not been prompt in implementing the advice tendered by the Commission. There were, at the end of the year under report, as many as 2413 cases pending for over six months for implementation of first stage advice of the Commission and 1200 cases pending for over six months for implementation of second stage advice of the Commission. The organisation-wise break-up of these cases is given in **ANNEXURE-XI**. The Commission is of the considered view that delay in implementing its advice defeats the very purpose of effective follow up on the acts of omission and commission on the part of erring officials and, therefore, needs to be avoided at all costs.

**5.5 ILLUSTRATIVE CASES OF DELAY, DEFICIENT
INVESTIGATION AND RELATED MATTERS**

The imperative of expeditious processing and finalization of disciplinary proceedings need hardly to be over-emphasized. Disciplinary proceedings culminate either in the penalization of the arraigned official by way of imposition of one of the statutory punishments prescribed in the Rules or in his exoneration from the charges. In other words, he is either found guilty (and punished) or not guilty (and exonerated). When there is inordinate/unreasonable delay in the finalization of the proceedings, it results in a situation where undue/unintended 'advantage' accrues to the 'guilty' official in many ways. For example, he continues to earn his increments and sometimes promotions too despite the pendency of the proceedings: and despite the seriousness/gravity of his misconduct which might warrant and justify even his dismissal or removal from service. Chances are also that he may eventually retire from service with the disciplinary proceedings still "continuing". And once he retires from service, the whole 'scenario' changes drastically. Things may move at a still slower pace thereafter. And it may be after several years that the Inquiry Officer will be coming out with his report/findings on the charges against the retired official. Even when the findings are adverse, everybody starts 'sympathizing' with the "poor retired man" and starts feeling that it will be 'unfair' to penalize him years after his retirement. Chances also are that the official may ultimately be let off either with a Govt. displeasure or a token cut in the pension-although the case would have ended, in the normal course in the official being awarded a stringent punishment.

The situation becomes even sadder in the other type of cases where an accused is found innocent and is exonerated of the charges after years of trial and trauma. During the currency and pendency of the proceedings, the official does and has to undergo a whole lot of

disadvantages having financial implications as well. Many a time, he may be over-looked in the matter of promotions, important postings/assignments and the like. Apart from these disadvantages/adverse consequences at the official plane, he also will have to face several unfortunate situations/consequences at home and within the society as well: like social approbation, stigma, loss of prestige/honour/respectability etc., many of which just cannot be compensated or made good even if he is ultimately found innocent and is exonerated after several years. In fact, it would be rather cruel, unjust, unfair and even inhuman to subject innocent officers to the grueling exercise of disciplinary proceedings for years on.

It is therefore absolutely necessary, to ensure that disciplinary proceedings/departmental action against charge sheeted employees are processed and finalized most expeditiously. The Commission has, therefore, been urging upon all organizations, from time to time, emphasizing the need to finalise disciplinary proceedings on time.

Despite all these, it is sad and disheartening to note that cases/disciplinary proceedings continue to drag on for years together in many of the departments. Some of the illustrative examples of such cases, which the Commission had occasion to process during the year are highlighted below:-

5.5.1 AIRPORTS AUTHORITY OF INDIA

The work regarding construction of International Departure Building at Delhi Airport - building work including water supply and sanitary installations (Phase II) was inspected by CTE's Organisation in October 1982 and examination report was sent to IAAI in December 1982. Certain paras having vigilance angle were referred to the CVO, IAAI in December 1991 for detailed investigation. After repeated reminders the report was received by the Commission at the fag end of February 2000. It is observed that the works were executed about 18 years back, and AAI took 9 years to fix responsibilities about execution of sub standard work. The Commission observes that such an inordinate delay on the part of AAI defeated the very basic purpose of investigation in the case as most of the officers responsible for execution of the project have either retired or left the organisation resulting the investigation exercise a futile one.

5.5.2 CENTRAL BOARD OF EXICSE & CUSTOMS (CBEC)

The Commission had advised initiation of proceedings for cut in pension against the AC (Retd.) on the charge of reopening the classification list of a firm and granting refund of excise duty of Rs.11.17 lakhs, by way of reducing the ad valorem duty of 20% to 10% with retrospective effect, in a surreptitious manner. The

Commission tendered its advice on 04.07.1983; while the officer had retired on 31.03.1983. Charge sheet was issued to the officer in the year 1984 and since then this case has had a tortuous course. The charge against the officer could not be proved because the documents of the case were not made available to the I.O. and, therefore, no evidence could be adduced. Since the documents were available with the Department, the Commission had advised initiation of fresh proceedings in the year 1992. The CBEC made a reference to the Commission seeking Commission's advice on a proposed suitable cut-in-pension of the charged officer. The original charge sheet dated 22.01.1985 has remained unchanged. The Commission observed that it would be a travesty of justice to inflict any penalty on the charged officer, who had retired 18 years ago. The extraordinary delay caused by the CBEC in taking departmental action in this case is most unsatisfactory.

In the Commission's view, this a typical case which betrays the callousness, indifference and apathy on the part of the Department, which led to the dragging of the case for over 17 years for no explicable reasons.

5.5.3 COUNCIL FOR SCIENTIFIC & INDUSTRIAL RESEARCH (CSIR)

CSIR was advised on 13.7.1987 to fix responsibility of their officers, who authorised unjustified expenditure. The CSIR submitted report after 12 years on 26.3.1999. The Commission tendered its first stage advice on 7.7.1999, for initiation of action. At that stage, the CSIR informed that both the employees had retired on 31.5.1990 and 30.11.1992. Thus, the case was closed as fait accompli.

5.5.4 DEPARTMENT OF SCIENCE & TECHNOLOGY

The Department of Science & Technology was advised on 25.2.1987, that is more than 13 years ago, to inquire into the complaint against one officer. Report submitted by the Department was found inadequate and, therefore, the Department was again asked on 20.4.1987 to investigate the matter further and submit the report. The Department informed in June 2000 that all the relevant files had been destroyed and, therefore, it was not possible to verify the allegations. Hence it is a case of inordinate delay.

5.5.5 DEPARTMENT OF YOUTH AFFAIRS & SPORTS

On receipt of a complaint about favouritism in award of contracts for security and cleaning in five stadia of Sports Authority of India (SAI), the Commission intervened and advised major penalty proceedings against four officers of SAI, viz. an Asstt. Director, two Directors and a Secretary. It was found that the tendering procedure

was so manipulated that only those with inside information could fetch the contract. The exact requirement, in terms of minimum number of workers and the service charges, was not mentioned in the Notice Inviting Tenders and yet only those contractors, who hit these pre-conditions exactly on the bull's eye could get the contract-all other contractors who offered higher number of workers or even lower service charges would also be rejected. As a result, two firms belonging to one family got the contract for Talkatora Swimming Pool continuously for ten years.

The advice was sent to the Department of Youth Affairs and Sports in June 1999 but no action was taken to charge sheet the erring officers. In November 2000, the Ministry informed the Commission that it has been decided to close the case. The reasons given were that (a) the case was very old since it pertained to the period September 1988-97 and (b) there was no merit in the case. The Specific issues were not addressed and as regards the age of the case, this was one instance of how departments avoid any action by first delaying on preliminary investigation on complaints, delay further on taking action on them and then take an excuse that the case is very old for any meaningful action. The complaint was forwarded in 1996, the investigations completed in 1998 and the department took no action till the Commission intervened. The reasons given by the Ministry were not tenable and the decision appears to be motivated to shield the officers.

5.5.6 GOA SHIPYARD LIMITED (GSL)

The CBI had investigated a case against a former CMD and several other officials of the Goa Shipyard Limited (GSL) and had recommended, in July 1996, initiation of major penalty proceedings against two General Managers and two Deputy Managers of GSL. The allegation related to the irregularities in the purchase of land for Rs. 32.3 lakhs for the purpose of building a housing colony for the employees of GSL despite the fact that the land was within 500 meters from the high tide line where no construction was allowed. The other aspect of the case was that for vacating a tenant from the said land, an amount of Rs. 1.00 lakh was paid irregularly by preparing a bogus contract for the purpose of shifting of scrap and leveling of land without executing any such work. The Commission did not tender any advice in this case as the officials involved were outside the then normal advisory jurisdiction of the Commission.

In March 2000, the CBI reported to the Commission that the GSL, after initiating disciplinary action against two Deputy Managers and without following the laid down procedures, had exonerated both the officials of the charges. The CBI was, therefore, of the view that the orders of the disciplinary authority needs to be reviewed.

To put briefly, the GSL initiated major penalty proceedings against two Deputy Managers only as no action could be taken against the other suspects since they had retired from services of the GSL when the CBI report was received. The charges against the Deputy Managers were that they had in connivance with the then General Manager (Finance) and General Manager (Planning), prepared a bogus contract for making payments to the tenant for the land purchased by GSL without executing any work. One of the Deputy Managers had in his written statement of defence, had accepted the charges partially but stated that he did it on the orders of the Management. The other Deputy Manager stated that he had followed the laid down procedures and had adhered to the directions given to him by the then officiating CMD. The disciplinary authority i.e. the CMD, considering the fact that both the officers had taken action as directed by their superiors, exonerated them of the charges.

The Commission, therefore, in April, 2000 called for the view/comments of the Department of Defence Production & Supplies as to whether it would be advisable to reopen the said case. In November 2000, the Department after obtaining the comments of the CVO, GSL, informed the Commission that even though the procedure adopted for removing the tenant/encroachment was highly irregular, there was no case of any pecuniary benefit to any official involved in the case and, therefore, recommended that the case need not be reopened as it would not be effort-worthy at that belated stage.

The Commission observes that the decision of the disciplinary authority to exonerate both the Deputy Managers, after considering the written statement of defence, was incorrect, especially when one of them had partly admitted the charges and the other had denied the charges. The action of the GSL amounts to circumventing the prescribed procedures of the Conduct Discipline & Appeal Rules. The disciplinary proceedings ought to have been carried out to its logical conclusion as per procedure laid down for the same. The GSL and the Department of Defence Production & supplies even now admit the lapses on the part of both the Deputy Managers. The Commission, observed that the matter was a *fait accompli* as it was not possible to review the orders of disciplinary authority, since it was delayed and barred by limitation. It, therefore conveyed its displeasure to the GSL for improper handling and processing of the case. The manner in which the disciplinary case has been processed by the GSL reflects the inept and lackadaisical approach adopted by the GSL in disciplinary matters.

5.5.7 GOVERNMENT OF NCT OF DELHI

After a preliminary investigation, the CTE's organisation detected some irregularities in award of work for raising and widening of left bank of the Najafgarh Drain and referred the matter to the

Government of NCT of Delhi in December 1988 for detailed investigation. But, the GNCTD neither sent the investigation report to the Commission nor made the relevant documents available to the CTE. After a gap of about twelve years, the GNCTD intimated that the officials who were apparently responsible for causing undue benefit to the contractor and for not making available to the relevant records to the CTE had retired from service and no action was possible against them.

5.5.8 MINISTRY OF DEFENCE

The Commission had forwarded a complaint against the then General Manager, Hindustan Aeronautics Ltd. (HAL) to the CVO, Ministry of Defence on 18.4.1994 for investigation and report. On being reminded, the Department of Defence Production & Supplies intimated on 17.12.1998 that the allegations contained in the complaint could not be looked into as the GM had retired on superannuation on 30.9.1997. The Commission, while advising closure of the case against the then GM as a fait-accompli, also advised to fix accountability for failure to investigate the complaint, as there was sufficient time available to the Department to look into the allegations and submit a report to the Commission even before the retirement of the General Manager.

In response to this, the Department of Defence Production & Supplies reported that they had called for the comments initially from the HAL administration and again asked the CVO, HAL to investigate the matter. However the CVO, HAL stated that there was no evidence of the complaint having been received in the Chairman's office. They had also made an effort to trace out the complaint for having been sent to the MD or the GM of the Division or the Divisional Vigilance Staff. However, there was no trace of the complaint. The CVO, HAL further added that as per the instructions of HAL, the receipt and despatch registers were required to be destroyed after a period of three years, and in this case, the receipt happened to be of May 1994, and therefore, no register of that period was available to categorically state as to whether the complaint was received from the Department of Defence Production & Supplies at all. In view of that position, no headway could be made about the disposal of the complaint. Hence, the CVO, HAL and the Department of Defence Production & Supplies held that it was difficult to pinpoint the responsibility for the failure to investigate the complaint.

A close scrutiny of the Department's file revealed that the CVO, Ministry of Defence to whom the Commission had forwarded the complaint on 18.04.1994, had, in turn, sent the same to the JS (HAL) of the Ministry on 3.5.1994 to offer his comments after getting a feed-back from HAL. The JS (HAL) further forwarded the complaint to the Chairman, HAL, vide his d.o. letter dated 4.5.94 for the latter's comments. The officials of the HAL Division in the Ministry were thrice reminded on 15.9.1995, 9.2.1996 and 26.4.1996 by the Vigilance Wing of the Ministry. It is, thus, observed that the Vigilance Section of

the Ministry of Defence had pursued the matter with the office of the JS (HAL) of the Ministry, but there was no follow up from the office of JS(HAL), though he did forward the complaint to the Chairman, HAL. Had there been a proper follow up by the office of the JS (HAL), the complaint could have been investigated, as the officer was retiring after three years from the date of receipt of the complaint in the Ministry.

5.5.9 MINISTRY OF INFORMATION & BROADCASTING

In a case relating to purchase of stores under the Pune Electrical Division in Nagpur Electrical Circle, Civil Wing, All India Radio, the Commission had advised initiation of major penalty proceedings against two officers, posted as XENs at the relevant time, one SE(E) and one JAO on 8.8.1996 for the lapses/irregularities noticed against them. On being asked about the action taken in pursuance of the Commission's advice, it was found that one XEN was charge sheeted on 1.9.1999, i.e. after a lapse of about 3 years, while the other XEN was served with a charge sheet on 14.3.2000 i.e. after a lapse of three and a half year. It was learnt that the JAO has also been issued a charge sheet after a lapse of over three years. As there was a considerable delay, the Commission expressed its concern and advised the Ministry of I&B to fix responsibility on the concerned functionaries for causing undue delay, besides advising that the remaining officers may also be issued charge sheet immediately.

In response to the Commission's observations, the Ministry of I&B informed that the delay in the issue of charge sheet to both the XENs was primarily due to non-availability of documents, which was voluminous in nature, and had to be photocopied and authenticated since disciplinary authorities in respect of other officers were outside the Ministry and those documents had to be sent to them for charge sheeting those Officers. The relevant documents were received by the Ministry of I&B from DG, All India Radio, in April 1998. Thus, the Ministry contended that the delay in issue of charge sheet was due to procedural reasons. Similar reasons were adduced in the case of JAO. (In the case of SE(E), it is mentioned that the Commission tendered its reconsidered advice on 28.9.2000 on receipt of a reference from the Ministry of Urban Development recommending that the SE(E) be issued a caution letter because his involvement was not explicit).

The contention made by the Ministry of I&B explaining the inordinate delay was not found tenable.

5.5.10 MINISTRY OF INFORMATION & BROADCASTING

In a case relating to false LTC claim by the officials of All India Radio for the block year 1990-93, the Commission advised initiation of major penalty proceedings against one AO (Retd.) and one PEX of the All India Radio on 23.10.1997. However, the Ministry of Information &

Broadcasting reported on 21.7.2000 that the disciplinary authority, i.e. DG, AIR, could not initiate action against the officials as the relevant file was mixed-up in the old records and lost sight of due to frequent change of dealing hands and Section Officers. The DG, AIR, in their note dated 9.7.1999, stated that after persistent efforts, the file could not be retrieved from the record room. The Commission expressed its deep concern for the inordinate delay and the manner in which the case was dealt with, since the case became time-barred by limitation for action under the CCS (Pension) Rules as both the officials had retired and the alleged misconduct was more than four years old. The Commission was, thus, left with no option but to advise issue of Government's displeasure to both the officials as the case was a fait accompli. The Commission also advised fixation of responsibility of the erring officials for misplacement of files and causing delay in the case.

5.5.11 MINISTRY OF RAILWAYS

The Commission advised, in September 1996, initiation of major penalty proceedings against an Assistant Area Manager of North Frontier Railway for the irregularities alleged on his part in the matter of waiver of demurrage/ wharfage charges. The officer was charge-sheeted in December, 1996. However, it was only in April-2000 that the case was referred back to the Commission for its second stage advice. The more interesting part of the story was that the CO retired from service in between and that this escaped the notice/attention of the department even. Eventually, the Commission advised imposition of a suitable cut in the pension of the official.

5.5.12 MINISTRY OF RAILWAYS

In February 1994, the Commission advised departmental action, amongst others, against a Works Engineer of Northern Railway for the irregularities detected on his part in the evaluation of the answer sheets relating to a written test held for filling up of certain posts. The event, incidentally, related to March 1992. The officer was however served with a charge sheet only in August 1994. He retired from service w.e.f. 31.12.94. As such, it was all the more necessary that the proceedings against him were finalized with no loss of time at all. As against this, fact was that the Inquiry Officer concerned submitted his inquiry report only in December 1999. On the basis of the IO's report, the department approached the Commission for its second stage advice in February 2000 and the Commission advised imposition of a suitable cut in the pension of the retired official.

5.5.13 MINISTRY OF RAILWAYS

Railway Board issued a charge sheet, on 29.6.1995, to an officer of Eastern Railway who retired from service in September 1993, for irregularities allegedly committed by him in the award of certain work

orders. Since the irregularities looked, prima facie, to be grave, the Commission accorded its ex-post-facto approval to the department's action of charge sheeting the official. Since the officer had already retired from service, it was imperative to ensure that the case was taken to its logical conclusion within the shortest time possible. As against this, however, it was saddening to note that the case was entrusted to the Inquiry Officer only in November, 1997 and that the Inquiry Officer submitted his report only in August, 1999. The Commission was approached, in February 2000, for its second stage advice whereupon the Commission advised imposition of a cut in the pension of the accused.

5.5.14 MINISTRY OF RAILWAYS

The Commission advised, in November 1993, initiation of disciplinary proceedings against two officials of Western Railway who retired from service in December 1992 and July 1993 respectively. Since the delinquents had already retired, department would have seen to it that follow-up action in the matter was initiated and completed without any further delay. As it happened, however, charge sheets were served on the officials only in March 1996. It took the department more than one year therefrom to remit the cases to the Inquiry Officer, who was appointed in May, 1997 only. The Inquiry Officer submitted his report in respect of one official on 28.2.1998 and in respect of the other on 28.12.1998. On the basis of the reports of the Inquiry Officer, the Commission was approached, in July 2000, soliciting its second stage advice. The Commission advised communication of Govt. displeasure only to the two delinquents, having regard to the totality of circumstances of the case.

5.5.15 MINISTRY OF RAILWAYS

Disciplinary proceedings were advised by the Commission against an Executive Engineer of Metro Railway in February 1993, for the irregularities noted in the matter of execution of a contract during 1981-82. Charge sheet was issued to the official in March 1993. Consequent on denial of the charges, the case was remitted to an Inquiry Officer who submitted his inquiry report in May, 1994. Based on the report, the Commission was approached for its second stage advice. The Commission advised, in September 1994, imposition of a major penalty on the official. Immediately thereafter, the official retired from service on 30.9.1994. Here again was a case which required to be followed up and finalized at the earliest. However, as it is happened, the department referred back the case to the Commission, in November 1995, seeking a reconsideration of Commission's advice of September, 1994, aforesaid. The Commission, however, found no reason for reconsideration of its advice which was, therefore, reiterated in December 1996, modifying it only to the extent that the penalty to be imposed should be in the form of a cut in the pension of the official. Since consultation with the UPSC is mandatory for imposing pension cut, the case was to be referred to the

UPSC forthwith. However, it was apparently only in December 1999 that the case was eventually referred to the UPSC, which advised, in May 2000, dropping of the proceedings. In short, thus, it took almost 20 years, starting from the vintage of events, and more than six years from the date of retirement of the official for the proceedings to complete.

5.5.16 MINISTRY OF RAILWAYS

In May 1990, the Commission agreeing to the proposal of the Railway Board, advised inter alia, initiation of disciplinary proceedings against an official of SE Railway for certain lapses noted on his part in the discharge of his duties/responsibilities. The events dated back to September-October 1986. Consequently, the official was served with a charge sheet in September, 1990. However, it was only in March, 2000 that the department came up seeking second stage advice of the Commission, based on the findings of the Inquiry Officer. It was thus shocking to note that department have taken more than nine years, from the date of issue of charge sheet, to finalize the proceedings. No explanation was available, from the department's side, for this inordinate delay. Although the department was asked to fix responsibility for this, the Commission is yet to hear from the department in this regard.

5.5.17 MINISTRY OF RAILWAYS

Based on a report submitted by the CBI, the Commission advised, in April 1990, initiation of departmental proceedings against an official of Southern Railway for the irregularities allegedly committed by him in the process of purchase of certain office equipments. The events related to 1985-86 or thereabout. The official retired from service on 31.12.1993. He was charge sheeted, accordingly on 30.11.90. However, it took the department more than two years therefrom to appoint an Inquiry Officer in the case although as per rules the case was required to be committed to the IO immediately after the charges are denied and/or when it is found that the reply to the charge sheet is not acceptable/ satisfactory. The officer, who was appointed a IO initially, was replaced subsequently for administrative reasons. Eventually, the inquiry proceedings were completed by some other Inquiry Officer. The case was referred to the Commission, on the basis of the Inquiry Officer's report, only in May 2000, seeking Commission's second stage advice. The Commission, incidentally advised, this time, exoneration of the official. Thus, in short, it took the department more than 7 years from the date of retirement of the official, and more than 10 years from the date of issue of charge sheet to take the proceedings to their logical conclusion.

5.5.18 MINISTRY OF RAILWAYS

Agreeing with the Railway Board, the Commission advised, in October 1993, initiation of major penalty proceedings against an official

of Central Railway who, it was alleged, was instrumental in the matter of appointment of two ineligible candidates against Group - D vacancies. Accordingly, the official was served with a charge sheet in March 1994. He retired from service in June 1994. Although inquiry proceedings were set in motion around the same time, the Inquiry Officer submitted his report only in January 1999. The department took more than one year thereafter for processing the report and making a reference to the Commission seeking its second stage advice in the case. The Commission advised, eventually, dropping of the proceedings against the official after communicating Govt.'s displeasure to him. Thus, in short it took the department more than six years from the date of issue of charge sheet to finalise the proceedings. When the department was asked to fix responsibility for the same, they replied that the delay was caused, inter alia, due to delay on the part of the official in submitting reply to the charge sheet, the non cooperative attitude adopted by him during the inquiry, replacement of IOs due to administrative reasons-etc. and that, therefore, it was not feasible to fix responsibility in the matter on any particular individual (s). In the Commission's view, these explanations did not justify the delay. Insofar as the non-cooperation of the charged official is concerned, the rules empower the authorities to proceed ex-parte in such situations.

5.5.19 MINISTRY OF RAILWAYS

The Commission advised, in July 1990, initiation of disciplinary action against five officials of South Eastern Railway in connection with irregularities noted on their part during the execution of a work awarded, to a private contractor, in the year 1984. These included an Inspector of Works (IOW). Charge sheet was issued to this official in October 1990. However, the Inquiry Officer submitted his report in respect of this official only on 31.5.1996. It took the department an additional four more years to process the report. It was only in July, 2000 that the department approached the Commission seeking its second stage advice in the matter. Since the charges against the official had been held, by the Inquiry Officer, as not proved and since the Commission also found itself in agreement with the Inquiry Officer, the Commission advised his exoneration. Thus, this is a case where the proceedings took almost 10 years, from the date of issue of charge sheet for finalization.

5.5.20 MINISTRY OF RAILWAYS

The work of supplying and stacking of 50,000 cum of stone ballast at Bhagwansar under Northern Railway was inspected by a team of officials from the Chief Technical Examiners' organization in the Commission, in February 1989. Based on this inspection, the CTE's office made a reference to the Northern Railway authorities on 31.3.1989 pointing out certain irregularities and asking for due investigations into the same. However, there was no response from the department's end, despite reminders. Thereafter, in June 1997, one more

reference was made to the Northern Railway highlighting yet another irregularity detected by the CTE and asking for department's comments/report on the same. The department responded, to the Commission, only in June, 1999. It was then noted by the Commission that there was indeed substance in some of the irregularities detected by the CTE. However, fact of the matter was that the event had become too old and that officials responsible for the same had already retired from service and therefore, no penal action was feasible against them. Thus, because of inordinate delay on the part of the department, the case died its natural death.

5.5.21 MINISTRY OF RAILWAYS

In February 1989, the Commission advised initiation of disciplinary proceedings against several officials of Railway Recruitment Board, Kolkata, in connection with irregularities alleged on their part in the matter of conduct of the "Non Technical Popular Category" examination held in 1985. This included an official, who retired from service in October, 1986. Charge-sheet was issued to that official in May 1989. Most surprisingly- and incredibly too- it took the Department almost nine years to entrust the case to an Inquiry Officer though it should not have taken more than a couple of months or so. It was only as late as in November, 1999 that the Department came back soliciting Commission's second-stage advice in the case. Although, the Department was asked to fix responsibility for the delay, there was no response from the Department.

Another official, involved in the same case, retired from service in June, 1985. He was also issued charge sheet in May 1989. The case was entrusted to the Inquiry Officer only in February, 1998. The IO submitted his report in January, 2000. Finally, the Commission was approached, for its second stage advice, only in May, 2000.

5.5.22 MINISTRY OF SURFACE TRANSPORT

A case regarding irregularities in construction of hospital building at New Mangalore Port Trust was received in the Commission in February, 1991 from the Ministry of Surface Transport with a recommendation to close the case as the officials concerned had retired and no action was possible against them. The date of commencement of work was 15.3.1983 and dated of completion was 31.10.1986. A two-member committee had submitted its report pointing out irregularities in the execution of the work on 21.7.1986, while the two officers retired on 1.10.1987 and 31.7.1990. Thus, there was enough time to initiate disciplinary proceedings against them. The Commission advised the Ministry of Surface Transport on 21.5.1991 to fix responsibility on officers of New Mangalore Port Trust for not taking timely action against the concerned officials. The Ministry, while defending itself,

attributed the delay to the expiry of the dealing official in New Mangalore Port Trust.

It was observed that there had been comparative laxity in examining the whole matter in New Mangalore Port Trust. The then Chairman, New Mangalore Port Trust attributed the delay in locating certain files after the death of the then Secretary on 6.4.1989. This reason seems unconvincing as the record of files were available in his office and it should not have taken a period of one year and 7 months to locate the files after the death of the Secretary. The delay caused in this case seems willful. The Ministry of Surface Transport have stated that they were continuously reminding the Chairman, New Mangalore Port Trust for expediting the reply. But the fact remains that the Ministry of Surface Transport has also failed in getting the required explanation from the then Chairman in time. The then Chairman has also retired from service. Action in the case has failed due to default on the part of the Chairman, New Mangalore Port Trust and M/o Surface Transport. No action is possible at this belated stage under the circumstances.

5.5.23 MINISTRY OF POWER

The Ministry of Power was advised to initiate major penalty proceedings against a former CMD, Power Finance Corporation, for alleged investment of Rs.300 crores with the Citi Bank and UCO Bank through a private company on 12.3.1996. The Commission had cautioned the Ministry that if action was not initiated immediately, the case would become time-barred. Investigation was advised by the CVC on 15.3.1994 i.e. more than two years prior to 27.3.1996, when the case became time-bared. The Ministry did not take any action by that date. Hence, the delay on the part of the Ministry resulted in escape of the guilty official from punishment. The Commission was also forced to take a lenient view in respect of other junior officers in view of non-action against the senior.

5.5.24 TANNERY & FOOTWARE CORPORATION OF INDIA LTD. (TAFCO)

Findings of intensive examination of electrification work at Factory No.2 was conveyed to Tannery & Footware Corporation of India Ltd. (TAFCO) on 14.2.1994 for investigation and fixing responsibility. No report has so far been submitted by TAFCO, through a period of more than 11 years has passed.

5.5.25 MINISTRY OF HOME AFFAIRS

In a case relating to the CBI investigation conducted into the circumstances of the sensational escape of a notorious smuggler and others from the Central Prison, Aguada, the CBI recommended initiation of major penalty proceedings against the officials of Govt. of Goa and

Customs and Central Excise including the then SP, Panaji, an IPS officer. The Commission, while agreeing with the recommendations of the CBI in respect of other officials, did not tender its advice in respect of the IPS officer as the CBI had recommended that a view about the official's lapses be taken after the conclusion/outcome of the criminal proceedings instituted against other officials in the Court. Hence, the case of the IPS officer was kept in abeyance since 1984. However, in 1992 after the judgement was delivered by the Chief Judicial Magistrate, North Goa, the Commission desired the Ministry of Home Affairs to obtain the explanation of the IPS officer and thereafter refer the case for advice to the Commission. As no response came from the Ministry of Home Affairs, despite several reminders, the Commission examined the case without having the benefit of the comments of the Ministry of Home Affairs, and considering the findings of the CBI, advised initiation of major penalty proceedings against the IPS officer in November 1992 for the lapses, observed on his part, relating to delay in taking up investigation as well as improper and deficient investigation.

After a lapse of over 8 years, the Ministry of Home Affairs approached the Commission, in February 2000, seeking reconsideration of the Commission's advice suggesting that lapses on the part of the IPS officer were administrative in nature and it would suffice if an administrative warning was issued for the lapses. The contention of the Ministry of Home Affairs was that the alleged lapses on the part of the officer relating to inept investigation did not involve any dishonest intention or malafides. The MHA also added that the officer was guided by the advice and direction of the public prosecutor while investigating the said case. The Commission taking into account the time lag of over 8 years as well as the fact that the lapses were mainly of incompetence and lack of professionalism on the part of the official, agreed with the proposal of the Ministry for issue of an administrative warning. This case is a typical example of delay in processing action by the Ministry of Home affairs for which no convincing reasons were adduced.

CHAPTER - 6

CHIEF VIGILANCE OFFICERS

6.1 ROLE OF CHIEF VIGILANCE OFFICERS

KEY VIGILANCE FUNCTIONARY

6.1.1 Every Ministry/Department of the Government of India and its public sector enterprises/banks/insurance companies, autonomous bodies has vigilance units headed by "Chief Vigilance Officers (CVOs)". These vigilance units play a pivotal role in ensuring probity and integrity in public administration. The Commission considers them as an extension of its own set-up as a means of supervising vigilance administration of these organisations. Their importance is particularly underlined by the fact that nearly three-fourth cases referred to the Commission for advice have been investigated by the CVOs. A CVO is, therefore, an important field functionary in the scheme of vigilance. Though the responsibility for the maintenance of efficiency and integrity amongst public servants rests with the Head of the Department/Chief Executive of the organisation concerned, the CVO provides expert assistance in advising him. He is required to handle all vigilance matters concerning his organisation.

6.1.2 In the past, CVOs were designated as Director (Vigilance) or Executive Director (Vigilance) depending on respective status in their parent organisation. In order to promote uniformity in work culture, the Commission issued instructions on 29.07.1999 requiring that all heads of Vigilance Divisions in the Public Sector Enterprises be designated as "Chief Vigilance Officer" irrespective of their status in the parent organisation. The instructions also required that such CVOs, who are of the level of Joint Secretary and above to the Government of India, would be given a status, facilities and perquisites equivalent to that of a Functional Director in the PSE, and those below the level of Joint Secretary to the Government of India would get the status, facilities and perquisites as that of an Executive Director in the concerned PSE.

6.1.3 In an effort to encourage officers to opt for posts of CVOs, certain incentives have been provided including grant of special allowance @ 15% of the basic pay to the CVOs except those posted in PSUs located in metropolitan cities under DOPT's OM No. 378/3/98-AVD.III dated 11.4.2000 read with corrigendum dated May 2000. The CVOs, who are granted such special allowance, would not be eligible for special pay/deputation duty allowance. Besides, it also provides for regulation of tenure on shifting from PSUs to Central Staffing Scheme for the CVOs posted in the PSUs located at places other than metropolitan cities. The tenure of such

a CVO shall be treated as 50% tenure only, for the purpose of considering such officers for further posting in Government of India under Central deputation; provided the officer has served the PSU as CVO for at least three years.

6.2 SELECTION AND APPOINTMENT OF CHIEF VIGILANCE OFFICERS

CONSULTATION WITH CVC

6.2.1 All departments/organisations to which the advisory jurisdiction of the Commission extends are required to appoint an officer, not below the rank of Deputy Secretary to the Government of India or equivalent, as CVO after obtaining prior approval of the Commission. The administrative authorities, however, can make short term arrangements, on their own, up to a period of three months, under intimation to the Commission. However, no person whose appointment as CVO is objected to by the Commission can be appointed as CVO. The CVO once appointed cannot be changed before the expiry of his tenure, except on administrative grounds like transfer, promotion etc., and after obtaining explicit approval of the Commission.

6.2.2 Seven Departments of the Government of India have full-time CVOs, while others have part-time CVOs. Further, while PSEs, banks, insurance companies have full-time CVOs, autonomous bodies may not have full-time CVOs.

6.2.3 The CVO in an organisation discharges the onerous responsibility of maintaining probity and integrity in his organisation. The Commission, therefore, considers it important that the CVO should not only be objective and impartial in his dealings but should also be seen to be so. In that context, the Commission endeavours to approve only such officers who have an unblemished record of service for posting as CVOs. The validity of the panel/name of the officer, approved by the Commission, is for one year, i.e. if appointment is to be made after one year, fresh clearance of the Commission will have to be obtained.

6.2.4 The Commission during the year under report considered the suitability of 333 officers recommended by the administrative authorities for appointment to the posts of CVOs in different organisations.

6.3 GUIDELINES FOR APPOINTMENT OF CHIEF VIGILANCE OFFICERS

FULL-TIME AND PART-TIME CVOs

6.3.1 The Commission, wherever a part-time CVO is to be appointed, ensures that the charge of CVO is assigned to an officer

who is not, to the extent possible, handling matters sensitive from vigilance point of view and is senior enough in rank to be able to report directly to the Chief Executive of the organisation concerned. The Commission desires the CVOs not to be associated with decision-making processes that could separately be subject to vigilance scrutiny. The Commission has been of the view that if any additional charge is to be assigned to a CVO, it should ideally relate to “Audit” and “Inspection” which constitute an important input for vigilance activity. On the other hand, the combining of “vigilance” and “security” functions, except in hotel industry, is not considered desirable. The “security” functions being equally demanding, it is not possible for the same officer to give his undiluted attention to the supervision of vigilance matters.

IMPORTANT CRITERIA

6.3.2 As already premised, the main objective is to ensure that an officer working as a CVO in an organisation is in a position to view matters objectively and impartially. The following criteria have been evolved to ensure this objective:

- (a) The CVO in an organisation should be, as far as possible, from outside the organisation in which he is to be appointed so as to inspire confidence in his impartiality without being encumbered by any past association;
- (b) Once an officer has worked as CVO in an organisation, he should not be allowed to go back as CVO to the same organisation again; and
- (c) An officer appointed from outside as CVO should not be absorbed in the same organisation on expiry, or in continuation, of his tenure as CVO in that organisation.

6.4 TENURE OF CVO

TENURE GUIDELINES

6.4.1 The latest guidelines, evolved by the Government under Department of Personnel and Training’s O.M.No.372/7/97-AVD-III dated 7.8.98 for appointment of CVOs are as follows:-

- (a) The full-time CVOs appointed from outside on deputation basis in public sector undertakings have been uniformly allowed an initial tenure of three years extendable up to a further period of two years in the same public sector undertaking with the approval of the Central Vigilance Commission or up to a further period of three years on transfer to another public sector undertaking on completion of initial deputation tenure of three years in the previous public sector undertaking.

(b) The tenure of the officers appointed as CVOs in public sector banks has been laid down as three years which may be extended or reduced at the discretion of the Government in consultation with the CVC.

(c) The normal tenure of officers appointed as CVOs from within the organisation has also been prescribed as three years, extendable by another two years with specific approval of the Commission.

6.5 ASSESSMENT OF WORK OF CHIEF VIGILANCE OFFICERS

REVISED PROCEDURE OF RECORDING ASSESSMENT

6.5.1 The Commission has been empowered to assess the work of the CVOs, both full-time and part-time, in various organisations and record such assessments in their confidential character rolls. The practice for long was to record such assessments on a separate sheet, which was later added to the confidential character roll of the officer concerned. A review of this practice indicated that it did not enable the Commission to assess the work of a CVO in its total perspective. In order to streamline the procedure, it was decided by the Government that the annual confidential reports in respect of Chief Vigilance Officers in public sector banks, as also in the public sector undertakings/ organisations etc., belonging to All India Services/ Central Services, whether on full-time or part-time basis, shall be initiated by the concerned Chief Executive, reviewed at an appropriate level in the administrative Ministry/Department and forwarded to the Central Vigilance Commission for its final observation as the Accepting Authority. The revised procedure has enabled the Commission to have a direct appreciation of the performance of a CVO and to record its assessment on the body of the annual confidential report itself. This also inspires confidence in the CVOs that their efforts to combat corrupt and improper practices are properly appreciated.

DELAY IN FORWARDING ACRs

6.5.2 The Commission has also observed that the Annual Confidential Reports (ACRs) of CVOs, which are required to be recorded by the Central Vigilance Commission as Accepting Authority, are not being furnished in time and are being delayed due to which the career prospects of these officers are hampered.

6.5.3 The Department of Personnel & Training, vide its OM No.321/46/94-AVD.III dated 20.5.1996, has laid down the time schedule by which the ACRs of officers are to be completed. This has been reiterated to the Reporting Officers for strict adherence to the time schedule so that there is no delay in completion of ACRs

of CVOs.

**PERFORMANCE
REPORT AND
ACTION PLAN
FOR
QUALITATIVE
ASSESSMENT**

6.5.4 To enable the Commission to have a proper appreciation of the performance of the CVOs, the Commission obtains from each of the CVOs a detailed note highlighting their performance during the year with special reference to (a) measures taken to strengthen preventive vigilance; (b) steps taken to activate the vigilance machinery; (c) conducting of periodic inspection of the corruption-prone areas; and (d) expediting completion of preliminary investigations/oral inquiries. The CVOs are also required to forward, along with the said note, an Action Plan for implementation by them in the ensuing year. The purpose of this exercise is not only to ensure that a correct assessment of the performance of the CVOs is made but also to give an opportunity to the Commission to make timely suggestion to enhance the quality and effectiveness of vigilance work in each organisation. The performance reports serve as a supplement to the data-based quarterly statistical reports and enable the CVOs to highlight more specifically the qualitative improvement that has been brought out in creating a corruption-free climate in the organisation concerned.

6.6 DELAY IN APPOINTMENT OF CHIEF VIGILANCE OFFICERS

**LARGE NUMBER
OF POSTS OF
CVOs VACANT**

6.6.1 The CVO is assigned the task of dealing with all vigilance matters in an organisation. The Commission, therefore, considers it necessary that the CVOs' posts, wherever vacant, are filled up expeditiously so that vigilance work in the organisations does not suffer. As a result of the persistent efforts made by the Commission, 94 vacant posts were filled up during the year under report. These included Cement Corporation of India, Rashtriya Chemicals & Fertilizers Ltd., Bharat Bhari Udyog Nigam Ltd., Hindustan Cables Ltd., Indian Rare Earths Ltd. etc. However, in several organisations, the administrative authorities could not fill up these vacancies for more than a year, such as I.T.I. Bangalore, Heavy Engineering Corporation Ltd., Hindustan Steelworks Construction Ltd., Cotton Corporation of India Ltd., Bharat Refractories Ltd., North Eastern Electric Power Corporation etc.

**INCENTIVES
FOR CVOs**

6.6.2 The vigilance set up in most of the Public Sector Undertakings are skeletal. Out of the sanctioned posts, approximately 25% remain vacant at any given point of time. It takes considerable time to fill them up. One of the important factors, due to which the posts of CVOs and lower vigilance functionaries in PSUs are not filled up is the unpopularity which goes with the job. The posts need to be made more attractive and less risk-prone by granting monetary and non-monetary incentives

to the officers. In order to address this problem, the Commission had made the following suggestions in 1997 to the Government for consideration, which are yet to be implemented:-

- (a) The officers selected as CVOs in PSU may be given a grade higher than the grade in their parent organisation;
- (b) The perquisites available in the parent organisations may be protected, since these vary widely inter se organisations;
- (c) The promotional prospects of the vigilance staff may also be protected by ensuring that they are not superseded in the normal course, making a stint in vigilance work at some point in their career essential or preferred qualifications to carry a suitable weightage in promotions to posts above certain levels;
- (d) Their postings may be so planned on reversion to parent cadre so as to avoid chances of their victimisation;
- (e) Free flow of vigilance sensitive information to the CVOs be ensured by streamlining the reporting channels.

6.7 TRAINING

6.7.1 The Commission attaches considerable importance to training of CVOs. It had requested the Central Bureau of Investigation (CBI) Training Academy, Ghaziabad to conduct courses in vigilance to impart training to CVOs. The CBI organised one such course during 2000 at their academy at Ghaziabad in which 24 CVOs participated. It is expected that the Academy would be conducting more such courses in future.

6.7.2 The training for other vigilance personnel like Investigating Officers, Presenting Officers and Inquiry Officers is normally arranged by the concerned organisations. However, the Commission provides guidance for the proper organisation of these courses by suggesting suitable curriculum, names of speakers as well Faculties from the Commission. The officers of the Commission delivered 86 talks at vigilance courses conducted by different organisations during the year 2000.

6.8 STATISTICAL RETURNS

6.8.1 In order to exercise general check and supervision over the vigilance work in the departments, the Commission calls for Quarterly Statistical Returns (QSRs) from all organisations. The QSRs form an integral part of the vigilance reporting and provide

NEED FOR TIMELY SUBMISSION OF RETURNS

first hand information about the performance of the vigilance agency of the organisation. The QSRs are required to be furnished by the CVOs in the prescribed format so as to reach the Commission by 15th day of the month following the relevant quarter. The Commission however, has observed that a large number of organisations either furnished these returns after considerable delay, or furnished in respect of some quarters only, or in some extreme cases failed to furnish the returns. The statement at **ANNEXURE-XII** contains an illustrative list of organisations from which no QSR was received during the year under report.

**INCISIVE
INFORMATION**

6.8.2 The nature of information contained in these QSRs indicates the scale of vigilance activities in the organisation and the nature of functioning of the CVOs in the matter of investigation of allegations and advising further course of action to the Government. These QSRs, being of statistical nature, often lack the incisiveness of information required for vigilance and anti-corruption matters. The Commission, therefore, also calls for additional information from all public sector undertakings by way of relevant data to supplement qualitatively the information on complaints received, cases under investigation, pending departmental proceedings and final orders issued on the outcome of departmental proceedings in respect of officials of E-6 grade and above. This is a valuable input to the Commission in processing proposals for scrutiny of antecedents of candidates considered for Board-level appointments in PSUs.

6.9 PERFORMANCE OF CVOs

**CONSIDERABLE
PENDENCY**

6.9.1 The performance of the CVOs as reported by them is given in **ANNEXURE-XIII**. The following table indicates the number of those cases dealt with by the CVOs in which the Commission's advice was not necessary and which ended in formal punishments during the last ten years:-

S.No.	YEAR	MAJOR PENALTY	MINOR PENALTY	TOTAL
1	1991	2507	5585	8092
2	1992	2629	5436	8065
3	1993	3168	5790	8958
4	1994	2808	5711	8519
5	1995	3232	6198	9430
6	1996	3044	6109	9153
7	1997	3423	7183	10606
8	1998	3747	6626	10373

9	1999	3945	7408	11353
10	2000	4703	10916	15619

NOTE :

This information is based on the quarterly returns submitted by the organisations and, therefore, does not include the information pertaining to those organisations whose returns were not received or contained discrepancies which were not reconciled.

6.10 EXERCISING SUPERINTENDENCE OVER VIGILANCE ADMINISTRATION:

6.10.1 In order to exercise superintendence over the vigilance administration of Central Government organisations, the Central Vigilance Commissioner reviewed the performance of the CVOs posted in northern region, western region, eastern region and southern region at New Delhi, Mumbai, Kolkata and Chennai respectively between July to October 2000. These meetings were attended by 147 CVOs of big organisations. Major areas covered in the review meetings were as under: -

- (i) Whether the organisation had prepared the "Agreed List" in consultation with the CBI;
- (ii) Whether the CVO had finalised the "List of officers of doubtful integrity";
- (iii) Whether the CVO had identified sensitive areas in his organisation and ensured that the officers appearing on the "Agreed List" and the "List of officers of doubtful integrity" are not posted to the identified sensitive areas;
- (iv) Whether the organisation had a policy of rotational transfers, and if so, whether the policy was being implemented particularly in the sensitive areas;
- (v) Number of surprise inspections conducted by the CVOs and the cases arising out of those inspections;
- (vi) Status of complaints forwarded by the Commission to the CVOs for investigation and report;
- (vii) Status of cases pending implementation of CVC's first stage and second stage advices and the reasons for delay in implementation, if any; and
- (viii) Number of inquiries pending with the departmental inquiry officers and the reasons of delay, if any.

6.10.2 During these review meetings, the Central Vigilance Commissioner also gave appropriate directions to the CVOs, where necessary.

6.11 PENDENCY WITH CVOs:

6.11.1 The pendency with the CVOs as on 31.12.2000 has been indicated in Annexure - XIV. It does not give a satisfactory picture while comparing the pendency with the pendency at the close of the previous year. The total number of complaints pending consideration with the CVOs as on 31.12.2000 was 4915 as against 4870 at the close of the previous year. While the number of complaints under investigation, involving category 'A' officials [i.e. the officials against whom the Commission's advice is necessary], remains the same [it was 2095 at the close of the year 1999 and 2100 at the close of the year 2000], the investigation reports pending consideration with the administrative authorities, against such category of officials, has gone up from 1542 at the close of the year 1999 to 1754 at the close of the year 2000. The number of cases pending with the inquiring authorities, involving Category 'A' officials, have gone up from 1266 at the close of the year 1999 to 1397 at the close of the year 2000. The number of cases pending with the disciplinary authorities for action after proceedings against category 'A' officials have gone up from 970 at the close of the year 1999 to 1103 at the close of the year 2000. The number of cases involving Category 'B' officials [i.e. the officials against whom the Commission's advice is not necessary] at pre-proceedings stage, has also gone up from 10337 at the close of the year 1999 to 10631 at the close of the year 2000. Therefore, there is a need for the disciplinary authorities to devote more time to the disposal of disciplinary cases. The comparative pendency position with regard to some major sectors is indicated in the following table: -

Sector	Year	Cat. A cases [before proceedings]						Cat. A cases [After proceedings]						Category B					
		Under investigation			Investigation Reports			Under inquiry			Action after proceedings			Before proceedings			After proceedings		
		<3m	>3m	Total	<6m	>6m	Total	< 6m	>6m	Total	< 3m	>3m	Total	<3m	>3m	Total	<6m	>6m	Total
Banks	1999	78	115	193	91	247	338	245	302	547	154	161	315	452	761	1213	970	979	1949
	2000	53	63	116	62	190	252	272	365	637	151	187	338	497	569	1066	954	882	1836
Coal	1999	01	10	11	00	09	09	00	04	04	01	00	01	112	419	531	83	333	416
	2000	02	15	17	01	08	09	04	12	16	00	04	04	159	369	528	141	283	424
Customs & Excise	1999	82	247	329	11	40	51	55	86	141	06	64	70	79	336	415	110	193	303
	2000	95	337	432	03	20	23	45	135	180	22	42	64	132	365	497	127	232	359
Defence	1999	01	04	05	00	00	00	22	07	29	02	03	05	15	04	19	40	35	75
	2000	30	51	81	53	101	154	04	25	29	03	04	07	41	46	87	54	41	95
NCT Delhi	1999	48	65	113	17	14	31	29	08	37	19	73	92	146	905	1051	246	291	537
	2000	41	39	80	09	08	17	21	08	29	16	68	84	109	749	858	237	166	403
Home Affairs	1999	15	51	66	20	50	70	25	37	62	01	01	02	35	103	138	19	51	70
	2000	17	37	54	18	68	86	11	24	35	12	25	37	32	110	142	06	63	69
Income-tax	1999	33	133	166	10	36	46	06	53	59	13	49	62	56	370	426	49	93	142
	2000	03	108	111	02	39	41	03	40	43	05	63	68	17	215	232	27	113	140

Railways	1999	96	209	305	17	15	32	68	61	129	41	107	148	689	709	1398	4232	2202	6434
	2000	106	286	392	17	44	61	55	54	109	59	131	190	780	1000	1780	4288	2603	6891
Telecom	1999	181	91	272	219	107	326	11	03	14	18	18	36	254	153	407	170	25	195
	2000	89	103	192	213	161	374	12	04	16	12	13	25	306	390	696	315	43	358
Urban Affairs	1999	32	154	186	96	290	386	16	64	80	17	134	151	239	765	1004	65	158	223
	2000	29	185	214	141	429	570	24	76	100	36	123	159	401	1112	1513	49	175	224
Grand Total For all Departments	1999	664	1431	2095	527	1015	1542	531	735	1266	296	674	970	3168	7169	10337	7361	6028	13389
	2000	562	1538	2100	567	1187	1754	530	867	1397	359	744	1103	3422	7209	10631	7538	5769	13307

CHAPTER - 7

PROCEDURAL/SYSTEMS IMPROVEMENTS SUGGESTED BY THE COMMISSION

7.1 As stated in Chapter-1, the Central Vigilance Commission was given statutory status, through an ordinance dated 25.08.1998, which was amended on 27.10.1998. Subsequently, in order to replace the Ordinance, the Government introduced the Central Vigilance Commission Bill, 1998 in Lok Sabha on 7th December 1998. The Central Vigilance Commission Ordinance was also re-promulgated on 08.01.1999. The CVC Bill was passed by the Lok Sabha on 15.03.1999 and was pending before the Rajya Sabha. Meanwhile, the CVC Ordinance, 1999 was to expire on 05.04.1999. Therefore, the Central Government resolved on 04.04.1999 that the Central Vigilance Commission constituted under the Ordinance would continue to discharge its duties and exercise its powers under the Resolution which shall come into operation immediately after the expiry of the Ordinance. All the aforesaid documents empowered the Commission to exercise superintendence over the vigilance administration of various Ministries of the Central Government or corporations established by or under any Central Act.

7.2 **SENSITISING THE PEOPLE ABOUT DANGERS AND EVIL CONSEQUENCES OF CORRUPTION:**

7.2.1 The Hon'ble Prime Minister of India, while addressing the nation on 16.10.1999, had observed, inter-alia, as under: -

"One of our immediate task will be to firmly put down terrorism, which has come to cast its cruel shadow on innocent people. Our message is loud and clear; the life of every Indian citizen under our dispensation is precious. In our fight against terrorism, we will be guided by the principle of zero tolerance. The same principle of zero tolerance will apply while dealing with corruption that has bred contempt for the law".

7.2.2 Taking a clue of "zero tolerance against corruption" from the Prime Minister's message, the Central Vigilance Commission, being an apex anti-corruption body in the country, took upon itself the responsibility in implementing the PM's vision. Corruption has two sides, viz. demand and supply. While there has been stress on demand side of corruption, no sincere effort appeared to have been made in the past to discourage supply side of corruption. Observing that the corruption is anti-national, anti-poor and anti-economic development and that fighting corruption was too important an activity to be left only to the Central Vigilance Commission, the Commission decided to launch a systematic campaign against corruption by involving all members of civil society.

7.2.3 The first step in this campaign was to educate the people about the dangers of corruption and sensitize them about its evil consequences. The Commission, therefore, issued instructions on 23.06.2000 that the week beginning from 31st October every year should be observed as the "Vigilance Awareness Week". The significance of 31st October is that it is the birthday of the Bismarck of India, Sardar Vallabh Bhai Patel, who represented the best values in the Indian tradition so far as governance was concerned.

7.2.4 The first Vigilance Awareness Week was observed from the week beginning 31st October 2000. In terms of the instructions issued by the Commission, the vigilance awareness programme was to begin in all offices of the Central Government, its subordinate and attached offices, public sector undertakings and banks, autonomous bodies and institutions under the Central Government at 1100 hrs., with taking of a pledge by all public servants, irrespective of their status, to be administered by the head of the department or the senior-most officer available on the occasion. After the pledge, the messages from high dignitaries were to be read out to the audience. Depending upon their financial resources, these organisations were advised to consider displaying banners, posters etc. at prime locations in their offices, organising seminars at different locations, competitive debates/lectures on anti-corruption topics amongst the employees as well as at the students' level in the colleges/schools in their vicinity and award prizes for the best participation, issuing special journals during the week and requesting the non-government organisations/institutions and service associations in the local area to participate in the campaign.

7.2.5 As per the reports received in the Commission, the organisations, which celebrated the week are listed in Annexure _____. The Commission has observed that the public sector enterprises, including the banks, were at the forefront in observing the week. Many of them organised debates, seminars, training sessions and cultural shows, with vigilance as the theme, in the endeavour to proclaim vigilance as an inseparable component of public service. The Centre for Media Studies conducted a "exit poll" on corruption in five cities across the country at six Government public service departments. The most encouraging feature was enthusiasm seen in the youth and senior citizens, who had banded themselves into organised forums. Some non-Government organisations and the State governments, notably Bihar, Orissa, Haryana and Tripura, also observed the week. The Commission is of the opinion that awareness of general public about the dangers of corruption is likely to discourage supply side of corruption.

7.3 **SYSTEMS AND PROCEDURAL IMPROVEMENTS:**

7.3.1 The Commission has all along been of the view that every organisation should review the systems and procedures prevailing in the organisation so as to plug such loopholes, which provide scope for corruption. The Commission, in exercise of the aforesaid powers, also took some measures in order to reduce the level of corruption and issued instructions in that regard to the administrative authorities. It also made some suggestions to the Government for enactment of Laws. Further, if it was observed during examination of cases that the prevailing provision in the rules of a particular organisation provided scope for corruption, the concerned organisation was advised to amend the rules. Thus, the measures taken by the Commission to reduce the level of corruption through systems/procedural improvements could be categorised into following three categories:-

- (a) General instructions issued by the Commission;
- (b) Recommendations made to the Government for enactment/implementation of Laws; and

- (c) Recommendation made to a particular Department/ Organisation on examination of a vigilance case.

These are discussed in the succeeding paragraphs.

7.4 **General instructions issued by the Commission:**

The Commission, in order to reduce the level of corruption, issued instructions on system/procedural improvements to the administrative authorities. Important instructions issued by the Commission between 18.11.1998 to 31.12.1999 have been summarised in the Commission's Annual Report for the year 1999. In order to supplement the Commission's endeavour to reduce the level of corruption through system/procedural improvements, the Commission, during the year 2000, issued instructions as under: -

- (a) **Greater transparency in administration:** In view of its policy that there should be transparency in all matters, as far as possible, the Commission has withdrawn its earlier instructions that the advice tendered by it is of a confidential nature. It has now provided that a copy of the Commission's first stage advice on the investigation report may be made available to the concerned employee alongwith a copy of the charge-sheet served upon him, for his information. However, a copy of the Commission's second stage advice is to be made available to the concerned employee, alongwith the IO's report, to give him an opportunity to make representation against the IO's findings and the CVC's advice, if he so desires.

[CVC's letter No. 99/VGL/66 dated 28.09.2000]

- (b) **Computerisation of Bank branches:** It was observed that some of the banks had appointed IT consultants to guide them in the completion of computerisation work of the banks. Subsequently, those consultants also participated as vendors in the tendering process of the same bank. The Commission observed that permitting the consultants, who inter-alia is assigned the job of framing specifications and evaluating tenders, to participate as a vendor in the tender of the same organisation, was not at all conducive to transparency and fairness in the tendering process. The Commission, therefore, advised the banking sector to ensure that the consultants appointed by them, or the firms in which they have some interests, do not participate in the tender process of the bank in the capacity of a vendor.

[CVC's letter No. 000/VGL/14 dated 06.03.2000]

- (c) **Strengthening vigilance and anti-corruption work:** The Commission observed a disturbing trend to shield corrupt public servants, especially at senior levels, in certain organisations. The modus-operandi was not to respond to the CVC's communications and delay the report as far as possible. It was also observed that attempts were made to dilute the gravity of the offence, after submission of report by the CVO, before a reference was made to the CVC, if at all made. In order to reduce such in-built safety nets for the corrupt public servants, the Commission has issued instructions requiring that the CVOs, on completion of investigations in vigilance cases, would endorse an advance copy of the report to the Commission, while submitting their report/comments to the superiors in the organisation. Such a system would take care of the situations if attempts are made to dilute the CVO's report and

shield the corrupt. Generally, the appropriate authorities should be in a position to send the reports to the Commission within one month of the submission of report by the CVO. It is quite possible that a series of queries could be raised by way of scrutiny of CVO's report, which can sometimes be a deliberate attempt to shield the corrupt. In such cases, the Commission would be constrained to draw appropriate conclusion about the action being taken by the CVO.

[CVC's letter No. 000/VGL/166 dated 09.11.2000]

(d) **Effective punishment to corrupt employees through traps:** The Commission had observed that the number of traps conducted by the police officials, under the provisions of PC Act, did not commensurate with the level of corruption perceived in the country. Observing that this could be because (i) there might not be a branch of the CBI in the near vicinity of the complainant and that (ii) the people, at large, had reservations in approaching the local police, the Commission, keeping in view the provisions of Section 39 of the Cr.PC, has desired the CVOs to take initiative in arranging a trap if a person gives a written complaint or a source information to him about the alleged demand of bribe by an official in his organisation. For that purpose, the CVO is required to take on record the complaint, approach the local police or the CBI for assistance in conducting a trap, co-ordinate closely between the police authorities and the complainant, and ensure secrecy of the entire exercise so that it does not end in a fiasco.

[CVC's Instructions No. 3(v)/99/13 dated 28.09.2000]

(e) **Time limit for referring cases to the Commission for reconsideration of its advice:** It was observed that references to the Commission for reconsideration of its advice were being made after a considerable time after it tendered advice. This could be in order to cover up delays in finalisation of the proceedings or an intention to prolong the proceedings. Thus, in order to prompt the administrative authorities to accord priority to the disciplinary cases, the Commission has issued instructions that if the administrative authorities desire to make references to the Commission for reconsideration of its advice, they may do so within a period of two months failing which the Commission will decline to entertain such references.

[CVC's letter No. 000/DSP/1 dated 06.03.2000]

(f) **Benami Black Money Scheme:** In order to launch a systematic campaign against corruption by involving all members of civil society in fighting this social evil, the Commission has notified a "Benami Black Money Scheme" with effect from 12.07.2000. Through this scheme, the Commission has invited the members of the public to report the matter to the Commission if they have information against a public servant about possession of black money or assets, which are believed to be disproportionate to his known sources of income. The Commission would scrutinise the information so received and if it is considered sufficient for carrying out detailed investigations, the CBI or the Income-tax authorities would be advised accordingly. The Commission, in suitable cases, may also advise the concerned authorities to move application under the Criminal Law Amendment Ordinance, 1944 for confiscation of ill-gotten money. The scheme also clarifies that: -

- (i) The Commission does not entertain anonymous/pseudonymous complaints. The complainants are, therefore, required to indicate their

full names and addresses. But, if they so desire, their identity would not be disclosed;

- (ii) The information should carry sufficient details about the properties owned by the concerned public servant in his own name or in the name of his family members/near relatives;
- (iii) Section 182 IPC makes it a criminal offence if a person gives to a public servant any information, which he knows or believes to be false; and
- (iv) The complainants, who provide information under this notification, would also be eligible to the rewards directly from the CBI/Income-tax departments under their schemes.

[CVC's Notification No. 000/VGL/74 dated 12th July 2000]

The complaints pertaining to "Benami Black Money Scheme", received in the Commission up to 31.12.2000 and action taken thereon, is indicated below: -

No. of complaints received	:	414
No. of complaints processed	:	350
No. of complaints filed	:	255
[Anonymous-64; Pseudonymous-95; Vague-96]		
No. of complaints sent for confirmation	:	41
No. of confirmation letters received undelivered	:	05
No. of complaints confirmed by the complainants	:	04
Confirmations awaited from the complainants	:	32
No. of complaints sent to CBI/ Income tax authorities:	:	
(a) For investigation and report	:	01
(b) For necessary action	:	01

(g) **Appointment of consultants in vigilance departments:** The Commission observed that a person, who is not a full-time employee, might be amenable to influence and that the retired officers, appointed as consultants, might provide a convenient legal cover for going easy on corrupt practices, as they might be financially obliged to the Management. It is also difficult to make them accountable for the misconduct committed by them. The Commission has, therefore, directed that vigilance functionaries should always be full-time employees of the organisation and in no case a retired employee should be appointed as a consultant to perform vigilance

functions. If there is not sufficient vigilance work for a full-time functionary, the organisation may entrust him some other work in addition to vigilance work.

[CVC's Instruction No. 3(V)/99/12 dated 14.08.2000]

(h) **Suspension of public servants involved in criminal/ departmental proceedings:** There have been many instances where senior officials, who had been trapped or were alleged to have disproportionate wealth, or who were facing charge-sheets on other serious charges, had not been suspended. Such employees, if not suspended, manage to get their inquiries delayed because it enables them to continue in service even though the charges against them may warrant the punishment of dismissal from service. The Commission was, therefore, of the view that the officers facing criminal/departmental proceedings on serious charges of corruption should be placed under suspension as early as possible and their suspension should not be revoked in a routine manner. It has, therefore, directed that the existing instructions on suspension should be followed strictly. It has also directed that if the CBI recommends suspension of a public servant and the competent authority does not propose to accept the CBI's recommendation in that regard, the matter may be referred to the Commission for its advice. It has also directed that if a person has been suspended on the recommendation of the CBI, the CBI may be consulted if the administrative authority proposes to revoke the suspension order.

[CVC's Instruction No. 000/VGL/70 dated 25.09.2000]

7.5 LEGISLATIVE/POLICY MEASURES RECOMMENDED BY THE COMMISSION:

7.5.1 Enactment of Corrupt Public Servant (Forfeiture of Property) Act:

The Commission had observed that the corruption in our country had flourished because it was considered to be a "Low risk, High profit" business. The great lacuna in our present system is that even if a person is found to be corrupt and is punished, he continues to enjoy the benefits of ill-gotten wealth. It was, therefore, considered that an Act, which could provide for confiscation of ill-gotten wealth, was the only solution in the circumstances. Therefore, the Law Commission drafted a report captioned as "Corrupt Public Servant (Forfeiture of Property) Act". The final report on the proposed Act was submitted by the Law Commission to the Government in February 1999. The report was laid on the Tables of Lok Sabha and Rajya Sabha on 27th and 28th October 1999 respectively and thereafter a copy of the said report was forwarded to the Department of Personnel & Training for implementation, being the nodal authority. In March 2000, the Commission requested the Department of Personnel & Training to accord priority for enacting the legislation, and if that could not be done in the on-going session, an Ordinance could be issued after the session was over. Nothing however, has been done so far and the matter is reported to be pending consideration with the Department of Personnel & Training.

7.5.2 Benami Transaction Prohibition Act, 1988:

The Government of India had passed a Legislation in 1988 to prohibit benami transactions and the right to recover property held benami and for matters connected therewith and incidental thereto. The implementation of the Act, however, is held up for

formulation of rules under Section 8 of the Act and declaration/notification of the authority for exercising the powers to acquire such properties under Section 5 of the Act. The Central Vigilance Commissioner requested the Secretary (Revenue) on 07.01.1999 to prescribe the Central Vigilance Commission as the authority to implement the aforesaid Act. The response from Secretary (Revenue) is still awaited despite reminders.

7.5.3 Whistle Blower's Act:

The CVC took up the matter with the Chairman, Law Commission of India on 24.08.1999 indicating the need for a Whistle Blower Act on the lines of UK and US to encourage honest public servants to expose corrupt practices. The response is awaited.

7.5.4 Freedom of Information Act:

The CVC took up the matter with the Cabinet Secretary and the Secretary (Personnel) on 15.09.1999, to bring in greater transparency in the system. The Ministry of Personnel, Public Grievances & Pensions reported the Commission on 30.11.1999 that the matter was receiving active attention of the Government and a Bill in this regard was likely to be placed before Parliament in near future.

7.5.5 Prevention of Money Laundering Bill, 1999:

The United Nations General Assembly in its Special Session held on 08-10th June 1988 had called upon the members to adopt National Money Laundering Legislation & Programme. Money laundering is a phenomenon whereby illegitimate funds, which are the proceeds of the crime, are made to appear legitimate. Therefore, the Prevention of Money Laundering Bill 1999 has been designed to prevent money laundering and to provide for confiscation of property derived from or involving money laundering and for matters connected therewith or incidental thereto. The Commission has observed as under: -

(i) Clause 3 of the Bill defines the offence of money laundering as under: -

"3. Whoever-

- (a) acquires, owns, possesses or transfers any proceeds or crime; or
- (b) knowingly enters into any transaction which is related to the proceeds of crime either directly or indirectly; or
- (c) conceals or aids in the concealment of the proceeds of crime - commits the offence of money laundering."

The Commission is of the opinion that the above definition does not explicitly bring out the aspects of cleansing the money and the process of placement, layering and laundering. Therefore, the Commission has suggested to the Select Committee of the Rajya Sabha on 29.06.2000 that a new sub-clause (d) may be added to Clause (3) of the Bill as under: -

- "(d) indulges in cleansing of money earned through illegal activities through the process of placement, layering and laundering. Money laundering is the process by which one conceals the existence, illegal

source, or illegal application of income and then disguises or converts that income to make it appear legitimate."

The Commission has also suggested that the Government could alternatively consider adopting the definition of money laundering adopted at the Vienna Convention of 1998.

(ii) To avoid any doubt about double jeopardy in interpreting the scheduled crimes which should come under the definition of money laundering under clause (3) of the Bill with the offences pursued separately under the acts mentioned in the schedule, the Commission has suggested that an explanation may be provided under clause (3) as under: -

"Explanation: The offence of Money Laundering under this Act will be an offence punishable under the provisions of this Act irrespective of the decision taken by the concerned authorities dealing with the various offences mentioned in the Schedule."

(iii) As a measure of precaution that the powers to arrest under clause (18) of the Bill is not misused, the Commission has suggested provision for an Advisory Board which would look into the rationality and confirmation of the action taken of the arrest itself. It is, therefore, suggested incorporation of clause 18-A as under: -

"Clause 18-A: In order to ensure that no arbitrary action is taken and no misuse of powers given to the authorities under clause 18 takes place, the reasonableness of the action taken by the authorities for arrest would be reviewed by an Advisory Board within a period of three weeks from the date of arrest. If the Board does not confirm the reasonableness of the arrest, then the arrested person will be released, forthwith even though the legal proceedings may continue under this Act."

(iv) Part VI may be added in the schedule, which may be titled as Economic Offences exceeding proceeds more than Rupees one crore under (a) The Income Tax Act; (b) The Customs Act; and (c) The Central Excise Act. The exact sections under this act may be included in consultation with the Revenue Department. An explanation may also be added under Part VI that the government may notify from time to time the amount in rupees which has to be exceeded for an economic offence to be brought within the purview of this part.

7.6 Procedural/System Improvements suggested by the Commission in Specific Cases:

The Commission advised procedural/system improvements in some specific cases also. The details thereof are given below: -

Railways

7.6.1 In May 2000, Railway Board referred a case (relating to South Central Railway) wherein the allegation pertained to lapses/irregularities in the matter of sale of fourteen

accident-damaged wagons, which were later condemned for disposal through public auction. According to the Department, the weight of those 14 wagons was assessed initially as 164 MTs: and this assessment was done by a team of three junior officials. Based on this, the total reserve price of the item was fixed at Rs.9.2 lacs. Thereafter, an auction was organised on 21.09.1999: but the highest offer received was Rs. 5 lacs only. Hence, the auction was cancelled and it was held again on 28.09.1999. This time, the price quoted by the highest bidder was Rs.5.01 lacs only. The auction was once again called off and was re-scheduled for 22.10.1999. And on this (3rd) occasion, the highest bid came to Rs.6.10 lacs only; and hence the auction was again put off.

Since the highest bid was far below the reserve price in all the three rounds, a Senior Officer carried out an inspection of the materials himself and re-assessed the weight as 127 MTs and re-fixed the reserve price at Rs.7.25 lacs. The material was accordingly again put to auction on 28.10.1999 and this time, the sale was finalised in favour of the highest bidder who quoted Rs.7.75 lacs.

As against the above, Vigilance, which investigated the matter independently, has come to the conclusion that the correct weight of the material should have been 157.15 MTs and the reasonable or reserve price Rs.8.8 lacs.

The kind of differing views, as noted above, of various officials within the department indicated, obviously, that there was no fool proof, objective and scientific mechanism to arrive at the correct/exact weight of such materials and, further, that an element of subjectivity was involved even in the matter of fixing reserve prices. It was also noticed by the Commission that the job of assessing the weight of damaged wagons and of fixing reserve price thereof was left to the discretion/judgement of a team of junior (non gazetted) officials - and that not even a single officer of gazetted level is associated with this exercise. The Commission has, therefore, suggested to the Railway Board that ideally the team should consist of officials of sufficiently senior level belonging to the given disciplines and that, in any case, the team should be headed by a senior gazetted officer.

Railways

7.6.2 In July 2000, Railway Board sought the Commission's advice in a case relating to alleged irregularities in the matter of engagement of Gangmen, in 1996, in Adra Division of South Eastern Railway. The Gangmen were engaged for the work of track maintenance during the monsoon season, on a purely temporary basis, for a maximum period of 119 days. After the selection process was over, a couple of complaints were received by the department alleging favouritism and other malpractices in the selection. Although no serious irregularities could be detected or substantiated in the course of vigilance investigation into the matter, it was seen that certain procedural lapses had indeed been committed while processing the applications and finalising the selections. The department have stated, in this context, that these lapses were attributable, inter alia, to the fact that the time available for completing the selection process was too short as the sanction of the competent authority for engagement of temporary Gangmen was received only on 01.06.1996 and the men were to be engaged within a period of one month or so. Moreover, the number of applications/candidates also was very huge. While, no doubt, there was merit in this explanation, yet observing that recruitment of extra Gangman on temporary basis for track

maintenance work during the monsoon period was a regular phenomenon, the Commission further observed that it should be possible for the department to evolve a proper system/procedure for such recruitments so that selections are made in as fool proof a manner as possible and scope for irregularities/malpractices is minimised, if not eliminated. The Commission has, therefore, suggested to the department that while drawing up a panel in a particular season/year, the Selection Committee may be permitted to short list as many eligible candidates as are available - i.e. without restricting the panel to the number of actual/notified vacancies. This panel could be kept alive and operated in the subsequent years also. And when the panel is about to exhaust, the process of drawing up a fresh panel can be initiated and finalised leisurely. In other words, it was not necessary to repeat each time/year the entire exercise of notification of vacancies, receipt/scrutiny of applications, conduct of recruitment tests, short listing of candidates etc., more so when the recruitments are purely temporary and ad-hoc. It was also necessary, that requirement of additional labour is assessed sufficiently in advance so that adequate time is available to all concerned to initiate and finalise the selection proceedings in a proper and systematic manner.

Railways

7.6.3 In a complaint against a senior officer of South Eastern Railway, it was alleged, inter alia, that the officer was being allowed certain officials perks/facilities at two stations simultaneously. It was found during investigations that this allegation was at least partly true to the extent that the officer had indeed been provided with transport and telephone facilities at two places simultaneously. However, this was justified by the department on the ground that all this was being done in the interest of work, i.e. as a functional requirement. At the same time, the department also has conceded that it was not desirable from the angle of propriety, financial prudence etc. Department have also stated, therefore, that the special dispensation shown to the officer is being withdrawn.

While going through the department's report, it was noted by the Commission that this particular officer was not the only one who was enjoying such "double" or "dual" facilities and that he was apparently only one of the many officers who have been extended facilities like official residential accommodation, vehicles, telephones etc. at two different stations simultaneously. In the Commission's view, even if there might have been some degree of justification for this in the beginning or for a brief while, there was no justification for continuing/allowing the officer to enjoy such facilities indefinitely. The Department was, therefore, advised to review all such cases urgently with a view to taking a decision about continuation or otherwise of such dual facilities being enjoyed by the officers concerned.

Department of Telecommunication [DOT]

7.6.4 A complaint was received in the Commission citing an instance of demand of bribe for providing a new phone connection. The suspected officials targeted another employee as the informant and managed to get the later transferred out. An event of this nature brings to the fore the need for transfer of corrupt officials and implementation of a rotation policy. DOT was advised in August 2000 to evolve a suitable transfer/rotation policy while keeping in view the special problems and other factors peculiar to the department. However, nothing has been heard in the matter so far.

CHAPTER - 8

FUNCTIONING OF DELHI SPECIAL POLICE ESTABLISHMENT (CENTRAL BUREAU OF INVESTIGATION)

8.1 The Hon'ble Supreme Court of India in the case - Vineet Narain & others Vs. Union of India & another [Writ Petition (Criminal) Nos. 340-343 of 1993 decided on 18.12.1997] had directed, inter-alia, as under:-

"The CVC shall be responsible for the efficient functioning of the CBI. While Government shall remain answerable for the CBI's functioning, to introduce visible objectivity in the mechanism to be established for overseeing the CBI's working, the CVC shall be entrusted with the responsibility of superintendence over the CBI's functioning. The CBI shall report to the CVC about cases taken up by it for investigation; progress of investigations; cases in which charge sheets are filed and their progress. The CVC shall review the progress of all cases moved by the CBI for sanctioning of prosecution of public servants which are pending with the competent authorities, specially those in which sanction has been delayed or refused."

8.2 The Hon'ble Supreme Court had also directed in the aforesaid case that the statutory status should be conferred upon the Central Vigilance Commission. In order to comply with the Supreme Court's directive, the President of India promulgated the Central Vigilance Commission Ordinance, 1998 (Ordinance No. 15 of 1998) on 25.08.1998, which was re-promulgated on 08.01.1999. The Ordinance empowered the Central Vigilance Commission to - (a) exercise superintendence over the functioning of the DSPE insofar as it relates to the investigation of offences alleged to have been committed under the PC Act 1988; (b) to review the progress of investigations conducted by the DSPE into offences alleged to have been committed under the PC Act 1988; and (c) to review the progress of applications pending with the competent authorities for sanction of prosecution under the PC Act 1988. Since the CVC Ordinance, 1999 was to expire on 05.04.1999, the Central Government resolved on 04.04.1999 that the Central Vigilance Commission constituted under the Ordinance would continue to discharge its duties and exercise its powers under the Resolution which shall come into operation immediately after the expiry of the ordinance. Thus, the Commission continued to perform its duties in exercising superintendence over the functioning of the CBI as indicated below.

8.3 **REVIEWING PROGRESS OF INVESTIGATIONS:**

The Central Vigilance Commission held ten meetings with the Director, CBI during the year 2000. In those meetings, the progress of individual cases pending investigations against senior officers of the Central Government, senior executives of the public sector enterprises and the political leaders was reviewed and necessary directions given to the CBI, wherever necessary. The Central Vigilance Commission also reviewed the status of those cases in which the CBI had recommended prosecution of public servants for commission of offences under the PC Act but launching of prosecutions was pending for

want of sanctions from the competent authorities, so as to get the matters expedited. In these meetings some vital issues also came up for consideration. These are discussed below: -

(i) **Special Courts For Anti-Corruption Cases:**

While reviewing the progress of anti-corruption cases during the year 1999, it was observed that a large number of cases, filed by the CBI, were pending trial in various courts. It included 109 cases, which were pending for more than 20 years. The Central Vigilance Commissioner had, therefore, requested the Chief Justices of the concerned High Courts to look into the matter. The Commission, in association with the CBI, had also made an attempt to identify the number of Courts of the Special Judges/Magistrates required to handle the CBI cases. As a result of that review, the Central Vigilance Commissioner had requested the concerned Chief Secretaries to set up 30 more courts of Special Judges and 26 more courts of Magistrates. The Commission has now put up on its web-site the age-wise pendency of CBI cases, pending trial in different courts for commission of offences under the PC Act. This information is updated periodically.

(ii) **Registration of cases against the Central Government Employees posted in States' territories:**

It was observed that the CBI, in terms of Section 5 of the Delhi Special Police Establishment Act, could not exercise powers in the areas other than the Union Territories or Railways, unless its powers and jurisdiction are extended by the Central Government to other areas. Thus, if the CBI proposes to register a case against a Central Government employee, posted in the territory of a State, the consent of the concerned State Government is required. While some of the State Governments have given blanket consent to the CBI to register cases against the employees of the Central Government and its public sector undertakings posted within their territories, the consent of the State Governments in some States, like Karnataka, will have to be obtained by the CBI on case to case basis. Such consents sometimes take unduly long time. The Central Vigilance Commissioner has, therefore, taken up the matter with the Chief Minister of Karnataka to give blanket consent to the CBI for registration of cases against the Central Government employees and employees of Central Public Sector Enterprises, posted within the territory of that State, on the lines of such consents given by other State Governments.

8.4 **WORK DONE BY THE CENTRAL BUREAU OF INVESTIGATION:**

- (a) **Registration of cases:** During the year 2000, the CBI registered 1116 cases. Out of these, 962 cases were against public servants. It included 555 cases against gazetted officers involving 934 officers.
- (b) **Investigations conducted by the CBI:** During the year 2000, the CBI handled 2689 cases including those carried over from the previous years. Out of these, 634 cases have been sent for trial and 283 cases have been reported for departmental action. The remaining cases are either still under investigation or have been dropped.

- (c) **Cases sent for trial:** 774 public servants were prosecuted, including 416 of Gazetted rank, during the year 2000.
- (d) **Conviction:** 509 cases, filed by the CBI in various courts, were decided during the year 2000. Of these, 326 cases ended in conviction, 132 cases ended in acquittal/discharge and 51 cases were otherwise disposed of. Leaving apart the cases otherwise disposed of, the percentage of conviction during the year 2000 was 71.2%. The convictions included 102 officers of gazetted status.
- (e) **Departmental Punishments:** 656 departmental proceedings were concluded during the year 2000. Of these, 514 (i.e. 84%) resulted in punishment.
- (f) **Savings:** On the basis of cases and reports made by the SPE in courts or before departmental authorities, savings to the Government have been effected during 2000, as under:-
- | | | |
|------|--|-------------------|
| (i) | Total fines imposed by Courts | Rs.1,00,79,700.00 |
| (ii) | Recoveries from public servants
(Departmental Action cases) | Rs. 52,476.00 |
| | TOTAL | Rs.1,01,32,176.00 |

CHAPTER - 9

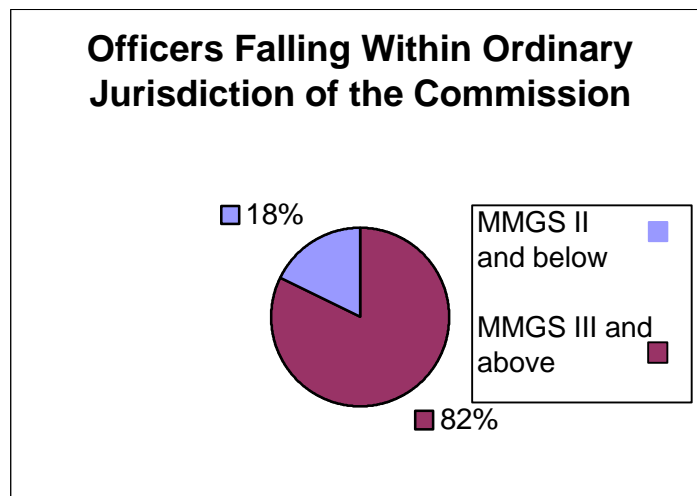
A CRITICAL ANALYSIS OF THE CASES REFERRED TO THE COMMISSION BY PUBLIC SECTOR BANKS DURING 1999

INTRODUCTION

9.1.1 The Commission carried out a critical analysis of the cases referred to it by Public Sector Banks during the year 1999. The scope of the study was confined to: -

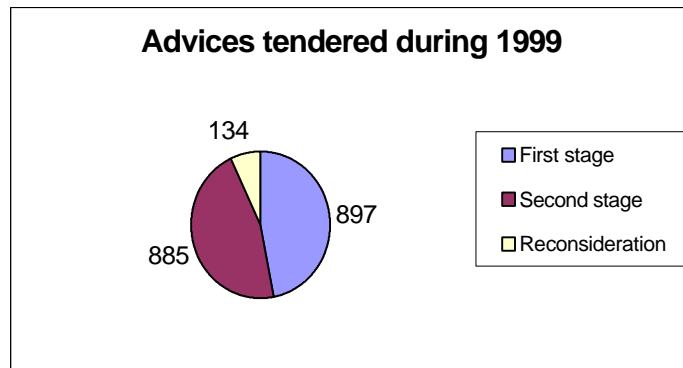
- (a) ascertaining the nature of lapses committed by Bank managers;
- (b) the view taken by the Commission in respect of such lapses; and
- (c) the inferences and conclusions that can be drawn.

9.1.2 The Commission exercises its jurisdiction over the officers of the rank of Scale III and above in the public sector banks. This comprises 18% of the total officers in the public sector banks.



METHODOLOGY

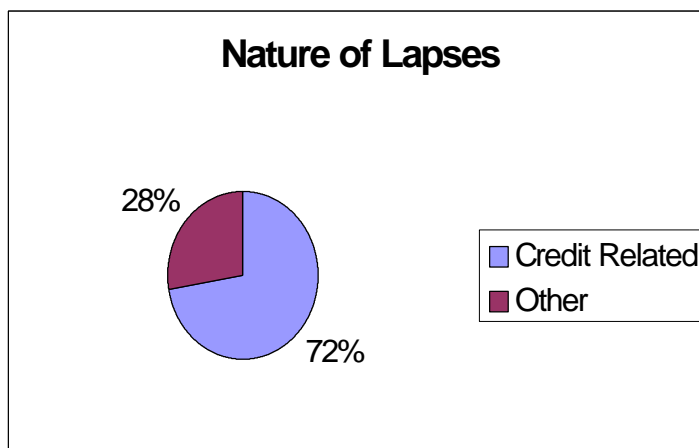
9.2.1 In all, the Commission received and tendered advice in 1916 cases pertaining to public sector banks during 1999. This included 897 cases for first-stage advice; 885 cases for second-stage advice; and 134 proposals for reconsideration.



The following classification was adopted for categorisation of lapses:

- (a) Pre Sanction
- (b) Post Sanction
- (c) Both (a) & (b)
- (d) Kite Flying
- (e) Merchant Banking
- (f) Miscellaneous

9.2.3 Categories (a) to (c) relate to credit. Categories (d) to (f), on the other hand, relate to other lapses. The information thus collected from each file was collated and analysed. It was also sought to be correlated with other performance indicators. 72% of the cases referred to the Commission were credit related, while 28% cases related to other lapses.



ANNEXURES

9.3 Information collected by the investigators bankwise, can be seen at Annexures XVI to XXII to this Report:

9.3.1 Annexure XVI deals with certain select performance indicators and also provides information as to the details of employee strength of various banks.

9.3.2 Annexure XVII presents statistical information with regard to the first stage and second stage advices tendered by the Commission to different banks. It also indicates the proposals received for reconsideration.

9.3.3 Annexure XVIII indicates the nature of the lapses noticed in respect of each Bank.

9.3.4 Annexure XIX details information about the action recommended by the Commission for initiation of major/minor penalty proceedings at the first stage or imposition of major/minor penalty at the second stage.

9.3.5 Annexures XX & XXI provide statistical details about the percentage of cases involving commission of serious misconduct warranting initiation of major penalty proceedings or imposition of major penalty and also includes the percentage of cases with respect to each bank in which the Commission agreed with the bank on reconsideration.

9.3.6 Annexure XXII reveals details of:

- (a) Number of officers of each Bank as a percentage of the total statistical population falling within the Commission's ordinary jurisdiction.
- (b) Bankwise comparison of the number of advices issued as a percentage of total advices issued for all banks.
- (c) Credit related lapses noticed in respect of each Bank as a percentage of total number of lapses noticed for the year.

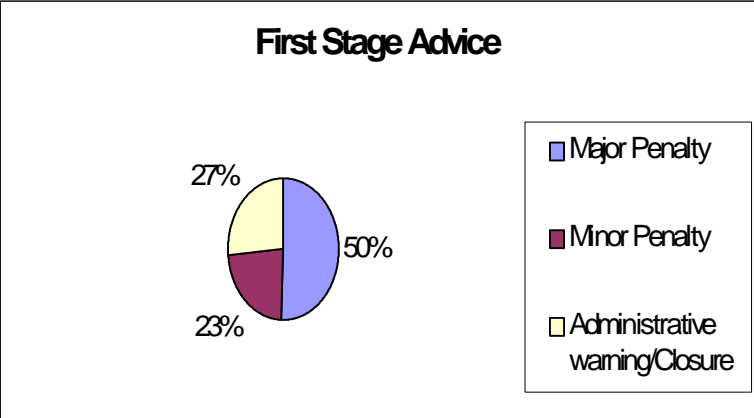
FINDINGS

9.4 The findings emerging from this study are as follows:

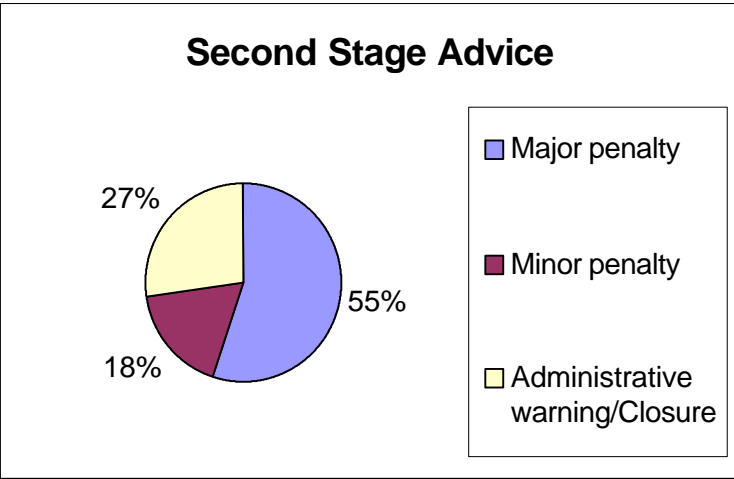
- (a) The officer population falling within the ordinary jurisdiction of the Commission is only 18.47% (44,525 out of a total of 2,41,120 officers). Further limiting the jurisdiction of the Commission may prove counter-productive (Annexure XVI).
- (b) The study reveals a lot about the major lapses typically committed by managers: As expected, 72% of the lapses

were found to be credit-related. This figure is interestingly also correlated to the size of the Banks and the strength of their systems. Where systems and procedures are well documented, the percentage of credit related lapses is comparatively smaller. On the other hand, where such systems are not well laid down, the percentage is larger. The range will be seen to vary from about 42.86% in the case of Corporation Bank and 67.35% in the case of SBI to about 84.13% in the case of Punjab & Sind Bank (Annexure XVIII).

- (c) Failure to carry out a pre-sanction appraisal in accordance with the rules figures in about 60% of the cases. Lapses relating to disbursement of credit facilities and post sanction follow up, on the other hand, account for 50% of the irregularities noticed (Annexure XVIII).
- (d) Prevalence of such fundamental errors appears for the most part to indicate poor credit skills on the part of the managers concerned. In some cases, the lapses could also be attributed to explicit lack of integrity. Overall, the lapses appear to indicate considerable room for improvement in credit management systems of Banks. Both better training and more professional supervision could play an important role for effecting improvements.
- (e) Indeed, introduction of greater professionalism may lead to fewer errors than currently being reported. To that extent, there does not appear to be any conflict between strategies for preventive vigilance currently being urged by the Commission and sound credit management policies supported by professional appraisal and follow up systems being advocated by the Banks.
- (f) The Commission tendered advices, in all, in 1916 cases: 897 at the first stage, 885 at the second stage and 134 on proposals for reconsideration (Annexure XVII).
- (g) At the first-stage the Commission advised major penalty proceedings in 50% of the cases, minor penalty proceedings in 23% cases and administrative warnings or closure in 27% cases (Annexure XX).



- (h) At the second stage, the Commission advised major penalty in 55% cases, minor penalty proceedings in 18% cases and administrative warning/closure in 27% cases (Annexure XXI).

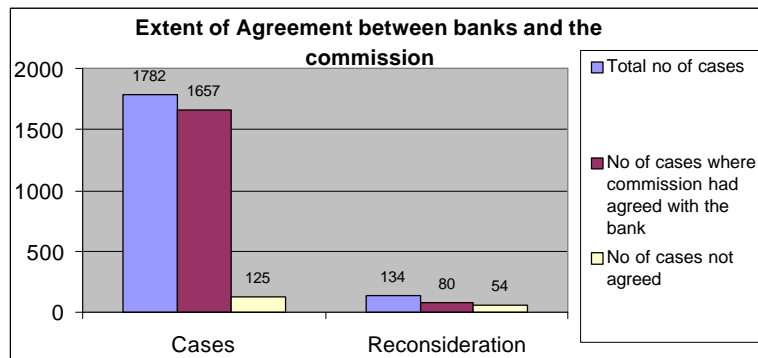


- (i) Overall, the first and second stage advice cases taken together appear to show that out of every 100 cases coming before it, the Commission would advise major penalty proceedings in 28 cases, minor penalty proceedings in 32 cases, administrative warning/exoneration in 40 cases.

These figures reveal that a person is not damned the moment his case is referred to the Commission. There is at least a 40% chance that his case will end in administrative

warning or closure, 28% chance that it would end in the imposition of a major penalty and a 32% chance that it would end in the imposition of a minor penalty. These statistics appear to indicate a very fair and objective approach on the part of the Commission to the cases that were referred to it.

- (j) This approach is also reflected in the Commission's policy for reconsideration. The number of first stage references (897) was roughly equal to the number of second-stage references (885). Together, these total up to 1782. Out of this, 134 cases came up for reconsideration. In the first instance itself, with regard to the aforesaid 1782 cases, the Commission agreed with the Banks in 93% cases. Again, out of the cases, which came for reconsideration, the Commission agreed with the Banks in 60% of the cases. The overall agreement between the Commission and the Banks, was thus, roughly of the order of 97% (Annexure XX & XXI). This is reflected by the following graph: -



- (k) Can this large area of agreement be construed to indicate the redundancy of the consultation mechanism? This would be a gross misinterpretation as the Commission is expected to ensure and indeed does maintain uniformity of standards, objectivity and fairness. It also imparts a certain externality to the vigilance systems of Banks. Its role is analogous to that of an external examiner in a university examination. All the scripts of an examination could be evaluated by an internal examiner. The role of the external examiner is only to impart credibility to the system by minimising the possibility of bias.

CONCLUSIONS

9.5.1 These inferences are not without significance. When the CVC brought out its Special Chapter on Vigilance Management in Public Sector Banks, it was quite aware of the reported fear psychosis amongst bankers on account of 'vigilance'. One of the purposes behind that exercise was to allay all genuine fears and provide some measure of comfort to managers for the discharge of

their commercial functions. The Commission addressed the problem in para 5 of the Chapter. It observed:

"As in all organisations, vigilance activity in financial institutions is an integral part of the managerial function. The raison d'etre of such activity is not to reduce but to enhance the level of managerial efficiency and effectiveness in the organisation. In banking institutions risk-taking forms an integral part of business. Therefore, every loss caused to the organisation, either in pecuniary or non-pecuniary terms, need not necessarily become the subject matter of a vigilance inquiry. It would be quite unfair to use the benefit of hind-sight to question the technical merits of managerial decisions from the vigilance point of view..."

9.5.2 The present study further shows that the psychosis, if it exists at all, is without basis; first, only 18.47% of the officers appear to come within the Commission's jurisdiction (44,525 out of 2,41,120 officers). The number of individuals whose cases were reported during 1999, works out to a paltry 2.08%. Out of this figure, the number of officers who may reasonably be expected to end up with a major penalty would be only about 251 or about .58% of the statistical universe. This is surely too small a figure for creating any psychosis.

9.5.3 Secondly, the Commission tendered advice in only those cases where the Banks concerned were themselves convinced that lapses had occurred. The Commission's role was limited to tendering advice.

9.5.4 Finally there was an overall agreement to the extent of 93% between the Commission and the Banks on the further course of action to be taken. 134 cases were referred back to the Commission for reconsideration; the Commission agreed to the Bank's point of view in 60% of these cases. After such reconsideration proposals, there appeared to be 97% agreement between the Bank and the Commission as to the future course of action to be adopted.

9.5.5 These facts do not appear to suggest that the Commission has been over-zealous in the performance of its functions or interfered in the commercial decision-making of banks. It is, however, concerned, as the Banks themselves should be, over the lack of professional skills reflected in the cases that were referred to it.

ANNEXURES

ANNEXURE - I
(Para 2.10.1)

**ORGANISATION-WISE DETAILS OF PUNISHMENTS IMPOSED DURING 2000 IN
RESPECT OF CASES WHERE COMMISSION'S ADVICE WAS OBTAINED**

SL. NO.	NAME OF ORGANISATION	PROSE- CUTION	MAJOR PENALTY	MINOR PENALTY	ADMINISTR- ATIVE ACTION
1.	A.I.I.M.S.	0	1	0	0
2.	AIRPORTS AUTHORITY OF INDIA	0	0	1	0
3.	ALLAHABAD BANK	0	16	14	6
4.	ANDAMAN & NICOBAR ADMN.	0	1	0	0
5.	ANDHRA BANK	0	23	15	1
6.	BANK OF BARODA	0	30	14	14
7.	BANK OF INDIA	0	35	26	7
8.	BANK OF MAHARASHTRA	0	17	2	0
9.	BORDER ROADS DEVELOPMENT BOARD	0	5	3	0
10.	BRIDGE & ROOF CO. LTD.	0	0	1	0
11.	BUREAU OF INDIAN STANDARDS	0	3	0	0
12.	C.A.P.A.R.T.	0	1	0	0
13.	C.G.D.A.	0	4	0	0
14.	CALCUTTA PORT TRUST	0	0	1	0
15.	CANARA BANK	0	21	5	0
16.	CENTRAL BANK	0	9	1	1
17.	CENTRAL BOARD OF DIRECT TAXES	2	15	5	1
18.	CENTRAL BOARD OF EXCISE & CUSTOMS	8	31	6	6
19.	CENTRAL PUBLIC WORKS DEPARTMENT	0	6	1	26
20.	CENTRAL SILK BOARD	0	2	0	0
21.	CHANDIGARH ADMN.	0	1	3	0
22.	COAL INDIA LIMITED	0	0	1	2
23.	CORPORATION BANK	0	2	0	1
24.	D.S.I.D.C.	0	0	0	4
25.	D/O ANIMAL HUSBANDARY & DAIRYING	0	2	0	0
26.	D/O ATOMIC ENERGY	0	0	0	1
27.	D/O COMMERCE	1	0	0	0
28.	D/O DEFENCE PRODUCTION & SUPPLIES	0	5	5	0
29.	D/O EDUCATION	0	1	0	0
30.	D/O ENERGY	0	1	0	0
31.	D/O HEAVY INDUSTRY	1	0	0	1
32.	D/O PERSONNEL AND TRAINING	10	1	0	0
33.	D/O SUPPLY	0	1	1	2
34.	D/O TELECOM	0	43	37	7
35.	DAMAN & DIU ADMINISTRATION	3	0	0	2
36.	DELHI DEVELOPMENT AUTHORITY	0	38	62	17
37.	DELHI JAL BOARD	0	6	6	0
38.	DELHI VIDYUT BOARD	0	53	21	4
39.	DENA BANK	0	7	4	0
40.	DREDGING CORP. OF INDIA	0	0	2	0
41.	ELECTRONICS CORPORATION OF INDIA	2	0	0	0

42.	EMPLOYEE STATE INSURANCE CORPN.	0	1	0	0
43.	GOVT. OF N.C.T. DELHI	0	20	4	1
44.	GOVT. OF PONDICHERRY	0	0	3	0
45.	I.I.T.,MUMBAI	0	1	0	0
46.	INDIA TOURISM DEVELOPMENT CORP.	0	0	1	0
47.	INDIAN BANK	0	26	20	0
48.	INDIAN COUNCIL OF AGRICULTURE RESEARCH	0	6	2	0
49.	INDIAN OIL CORPORATION	0	0	4	0
50.	INDIAN OVERSEAS BANK	0	11	4	0
51.	JAWAHAR LAL NEHRU PORT TRUST	0	1	0	0
52.	K.R.I.B.H.C.O.	2	0	0	0
53.	KENDIRIYA VIDYALAYA SANGATHAN	0	1	0	0
54.	LIFE INSURANCE CORPORATION	0	2	1	0
55.	M.M.T.C.LTD.	0	1	0	0
56.	M/O COAL	1	0	0	0
57.	M/O DEFENCE	0	15	9	2
58.	M/O EXTERNAL AFFAIRS	0	2	3	4
59.	M/O FINANCE	0	0	1	0
60.	M/O HEALTH & FAMILY WELFARE	0	1	1	0
61.	M/O HOME AFFAIRS	1	8	2	0
62.	M/O INFORMATION & BROADCASTING	4	2	2	1
63.	M/O ENVIRONMENT & FOREST	0	1	0	0
64.	M/O LAW JUSTICE & COMPANY AFFAIRS	1	1	1	0
65.	M/O POWER	0	1	0	0
66.	M/O RAILWAY	7	182	225	199
67.	M/O SCIENCE & TECHNOLOGY	2	1	0	1
68.	M/O SURFACE TRANSPORT	0	1	1	0
69.	M/O URBAN DEVELOPMENT	0	12	7	25
70.	M/O WATER RESOURCES	0	0	2	0
71.	MANGANESE ORE (INDIA) LTD.	0	0	1	0
72.	MUNICIPAL CORPORATION OF DELHI	0	5	1	5
73.	N.C.C.F.LTD.	0	3	0	0
74.	NATIONAL BUILDING CONST. CORPN.	0	0	1	0
75.	NEW DELHI MUNICIPAL COUNCIL	0	4	1	0
76.	NEW INDIA ASSURANCE CO. LTD.	0	6	0	0
77.	O/O THE C&AG	0	2	0	0
78.	OIL & NATURAL GAS CORPORATION	0	0	1	0
79.	ORIENTAL BANK OF COMMERCE	0	7	3	0
80.	ORIENTAL INSURANCE CO. LTD.	1	4	1	0
81.	PARADEEP PORT TRUST	0	0	1	0
82.	PUNJAB & SIND BANK	0	20	7	2
83.	PUNJAB NATIONAL BANK	5	80	70	17
84.	RESERVE BANK OF INDIA	0	3	0	0
85.	STATE BANK OF BIKANER & JAIPUR	0	1	2	4
86.	STATE BANK OF HYDERABAD	0	5	4	0
87.	STATE BANK OF INDIA	0	172	153	118
88.	STATE BANK OF INDORE	0	3	3	1
89.	STATE BANK OF MYSORE	0	2	29	7
90.	STATE BANK OF PATIALA	0	13	4	0
91.	STATE BANK OF SAURASHTRA	0	1	0	0
92.	STATE BANK OF TRAVANCORE	0	1	1	0

93.	STATE TRADING CORPORATION	0	3	0	0
94.	STEEL AUTHORITY OF INDIA	0	1	0	0
95.	SYNDICATE BANK	0	42	34	9
96.	TUTICORIN PORT TRUST	0	0	3	0
97.	UCO BANK	0	11	7	0
98.	UNION BANK OF INDIA	0	23	15	3
99.	UNITED INDIA INSURANCE CO. LTD.	0	13	0	5
100.	VIJAYA BANK	0	13	1	0
101.	VISAKHAPATNAM PORT TRUST	0	0	3	0
	TOTAL	51	1116	876	507

SOME EXAMPLES OF PRIMA FACIE LAPSES/IRREGULARITIES DETECTED IN THE EXECUTION OF WORKS.

I CIVIL ENGINEERING WORKS

A. GOVERNMENT DEPARTMENT

A.1 CENTRAL PUBLIC WORKS DEPARTMENT

A.1.1 Construction of general pool office building at Sanjay Place, Agra.

Provision of grit plaster on external surface taken in D.E. was changed to sand stone cladding resulting in extra expenditure. Though work was nearing completion, but building plans were yet not got approved from Municipal authorities. Period of publicity for tenders was less than required 21 days. Market rate justification was inflated by taking wastage for aluminium as 10% instead of prescribed 5%. Work was yet to be completed though more than 2-1/2 years were already elapsed after the stipulated date of completion. Many agmt. Items were deviated beyond permissible limit without approval of competent authority. Recovery of excess 42.81 MT of tor steel issued to contractor was not done. Steel windows were of local brand instead of flash butt welded from approved factory. Mandatory tests for RCC cubes, ceramic tiles, marble stone were less than prescribed.

A.1.2 Constn. of 231 dwelling units for MEA at Pappan Kalan, New Delhi (SH: C/O Type IV and V Qrs.).

Ministry of External Affairs sent requisition for Construction of quarters in 1993 but work was physically started by CPWD after a lapse of 5 years. Lowest firm was ignored while appointing structural consultants. Specialised works were not carried out by the specialised agency though specified in contract agmt. Abnormally low rated items were not executed to the stipulated quantities thereby extending undue favour to the agency. Several deficiencies were found in execution of work.

A.1.3 Provision of false ceiling etc. in new display hall No. 12 & 13 at Pragati Maidan, New Delhi.

Against provision of only 37 lacs for the work detailed estimate amounting to Rs. 1.21 crores was sanctioned technically by CE against the instructions contained in CPWD Manual Vol.II. NIT provided for prequalification of manufacturing firms/contractor of repute who have successfully completed work of similar class. This condition resulted in exclusion of specialised firms who are not manufacturer. Response was very poor. All firms prequalified do not fulfil the requisite condition of bid document. Rates adopted in justification are on higher side. Higher element of 25% extra on labour has been taken in justification.

A.1.4 Construction of quarantine plant laboratory building by CPWD for the Ministry of Agriculture at Chennai.

The rates in the tenders have been changed by applying the white fluid for some of the items and the rates have not been written in the words as required; leaving scope for tampering. In terms of the NIT condition, the site was available for work but was handed over to the contractor only after two months of the award of the contract. The stipulated date for completion of the work was 17/1/2000 but at the time of inspection in February, 2000 the progress was only 70%. Sand having silt content of more than 8% has been used, as per the test register. Quite a few items in the agreement have been deviated, some of ALR items have not been executed and some of the AHR items have been executed more than the specified quantity in the agreement which would have resulted in undue advantage to the contractor. One of the items of RCC has been deviated from 230cu. Mtrs. to 1232 cu. Mtrs. and the rates paid were also high. This would have given enormous undue advantage to the contractor. Moreover, it is also noted that rates were not approved by the competent authority for a number of extra/substituted items, which were executed at the site.

A.1.5 Construction of Office-cum-laboratory building for GSI at salt lake, Calcutta.

The rates of rejected tenders have been changed in words and figures by using the white fluid but these have not been written or marked by the tender opening official. The contractor was to construct a sample unit within the specified time as per the contract but this was not complied with. It was stated in the agreement that the glass hollow block is imported item but no bills /vouchers for payment of custom duty etc. were available to establish the import of the item. The use of `wood` is banned in CPWD since 1993 but the same has been used during the execution of the work. The testing of cubes has not been done, as required and no record for receipt of lime was maintained. Similarly, the weight of steel sections for steel windows/ventilators was not checked. The welded steelwork was not tested for the welds as per IS 822. The hindrance recorded in the hindrance register due to non availability of the reinforcement drawings and on account of laying of the electrical conduit, etc. are not acceptable. Similarly, hindrance on account of frequent rain has been mentioned which is not permissible. Against the stipulated date for completion of work in February, 1999 the progress of the work was only 87% at the time of inspection in May, 2000 and no liquidated damages have been levied on the contractor for this delay. The mandatory test checks of hidden items by AE/EE, as per the CPWD Manual were not done. While some of AHR items have been deviated beyond permissible limits; a large number of ALR items were not executed at all- to the financial advantage of the contractor.

A.1.6 C/o additional 63 Nos. Type III Qrs. For Custom & Central Excise Department at Patna.

The bills were to be paid to the agency if the amount of work done since previous bill is more than Rs. 3.64 lakhs. However, few bills were paid even for less amount of work done. Anti termite treatment was not done properly and no record for the same was available at site. Sample unit of the quarter was not constructed though provision existed for the same in agreement. Certain extra/substituted items were ordered on other agencies on exorbitant rates. Testing of GI, CI or SW pipe was not carried out at site.

A.2 PUBLIC WORKS DEPARTMENT(DELHI ADMINISTRATION)

A.2.1 Construction of office building for state Drug Authority at Kar Kar Duma, Delhi.

The work for consultancy was awarded to empanelled firm without competition, resulting in undue favour. The tenders were issued to all the firms who had furnished proof in support of completion of works of specified value. The tenders were issued to firm even though the completed works were not of similar nature. Tower crane of boom length 15m was not deployed at site. The contractor was to engage specialised agency for various items of work on approval of CE/DG(W). No approval of CE/DG(W) was obtained before execution. Large deviation in quantities was observed, which shows that the estimation of the work was not done properly. Cement and steel procured by the contractor were not tested as per contract conditions. No documentary evidence of use of imported glass was produced during inspection.

A.3 DEPARTMENT OF TELECOMMUNICATION

A.3.1 Construction of CTO cum Administrative Building at Kanpur.

The subject work was sanctioned in July'90 but the contract for main building was concluded in July'98, resulting in increase in cost of the project. Bricks with more crushing strength than required were specified resulting in infructuous expenditure. The competition in tendering was inadequate as only two tenderers were prequalified. No effort was made to rationalise rates of AHR items.

A.3.2 Construction of Academic and Administrative Block in RTIC, Maraimalai Nagar, Chennai.

The tenders were issued to tenderer without verifying the eligibility criteria. The rate of issue of steel reinforcement was wrongly specified in few tenders resulting in re-call of tenders and likely escalation in prices. Tenders for supply of anti-termite treatment was concluded beyond the financial powers of the accepting officers. The work of anti-termite treatment was not carried out as per the contract agreement, resulting in undue benefit to contractor. The labour/license was not obtained before commencement of work. Approval of source of aggregate and sand was not accorded by the competent authority. The work has been delayed due to delay in supply of structural drawings and laying of conduit by electrical contractor. The test check of measurements was not carried out as per stipulation in manual.

A.3.3 Construction of Administrative building at Sector 34-A, Chandigarh.

The quantities stipulated in the tender documents were at variance than quantities in NIT/Technical sanction. Dated initials to overwritings/insertion were not endorsed by the opening officers. Certain items not authorised to be measured were measured and paid, resulting in overpayment to the contractor. Rates of extra items were not finalised as per the stipulation of agreement, resulting in undue benefit to the agency. Tender sale register was not maintained.

A.4 ANDAMAN AND NICOBAR ADMINISTRATION

A.4.1 Extension of runway at Port Blair (SH: Earth Work).

The prequalification criteria stipulated in tender documents was not followed while awarding the work. The work was awarded to a contractor who was not eligible for the tender. The rates entered in comparative statement of one tenderer were different than those

quoted by him. The completion of work has been unduly delayed but no action against the agency was taken. The condition of utilisation of mobilisation advance on the subject work was not enforced. It was planned to use the available excavated earth in filling portion but the item of filling earth in embankment was deleted and same carried out through other agency by changing the scope of earth available from site excavation to be brought by contractor from other source. Large deviation in agreement has resulted in change in position of L-1 to L-2. Recovery of mobilisation advance has not been made as per contract conditions.

A.4.2 Extension of runway at Port Blair (SH Pavement).

The specification in technical sanction were not drafted properly. The prequalification criteria was not properly drafted resulting in different interpretation by different officers. The firm to whom work was awarded was not eligible for the subject work. Market rate justification prepared appears to be inflated. Recovery of mobilisation advance has not been made as per contract provision, resulting in undue benefit. The available earth from excavation was not used for embankment and also no disposal was furnished. The bitumenous macadam course was not covered by wearing course/seal coat before allowing traffic. Testing of material was not carried out as per contract agreement.

A.4.3 Extension of runway at Port Blair (SH: New Culvert and Wing walls).

Wide publicity was not given for the notification of invitation of tenders. The criteria stipulated in CPWD Manual for prequalification of contractors for the work was not followed. Tenders were accepted by obtaining large rebate from L-1 tenderer which shows poor competition in tendering. The completion of work was delayed but no action was taken against agency for the same. Extra items not authorised to be paid were sanctioned, resulting in undue benefit to the contractor.

A.4.4 Construction of Diversion of road from school line to Bhatu Basti at Port Blair.

Wide publicity for notification of invitation of tenders was not given. The criteria stipulated in CPWD manual for selection of contractor was not followed. Market rate analysis prepared to justify the tenders appears to be inflated. The completion of work was delayed but no action against the agency for delay in completion was taken. Labour license was not obtained before commencement of work. Stores for which no provision existed in agreement were issued to the contractor. No compliance to instructions given through site order book was recorded. Water used for construction was not tested. Testing of materials used in work was not done as stipulated in agreement.

A.5 RAILWAYS

A.5.1 C/o 68 units type qrs. and various structures such as septic tank, over head tank road work etc. at GADJ & GTJT.

Payment of escalation made is not as per provision of agmt. Extra item of Rs. 18.71 lacs have been paid due to major variation in foundation which indicates that estimate was not properly prepared. L.S. Payment has been made for earth filling which is not regular.

A.5.2 Construction of officers quarters (Type V) by Southern Railway, at Sterling Road, Chennai.

Instead of advertised tenders, mode of limited tendering was resorted to. Due to intervention of the Chennai High Court, tenders were issued to two contractors in addition to the list decided by the Railway. Further, no pre-qualification criteria was adopted which is normally done in the case of such civil engineering contract. In contravention of the CVC's instructions for conducting negotiations only with L1, the same was conducted with all the eligible contractors. The stipulated date of completion of work was September, 1999 but the progress of work; even at the time of inspection in February, 2000 was only 80%. A separate item for granite slab cladding with under layer of plastering has been specified in the contract. However, plastering has also been covered in lump-sum contract, resulting in extra payment. The registers for maintaining the site records were not authenticated by the competent authority. The requisite tests for mosaic tiles, lime, fine and coarse aggregates, flush door shutters, ceramic tiles and bricks, etc. have not been carried out. Further proper records showing day to day receipt and consumption of materials have not been maintained. There were lot of cuttings and over writings without any attestation in cement register which is not permitted. No test checks have been done by the senior officials regarding consumption of materials and quality of execution of the work. Steel reinforcement has been paid taking standard unit weight coefficient but the actual unit weight was lesser than the standard. Moreover, the contractor has purchased the steel reinforcement from the local manufacturers instead of SAIL/TISCO, as specified in the contract.

A.5.3 Construction of Type II staff quarters in Madras Ayanavaram Area of Southern Railway.

Instead of calling advertised tenders, limited tendering was resorted to and no pre-qualification of contractors was done. Moreover, negotiations were conducted with all the eligible contractors, in contravention of CVC's guidelines. The stipulated date for completion of the work was August, 1999 but the progress at the time of inspection in February, 2000 was only 65%. The Railway is using SOR of 1990 but specification of 1969. A number of new materials are now available in the market which have not been included in the specification /SOR. The contractor has used non-standard size of WC which is also non ISI as no size has been mentioned in the agreement. Similarly, the size of taps and other fittings along with weight has not been specified in the agreement and it is not clear as to what criteria was adopted for accepting the same. The registers for site records are not authenticated. No test report was made available during the inspection for the quality of fine and coarse aggregates, tiles, anti-termite chemicals, flush door shutters and each lot of steel reinforcement, etc. It was also noted that proper records indicating day to day receipt and consumption of materials showing their brand and quantity and voucher numbers, etc. have not been maintained. A number of cuttings, overwritings without attestation, were seen in the cement register which is not permitted. No test check has been done by senior officials to ensure the quality of materials and execution of work at site. Though design mix has been specified in the agreement but volumetric mix has been followed at site.

A.5.4 Works for execution of earth work and other allied jobs between Cuttack and Nergundi Station of South Eastern Railway.

The tender was accepted at 26% below the estimated cost of 1.99 crores, which indicates that the estimate was prepared on inflated rates, it was higher than even the market rate justification prepared subsequently. The frequency for testing of earth, sand, moorum and blanketing material, etc. has not been specified in the contract. Adequate tests have not been carried out for these materials. The work for doubling of this portion was of very urgent nature and stipulated date of completion of work was 28th February, 1999 but the present progress of the work at the time of inspection was only 90%. The work has been abnormally delayed but no liquidated damages seem to have been levied on the contractor. The register for site records were neither page numbered nor pages were certified/authenticated by the competent authority. No hindrance register was maintained and thus, the reasons for the abnormal delay of more than a year were not available. The payment of Rs. 46, 269/- has been made on account of dewatering which is not permissible as the contractor has to bail out water wherever required at his own cost as per the agreement. No test check has been carried out by the Dy. CE for the detailed as well as the lumpsum bills. A lot of items been deviated abnormally and two items have not been operated at all.

A.5.5 Earth work and other allied jobs between Km. 465 to Km. 469 for doubling on Cuttack Paradeep Sector of South Eastern Railway.

The contract was awarded at a total value of Rs. 1.42 crores which is 1.47% below the estimated cost but in the subsequent call of another tender in the other section on the same Railway; the rate accepted was 26% below the estimated cost. Thus, the accepted rates in this contract seem to be on the higher side. The Railway had not deducted the royalty to be paid by the contractor to the State Government for materials used, as per contract conditions. The frequency for testing of earth, sand, moorum, blanketing material, etc. has not been specified in the contract. Only one test for this had been carried out, which is grossly inadequate for the huge quantity of material used. The work awarded- for doubling the capacity of the existing line was of very urgent nature. However, against the stipulated date of completion of the work in June, 1997, the present progress in April, 2000 was only 97%. The work has been abnormally delayed but no penalty seems to have been levied. Against the minimum compaction of 98% required as per the agreement, the compaction less than 98% has also been accepted, as recorded in the compaction register. The hindrance register has not been maintained despite there being abnormal delay in completion of the work. Surprisingly, while considering the case for EOT, the contractor has been issued a certificate, absolving him of responsibility for delay in execution of the work- to the detriment of the Railway.

A.6 DEPARTMENT OF ATOMIC ENERGY

A.6.1 Construction of 100 flats of Type II at Anushakti Nagar Mumbai.

It was noticed that no criteria was specified for minimum value of single work completed and the annual turnover amount in the NIT. The lowest tenderer viz. M/s. Thakkar Associates who had been pre-qualified were, after the opening of the tenders rejected on the plea that they did not have enough experience and had a turnover of only Rs. 95 lakhs which is not enough for two tenders with estimated cost ranging from 2.51 crores to 3.81 crores where they were lowest. The contract for one work costing Rs. 2.25 crores for Type III C flats was still placed on M/s. Thakkar Associates and the second contract for Type II B flats was awarded to M/s Vatan Singh & Co. at negotiated amount of Rs. 2.57 crores although their offer was L-2 and higher by about 22 lakhs vis-à-vis offer of M/s. Thakkar Associates. It was observed during inspection that the brands of various materials mentioned in the

agreement were changed during execution possibly to the advantage of the contractor. Against the stipulated date for completion of work in January, 2000, the progress at the time of inspection in March, 2000 was on 70%. A lot of discrepancies were noted in the quality of materials and the steel used in execution of work.

B. BANKS, INSURANCE COMPANIES AND FINANCIAL INSTITUTIONS

B.1 State Bank of India

B.1.1 Construction of 120 flats for officers at sector D/S Aliganj, Lucknow.

Work was initially sanctioned in 1993 at a total cost of Rs. 3.74 crores which was subsequently revised to Rs. 4.91 crores and approved by SBI board in 1997. Delay of more than 4 years, led to a cost over run of more than one crore. Consultants for the work were appointed in an adhoc and arbitrary manner. Their performance was not adequate and satisfactory. Earnest money amount of Rs. 25000 was extremely inadequate for the tender valuing Rs. 4.6 crores. Structural design of building was apprehended to be unsafe. Completion of work was delayed abnormally which will result in cost over run. Lime terracing work done over roofs was of poor quality.

B.2 State Bank of Patiala

B.2.1 Interior works at State Bank of Patiala H.O. Building at Patiala.

Detailed estimate was prepared in arbitrary manner in respect of quantities and rates of various items. Appointment of consultants were made on ad hoc basis disregarding directives issued by Commission. Works were awarded to various contractors in an arbitrary manner without formal letter of award and written agmt. No market rate justification to assess the reasonableness of rates were prepared though the consultants engaged were obliged to do the same. Due to improper planning of works, infructuous expenditure to do the tune of Rs. 82000 have been incurred. Secured advances were paid to the contractors without tender provisions. Several deficiencies were observed in the execution of work.

B.3 Union Bank of India

B.3.1 Construction of Executive Hostel/Principal's Bungalow/ Alteration to Dining Hall at Staff college campus, Bangalore.

The subject work was sanctioned in August 1993 but the contract was awarded in September , 1998 resulting in escalation of cost. The criteria for short listing of Architect does not seem to be transparent as after short listing of 18 firms, only 4 firms were prequalified without verification of their performance. No time schedule for various activities was specified in the agreement with the Architect . The contractors were short listed arbitrarily as 18 firms located in or around Bangalore were not empanelled even though most firms had enough experience for prequalification. Over writings/cuttings/Insertion in tenders were not certified by the opening officers. Large variation was observed in the quantities, which shows that the estimates were not properly prepared by the Architect. MBs were not bound but were maintained in loose form.

B.4 NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

B.4.1 Interior furnishing at Bankers Institute of Rural Development, Lucknow.

The detailed estimates prepared by consultant were not scrutinised and estimates were not technically sanctioned by the competent authority. Formal NIT has not been prepared and kept on record. A long period of more than 15 months was taken for appointment of Architect. Large deviation was observed in quantities, which shows poor estimation by the Architect. The supervision of the work was not carried out properly by the Architect. The basic prices of various items to be used was stipulated in the agreement but same were not kept in view at the time of approval of samples. No market rate justification was prepared to assess the reasonability of rates. Large deviation/ change in the specification of materials was observed resulting in undue benefit to the contractor.

B.4.2 Construction of 32 no. flats at Exhibition Road, Patna.

The initial proposal for purchase of 68 flats was initiated by NABARD and the letters of intent was placed on contractor. The possession of only 16 flats was handed over but the offer of other flats was withdrawn by the contractor after more than two years. No action was apparently taken against the contractor for failure to honour the contract.

A fresh proposal was initiated in 1992 for 52 flats but advertisement was issued for 32 flats only. The offers received from various builders were not evaluated properly. The three lowest agencies who had offered property located in the specified distance from the NABARD Regional office were ignored and contract was awarded to L-4 at a higher cost of Rs. 0.69 crores i.e. 40% more than L-1 offer. The work was to be completed by November, 1996 but the work was still in-complete during inspection in March, 2000. No liquidated damages were levied on the builder resulting in undue benefit. Advances of Rs. 25 lakhs and Rs. 75 lakhs were extended to the builder without any provision in the agreement. The retention money amount of Rs. 7.5 lakhs has been released against the Bank guarantee without any such provision in the agreement.

C. PUBLIC SECTOR UNDERTAKINGS AND AUTONOMOUS BODIES

C.1 INDIAN RAILWAY CONSTRUCTION CO. LTD. (IRCON)

C.1.1 Construction of Internal roads, storm water drains and culverts of Sector 48, NOIDA-201 301 (U.P.).

No technical sanction of detailed estimate was accorded by the competent authority. The procedure adopted for selection of architect/consultant was arbitrary and lacks transparency. Even before inviting tenders, decision was taken to appoint a particular architect. No time schedule for various services was specified in the agreement with the Architect. Market rate analysis to assess the reasonability of tenders was not prepared. The rates of tender accepted appears to be exorbitant as compared to earlier tenders. Cuttings/overwriting were not certified by the opening officers. CAR policy was not obtained as per the provision of agreement. T&P in large number were over handed by IRCON but the same were not issued/specified in the tender.

C.1.2 Construction of approaches, Retaining walls and road works at Bangalore package 'A' & 'B'.

Original NIT alongwith specifications, General conditions of contract and drawings was not sealed. The tenders were issued to the contractors without verifying their credentials. Negotiations were conducted with all the tenderers in contravention to commission's instructions. The rates quoted by the L-1 tender after negotiations were not evaluated properly. Item with abnormally low rate was not operated resulting in change in position of L-1 from L-1 to L-3/L-4, the amount of BG for additional security deposit was not worked out properly, resulting in undue benefit to the agency. Mobilisation advance was paid though the same was not admissible as per contract provision. Insurance policy was not obtained from date of commencement of work. Automatic concrete batching plant, transit mixer and concrete pumps though mandatory as per agreement were not installed at site. Testing of various materials incorporated in work was not carried out as per stipulation in agreement.

C.2 CONTAINER CORPORATION OF INDIA

C.2.1 Construction of Ware House, Admn. Building Pavement, fencing and CC Pavement etc. at ICD, Dhandari Kalan, Ludhiana.

The consultancy work for the project was awarded on ad-hoc and arbitrary manner on exorbitant rates. No representative was posted by the Department for supervision of work. The competition in the tenders was inadequate as only two offers were received. The firm to which the work was awarded does not meet the pre-qualification criteria. Market rate justification was not prepared to assess the reasonability of rates. The completion of work was delayed but no record of delay in the shape of hindrance register was maintained. Work contract Tax was not deducted regularly from the contractor. Credentials of firm for Anti-termite treatment were not verified,. Cement and steel have not been tested before use in work. No testing of GI, CI or SW pipes have been carried out at site.

C.2.2 Supply and Laying heavy duty CC, Blocks at ICD, Ludhiana.

The selection of tenders was not done properly. The competition in tendering was inadequate as only two tenders were received. Consequent on wrong pre-qualification of L-2 tender, the tender becomes single tender. Corrections/overwritings were not certified by the opening officers. No market rate justification was prepared to assess the reasonability of rates. Insurance policies were not obtained by the agency. Interest on mobilisation advance was not recovered resulting in undue benefit to contractor. Testing of cement was not carried out before incorporation in work. Water was not tested for its suitability in construction.

C.3 WATER AND POWER CONSULTANCY SERVICES (I) LTD.

C.3.1 Construction of WAPCOS office complex at Gurgaon.

The technical sanction to the detailed estimates was not accorded by the competent authority. The appointment of Architect was done in arbitrary manner on exorbitant rates. The tenders for execution of work were issued after 1 1/2 years of consultancy contract. Large period of 1 year after opening of tenders was taken for acceptance. No justification was prepared to access the reasonability of rates. The quantities of items for which quoted rates of L-1 were low were either not executed or were reduced. The position of L-1 may

change to L-2 or L-3 due to large deviation in quantities. 68 items for “rate only” were included in the tender for which no justification was produced. Cement and steel was not tested before use in work. No arrangement of testing of material existed at site though the agency was to maintain lab for daily use as per contract stipulation.

C.4 HINDUSTAN STEEL WORKS CONSTRUCTION LTD.

C.4.1 Construction of 5,000 MT capacity godown at Karallur, Bangalore.

Technical sanction for the detailed estimate was not issued by the competent authority. The tenders were issued to only enlisted agencies thus restricting competition. The firms were selected without looking into their financial capability, past performance and place for execution of work. Cuttings/overwritings/insertions were not certified by the opening officers. 25% interest free mobilisation advance was stipulated and granted to the contractor in contravention of commission’s instructions. All drawings, designs and plans were issued by the Department but the same were to be furnished by the contractor. No bond stone was provided in stone masonry in foundation, plinth or superstructure. Average thickness of AC sheets varied between 4.5 to 6.0mm as against 6.0mm specified. No testing of materials used in work was carried out before incorporation in work. No site documents were maintained.

C.5 NATIONAL SMALL INDUSTRIAL CORPORATION

C.5.1 Construction of STP at Chennai.

The technical sanction to detailed estimate was not accorded by the competent authority. 4 Engineers were deputed by NSIC for supervision of work. The periodic supervision of the project was also included in the scope of Architect. Interest free mobilisation advance @ 10% was agreed though the condition was not stipulated in the tender documents and the same was also in contravention to CVC guidelines. The firms not qualified as per the criteria were selected for issue of tenders. The completion of work was delayed for which no action has been initiated against the defaulters. The water was to be arranged by the contractor for construction but the contractor is claiming refund of Rs. 1.0 lakhs recovered by NSIC. Large deviation was observed in quantities, which shows that the estimates were not prepared properly by the Architect. Cement and steel procured by the contractor were not tested before use. Credentials of specialised agency for anti-termite treatment were not verified. Hindrance register was not maintained at site.

C.6 POWER GRID CORPORATION OF INDIA LIMITED

C.6.1 Construction of Jalandhar sub station (SH: Civil Works).

NIT with related documents like general conditions of contract, bill of quantities, specifications and drawings etc. were not sealed. Corrections/overwritings/insertions were not certified by the opening officers. Market rate justification was not prepared to assess the reasonability of rates. Comparative statement of tenders received was not prepared and checked by finance /accounts. The evaluation of conditions of various tenderer was not done properly. Original contract agreement was not sealed. The drawing for execution of work were not prepared as per the specifications given in the contract agreement, resulting in

undue benefit to the contractor. Mobilisation advance was paid without fulfilling the requirements of contract agreement. No site documents were prepared.

C.7 DELHI JAL BOARD

C.7.1 Installation of an optimised 40 MGD STP at Rithala under Indo-French water club No. 2 (SH: Civil Works).

The requirement of sewage treatment plant capacity was wrongly accessed. Technical sanction to the project was not issued by the competent authority. The work was awarded on single tender basis without call of tenders in arbitrary and ad-hoc manner, resulting in loss of Rs. 16.0 crores. The performance of treatment plant on technology offered by the firm was not satisfactory and the work was awarded on the same technology. Certain clauses of contract provision were modified during negotiations/discussions to the advantage of agency. No action against the contractor for undue delay in completion of work was initiated. The guarantee period clause was not stipulated properly. Due to delay in completion no guarantee of machinery/plant shall be available. No provisions exists in agreement for action against the agency on his failure to deliver the desired results. The provision of Manual on Sewage and Sewage treatment by CEPHEO were not followed. Mix design of the concrete was not revised on change in source of ingredients. The testing of water retaining structures was not carried out as per IS stipulations. Compliance of various instructions through site order book was not certified. Mandatory test on various materials were not carried out.

C.8 COUNCIL FOR SCIENTIFIC AND INDUSTRIAL RESEARCH

C.8.1 Construction of Animal House Complex at Gheru Campus of ITRC,Lucknow.

The detailed estimates prepared by consultant were not scrutinised by the Department. No technical sanction was issued by the competent authority. The Architect was appointed arbitrarily. L-3 bidders has been appointed as Architect Superseeding L-1 & L-2. No definite schedule for submission of drawings was specified in the agreement and there had been delay in preparation and submission of drawings. The credentials of the contractors were not verified before issue of tenders. The completion of the work was unduly delayed but no action against the contractor has been initiated. No labour license was obtained by the agency. The performance of specialised agency for anti-termite treatment was not verified before execution. Mandatory tests have not been carried out at required frequency on the materials used. Water used for construction was not tested before commencement of work.

C.8.2 Construction of Auditorium (Superstructure) at SERC, Campus at Taramani, Chennai.

Technical sanction to detailed estimates was not accorded by the competent authority. The services of Architect appointed in 1968 i.e. 32 years back were utilised. Architect was supposed to carryout structural design of the work but the same was done by the Department. The supervision of work by the Architect was poor. Department took more than a year to finalise the pre-qualification of contractors, which would have resulted in escalation. There was lack of competition as only two offers were received. Brick work has not been measured properly resulting in over payment, Large deviation was observed in the quantities. The estimates were not prepared properly by the Architect. Extension of time was granted to the contractor without valid documents.

C.9 INDIAN OIL CORPORATION

C.9.1 Interior furniture and interior electrical works for administrative building at Panipat Refinery.

The Consultants revised estimated cost from Rs. 18153848 to Rs. 23821414 without justification for revision in rates. Large difference of Rs. 58 lacs between revised estimated cost and accepted tendered cost indicated that rates considered in the estimate were not realistic. The contractor was to engage 3(three) graduate engineers at site which they did not engage. Huge deviations to the tune of Rs. 60 lacs were allowed which could go in favour of the agency. infructuous expenditure towards laying terrazo tiles flooring was incurred for Executive Director, GM & DGM rooms which were subsequently covered with vitrified tiles. Though tiling work was done in huge quantity but not even a single test of tile was got done.

C.9.2 Interior renovation work for Western region office building at Prabha Devi , Mumbai.

In the name of interior work, lavish specification e.g. use of imported Italian marble, and front aluminium curtain wall glazing costing Rs. 65 lacs were adopted which were not necessary. The architectural as well as project management consultants were appointed in arbitrary manner without prequalification public notice. The completion of work was delayed which will result in liquidated damages since building was under occupation. Open tenders were not called instead parties borne of list prepared on ad hoc basis were considered. No market rate justification was prepared while accepting quoted rates. Abnormal low rated items were not executed to the benefit of agency. Many a deficiencies were observed in execution of work.

C.10 AIR PORT AUTHORITY OF INDIA

C.10.1 Strengthening of secondary runway 09/27 and parallel taxi way at IGI, Airport, New Delhi.

Rates for dense asphaltic concrete dismantling of existing bituminous pavement and geo textile fabric taken in the DE were found on higher side. Escalation clause in the contract stipulated was at variance to provision of CPWD Manual Vol. II. This led to payment of more than Rs. 1.50 crores as cost difference in rates of bitumen which would have been otherwise very nominal in case CPWD Manual provisions were applied. Prequalification of only 3(three) bidders for the work costing Rs. 12.49 crores had resulted in inadequate competition. In the market rate justification Rs. 13.09 lacs was added for pneumatic roller etc. Which was unjustified . Labour element in analysis of rates were also increased which was not justified since 5% extra for working in restricted areas was already taken. BG amounting to Rs. 20 lacs expired though the same was to be kept valid. infructuous expenditure of Rs. 401460 was carried out for painting runway in concealed layers. Fields density of DAC & SDAC were found at Variance than required.

C.10.2 Reconstn. Of taxi track `C` taxi track to `D` taxi track I/c drainage at NSCBI Airport (SH: Taxi track, SH-II drainage).

Detailed estimate prepared was at the higher side as compared to corresponding CPWD schedule of rates. Prequalification criteria prescribed in the NIT seems to be stringent as such healthy competition did not take place in bidding. M/s EPIL, a public sector

undertaking was second lowest with a difference of only 4.32% above L-1, purchase preference to them as per Govt. directive was not allowed. AHR item No. 8 & 9 were deviated beyond permissible limit to the advantage of agency. ALR items No. 3,6,22 were not executed to their stipulated quantities. Workmanship of precast concrete covers was of poor quality.

C.11 OIL AND NATURAL GAS COMMISSION

C.11.1 Constn. of residential qtrs. For CISF at Vogra, Ankleswhar, Gujrat.

Administrative approval and expenditure sanction for the work was accorded for Rs. 589.13 lacs. Due to splitting the work into small contracts, the cost of project was increased to Rs. 728 lacs. Work was awarded on lump sum contract basis instead of item rate basis which is more rational and scientific method. Plinth area of each type of unit as specified in the contract agmt., were not checked but payment released. Insurance covers as stipulated in the contract agmt., were not obtained. Extra item No. 1 for filling earth in foundation and plinth amounting to Rs.415756 was found inadmissible. In WC and bath steel louvered windows were not provided though specified in the agmt. Water used in the work was not tested even once though the same was mandatory.

C.12 IIT Kanpur

C.12.1 Construction of hall of residence for Girls at IIT, Kanpur.

The contract stipulated design mix RCC but during actual execution design mix concrete was not laid in conformity to IS: 456. An over payment of Rs. 1.50 lacs will result since duplicate provision of groove in grit plaster was taken in the detailed estimate Over payment of Rs. 2.376 lacs was made to the agency due to duplicate provision of holf fasts in the agmt. Consultants were appointed in arbitrary manner at adhoc rate of 4.5% which is in violation to Commission's guidelines, Prequalification criteria was changed after prequalification notice resulting into disqualification of many firms which were otherwise prequalified as per press notice. Above work was awarded at 13.13% above estimated cost whereas other similar work was awarded to the same agency at 1.38% above estimated cost, thus subject work was awarded at higher cost. Use of costly first quality bricks having minimum strength 150 kg/cm² was stipulated, use of high strength bricks were not required in filler and partition walls, the same led to wasteful expenditure. Many a deficiencies and defects were observed in execution of work.

C.13 IIT GUWAHATI

C.13.1 Construction of Residential Quarters 60 Units (D. type) in 10 Blocks at IIT Guwahati Complex.

No Technical sanction of the project has been issued before inviting tenders. Tenders were invited from 6 pre-qualified contractors and 3 bids were required. Therefore, the competition was lacking keeping in view the magnitude of the work. Market rate justification has not been prepared to assess the reasonability of tenders. Cuttings/overwritings in the tenders were not certified by the opening officer. The credentials of agency for anti-termite treatment were not scrutinised. No action was taken against contractor for delay in execution of work. Superior specification like aluminum windows and terrazoo tile flooring with white

cement were adopted without proper justification. No testing of GI, CI or SW pipe was carried out before embedding in wall/floor/ground. Cement and steel was not tested before use.

C.13.2 Construction of 3 Hostel Buildings at IIT Guwahati Complex.

The planning and design of work has been entrusted to a private Architect without any publicity in press i.e. arbitrarily on exorbitant rates. No technical sanction of the project was issued before inviting tenders. Limited tenders were called for work costing Rs. 22.2 crores. The competition in tendering was lacking. Market rate justification was not prepared to assess the reasonability of tenders. The credentials of agency for anti-termite treatment were not verified before engagement. Mix design for concrete was not revised with change in every lot of cement. Mobilisation advance was payable against bank guarantee of equal amount but BG of half the amount was taken. No action was taken against agency for delay in completion of work. Advance payment of Rs. 2.13 crores was made to the contractor for which no provision existed in the agreement. The quality of concrete executed at site was poor. No testing of GI, CI or SW pipe was carried out before embedding in wall/floor/ground. Cement and steel was not tested before use.

C.14 VIDESH SANCHAR NIGAM LTD

C.14.1 Extension of tower 'A' and constn. of tower 'C' of LVS B Prabhadevi, Mumbai.

VSNL has no engg. wing for execution of such a major building project costing Rs. 7.55 crores. In the detailed estimate, contractor's profit from 25 to 30% was taken which is not admissible, thus cost of detailed estimate was inflated. The consultants though reduced the scope of work but full payment was released to them. Project management consultants were appointed at total fee of Rs. 45.2 lacs on arbitrary basis without press advertisement. 4(Four nos. firms, though were eligible as per prequalification notice but they were not prequalified. Lowest tender was accepted for Rs. 7.55 crores as against justified cost of Rs. 6.75 crores thus work was awarded at higher cost by Rs. 80 lacs. Infructuous expenditure of Rs. 3 lacs was incurred towards dismantling of existing Kent tiles lining and redoing it. Many a agmt. Items was deviated beyond permissible limit. Local brand steel was used in the work instead of specified standard brand steel.

C.15 TEHRI HYDRO DEVELOPMENT CORPORATION LTD.

C.15.1 Constn. of administrative block at Bhagirathi Puram, Tehri.

In the detailed estimate 50% extra hidden expenses on the cost of labour was considered which was not admissible. For some of items 20% contractor's profit was taken which was also not admissible. Unsealed price bids were issued to the tenderers which are prone to tampering. Consultants were appointed in arbitrary manner. Completion of work was delayed for more than 2-1/2 years., but no action against the contractor/consultant was taken. Many a agmt. Items were deviated which could go to the advantage of agency. Materials e.g. GI pipe, window, stone aggregate used in the work were of inferior quality. Mandatory tests e.g. testing of water, flush doors, terrazzo tiles, glazed tiles were not got done at all.

C.16 Nuclear Power Corporation Ltd.

C.16.1 Works for excavation, consolidation, grouting sub-soil investigation and other allied works for main plant building of TAPP3 & 4 at Tarapur.

The contract was awarded to M/s. AFCONS Infrastructure Ltd. at an evaluated cost of Rs. 30.63 crores which was 14% below the estimate. A special provision was made in the contract for deriving the rates beyond specified deviation of 25%. The methodology suggested by M/s. AFCONS during negotiations and accepted by the department seems to be to the advantage of the contractor. Clause No. 21.2 in the agreement regarding bonus-cum-penalty by mutual consent is vague and it involves financial implication of more than Rs.30 lakhs. The stipulated date for completion of the work was December, 1999 but the work at the time of inspection in March, 2000 was still not complete. However, it was learnt from NPC Engineers that the contractor has claimed bonus, instead of being penalised for the delay. From the site records, it was noticed that the Geomembrance used in the work had failed in various tests. Similarly, no tests had been carried for percentage of clay content and sand content in the murrum used in the execution of the work. Even the plasticity index and liquid limits were not tested. The reasons given in the hindrance register for delay in execution of the work do not seem to be justified. Chief Vigilance Officer has asked to examine the reasonability of hindrances as the total amount of bonus and penalty as per the agreement works out to Rs. 60 lakhs. Part rate has been paid but no part rate statement was enclosed with the bills to indicate the reasons and basis for such payments. Work tax has not been deducted from the bills.

C.16.2 Construction of Port Tunnels and Trenches at Tarapur Atomic Power Project.

Out of the 6 pre-qualified parties, tenders were received only from three firms and the contract was awarded to M/s. AFCONS who had quoted the lowest rate, which was 11.55% below the estimate. The competition was inadequate. Most of the data/information in the agreement was not connected to the said work at all. The relevance of putting such information was not clear. For supply of microsilica fume-total quantity of 1,50,000 kgs. at Rs. 37.50 lakhs; no specification was incorporated in the tender. The basis for acceptance of the material is not known. Similarly, for item of water proofing costing Rs. 20 lakhs; no specification was specified, in absence of which the basis of acceptance is not known. Against the stipulated date of completion as 6/11/99, the present progress at the time of inspection in March, 2000 was only 75% but no penal action has been taken against the contractor for this abnormal delay. On scrutiny of the site records, it was noticed that the sample of PVC water stop was rejected in the Central Institute of Plastic Engineering & Technology, Ahmedabad for some of the parameters and for other parameters the sample was not even tested. It is not clear as to how the material has been accepted and used. A lot of items have been deviated while executing the work but the detailed reasons for such deviations along with statement approved by the competent authority were not available at the site.

C.17 NATIONAL BUILDING CONSTRUCTION CORPORATION

C.17.1 Construction of 70 MLD Sewage Treatment Plant at Ghaziabad.

The works had been awarded to the contractors without prior approval of the competent authority. The payments have been released to the contractors without getting the

test reports for the materials received. The test check of 10% of the exposed items and 100% of the hidden items as per the Chief Vigilance Officer's instructions had not been done by the Project Manager which was essential to ensure the quality of execution. The tender opening register and the other allied documents have not been maintained properly, despite Chief Vigilance Officer's instruction on the subject. In case of PVC package; it was noted that various tests to check the quality of the PVC pipes, sheets and angles used in the work had not been done. In case of FRP package; the material had been accepted and passed without carrying out the important tests of tensile strength and the co-efficient of linear thermal expansion and thermal conductivity, as per the specifications. It seems the pipes had not been cured in continuous infra red oven at temperature of 185° C for one hour as per the technical specifications. Further the outer surface of the pipes had not been finished with the gel coat thickness of 0.6mm layer for ensuring proper chemical resistance and smooth finish of the pipes. In the HDPE package also, no tests were carried for confirmation of the HDPE material grade as per specifications. Moreover, it was noted that the pipes had been joined with bend by hot pressed method with the help of teflon cloth instead of solvent welding and it is felt that this method of joining may not give requisite strength as the properties of HDPE may undergo a change during heating and melting of the material.

C.17.2 Construction of NIFT Center at Salt Lake, Calcutta.

In contravention of the instructions issued by the Executive Director (Vigilance) , NBCC , the agreement papers in the case of super structural work were not kept properly and number of corrections, over-writings, additions and omissions were not recorded. Similarly, in contravention of the instructions, water and electricity required for execution of the work had been supplied free of cost. Earnest money has not been deposited by the contractors but tenders have been accepted. Measurement of hidden/non-hidden items has not been test checked in contravention of the instructions. AHR/ALR items were not identified. A large number of work orders were issued- for `casual labour' to SAMGRAMI (a group of labourers) . However, proposal/estimate, sanction and justification etc. were not available for making these payments. Despite NBCC being engineering organisation, five work orders for survey work were issued. Most of the concrete cubes have failed in their 7 days and 28 days test results as detailed in para 4.1, which indicates that lower strength concrete cubes, than specified have been accepted jeopardizing the structural safety of the building. The water used in the mortar also failed. A number of instructions regarding-non-provision of one layer of brick soling under PCC, use of local make primer instead of zinc chromate primer, use of sub-standard PVC sheet under floor of the auditorium hall, etc; mentioned in the site order book do not seem to have been complied with. No test check has been carried out for steel-reinforcement and hidden items before making the payments.

C.18 DELHI DEVELOPMENT AUTHORITY

C.18.1 Construction of 384 Janta Houses at Shivaji Enclave, New Delhi.

The tender opening was not done properly as lot of corrections, omission, insertions and over-writings have not been marked at the time of tender opening which could lead to tampering of the offers at a later stage. Moreover, older tender forms of 1989 vintage with lot of corrections and fly leaves were used for concluding the agreement. This is highly objectionable. The various tests which the contractor was supposed to get them carried out at his own cost in approved labs were done in DDA lab free of cost resulting in financial advantage to the contractor. The contractor was supposed to complete one sample house and

one complete block within 90 days and 180 days respectively as per the agreement, but none of these was completed in specified period. On examination of the bills, it was noticed that part rates for various items of RCC, brick work, cement plaster and other items have been paid for reasons of `minor rectification's at a later stage. However, at the stage of inspection, the defects cannot be rectified and as such the amount withheld should be appropriated. The glass strips to be provided in joints of CC flooring has been separately paid, whereas in terms of CPWD specifications 1977, the glass strips in RCC flooring is included in the agreement items. As such, extra payment has been made to the contractor.

C.18.2 Construction of 208 Janta Houses at Pocket VI, Dwarka Phase I.

The competition in the tender was inadequate as only three tenders were sold and two offers were received. Certain corrections/additions were noticed on the rejected as well as accepted tenders; leaving scope for manipulation. The contractor was to construct a sample house complete in all respects within 90 days and one complete block within 180 days of the start of the work but these were not prepared within stipulated period. The testing of materials which was to be carried out at contractor's cost in the approved laboratories was not followed and most of the tests were done in DDA laboratory, free of cost. The necessary tools and equipment which were to be provided by the contractor were not made available at the time of inspection. Rebound hammer test has not been done on the RCC surface which is mandatory as per CPWD specification. Water was not tested as required under the agreement. The weight of steel reinforcement was not checked by AE/EE as per the CPWD manual. No test check had been done by the Executive Engineer and test checks done by the Assistant Engineer for hidden items were not adequate as per the requirement.

C.19 NATIONAL HIGHWAY AUTHORITY OF INDIA

C.19.1 Work of four laning including strengthening of NH-8 from Km. 36.63 to Km 107.18 (Gurgaon Haryana/Rajasthan Border Section) in Haryana and four laning including strengthening of NH-8 from Km 107.18 to 162.50 (Haryana Rajasthan Border to Kotputli section).

Though the Lowest Tenderer (L-1) was prequalified, the work was not awarded to L-1. The work was awarded to L-2 at a higher amount of Rs. 261.80 crores against the quoted amount of Rs. 251.35 crores thereby giving financial benefit to the tune of about Rs. 10.00 crores to the contractor. When one of the partners of L-2 backed out, the left out work was awarded to L-3 at their quoted rates without observing the normal procedure of reinvitation of tender for competitive rates. No action has been taken by NHAI to recover the loss of Rs. 5.00 crores occurred on account of awarding the work at higher rates to L3 when the L2 failed to complete the work. 20% interest free mobilisation advance was given to the contractor against the 15% as per agreement thereby giving undue financial benefit to the contractor. Undue favour has been extended to the contractor by not recovering the compensation to the tune of about Rs. 26 crores on account of delay in execution of work as per agreement. Excess payment of Rs. 1.16 crores has been made to the contractor for removal of stump etc. which is not admissible as per agreement. The side brick walls of the drain had collapsed due to faulty design.

C.20 MAHANAGAR TELEPHONE NIGAM LTD.

C.20.1 Construction of main Telephone Exchange building at Jogeshwari (West) Mumbai

The contract was awarded in November , 1998 at the lowest tendered amount of Rs. 3.58 crores against an estimated cost of Rs. 2.88 crores. The justified amount on the basis of market rate analysis was calculated as Rs. 4.38 crores. There is a provision for fixing of vitreous ceramic tiles of `SHON' brand or equivalent. The tiles have been accepted on the basis of manufacturer's certificate and no criteria was known to the engineers at site for their acceptability and no tests were carried. Surprisingly, the agreement even at the time of inspection in June, 2000, had not been signed by any authorised official of MTNL-though issued in November, 1998. The contractor had taken the all risk policy from 24/3/99 and not from the agreement date thus getting a financial benefit . The cement mortar of 1:6 used in precast terrazzo tiles is considered lean as normally 1:4 cement mortar is used for longevity of the floor. The rebound hammer test has not been carried out for RCC. No test was done for cement. Despite instructions for 100% check by AE and 50% by EE for reinforcement and hidden items; adequate test checks were not carried out by them for these items. The cement consumption coefficient of 0.302 qtl.per sq. mtr. for fixing `SHON' ceramic tiles appears to be on the higher side. This coefficient which should have been approved by SE for new/non-schedule items as per the CPWD Manual has not been done.

C.21 HOSPITAL SERVICE CONSULTANCY CORPORATION

C.21.1 Construction of research cum clinical complex at Noida.

Mobilisation advance of 10% of the contract value seems to have been paid in contravention of CVC's instructions on the subject. Cinder filling have been incorporated in the agreement which is not advisable for use because it accelerates process of corrosion in reinforcement. This is despite the fact that it was pointed out in the earlier inspection of the organisation in 1996 but the instructions are still not being followed. Some of the provision in the contract regarding alterations, additions, omissions valuation of variation and the fixing of rates of extra substituted items could lead to disputes with the contractor and need suitable revision/modification. From scrutiny of the site records it was seen that rebound hammer test was not conducted in the RCC test which was mandatory. Design mix has been specified in the agreement but volumetric mix has been followed at site. Steel for reinforcement has been paid for the standard unit weight but the actual unit weight for the reinforcement is less. This would have resulted in over-payment to the contractor. AHR/ALR items have not been identified and it was noticed that a number of extra substituted items were executed but the rates were not finalised/approved for these items.

C.22 CHENNAI PORT TRUST

C.22.1 Construction of office complex for container terminal at Chennai Port Trust.

The pre-qualification bids were opened in April, 1993 but the tenders for the work were opened only in January, 1997. This delay of 4 years not only resulted in lack of adequate competition as only 7 of the 13 prequalified firms quoted but would have also resulted in increase in rates. Against the stipulated date of completion of the work as 15th January, 1999, the present progress of work in February, 2000 was 90%. No penalty has been levied for the delay in execution of the work .For some of the items like particle board, MS hinges, tower bolt, knob handle and ceramic tiles, etc; only one brand has been specified which is not permissible. Similarly, `best' quality teak wood has been specified for wooden frame and shutters but in the actual execution only second class quality teak wood has been

used. Proper site records have not been maintained . The quality of various materials/fittings has not been checked by CPT Engineers. Part rate has been paid for a number of agreement items. However no part rate statement were enclosed with the bills to indicate the reason/justification for making such payments- to the advantage of the contractor. Quantities of a large number of items have been deviated. However, no AHR/ALR item statement was available. The deviation in items of providing polished granite of various sizes is very large and to the contractor's advantage. The large deviation in quantities of various items along with ambiguous and incomplete nomenclature/specifications and promoting the products of single manufacturer is a serious lapse on the part of the consultant who has prepared the detailed estimate, drawings and tender specifications.

C.23 BHARAT PETROLIUM CORPORATION LTD.

C.23.1 Civil /interior works for central laboratory in their refinery at Mumbai.

Although the estimated cost of works was about Rs. 2 crores but the tender was not invited through press notice and limited tendering was resorted to; thus restricting the competition. The selection of the tenderers was also not very transparent as some of the reputed firms who had executed similar works were not considered. Moreover, the tenders were opened by the Tender Opening Committee and no tenderer was allowed to be present at the time of opening of tender. The system lacks transparency. In violation of the CVC instructions; 10% interest free mobilisation advance was paid to the contractor. Agreement was found to have serious deficiencies, The size, design and thickness etc. of various items and the parameters for their acceptance have not been indicated in the agreement making it not only difficult for execution and acceptance of the item but leaves a lot of scope for the contractor to manipulate the execution of items to his advantage. Part rate has been paid for a number of items but no part rate statement was found enclosed with the bills to indicate the reasons/basis for payment of part rates . A number of agreement items have been deviated abnormally and quite a large number of items have not been executed at all. A lot of deficiencies were observed in the execution of work at site . The weight of aluminium door and window frames was found to be less than stipulated. Further the drawings have not been made part of the agreement and the weight of aluminium section has not been specified. The other materials used were inferior to the stipulated specification. The supervision of work by the architect was very poor. The tender specifications were incomplete and there was a large variation in execution of the items-approx 40% of the agreement items were not executed at all. Moreover the work has been delayed. Against the stipulated completion by 7.1.2000; the progress was less than 80% at the time of inspection in March, 2000.

C.24 DELHI METRO RAIL CORPORATION

C.24.1 Earth work and fly ash filling for the Shastri Park Depot area including design and construction of barbed wire fencing.

Out of the 39 tender documents received for package 4 of earth filling, only 5 tenderers were pre-qualified whose offers were received. The lowest offer received was at 42.75 crores which was much higher than the estimated coast of Rs. 32 crores. In view of the change in alignment and reduction in requirement of depot area; the tenderers were asked, after negotiations to give their revised offers for the reduced scope of work. Surprisingly the pre-qualification criteria was decided, after opening of the bids and this is not in order. Moreover the criteria seems to have been very stringent resulting in inadequate competition.

The frequency of various tests for materials has not been specified in the contract. The details of the various insurance policies to be taken by the contractor were not available at the time of inspection. No test has been carried out for determining the clay content in the soil/earth used for filling as well as for blanket material whereas these properties are very essential for establishing the acceptability of the material. The provision under clause 63 of GCC regarding decision on rates for the deviated quantity to be settled by mutual agreement leaves scope for unnecessary disputes. A large number of samples of soil/earth filling material, have failed indicating the use of poor quality of material in the work. The blanket has not been compacted to specified level of 98% and it seems wrong approval for accepting compaction between 90 to 92% has been given. Escalation payment made to the contractor on extra items of providing RCC 'U' shaped cables ducts, at the current market rates is not admissible.

C.25 ENGINEERS INDIA PROJECT LTD.

C.25.1 Construction of 70 residential flats at Surat.

Out of the 17 contractors who responded against the subject tender, only 3 were technically qualified and their offers were opened on 28/8/97. The contract was awarded to M/s. EPI, a Government of India, PSU at the negotiated amount of Rs. 6.39 crores. The competition was not adequate. Even contractors like Larson & Toubro, were disqualified. The provision in the agreement, for deriving the rates of extra/substituted items, seems to be too discretionary and may lead to disputes. Though design/mix was specified in the contract but volumetric mix has been followed at the site, which may have resulted not only in financial advantage to the contractor-but may have also compromised with the quality/safety of the structure. There was a large number of (46) entries in the hindrance register-mainly on account of delay in design and drawings, indicating lack of supervision and inadequate services by the architect/consultant. The instructions noted in the site order book regarding removal of defective shuttering, improving the quality of materials and execution of work were not complied with. No test was carried out for marble, tiles, flush door shutters, etc; thus compromising with the quality of the materials. The record for various tests and the quantity of anti-termite chemicals, waterproofing compounds consumed were not available. The weight of GI/CI pipes and aluminium sections had not been checked. The stipulated date for completion of the work was in September, 1999 but the work is likely to be completed by 31st July, 2000. However, no liquidated damages seem to have been deducted from contractor's bills on account of this delay.

II ELECTRICAL, ELECTRONICS /MECHANICAL AND OTHER ALLIED WORKS.

D. GOVERNMENT DEPARTMENTS

D.1 PUBLIC WORKS DEPARTMENT, DELHI

D.1.1 Supply and Installation of sub-station equipment by PWD Delhi at Guru Nanak Eye Centre (GNEC), New Delhi.

The NIT for the work at Delhi was inserted in regional papers of Himachal Pradesh, thus restricting the competition. The firm who was awarded the contract does not seem to

meet all the prequalification criteria of the bid documents. The recoveries on account of WCT and surcharge on income tax etc. have not been made. No liquidated damages were imposed on the contractor for the abnormal delay in execution of the work.

D.2 CENTRAL PUBLIC WORKS DEPARTMENT

D.2.1 Supply, installation and commissioning of sub-station equipment at the New Display halls at Pragati Maidan, New Delhi.

The prequalification criteria was diluted to help the entry of the firm who was finally awarded the contract. The estimate does not seem to have been prepared on realistic basis. Work contract tax and surcharge for income-tax had not been deducted. The important tests for the Generating set not carried out.

D.3 INSTITUTE OF TOXICOLOGY AND RESEARCH CENTRE (ITRC) (CSIR)

D.3.1 Providing fire fighting and fire alarm system at ITRC Campus in Lucknow.

Despite a full-fledged engineering service division available- in house with ITRC, a consultant was appointed and that too without calling for any tenders/quotations. The original detailed estimate used for approval of the work was for Rs. 24.7 lakhs but the consultant prepared a revised estimate of Rs. 37.92 lakhs for the same work . The rate analysis prepared by the consultant for derivation of the rates adopted in the estimate has been examined and it is seen that there is no documentary evidence for adoption of the rates in the estimate which seem to be on the high side .The revised sanction for the estimate prepared by consultant for Rs. 37.92 lakhs was not obtained before tendering/execution of the work. The smoke detectors (45nos.) provided in the passages and lobbies are not required as per the IS code . It seems that in all 69 smoke detectors and 6 heat detectors have been provided in excess of the actual requirement which resulted in infructuous expenditure of about Rs. 1.2 lakhs for the cost of detectors alone. The cost of wiring and the control panels etc. along with labour charges would be extra. Similarly, the location of response indicators inside the wall is faulty as these are not visible from the corridor and thus the very purpose of providing these for immediate identification of the area under fire seems to have been defeated. In view of the above, it seems the consultant had not provided adequate and desired services, in terms of the contract.

D.4 BHABHA ATOMIC RESEARCH CENTRE

D.4.1 Providing 11 KV dry type transformers at Modular Lab Sub-station of BARC, Trombay, Mumbai.

The only pre-qualification condition of executing similar works has not been fulfilled by the successful bidder as he has the experience of supplying only oil type and not dry type transformers. This seems to be serious as the work has not been carried out as per the required specifications. The contractor has supplied the transformer with a fan for forced cooling instead of air natural type transformer as per the requirement and that too at below 30% of full load capacity . This change in design shall also result in extra consumption of power. The department did not mention in NIT about their exemption from excise duty. The bidders quoted their prices inclusive of excise duty and the department subsequently issued a certificate in regard to exemption from excise duty resulting in undue monetary benefit to the

supplier. Moreover, excise duty gate passes of both the transformers have not been collected and enclosed with RA bills while making payments. It was noted that one of the transformers had initially failed in impulse test at ERDA, Baroda. However, the transformers have subsequently been supplied to BARC and these were not tested for impulse test at ERDA, Baroda but were got tested at Manufacturer's laboratory at Bangalore. In terms of the contract specifications, the contractor was responsible to connect the transformer up to the existing bus duct with the required material but the department has made an extra item for flexible copper strips joint and payment of Rs. 77,000/- had been made on this account.

E. BANKS, INSURANCE COMPANIES, FINANCIAL INSTITUTIONS

E.1 STATE BANK OF HYDERABAD

E.1.1 Construction of Residential Staff Centre, State Bank of Hyderabad at West Marredpally, Secunderabad.

The consultant/Architect's selection for the project does not seem to have been done in a transparent manner. The pre-qualification does not seem to have been done correctly in terms of the documents as some of the firms were rejected on flimsy grounds. The specifications of the various items/equipment have not been framed properly and clearly, thus giving a free hand to the contractor to supply the materials to the best of his advantage. Some items have been recorded with three times the quantity, thus recording over-measurement of the same. Supervision of the work is poor. Only one Electrical Engineer was deputed by the Bank to look after the execution and maintenance of all the works of the Bank all over the country.

E.2 STATE BANK OF PATIALA

E.2.1 Electrical installation etc. at the Head Office building of State Bank of Patiala at Patiala.

The selection and appointment of the architect/ consultant was not done in a transparent manner. Only two firms were short-listed and the contract was awarded to the second lowest architect. The architect also got some of the items executed without the Bank's prior approval. The tendering has been done in a very ad hoc and arbitrary manner. Ad hoc payments have been released without any justification, giving financial advantage to the contractor.

E.3 BANKER'S INSTITUTE FOR RURAL DEVELOPMENT

E.3.1 Fire protection work at Banker's Institute for Rural Development (BIRD) Complex by NABARD at Lucknow.

Even though a huge sum of money has been paid to the architect on account of travel and conveyance expenses, yet the architect failed to supervise the work as per the provisions of contract agreement. AHR/ALR items were not identified and no control was exercised on execution of the quantities by the architect. The work has been delayed badly. The prequalification criteria has not been kept in a transparent manner. The release of mobilisation advance itself was in contradiction to the Bank's guidelines which stipulate that

no mobilisation advance should be given for works valuing less than Rs. 2 crores. The salary payment of site engineer appointed by the architect was reimbursed by the Bank in contravention to the agreement condition. The initial security deposit was not deposited by the contractor.

E.4 PUNJAB AND SIND BANK

E.4.1 Provision of six servers and system software for various branches of Punjab & Sind Bank.

The financial approval was accorded after calling of the quotations which is in violation of the normal procurement procedure. The detailed estimate based on market rate analysis was not prepared to justify the proposed expenditure and to establish reasonableness of the rates. The date of opening of the quotations was not recorded in NIT and the firms' representatives were not called at the time of opening of the quotations to maintain transparency. The negotiations were conducted with the tenderer who had quoted the highest price. Some additional items were included in the purchase order at the rates quoted by the highest bidders. The competition was further restricted by asking for a particular make of servers only. No pre-qualification of vendors was done. There were lapses in opening of quotations and evaluation process. The contractor had supplied an old version of software system.

E.5 CORPORATION BANK

E.5.1 Internal electrification in the Head Office Complex of Corporation Bank, Mangalore.

The consultant was appointed quite arbitrarily without observing any tendering process or laying any prequalification criteria for the selection. The copy of the agreement with the consultant was also not available during inspection. Agencies were empanelled arbitrarily and no prequalification criteria laid. The contractor had quoted rates only in figures which are susceptible to manipulation at a later stage. No test check had been carried out by the Bank officers.

E.6 VIJAYA BANK

E.6.1 Procurement of Uninterrupted Power Supply(UPS) System by Vijaya Bank, Bangalore.

The NIT was not published in newspapers but inquiry letters were issued to 8 vendors, short-listed by the consultant. However, after opening of the tenders, the consultant recommended for awarding the work to M/s. Tata Liebert Ltd. though they were L-4 as the consultant felt that all the other 7 offers were technically not suitable. As such it is felt that the competition was restricted and the selection/short listing of the firms was done in a very ad hoc and arbitrary manner and further offers of the short-listed firms were rejected without holding any technical discussions with them. And by placing orders on higher offer extra expenditure was incurred.

In contravention of the Commission's instructions, 35% interest-free mobilisation advance was given to the firm. The work contract tax was not deducted from the bills. The installation was done in a very shoddy manner as the UPS was found lying on the floor

without any platform and was not only susceptible to water, dust, vermin, rodents but also to physical damage as it was not segregated from the customer area.

E.6.2 Procurement of Computer Hardware by Vijaya Bank, Bangalore.

Limited tenders were issued to seven firms, thus restricting competition . No tender sale and tender opening registers were maintained. Instead of ordering the full quantity to the lowest bidder; the order was split between three firms with large difference in rates. Furthermore, M/s. Tata IBM Ltd. whose offer was highest were given the maximum quantity and were also given a repeat order. Moreover same make items were awarded to different vendors at varying rates. 35% mobilisation advance was given to all the firms in contravention of CVC's guidelines. No test check was conducted by Bank officials to ensure quality and adherence to specifications. In the case of contract on M/s. Compaq; the hard disk, supplied is of 'Maxfor' make against their own 'Compaq' make. Similarly, the floppy drive of 'NEC' make has been supplied against 'Compaq' make. Further, 'Wipro' make dot matrix printers have been supplied against 'EPSON' make . The Bank has accepted these unspecified items without working out the financial implications. On the hard disc of server, the required RPM and rate of transfer data have not been specified. It is not clear, how was it accepted.

E.7 STATE BANK OF INDIA

E.7.1 Sub- station work in the Chandigarh main Branch of State Bank of India

There was a large deviation in the financial sanction of the work (Rs. 44 lakhs) and the technical sanction of the estimate (Rs. 26.34 lakhs). Further, the contract was awarded at a total price of Rs. 19.75 lakhs i.e. 29.28% below the estimated cost . It shows that the estimate was not framed on realistic basis. Formal agreement was not available at the time of inspection. Only a photocopy of the agreement with the successful tenderer was available. The approved makes for LT/HT panels which is an important equipment in the contract were not stipulated, thus giving a free hand to the contractor to supply the equipment of his own choice. The Bank had taken a DG set on rental basis but its performance as regards fuel consumption etc had not been checked.

E.8 DENA BANK

E.8.1 Procurement of window type and split Acs for branches/offices of Dena Bank, Mumbai.

The Copy of the preliminary estimate and the technically sanctioned detailed estimate were not available at the time of inspection. The lowest firm does not fulfil the prequalification criteria as laid in the bidding documents i.e. they are not the original manufacturer of the items and have no previous experience. No justification was prepared for reasonableness of rates while accepting the lowest tender. No measurement books have been used for recording the works executed . No test check has been done by the officers of the Bank regarding the quality of the work.

E.8.2 Procurement of 50 LAN systems, accessories and software etc. by Dena Bank, Mumbai at a total cost of about Rs. 5 crores- financed under the world Bank Loan.

The NIT was published in two newspapers of Nagpur and Bangalore Edition and not in any edition of Mumbai where the Head office of the Bank is located. This seems to have led to inadequate competition. The lowest bidder had not furnished sufficient documentary evidence in support of the qualifying criteria. The firm seems to have quoted low AMC but higher prices for the equipment and would have taken full payment for supply and installation of the machines after supply. Due to non-supply and commissioning of the systems, the Bank would have surely suffered in terms of deficient customer services but no deduction on account of liquidated damages for the delay has been made. No income tax has been deducted at source from the bills of the contractor giving undue financial advantage to them. While inspecting one of the Branches, it was noticed that servers were lying in original packing but the bank officials have issued a certificate that installation and commissioning has been completed and apparently full payment has been released for this branch.

F. PUBLIC SECTOR UNDERTAKINGS/AUTONOMOUS BODIES ETC.

F.1 BHARAT SANCHAR NIGAM LTD.

F.1.1 Supply, installation, testing and commissioning of 3 phase 2x35 KVA UPS system at Telephone Exchange Building of DOT at Kacchi Chawni, Jammu.

The estimate prepared by the Department does not seem to be on realistic basis as all the four firms quoted below the estimated cost. None of the firms has the registration with the Govt. department, as required in the NIT. The lowest firm who was awarded the contract does not seem to meet pre-qualification criteria of turnover of Rs. 1 crore in the past three years. The lowest firm have not provided any literature to establish the technical suitability of their offer. Also the specification are inadequate.

F.1.2 BHARAT SANCHAR NIGAM LTD.

Supply, installation, testing and commissioning of 2x150 KVA DEA set for Telephone Exchange Building of DOT at Jassur (HP).

The nomenclature of the work says SITC of 2 x 150 KVA DEA Set whereas the detailed specification and the physical delivery made by the contractor is of 2x200 KVA DEA set. The department has justified and provided an over-designed capacity system incurring avoidable expenditure. The NIT was published in only 2 local newspapers, thus restricting competition as only two offers were received. The estimate was not prepared based on the current market rates. Surprisingly during the second call of tenders also the terms and conditions of the NIT including the estimated cost remained unaltered and the NIT was again inserted only in two local newspapers. The lowest offer appears to have been tampered with as the rebate of 12.5% seems to have been added after opening of the tenders thereby changing their ranking from L-4 to L-1. The income tax has been deducted at the rate of 0.25% against the standard 2%+0.15% surcharge; thus giving financial advantage to the firm.

F.2 MINING ALLIED MACHINERY CORPORATION.

F.2.1 Erection, testing, commissioning and supply of related items of illumination system at Madhuband Coal Washery project, MAMC.

Adequate publicity in local/national newspapers was not ensured, thus restricting the competition. No market justification of the rates accepted was made. The details of the measurements were not recorded properly in the measurement book. AHR/ALR items were not identified and no check/supervision was done in execution of the items. WCT and I.T was not deducted from the bills of the contractor. There was no proper coordination between site engineers and purchase division of MAMC due to which lot of inventory of items like control panels, motors etc. were available and the guarantee/warranty period also might have elapsed. At some places, the work was held up due to non-availability of materials resulting in inordinate delays for completion of work.

F.3 HINDUSTAN STEEL WORKS CONSTRUCTION LTD.

F.3.1 Internal and external electrification for Extension and Renovation of Area Hospital at Malkpet, Hyderabad.

The Consultant have no competent electrical staff for execution/supervision of the work which has resulted in lack of supervision and poor quality of work. Wide publicity to the NIT not given thus restricting the competition. The basic norms of transparency and fairness in opening of tenders is not maintained. AHR/ALR items were not identified in the contract. The supervision was very lax and contractors seem to have had a free hand not only in the execution of work but also in the selection of various materials used.

F.4 MUMBAI PORT TRUST

F.4.1 Supply, delivery, erection, testing and commissioning of 1 No. electricity operated vertical turbine pump set at fourth oil berth pump house at Jawahar Dweep, Mumbai Port Trust, Mumbai.

Proper justification for addition of a new pump set to the existing two pumps was not available as the old pumps are in good running condition. NIT was published in single newspaper, restricting competition. Pre-qualification criteria had not been mentioned in the NIT. The offer of the second lowest firm was accepted, despite the fact that the firm is not meeting a single pre-qualification condition and whose performance was not considered satisfactory in the past work. Makes of major items like motor and pump not mentioned in NIT. WCT and surcharge on income tax has not been recovered from the bills of the contractor. No test checks of measurements have been made by the senior officials to ensure the quality of work.

F.5 DELHI VIDYUT BOARD

F.5.1 Inspection study, detection of weak spots in towers/insulators etc. in the supply lines of Delhi Vidyut Board and removal of the same.

Since no survey of lines was conducted by DVB before the award of work, no estimate was prepared. Thus, it is not clear as to how rates were justified in absence of the detailed estimate. The two lowest firms do not seem to meet the pre-qualification criteria. The progress of work at the expiry of the stipulated date of completion was only 20% and in some of the Circles, the works has not even started as yet. The measurement of the work done was not recorded in the MB. No test checks had been done by any senior official of DVB to ensure the quality of work. The survey report not submitted in a systematic manner. The

material used at the site was far less than issued with no satisfactory explanation for the deficient stocks.

F.6 TEHRI HYDRO DEVELOPMENT CORPORATION LTD., TEHRI

F.6.1 Fabrication, supply, transportation and erection etc. of draft tube elbow liner by Tehri Hydro Development Corporation Ltd., Tehri.

The pre-qualification conditions did not require the firms to submit their financial position and no ITCC was insisted upon. Even the registration of firms with any Govt. department was not asked. All the entries were with overwriting and the difference in original writing and re-writing works out to Rs. 17 lakhs in case of lowest bidder. No test check of measurements was done by the higher officials. Excise duty and Sales Tax have been paid at the higher rate. No records for the tests like radiographic and ultrasound tests of the welded portion were available. The department has executed some of the items to the financial advantage of the contractor.

F.7 NATIONAL ALUMINIUM CO. LTD.

F.7.1 System, Design, Engineering, Procurement, Supply, Fabrication, Transportation, Storage, Erection, Testing Pre-commissioning and commissioning of 132 KV Switchyard Expansion at Damanjodi (Orissa).

The design and detailed engineering of the project was in the scope of consultant M/s. EIL whereas the same is kept in the scope of contracting agency as well. The project of a very high value is being carried out on limited tender basis and wide publicity is not given in the Press. Prequalification criteria is not properly defined. One of the major items in the agreement has been excluded to give financial benefit to the agency executing the work. AHR/ALR items have not been identified.

F.8 NATIONAL THERMAL POWER CORPORATION

F.8.1 Provision of cooling tower package for Faridabad gas power project by NTPC.

For such large and complex works, two-stage bidding not followed. The contract was awarded to a firm who was the third lowest and was higher than L-1 by about Rs. 6.5 lakhs. Prequalification criteria was not fixed properly. The estimate was not prepared on realistic basis and was inflated. No market rate justification was prepared for arriving at the reasonableness of accepted rates.

F.9 ALL INDIA INSTITUTE OF MEDICAL SCIENCES

F.9.1 Provision and installation of DG sets in the Transit Hostel building of the new housing complex at A.V.Nagar at AIIMS.

An abnormal delay in technical sanction of the estimate resulted in increase in cost. Ambiguous and defective pre-qualification criteria indicated in the NIT. Even the firm who was awarded the contract did not meet the said pre-qualification criteria. The excise duty has been paid on total work instead of paying on different items only. Efforts not made to negotiate the AHR items.

F.10 CENTRAL POWER RESEARCH INSTITUTE

F.10.1 Computerisation of various activities of CPRI at Bangalore at an estimated cost of Rs. 1.17 crores.

CPRI approached only one firm to carry out feasibility study of the system and award of contract for software without any competitive bidding. Some of the orders for purchase of hardware were placed even before the administrative approval was accorded by the competent authority for the project. Purchase of Digital make servers in Phase I was made directly from a firm who in turn bought the same from the market and for file servers the offer of a firm, a Government PSU, was rejected on flimsy grounds. For purchase of software payment was made in foreign exchange whereas the software is available in India. The tender enquiries were not issued to original equipment manufacturers of computer hardware though most of them have their offices in Bangalore. The payment have been released without any inspection of the equipment received.

F.11 AIR INDIA

F.11.1 Replacement of AC package units at various plants of Air India, Mumbai.

Wide publicity not given to the call of tenders and thus the competition was inadequate. Although the tenders were invited in the two bid system, yet the lowest firm submitted their offer in single bid form and the same was accepted in violation of the stipulated procedure. The pre-qualification conditions were not properly defined which may have resulted in inadequate competition. Some of the other reputed manufacturers were not issued tenders. The measurement Book (MB) was not maintained properly. The electricity and water charges and tax deduction was not made from the bills. Though there was no provision in the contract for any advance payment but 10% interest free mobilisation advance was released to the contractor in contravention of the contract and CVC guidelines.

F.12 INDIAN OIL CORPORATION LTD.

F.12.1 N/W: Electrification works for BG loading facilities at Vasco terminal of IOCL at Goa.

The tender was awarded to M/s. Megi Control System at a total cost of Rs. 1.44 crores. However it was seen that the firm had quoted Rs. 1.63 crores (as written in both words and figures) and so the firm was not the lowest but L-4. The firm while quoting for one of the items-panel-had written different rates in words and in figures i.e. Rs. 4 lakhs and 24 lakhs respectively against an estimated cost of Rs. 23 lakhs, for this panel by IOCL. The tender committee interpreted the bid documents literally and accepted the quoted rates of Rs. 4 lakhs, thus giving an undue advantage to this firm as they become L-1. On the same analogy no efforts were made to negotiate the rates for other high rated items quoted by this firm. The specifications for supplying, laying, testing and commissioning of cable were quite vague, thus giving a free hand to the contractor to execute the job as beneficial to him. All the cable laying works have been done mostly on trays, whereas it would have been safer to lay cables underground in inflammable areas.

F.13 BHARAT HEAVY ELECTRICAL LTD.

F.13.1 N/W: Modification works at Sub-station II at Electronics Division BHEL Bangalore.

The rates received from most of the firms were well below the estimated rate which proves that the estimate was not framed on realistic basis. Further L-1 and L-2 were called for negotiation and these firms were asked to re-submit the bids. This is in violation of the tender norms and CVC's instruction. The AHR/ALR items were not identified. No work contract tax had been deducted from the bills of the contractor.

F.14 INDIAN RAILWAY CONSTRUCTION CORPORATION

- F.14.1 (i) Supply of panels, DB's and external lighting materials etc.;
- (ii) Erection testing and commissioning of all electric works;
- (iii) Fire alarm and detection system; and
- (iv) Supply and installation of one passenger and one freight lift at Indian Airlines Hanger Project, Dum Dum, Calcutta.

The contract for electrical works of hanger, apron and annexe building including electrical and fire detection system was initially awarded to M/s. Jadab Electric Co. at the tender cost of Rs. 30 lakhs. However, the firm refused to accept the award probably due to delay in decision making. Thereafter, M/s. IRCON with the approval of IAL re-tendered the work. However, the scope of work was modified as it was decided to purchase the materials/electrical fittings and supply them free of cost to the contractor who will be asked to do the execution, erection only. It is seen that due to re-tendering, IAL not only lost precious time as the work was badly delayed but was also put to a financial loss as cost of bought out materials and the total value of the contracts awarded for execution worked out to be more than the composite contract originally awarded to M/s Jadab Electric Co.

F.15 MORMUGAO PORT TRUST

F.15.1 Modification of Material and Ore Handling Plant (MOHP) Phase I at Mormugao Port Trust, Vasco, Goa.

ALR/AHR items were not identified. No material at site register was maintained. No deduction was made on water and electricity charges. MCC panel supplied is not of standard /reputed make but the same is accepted and paid. The erection of equipment/cable laying was done in a shabby manner due to lack of supervision.

F.16 GAS AUTHORITY OF INDIA LTD.

F.16.1 Electrification, fire fighting system and interior furnishing at GAIL's Administrative Building at Nodia.

The work for internal electrification for all the blocks of the Administrative Building was initially awarded to M/s. R.A.Electricals at their quoted rates of Rs. 55.71 lakhs against the estimated cost of Rs. 64.16 lakhs. While this work was in progress, another estimate was prepared by the consultant for Rs. 385 lakhs, which inter alia included the interior furnishing work along with electrical works being carried out by the R.A.Electricals. On recommendation of the consultant, the said contract was short closed without financial

repercussions and fresh limited tenders were invited for three works. The fresh award of contracts seem to have been made at substantially higher rates and the whole work was divided into three contracts, though the work content in different blocks was exactly the same. Surprisingly, M/s, R.A. Electricals was not short-listed during the second round of tenders and the firms short-listed were predominantly with experience in interior furnishings and did not specialise in electrical work. As such, work of electrification seems to have been done by contractors not having experience and expertise for such specialised works and encouraged them to sub-let such works to smaller firms. Moreover, in the second round of tender though the total estimated cost was much higher than the first round of tenders but instead of advertised tenders, limited mode of tendering was followed. The contractor has been given interest free mobilisation advance in contravention of CVC's instructions.

F.17 NUCLEAR POWER CORPORATION LTD.

F.17.1 Cabling of the main plant at RAPP-3 &4 of Nuclear Power Corporation Ltd. at Rawat Bhata, Rajasthan.

Though the tenders were opened in December, 1993, the contract was placed only in January, 1995 i.e. after more than a year and the reasons for such abnormal delay are not available. Surprisingly, while the work of cabling was still in progress, a separate technical sanction was taken and fresh limited tenders were invited in Sept. 99 and only two offers were received. The market rate justification for award of both the works was not available. While the original work of cabling was awarded at Rs. 1.79 crores in 1995, the balance work to be executed in 1999 was also estimated to be additional Rs. 1.45 crores. No justification for such large quantity of additional work was available. It seems the original estimate was grossly deficient while the original cable length requirement was worked as 820km, the same was revised to 1300 km. In the tender for the balance work. Similarly the quantity of conduit was increased from 32km to 100km. The work contract tax has not been deducted from the bills of the contractor, giving him undue financial benefit . Mobilisation advance of 10% was given to the contractor but adequate B.G. for the amount was not kept. The completion time was modified to the advantage of the contractor. Against the stipulated date for completion of the work in July, 1997, for the original contract, it was closed in October, 1999 and the work against the subsequent contract was still in progress at the time of inspection in March, 2000. However, no liquidated damages have been levied on the contractor but he has been paid Rs. 58 lakhs as escalation charges in the original contract.

F.18 AIRPORT AUTHORITY OF INDIA

F.18.1 Supply, installation, testing and commissioning of flight information display system at Chennai Airport.

It is not clear as to why the Airport Authority of India chose to opt for old technology of Flip-Flap system instead of the latest LCD/Laser Type technology. The lowest tenderer M/s. ICS Systems, to whom the contract was awarded, does not seem to meet the stipulated prequalification criteria as they have not executed any single work costing Rs. 1.70 crores, as required. The market rate justification of the lowest offer was prepared to establish the reasonableness of rates. The lowest offer was accepted at Rs. 2.50 crores against the estimated cost of Rs. 3.37 crores, which indicates that the estimate was not realistic and was based on inflated rates. For such a large value project, surprisingly, no engineering drawing or details of the split flap boards were furnished by the contractor before starting the

execution of the work. Without any specific dimensional drawings of the boards, the contractor was given free hand to manufacture/install the boards, to his advantage AHR/ALR items were not identified.

F.19 VIDESH SANCHAR NIGAM LTD.

F.19.1 Supply, installation and commissioning of power equipments at substation of VSNL at Ambattur, Chennai.

Despite technical expertise available in house with the department, a consultant was appointed and that too without going through the normal procedure of inviting tenders. The tenders for work were invited in a haphazard manner. Limited tenders were issued to 26 firms for works at 7 sites in the country. The basis for short-listing the 26 firms and the details of the pre-qualification criteria adopted was not available. From the list of the firms, it is felt that the firms have no knowledge or any working experience in execution of sub-station work. The firms were given free hand and allowed to quote either for item-wise or turnkey basis. A lot of additions and deviations were made in the supply/work after opening of the offers. Even Chairman & Managing Director while approving the expenditure had categorically stated that the approval is given for turn key job as it would help in controlling the time over-runs and fixing of responsibility. But the department resorted to item-wise rates instead of turn-key contracts without any justification. It is also not clear as to why advertised tenders were not issued for better competition. The offer of M/s. BSES who was awarded the contract had many deviations in commercial and technical offer but no documents were available at the site to indicate if these deviations were withdrawn by the firm before award of the contract. The contractor had offered 3% discount for Chennai substation whereas only 1% discount for Ambattur substation but VSNL did not pursue the matter with the firm for similar discount. AHR/ALR items were not identified. No test checks have been made by the officials before making payments to the contractors. The WCT deducted from the bills seems to be less than the applicable rate.

F.20 BHARAT PETROLEUM CORPORATION LTD.

F.20.1 Electrical and Instrumentation work at NOI – FACT Irimpanam Installation of BPCL.

Open tendering system was not followed and only limited tenders were called from the firms which were pre-registered with M/s. BPCL. Out of the list of 14 tenders, only 2 bidders were considered for price evaluation after the technical bid opening. Thus, the likelihood of connivance by the two firms in hiking the quoted rates cannot be ruled out. M/s. FEDO who was the consultant has not done proper planning for the execution of work which has resulted in large deviations in the original quantity. The quality of the work was not up to the mark because of lack of supervision by the consultant. The consultant M/s. FEDO (Fact Engineering Design Organisation) a Govt. of India undertaking has recommended payment for interest free mobilisation advance, to the contractor and they have also claimed interest free mobilisation advance for themselves, when it is a purely consulting organisation. This is a clear violation of CVC's guidelines.

F.21 NATIONAL DAIRY DEVELOPMENT BOARD

F.21.1 N/w:- Design, supply, Dairy and Allied service equipments for Mega Dairy at Bangalore.

In the first round of two stage bidding technical offers were opened on 7.9.98 and three offers were received. After the technical negotiations bringing all the bidders at par, the price bids were opened on 28.12.98. As per the evaluation criteria, the offer of M/s. L&T was the lowest evaluated offer but due to certain discrepancies in the said offer and rates being higher, it was decided to recall revised bids from all the three bidders. While calling the revised bids, the technical specification of the equipment were diluted. The offer of M/s. IDMC was evaluated as L-1 during this round of offers which were opened on 28.1.99. Despite the technical specifications being diluted, the offer of M/s. IDMC was higher than the offer of M/s. L&T in the first round of the tenders. Further, while accepting the revised offer, the revised estimate as per the diluted specifications was not prepared for justifying the reasonableness of the rates. As such, it is felt the contract was awarded at higher rates. In contravention for the bidding documents, the contract was splitted and separate contracts for supply of equipments and erection were placed. This would have given undue financial advantage to the firm by saving in the payment of WCT. It was also noted that major amendments were issued after the award of the contract for supply of the equipments. No justification or approval of the competent authority was available for issuing such amendments which may have considerable financial implications. WCT was not deducted from the bills of the contractor. The insurance policy taken by the contractor was deficient. Advance payments were made to the contractor in contravention of the CVC guidelines and without taking any BG, thus giving undue benefit to the contractor. AHR and ALR items were not identified . No deviation statement was prepared for any of the bills.

F.22 TUTICORIN PORT TRUST

F.22.1 Installation of Fixed Fire Fighting System at Coal-Oil-Coal Jetty Complex.

The consultant was specially appointed for this work. The consultant estimated the cost of this work at an amount of Rs. 4.73 crores which was also approved by TPT board as it was within their power and competence. Tenders received only from two pre-qualified bidders the quoted price of L-1 = Rs. 11,86,25,487 and L-2 =Rs. 14,87,49,727/- against the NIT estimated cost of Rs. 4.96 crores (even the L-1 rate is more than double the est. cost). To avoid the sanction from MOST the consultant and TPT authority kept the estimated cost below Rs. 5 crores although the actual estimate was much above Rs. 5 crores. To keep the estimate below 5 crores the tender specification was modified/diluted and work was splitted and awarded to two contractors. It is not sure how this diluted work will satisfy the purpose of sophisticated fire fighting system of whole dock yard as originally proposed. Cable laying work was not done properly and no protection for the cable done and these are directly exposed to harsh sea weather/climate etc. The water jet of tower/ground monitor the water jet coverage was quite less than the required length which is a major lapse.

F.23 NATIONAL MINING DEVELOPMENT CORPORATION

F.23.1 Supply of electrical equipment for expansion scheme for Diamond Mining Project, Panna (M.P.).

The estimated cost of the work was of the order of Rs. 333 lakhs. Even then NMDC instead of following open tendering system resorted to limited tendering process. Out of 12 firms which were technically prequalified, only 4 firms were finally qualified for bid evaluation, thus limiting the competition. Tender opening was not done as per the tendering norms. The tender of M/s. Crompton Greaves Ltd., Which was received after the due date in

a tampered opened condition, was recommended for consideration by the General Manager(Engg.) Due to this action on the advice of Chief Vigilance Officer, all bidders were asked to submit revised price bids and finally the firm whose tender was received late was awarded the contract as it was L-1. This is against the sanctity of the tender opening as the tender of M/s. Crompton Greaves Ltd. should have been rejected in the initial stage itself, instead of calling revised bids from all the bidders. There were lots of deficiencies in the execution of work as non-standard and non-approved materials have been accepted without any financial implication giving undue benefit to the contractor.

III PROCUREMENT AND SERVICE CONTRACTS (STORE)

G. GOVERNMENT DEPARTMENTS

G.1 DEFENCE ELECTRONICS RESEARCH LABORATORY, HYDERABAD (DRDO, MINISTRY OF DEFENCE).

G.1.1 Procurement of Injection mode Simulator for Non-communication Applications (RADAR Simulator).

Though the estimated value was more than Rs. 8 crores but limited tender enquiry was issued instead of advertised tenders, violating the provisions of their own Purchase Management Manual. The vital clauses like EMD, Security Deposit, Liquidated Damages clause, Inspection Agency, Date/Time of tender opening, critical parameters for evaluation of tenders were not incorporated in bid documents violating the provisions of their own Purchase Management Manual. Tenders were not opened in the presence of trade representatives thereby violating the very principle of transparency. 15% advance payments were made against Conditional Bank Guarantee. Further 15% payment was also made against Preliminary Design Review without any safeguard like Bank Guarantee.

G.2 Ministry of Defence, New Delhi

G.2.1 Procurement of 30 KVA Diesel generating sets by DGOS and Ministry of Defence, New Delhi.

A repeat order for a much larger quantity of 318 nos. of 30 KVA DG sets was placed in 1999 at the same rate and conditions as of an on-going contract of 88 nos. placed in 1995. The repeat order was placed despite abnormal delay in supplies by that firm and defects in a large number of DG sets. The reasonableness of prices of previous contract placed in 1995 were justified by updating the rates of 1989 simply by compounding escalation of 10% p.a. in an adhoc manner instead of adopting professional approach of working out the actual increase on the basis of labour and material inputs – based on IEEMA or other indices. During the last 10 years, MOD could develop only one source for 30 KVA Generating Sets. Sincere efforts to develop more sources seem to be lacking.

H. PUBLIC SECTOR UNDERTAKINGS, AUTONOMOUS BODIES

H.1 BHARAT ELECTRONICS LTD., KOTDWAR (U.P.)

H.1.1 Procurement of Assembled Cards of different varieties against CDOT project used in Telephone Exchanges.

Though the estimated value of purchase was more than Rs. 20 crores but limited tender enquiry was issued instead of advertised tender and too short a time of 7 days was given to the tenderers to quote resulting in restriction of competition. The vital clauses such as FOR terms, Taxes and Duties, Liquidated Damage clause, Risk Purchase clause, Pre-despatch Inspection clause, Arbitration clause etc. were not stipulated in tender documents. Tenders were not opened in presence of trade representatives thereby violating the very principle of transparency. The credentials like Financial position, Constitution, ITCC of the firms were not verified. Negotiations had been held with other than L-1 also and so Commission's guidelines were flouted. The Liquidated Damages were condoned without valid reasons and thus giving undue benefit to the suppliers. No proper safeguard to protect the interest of their own like Risk Purchase clause, Performance Bank Guarantee clause, and Arbitration clause were incorporated in the contract. 100% payment was released without testing/inspection.

H.2 VIDESH SANCHAR NIGAM LTD.

H.2.1 Procurement of VSAT based IBS terminals by Videsh Sanchar Nigam Ltd., Mumbai.

The estimate was not prepared on realistic basis. As against the estimated cost of Rs. 15 crores, the total value of contract was only Rs. 9 crores. After opening of tenders, it was decided to purchase 6 more redundancy terminals at an estimated cost of Rs. 6 crores, but for negotiations, only L-1 and L-2 bidders were called despite substantial increase in the quantity. The terms of evaluation of the tenders requiring equal opportunity to be given to all the technically qualified bidders to submit re-bids were flouted. The installation of terminals was also abnormally delayed due to non-readiness of customers.

H.3 BHARAT PETROLEUM CORPORATION LTD., MUMBAI

H.3.1 Supply and installation of SCADA & APPS system for Mumbai – Manmad Pipeline Project by Bharat Petroleum Corporation Ltd., Sewree, Mumbai.

The estimated cost of Rs. 8 crores was quite inflated in comparison to the contract price of Rs. 5.5 crores. Irrespective of the value, the tenders are not being opened in presence of the bidders thereby, vitiating the transparency and sanctity of tender system. Against the stipulated delivery period of Nov.'1997, the installation of the system was completed in March' 2000.

H.4 BHARAT ALUMINUM COMPANY LTD., NEW DELHI.

H.4.1 Procurement of Cathode Blocks of different sizes by Bharat Aluminum Company Ltd., New Delhi.

Against global tender, out of 5 offers, only 3 offers were evaluated as technically responsive. Though, the samples and raw material etc. of one of the reputed company met all the prescribed specifications and also the firm agreed to all the terms and conditions including pre-despatch inspection but their offer was ignored. Even, the placement of a developmental order was not considered particularly when monopolistic situation was there. The firm on which the contract was placed did not have satisfactory performance and a large number of pre-mature failures of blocks were reported by the works at Korba.

H.5 CEMENT CORPORATION OF INDIA LTD., NEW DELHI.

H.5.1 Procurement of HDPE bags by Cement Corporation of India Ltd., New Delhi.

CCI decided to procure 132 lakh bags for 7 units. However, 4 units for which procurement of 40 lakh bags was also included were non-operational for a period ranging from 1 to 3 years. The offers were evaluated and processed keeping in view mainly the capacity of various tenderes to meet the target supply of 132 lakh bags in 4 months i.e. @ 33 lakh bags per month. However, the contracts were finally issued with a currency period of 1 year in a quite arbitrary manner. Repeated negotiations at different levels were conducted perhaps, to enable the select firms become the lowest.

H.6 MINERAL & METALS TRADING CORPORATION , NEW DELHI.

H.6.1 Procurement of 1 lakh Metric Tonnes of Di Ammonium Phosphate (DAP) at total cost of Rs. 100 crores by MMTC, New Delhi.

The procurement was planned for the Khariff season but, it was initiated quite late in Feb.'99 only. Despite very nominal profits envisaged at the time of procurement, still the procurement was taken up with the assumption that Govt. would increase the MRP or subsidy in the budget. However, the Govt. reduced the subsidy resulting in erosion of anticipated profits. Further, substantial losses due to non-firming up of freight charges, short receipt of material, FE escalation and interest loss due to non-realisation of sales on account of delay in shipments were there.

H.7 MUNICIPAL CORPORATION DEPARTMENT, DELHI

H.7.1 Procurement of 16,700 Metric Tonnes of Cement by Municipal Corporation Department, Delhi.

Though the total requirement on quarterly basis was 67,000 MTs. however, MCD chose to split the quantity in 4 tenders of 16,700 MTs each instead of inviting one tender. Surely, the Cardinal Principle of bulk buying was not followed. Almost all the bidders quoted the same price and even after negotiations, the offered reduction was same which reflects formation of Cartel among the bidders.

H.8 OIL INDIA LTD., JODHPUR

H.8.1 Turnkey contract for gas processing facilities in Western Rajasthan including ground flare system placed by Oil India Ltd., Jodhpur.

The consultant appointed at a very low Consultancy fee worked in an inexperienced manner and did not prepare the detailed project estimates. Also the technical literature, make/model/country of origin etc. of various Assemblies/Sub-Assemblies were not finalized before placement of the contract. The consultant in collusion with the contractor might have accepted the lowest priced equipment among various available vendors/makes. The offer of lowest bidder was ignored on flimsy grounds. Though extra price of approx. Rs. 2.5 crores was given to compensate the contractor for mobilization of additional resources to get EPS system installed in 5 months but, the firm took their own time and delayed the installation of EPS by 8 months. The department did not recover liquidated damages actually leviable as per the contract.

ILLUSTRATIVE LIST OF CASES IN WHICH LAPSES/ IRREGULARITIES NOTICED BY CTEO WERE REFERRED TO CVOS FOR INVESTIGATION FROM VIGILANCE ANGLE.

A. GOVERNMENT DEPARTMENTS

A.1 CENTRAL PUBLIC WORKS DEPARTMENTS

A.1.1 C/o New technical building for VSNL at Arvi, Distt. Pune.

M/s. EPI Ltd. a Govt of India Undertaking was 2nd lowest tenderer at a tendered cost of Rs. 29411118/- whereas M/s National (India) contractor and engineer (a private contractor) was 1st lowest at a tender cost of Rs. 27408076/-. The L-2 thus was within 10% of the L-1. L-2 being a Govt. of India enterprise, was to be extended purchase preference, their offer being within 10% of L-1 and they also claimed purchase preference. Thus the tender accepting authority i.e. CE(WZ-II) CPWD did not abide by the Govt. instructions on the subject in spite of SE recommendations and specific provision of purchase preference in the N.I.T.

A.1.2 C/o 60 Nos. type II and 20 Nos. type III qrs. For GPRA in S.M.plot at Sector VII Koliwada, Mumbai-37. SH: Construction of 60 Nos. type II qrs.(Super structure).

The lowest tenderer i.e. M/s. Akash Ganga constn. gave a condition that department to supply water for Construction and drinking purpose for which 1% value of work may be recovered from bill to bill. Gap between L-1 & L-2 was of the order of 0.91% . The financial implications of the condition was not worked out and loaded to arrive at the lowest tenderer. Department was unable to supply water and as such deptt. insisted for withdrawal of the condition. The financial implications of the condition had bearing and position of L-1 would have changed. Thus the work was not awarded to the lowest tenderer and power exercised treating the actual beneficiary as L-1.

A.1.3 Construction of 66 Nos. type III, 30 Nos. type IV and 20 Nos. type V qrs. At IGNOU, Maidan Garhi, New Delhi.

Three work orders and one agreement have been drawn to carry out the work of development in the area where the quarters are located when this work was in progress and much more amount have been paid to the other agencies, what would have been paid if the work could have been done through M/s Arora Constn. Co.(P) Ltd.

B. BANKS, INSURANCE COMPANIES & FINANCIAL INSTITUTION

B.1 UNION BANK OF INDIA

B.1.1 Internal Civil and sanitary, Union Bank of India, 66/80 Bombay Samachar Marg, Mumbai-23.

Award of work to the highest tenderer at 5% vis-à-vis the lowest offer at 1.15% is violative of tender norms. Revision of an offer amounts to withdrawal of an original offer. By not treating so the earnest money which was to be forfeited, was released committing the lapse.

B.2 BHARTIYA RESERVE BANK NOTE MUDRAN LTD.

B.2.1 Construction of new note press project, Mysore, civil work for township package I.I.B.1.

Empanelment in respect of M/s. BG shirke and Co. , M/s. Simplex Concrete, M/s. Billimoria, M/s. Ahluwalia and M/s. Shapoorji Pallanji & Co. was in disregard to the provision of the press notice. The work was awarded to M/s. BG shirke & Co. who does not fulfil the criteria as per press notice. Recovery for fencing envisaged in the contract but not provided has not been effected. Huge recoveries in respect of certain observations has been agreed and effected from the contractor . Financial terms were modified to the advantage of contractor. Payment for mobilisation advance was made without achieving the milestone provided in the agmt. Inadmissible payments were made for certain items and mode of measurement for items of earth work especially rock was not as per specification.

B.3 STATE BANK OF INDIA

B.3.1 Proposed construction of Head office building for SBI at Bhubaneswar.

In the above said work no safeguard measures were taken to ensure that abnormally low rated items amounting to Rs. 3614899 are executed to their stipulated qty's. Moreover, ALR items were substituted with item having inferior specification. In addition private consultants were engaged arbitrarily without any competition for a large work costing Rs. 16 crores and undue payments were released to them.

B.3.2 Proposed constn. of staff qrs. At Block I.C Salt Lake, Calcutta.

In this work, L-2 (A public sector undertaking firm quoted their rates within 10% of L-1 and ready to match the price with L-1, was not considered for award of work in clear violation of Govt. instructions thus favouring a particular agency. Moreover, favour has been done to agency by allowing the use of heavy sections of steel, though technically not required, and thereby incurring substantial avoidable expenditure.

C. PUBLIC SECTOR UNDERTAKING, AUTONOMOUS BODIES ETC.

C.1 D/O ATOMIC ENERGY

C.1.1 Construction of 112 nos. of residential flats (qtrs. of different type) at Anupuram near Kalpakkam.

The work was awarded approximate 6 month later to receipt of tender causing avoidable expenditure due to escalation . There was no competition resulting into award of work at higher rates. Substandard quality of teak wood was used by contractor instead of best quality of teakwood (i.e. Ist class teak wood) and also the item of 35mm thick mosaic flooring thickness of base coat and topping coat was not mentioned which may result into undue benefit to the contractor. The important record like “Hindrance register” was not maintained which may lead the grant of Extension of time on filmsy grounds. It was clear at the time of inspection (27/5/99 to 30/5/99) even after the 11 months of due completion date i.e. 1.7.98 work done was 78% only. The change in scope of work was accepted i.e. brick instead of concrete block without taking into a/c the financial implication. No mandatory tests were carried out to assess the quality of material used. Over all the quality of work was checked and found unsatisfactory even substandard work was accepted with out cost adjustment.

C.1.2 C/o 100 flats of type II-B (G+4) including internal finishing work in Western sector of Anushakti Nagar, Mumbai-94.

The work was awarded to IInd lowest though the Ist lowest was already prequalified for work. Moreover, the rates quoted by Ist lowest tenderer were considered for justification to award the work to the IInd lowest which were approximately Rs. 22.0 lacs more, resulting into loss of Rs. 22.0 lacs to the Government.

C.2 AIR PORT AUTHORITY OF INDIA

C.2.1 Proposed strengthening and extension of main apron, VIP apron, Construction of new taxi track and isolation bay at CA Lucknow.

In the above said work there was a delay but no penalty was levied for the delay. On the contrary, despite the Member (P) not granting full and final extension, the site officers misused their positions by releasing escalation payments to the tune of Rs. 37 lacs benefitting the contractor.

C.3 DELHI DEVELOPMENT AUTHORITY

C.3.1 Construction of 1040 Janta Houses in Pkt. 7 Nazirpur, Phase-I.

Only two tenders were received in Ist call of tenders and subsequently rejected in want of competition. Surprisingly, in 2nd calls only one tender was received and the work was awarded without competition that too on higher rates than the Ist call.

C.4 HINDUSTAN PREFAB LIMITED

C.4.1 Civil work for construction of corporate office building at Vastrapur, Ahemdabad.

Only two tenders were received with substantial difference more than 60% in quoted amount of first and second lowest tender. Moreover, half the work was withdrawn with mutual agreement with contractor with the condition that nobody will claim anything to each other which caused loss of more than Rs. 40 lacs to the Organisation by not invoking the clause of risk & cost.

C.5 JNPT (JAWAHARLAL NEHRU PORT TRUST)

C.5.1 Reclamation work behind shallow water berth.

Prequalification of M/s SC Thakur & Bros. And M/s Mahalaxmi Constn. Corporation was not in order since both the parties do not fulfil the criteria laid down in the press notice. Poor planning resulted into infructuous expenditure of about Rs. 35 lacs in doing the filling by rockfill which was subsequently taken out for C/o diaphragm wall and under jetty. No deduction of voids was made, contravening the provision of IS 1200 which resulted into an over payment of about Rs. 3.72 crores.

C.5.2 Construction of bund/road to Southern/approach bridge under construction by NSICT.

Rate of extra items of soling for BPCL pipe line paid was higher than admissible payment of Rs. 60000/- for shifting of five ducts and Rs. 12000/- for shifting of RCC precast slabs, has been made. The ducts and slab if would have been cast in position, this infructuous expenditure could have been saved.

C.6 KANDLA PORT TRUST

C.6.1 Development of land i/c roads etc. and side west gate, KPT.

The tender was issued to incompetent person and thus by rejection of tender, a loss of Rs. 178709/- apart from escalation was caused to KPT and power of discharge of tenders were not exercised by the competent authority. An over payment due to non recovery of element of compaction with loaded tracks not executed was made. Losses suffered due to effect of cyclone were not made good at the risk and cost of the agency. Recovery on account of jute geo textile not laid but required under the terms of the agmt. was not effected. resulting into consequential over payment.

C.6.2 Construction of multi purpose hall at Gopal Puri, KPT.

Tender was accepted at 33.07% above the prevailing market rate against 5% permissible in CPWD Manual Vol.II thus by acceptance of unreasonably high rates, the codal provisions were violated. Further the absurd rates of items were neither got rationalised during negotiations nor deleted to get these items executed in an alternative manner.

C.7 NAPTHA JHAKRI POWER CORPORATION

C.7.1 Construction of Civil works for Head Race Tunnel (Contract No. 2.2).

No market rate justification was kept on record to assess the reasonability of rates. The tender was accepted on higher rates. Advance in respect of construction Plant was paid

more than admissible as per contract. Recovery of advance has not been made as per contract provision, resulting in undue benefit to the agency, Contractor removed machinery from site without permission of Engineer-in-Charge. The insurance for equipments was obtained for less amount than specified. Ad hoc advances not admissible as per agreement were paid to the contractor. Delay in adjustment/finalisation of rate for changes in the specification during execution. Delay in recovery of power consumed by the agency has resulted in undue benefit.

C.8 NATIONAL BUILDING CONSTRUCTION CORPORATION LTD.

C.8.1 Construction of parallel Taxi track connecting main taxi track and 27 end dumbble, and parallel taxi track connecting main taxi track and 09end Dumble, and strengtheing of existing required portion of 09 end of main taxi track and Extension of main apron no. I at HAL Airport, Bangalore.

The L1 tenderer was called for 2nd round of negotiation though agency was 12% below to the rates which NBCC was getting from HAL. When agency did not turn up for negotiation, the tender was cancelled. After cancelling the tender, a limited tender was issued. Only 2 agencies responded to call of tender. The work was awarded to a constructor at 8% below rates to NBCC rates with HAL, which were 4% higher than the rates of Ist call of tender. In this process Government lost substantial money as well as work was delayed by many months. Similarly balance work of RCC & Asphaltic concrete was also awarded without proper publicity. The left out balance works of previous contractor were awarded to selected agencies without operating risk and cost clause. On this account NBCC suffered loss of several lacs rupees.

C.9 NATIONAL SMALL INDUSTRIAL CORPORATION

C.9.1 Construction of software Technology Park (Civil works), Phase I, Chennai.

The tender documents were issued to the agencies not qualified as per condition of prequalification in notice of tender. The wrong selection of agency has resulted in delay in completion of work.

C.10 RITES (RAIL INDIA & TECHNICAL ECONOMICS SERVICES)

C.10.1 Construction of Zilla panchayat office-cum-shopping complex at Hassan.

Inadmissible payment of Rs. 300379.36 has been made under item No. 13. When the item 12 was complete in itself. An over payment of Rs. 16097.18 against item No. 7 has been made by following the agmt. Rate per cubic meter as rate per sqm erroneously. Labour licence has not been obtained. Work has been accepted and certified as per Karnataka PWD specifications without referring to the actual requirement of specification. An over payment of Rs. 63009.97 has been made under item No. 10 for facia by treating the unit per cum as per sqm. Higher rates for mosaic tiles has been authorised. Tiles were of inferior standard and rate was not reduced accordingly. Further payment was made under wrong item resulting into an over payment of Rs. 97812/-. Thickness of shutter provided was 32mm against 40mm specified. Top cover of the rolling shutters was formed by joining the sheets and of lesser thickness than that specified.

C.11 SAMEER (SOCIETY FOR APPLIED MICROWAVE, ELECTRONICS ENGG. RESEARCH).

C.11.1 Construction of laboratory building and services facilities for SAMEER at Salt Lake, Calcutta.

The work was awarded to the 2nd lowest tenderer i.e. M/s. Civcone Constn.(P) Ltd. The award of work to 2nd lowest tenderer is in contravention to CVC circular No. 8(I)(h)/98(I) dated 18.11.98 vide which negotiations except L-1 were banned.

C.12 VIDESH SANCHAR NIGAM LTD.

C.12.1 Proposed renovation of external facia of Videsh Sanchar Bhavan, New Delhi.

In the above said work sub standard work of cement plastering had been accepted as the samples of cement mortar (1:3) used in plastering have failed during testing.

C.12.2 Horticulture/land scape development work of VSNL at Chhattarpur, Merrhrauli, New Delhi.

The rates adopted in the detailed estimate had no rational basis. The work was awarded without preparing market rate justification. The rates accepted for different species of trees seems on higher side. The over all impression about the maintenance was very poor. The trees planted were also undersize.

ILLUSTRATIVE EXAMPLES OF COMMISSION'S FIRST STAGE ADVICE ON CTEO'S INSPECTION REPORTS.

1. AIR PORT AUTHORITY OF INDIA

1.1 Construction of NITC at Delhi Airport palam (SH: C/o approach road from service road to Diverted NH 8)

In above work, filling of earth was not compacted as per agreement item. Less cement was used in kerb stones. Mandatory tests have not been carried out and substandard work was accepted. Commission advised minor penalty proceedings against 2 EEs(Civil), AE(Civil) & JEs (Civil) for above lapses.

1.2 Construction of hanger and ancillary Building for IAL at IGI Airport, New Delhi-Pavement.

Due to lack of General supervision, Substandard work was accepted and undue benefit was passed to the contractor. Commission advised minor penalty proceedings against Executive Engineer (Civil), AE & 3 JEs (Civil).

1.3 Construction of 3 Nos. hangars and annexe buildings at IGI Airport.

Substandard and defective work was executed and accepted. There has been lack of supervision and inefficient project management. The Organisation was misled by way of giving wrong rectification report. Wrong methods of measurements were adopted. Commission advised minor penalty proceedings against EE (Civil) & 2 AEs(Civil) and issue of Caution memo /warning to the SE(Civil), AE(Civil) and 2 JEs(Civil).

2. CENTRAL PUBLIC WORKS DEPARTMENT

2.1 Construction of Extension of Supreme Court of India, Tilak Marg, New Delhi (Execution of work Part-II).

The Measurements of hidden and high unit rates items were not test checked by the EE & AE, which was in violations to CPWD Manual provisions. The Commission advised major penalty proceedings against Junior Engineer (Civil) & Minor penalty proceedings against Executive Engineer (Civil) and Assistant Engineer (Civil).

3. NATIONAL BUILDING CONSTRUCTION CORPORATION

3.1 Balance construction repair rectification of civil works of HRD and ESI building of BHEL at Sector 16-A, Noida.

The items of stone and tile works were accepted at high rates. Substandard quality of tiles was accepted without cost adjustment. The recosted measurements were found tampered. Commission advised major penalty proceedings against the Resident Engineer and Assistant Engineer and Minor penalty proceedings against accountant.

4. NETAJI SUBHASH INSTITUTE OF TECHNOLOGY, DELHI.

4.1 Providing and fixing of ceramic tiles in Bands at different floor levels in institute Building, NIT.

The offer of the lowest tenderer was wrongly rejected. Use of “RAJA” brand tiles was insisted to favour the manufacturers. Justification of rates was not properly worked out. The splitting of work was also not in order. The Commission advised major penalty proceedings against the SE & EE.

5. NEW MANGALORE PORT TRUST (MINISTRY OF SURFACE TRANSPORT)

5.1 Supply and Commissioning of 30 tonnes diesel hydraulic crane, mobile on tyres with telescopic boom.

While finalising the contract for supply of crane, M/s. Telco was eliminated from competition unjustifiably. Commission advised major penalty proceedings against the SE (Mech.).

Annexure –V
(Para 3.7.1)

DETAILS OF REPORTS ISSUED UPTO 31.12.99 ON WHICH REPLIES ARE AWAITED FOR A YEAR OR MORE AS ON 31-12-2000.

S.No.	Organisation	Date of issue of report
1.	Eastern Railway	23.03.1998
2.	Post Graduate Institute of Medical Education and Research	16.12.1999

Annexure –VI
(Para 3.7.2)

**ORGANISATIONS WHICH HAVE MORE THAN FIVE VIGILANCE CASES
PENDING FOR INVESTIGATION**

S.No.	Name of the Organisation	Number of pending cases
1.	Irrigation & Flood Control, NCT of Delhi	8

Some major Organisations which did not send any Quarterly Progress Report during 1999-2000.

S.No.	Name of Organisation
1.	Hospitals Services & Consultancy Corporation, Noida
2.	National Centre for Software Technology, Mumbai
3.	Director General Health Services, Delh
4.	Ministry of Steel, New Delhi.
5.	Ministry of Mines, New Delhi.
6.	Ministry of Coal, New Delhi.
7.	Ministry of Textiles, New Delhi.
8.	Central Board of Customs and Excise, New Delhi.
9.	Border Security Force, New Delhi.
10.	M.T.N.L, Delhi/ Bombay.
11.	Geological Survey of India, Calcutta.
12.	Heavy Engineering Corporation, Ranchi.
13.	Bharat Gold Mine
14.	Film & T.V.Institute, Pune
15.	General Insurance Corporation
16.	Hindustan Prefab
17.	Indian Institute of Foreign Trade
18.	Indian Telephone
19.	NBCC
20.	United India Assurance
21.	Visakhapatnam Dock Labour Board
22.	U.T.Daman & Diu & Dadar Nagar Haveli
23.	State Bank of Mysore
24.	Tuticorin Port Trust
25.	Bharat Pumps & Compressor Ltd.
26.	NMDC
27.	Rubber Board, Kottayam
28.	RPNN/NPCC
29.	UCO Bank
30.	Bharat Breaks & Valves
31.	N.I.D.C.
32.	Project Development of India Ltd.
33.	BALCO Ltd.
34.	Bharat Wagon & Engg. Co. Ltd.
35.	Border Road Development Board
36.	CPWD-East Zone
37.	DVB/DESU
38.	DSIDC
39.	Mahanadi Coal fields Ltd.
40.	Tea Trading Corporation
41.	Telecommunication Corporation of India (TCIL)

42. Coal India
43. Northern Railway
44. M.C.D.
45. Cotton Corporation of India
46. Dadra & Nagar Haveli (PWD)
47. Industrial Finance Corporation India Ltd.
48. IIM Ahmedabad
49. Ministry of Petroleum and Natural Gas
50. Shipping Corporation of India Lt
51. Petroleum Conservation and Research Association
52. Andaman and Nicobar Admn.
53. Deptt. of Tourism
54. East Coast Railway (Bhubaneshwar)
55. Hindustan paper Corporation
56. Industrial Reconstruction B/o India
57. Modern Food Industry
58. Oriental Insurance Co.
59. Bhartiya Reserve Bank note mudran ltd. new note press.
60. Eastern railway
61. Sports Authority of India
62. Super Bazar
63. Neelachal Ispat Nigam Ltd.
64. CPWD CE PWD(DA) Zone-I, CE NE Zone, Shillong

ANNEXURE - VIII
(Para 5.2)

**LIST OF ORGANISATIONS WHO ARE YET TO SUBMIT REPORTS ON
COMPLAINTS FORWARDED BY THE COMMISSION**

SL. NO.	NAME OF THE ORGANISATION	COMPLAINTS PENDING WITH CVOs FOR INVESTIGATION		
		UPTO ONE YEAR	BETWEEN ONE - THREE YEARS	MORE THAN THREE YEARS
1.	AIIMS	1	1	0
2.	Air India	1	1	1
3.	Airport Authority of India	5	5	1
4.	Allahabad Bank	3	0	0
5.	Andaman & Nicobar Admn.	4	1	5
6.	Andhra Bank	2	4	0
7.	Bank of Baroda	0	1	0
8.	Bank of India	3	0	0
9.	Banking Division	0	3	0
10.	Bharat Coking Coal Ltd.	0	1	1
11.	Bharat Heavy Electricals Ltd.	0	1	1
12.	Bharat Petroleum Corporation Ltd.	2	4	1
13.	Border Road Development Board	1	2	0
14.	Bureau of Indian Standards	1	0	0
15.	C.S.I.R.	3	2.	1
16.	Cabinet Secretariat	0	0	1
17.	Canara Bank	1	0	1
18.	CAPART	0	0	1
19.	Cement Corporation of India Ltd.	0	0	1
20.	Central Bank of India	4	0	0
21.	Central Board of Direct Taxes	46	76	5
22.	Central Board of Excise & Customs	68	83	24
23.	Central Cottage Industries Corpn. of India Ltd.	0	1	0
24.	Central Public Works Department	4	10	2
25.	Central Warehousing Corporation	2	2	5
26.	Chandigarh Administration	0	0	2
27.	Coal India Ltd.	0	2	3
28.	Comptroller & Auditor General	0	1	0
29.	D/o Agriculture & Cooperation	2	0	1
30.	D/o Agriculture Research & Education	0	1	0
31.	D/o Animal Husbandry & Dairying	2	0	1
32.	D/o Atomic Energy	0	1	2
33.	D/o Civil Aviation	6	3	0
34.	D/o Commerce	1	5	4

35.	D/o Consumer Affairs	3	3	0
36.	D/o Culture	4	0	8
37.	D/o Defence Production & Supplies	0	0	2
38.	D/o Education	13	14	5
39.	D/o Fertilizers	0	1	0
40.	D/o Heavy Industry	3	15	9
41.	D/o Industrial Policy & Promotion	0	1	1
42.	D/o Mines	0	6	1
43.	D/o Personnel & Training	13	3	2
44.	D/o Post	13	13	47
45.	D/o Public Distribution	0	2	4
46.	D/o SSI Agro & Rural Industries	1	0	0
47.	D/o Steel	1	0	0
48.	D/o Supply	1	0	5
49.	D/o Telecom	22	18	111
50.	D/o Tourism	3	0	1
51.	D/o Women & Child Development	0	0	1
52.	D/o Youth Affairs & Sports	2	0	6
53.	Dadra & Nagar Admn. & Daman & Diu Admn.	0	1	1
54.	Damodar Valley Corporation	0	1	0
55.	Delhi Development Authority	12	25	14
56.	Delhi State Industrial Development Corporation	0	1	2
57.	Delhi Transport Corporation	1	2	3
58.	Delhi Vidyut Board	2	9	17
59.	Eastern Coalfields Ltd.	0	2	1
60.	Electronics Corporation of India Ltd.	0	1	0
61.	Employees Provident Fund Organisation	12	6	0
62.	Employees State Insurance Corporation	0	5	0
63.	Food Corporation of India	6	9	0
64.	General Insurance Corporation	0	1	2
65.	Geological Survey of India	0	2	0
66.	Govt. N.C.T. of Delhi	32	62	45
67.	Govt. of Pondicherry	1	0	0
68.	Hindustan Latex Ltd.	1	1	0
69.	Hindustan Machine Tools Ltd.	0	1	0
70.	Hindustan Paper Corporation	1	0	0
71.	Hindustan Petroleum Corporation Ltd.	0	0	1
72.	Hindustan Photofilms Mfg. Co. Ltd.	0	0	1
73.	Hindustan Vegetable Oils Corporation	1	0	0
74.	Hindustan Zinc Ltd.	0	2	1
75.	I.R.C.C.	1	0	0
76.	Indian Airlines	1	1	0
77.	Indian Bank	1	0	0
78.	Indian Council of Agricultural Research	5	10	2
79.	Indian Council of Medical Research	2	1	0
80.	Indian Farmers Fertilizers Co-op. Ltd.	0	1	0
81.	Indian Institute of Technology	0	0	1
82.	Indian Oil Corporation Ltd.	1	1	0
83.	Indian Overseas Bank	0	2	0
84.	Indian Petro-Chemicals Corpn. Ltd.	1	1	0

85.	Indian School of Mines	0	0	3
86.	Kandla Port Trust	0	0	1
87.	Kendriya Vidyalaya Sangathan	1	3	11
88.	Kolkata Port Trust	0	1	1
89.	Lakshdweep Admn.	0	0	1
90.	Life Insurance Corporation of India	1	9	4
91.	M.M.T.C. Ltd.	0	0	1
92.	M/o Coal	0	6	3
93.	M/o Defence	8	5	19
94.	M/o Environment & Forest	2	1	2
95.	M/o External Affairs	3	0	2
96.	M/o Finance	15	23	2
97.	M/o Health & Family Welfare	19	23	7
98.	M/o Home Affairs	6	3	8
99.	M/o Information & Broadcasting	4	11	13
100.	M/o Information Technology	0	1	2
101.	M/o Labour	3	3	2
102.	M/o Law, Justice & Company Affairs	0	2	2
103.	M/o Petroleum & Natural Gas	5	8	1
104.	M/o Power	2	6	7
105.	M/o Railways	22	76	34
106.	M/o Science & Technology	0	0	2
107.	M/o Statistics & Programme Implementation	0	1	0
108.	M/o Surface Transport	8	10	8
109.	M/o Textiles	2	1	7
110.	M/o Urban Development & Poverty Alleviation	9	8	18
111.	M/o Water Resources	0	4	1
112.	M/o Welfare	1	9	8
113.	Medical Council of India	1	1	0
114.	Mumbai Port Trust	0	1	0
115.	Municipal Corporation of Delhi	15	70	11
116.	NABARD	4	1	0
117.	Nathpa Jhakri Power Corpn. Ltd.	0	3	0
118.	National Agricultural Coop. Mktg. Fed. (NAFED)	1	0	0
119.	National Aluminium Company Ltd.	0	1	0
120.	National Building Construction Corporation	1	0	0
121.	National Consumer Co-operative Federation	0	0	1
122.	National Industrial Develp. Corpn. Ltd.	0	2	0
123.	National Insurance Co. Ltd.	3	14	10
124.	National Project Construction Corporation	0	0	1
125.	National Seeds Corporation	1	0	0
126.	National Small Industries Corpn.	0	0	1
127.	National Thermal Power Corpn.	0	3	3
128.	Navodaya Vidyalaya Samiti	0	0	2
129.	New Delhi Municipal Council	0	13	15
130.	New India Assurance Co. Ltd.	6	10	1
131.	New Mangalore Port Trust	0	1	0
132.	Northern Coalfields Ltd.	0	2	0
133.	Nuclear Power Corporation	3	0	0
134.	O/o CGDA	1	2	2

135.	Ocean Development	0	1	0
136.	Oil & Natural Gas Corpn.	2	0	1
137.	Oriental Bank	2	4	0
138.	Oriental Insurance Co. Ltd.	4	9	1
139.	P.G.C.I.L.	0	1	0
140.	Paradeep Port Trust	3	2	2
141.	Pawan Hans Ltd.	1	0	0
142.	Planning Commission	0	1	0
143.	Punjab National Bank	6	4	0
144.	Rashtriya Chemical & Fertilizers Ltd.	0	0	1
145.	Reserve Bank of India	0	4	0
146.	South Eastern Coalfields Ltd.	2	0	0
147.	Sports Authority of India	0	1	0
148.	State Bank of Hyderabad	1	2	0
149.	State Bank of India	20	1	0
150.	State Bank of Saurashtra	1	0	0
151.	State Trading Corporation	0	3	1
152.	Steel Authority of India Ltd.	0	2	0
153.	Super Bazar	0	1	2
154.	T.C.I.L.	0	0	2
155.	Tuticorin Port Trust	1	0	0
156.	UCO Bank	2	0	0
157.	Union Bank	2	0	0
158.	United India Insurance Co. Ltd.	4	14	1
159.	Vayudoot Ltd.	0	0	1
160.	Visakhapatnam Port Trust	2	3	5
	TOTAL:	522	826	592

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**ANNEXURE- IX
(Para 5.3.2)**

**LIST OF ORGANISATIONS YET TO APPOINT CDIs NOMINATED BY THE
COMMISSION**

SL. No.	NAME OF ORGANISATION	NO. OF NOMINATIONS PENDING	
		MORE THAN THREE MONTHS BUT LESS THAN A YEAR	MORE THAN A YEAR
1.	Airports Authority of India	1	0
2.	Allahabad Bank	2	1
3.	Bank of Baroda	7	0
4.	Bank of India	22	0
5.	Central Board of Excise & Customs	3	3
6.	C.S.I.R.	1	0
7.	Canara Bank	0	1
8.	Central Bank of India	5	0
9.	D.D.A.	3	0
10.	Delhi Vidyut Board	1	1
11.	D/o Atomic Energy	1	0
12.	D/o Food & Civil Supplies	1	0
13.	D/o Heavy Industry	1	0
14.	D/o Telecom	5	5
15.	Food Corporation of India	5	0
16.	Indian Bank	9	1
17.	Indian Oil Corporation	0	1
18.	Municipal Corporation of Delhi	4	1
19.	M/o Commerce	1	0
20.	M/o Defence	1	9
21.	M/o Environment & Forest	0	1
22.	M/o Home Affairs	10	0
23.	M/o Information & Broadcasting	3	0
24.	M/o Railways	14	9
25.	M/o Surface Transport	1	1
26.	Govt. of N.C.T. of Delhi	1	1
27.	National Fertilizers Ltd.	6	0
28.	Punjab & Sind Bank	2	1
29.	Punjab National Bank	1	0
30.	State Bank of India	3	0
31.	State Bank of Mysore	7	0
32.	D/o Education	1	0
33.	Industrial Investment Bank	3	0
34.	Union Bank	1	0
35.	State Bank of Bikaner & Jaipur	1	0
36.	D/o Space	0	1
37.	M/o Urban Development	11	0

38.	Delhi Transport Corporation	2	0
39.	N.D.M.C.	1	0
40.	D/o Youth Affairs & Sports	1	0
41.	D/o Food Processing Industries	1	0
42.	Border Road Development Board	2	0
43.	Employee Provident Fund Organisation	1	0
44.	M/o Labour	1	0
45.	Eastern Coalfields Ltd.	0	1
46.	Bharat Pumps & Compressors	0	1
47.	KRIBHCO	0	1
48.	Southern Pesticides Corporation Ltd.	0	1
49.	Engineers India Ltd.	1	0
50.	D/o Personnel & Training	1	0
51.	Bharat Petroleum Corporation	1	0
52.	Fertilizers & Chemicals Travancore Ltd.	15	0
53.	Power Grid Corporation Ltd.	4	0
54.	Govt. of Pondicherry	8	0
55.	Dadra & Nagar Haveli Administration	2	0
56.	M/o Coal	1	0
57.	M/o Mines	10	0
58.	CGDA	2	0
59.	All India Radio	9	0
60.	Central Bureau of Investigation	3	0
61.	Doordarshan Kendra	1	0
62.	Andaman & Nicobar Administration	1	0
63.	M/o External Affairs	2	0
64.	M/o Finance	2	1
65.	D/o Post	3	2
66.	Mazgaon Dock Ltd.	1	0
67.	Chandigarh Administration	6	0
68.	D/o Company Affairs	1	0
	TOTAL	221	44

ANNEXURE - X
(Para 5.3.3)

**LIST OF ORGANISATIONS WHO ARE YET TO FORWARD DOCUMENTS TO
THE CDIs FOR HOLDING INQUIRIES**

SL. NO.	NAME OF THE ORGANISATION	PENDING FOR RECEIPT OF DOCUMENTS	
		> 3 MONTHS BUT < ONE YEAR	> 1 YEAR
1.	C.S.I.R.	1	0
2.	M/o Health & Family Welfare	4	0
3.	National Insurance Company	0	1
4.	Union Bank of India	0	1
5.	Airport Authority of India	0	6
6.	Indian Bank	2	0
7.	State Bank of Mysore	3	0
8.	Punjab National Bank	1	0
9.	Dadra & Nagar Haveli	1	0
10.	M/o Finance	1	4
11.	D/o Posts	1	0
12.	D/o Telecom	1	0
	TOTAL:	15	12

ANNEXURE- XI
(Para 5.4)

ORGANISATION-WISE LIST OF CASES IN WHICH COMMISSION HAS NOT RECEIVED INFORMATION ABOUT IMPLEMENTATION OF ITS ADVICE

SL. NO.	NAME OF ORGANISATION	NO. OF CASES PENDING IMPLEMENTATION OF CVC'S ADVICE FOR MORE THAN SIX MONTHS	
		FIRST STAGE ADVICE	SECOND STAGE ADVICE
1.	Air India	1	0
2.	Airport Authority of India	9	1
3.	Allahabad Bank	4	1
4.	ALMCO	1	0
5.	Andaman & Nicobar Admn.	20	1
6.	Andhra Bank	6	2
7.	Bank of Baroda	58	16
8.	Bank of India	79	12
9.	Bank of Maharashtra	16	2
10.	Bharat Coking Coal Ltd.	1	0
11.	Bharat Heavy Electricals Ltd.	2	1
12.	Bharat Petroleum Corporation Ltd.	1	0
13.	Border Roads Development Board	6	4
14.	Brahmaputra Board	1	0
15.	Braith Waite & Co. Ltd.	1	0
16.	British India Corporation	2	0
17.	C.A.P.A.R.T.	1	2
18.	Cabinet Sectt.	2	8
19.	Canara Bank	21	1
20.	CBI	3	3
21.	Central Bank	5	3
22.	Central Board of Direct Taxes	26	73
23.	Central Board of Excise & Customs	81	113
24.	Central Coalfields Ltd.	2	0
25.	Central Public Works Department	11	12
26.	Central Silk Board	0	1
27.	Chandigarh Administration	25	2
28.	Chennai Port Trust	1	0
29.	Coal India Ltd.	3	0
30.	Cochin Shipyard Ltd.	1	0
31.	Council of Scientific & Industrial Research	11	7
32.	D/o Agricultural & Cooperation	18	6
33.	D/o Animal Husbandry & Dairying	2	1

34.	D/o Atomic Energy	4	0
35.	D/o Chemicals & Petrochemicals	3	0
36.	D/o Civil Aviation	6	0
37.	D/o Consumer Affairs	2	0
38.	D/o Culture	0	2
39.	D/o Defence Production & Supplies	11	3
40.	D/o Fertilizers	5	0
41.	D/o Heavy Industry	1	0
42.	D/o Industrial Policy & Promotion	8	2
43.	D/o Mines	0	4
44.	D/o Personnel & Training	20	5
45.	D/o Posts	41	26
46.	D/o Public Distribution	2	2
47.	D/o Science & Technology	6	1
48.	D/o Small Scale Industries, Agro & Rural Industries	4	1
49.	D/o Space	0	2
50.	D/o Statistics & Programme Implementation	1	0
51.	D/o Telecom	384	104
52.	D/o Tourism	1	0
53.	D/o Youth Affairs & Sports	2	4
54.	Dadra & Nagar Admn. & Daman & Diu Admn.	13	3
55.	Damodar Valley Corporation	5	1
56.	Delhi Development Authority	37	68
57.	Delhi Small Industry Development Corporation	3	1
58.	Delhi Transport Corporation	11	1
59.	Delhi Vidyut Board	81	60
60.	Eastern Coalfields Ltd.	2	0
61.	Electronics Corporation of India Ltd.	1	0
62.	Employees Provident Fund Organisation	6	1
63.	Employees State Insurance Corporation	4	4
64.	Food Corporation of India	8	0
65.	Govt. of NCT Delhi	43	68
66.	H.M.T. Ltd.	1	0
67.	Hindustan Steelworks Construction Ltd.	1	0
68.	Hospital Services Consultancy Corporation	0	1
69.	I.T.I.	3	0
70.	India Tourism Development Corporation	1	1
71.	India Trade Promotion Organisation	0	2
72.	Indian Air Lines	1	0
73.	Indian Bank	18	20
74.	Indian Council of Agricultural Research	10	0
75.	Indian Oil Corporation	4	1
76.	Indian Overseas Bank	9	7
77.	Indira Gandhi National Open University	1	0
78.	Industrial Investment Bank of India	1	0
79.	Kendriya Vidyalaya Sangathan	2	2
80.	Khadi & Village Industries Corporation	4	0
81.	Kolkata Port Trust	3	0

82.	Lakshdweep	5	3
83.	Life Insurance Corporation	7	6
84.	M.M.T.C.	1	0
85.	M/o Coal	3	0
86.	M/o Commerce	17	6
87.	M/o Defence	43	6
88.	M/o Environment & Forest	7	13
89.	M/o External Affairs	13	4
90.	M/o Finance	12	7
91.	M/o Food Processing Industries	0	1
92.	M/o Health & Family Welfare	16	17
93.	M/o Home Affairs	36	13
94.	M/o Information & Broadcasting	62	6
95.	M/o Information Technology	2	0
96.	M/o Labour	2	5
97.	M/o Law, Justice & Company Affairs	4	4
98.	M/o Non-Conventional Energy Sources	1	1
99.	M/o Petroleum & Natural Gas	2	0
100.	M/o Power	2	1
101.	M/o Railways	411	185
102.	M/o Steel	1	0
103.	M/o Surface Transport	13	2
104.	M/o Textiles	0	2
105.	M/o Urban Development	12	19
106.	M/o Water Resources	13	5
107.	Marine Products Export Development Authority	2	0
108.	Mormugao Port Trust	1	0
109.	Mumbai Port Trust	1	1
110.	Municipal Corporation of Delhi	75	53
111.	NABARD	2	0
112.	National Building Construction Corporation	1	0
113.	National Consumer Coop. Federation	1	0
114.	National Insurance Co. Ltd.	20	16
115.	National Textiles Corporation	1	0
116.	National Thermal Power Corporation	1	1
117.	New Delhi Municipal Council	3	11
118.	New India Assurance Co. Ltd.	6	23
119.	NIPCCO	0	1
120.	Nuclear Power Corporation	3	1
121.	O/o CGDA	18	17
122.	O/o Comptroller & Auditor General	4	2
123.	Oil & Natural Gas Corporation	6	0
124.	Oriental Insurance Co. Ltd.	11	2
125.	Paradeep Port Trust	2	0
126.	Pondicherry	23	9
127.	Power Grid Corporation of India	4	0
128.	Projects & Development (India) Ltd.	1	0
129.	Punjab & Sind Bank	30	6

130.	Punjab National Bank	10	2
131.	Rashtriya Chemicals & Fertilizers LTd.	1	0
132.	Reserve Bank of India	2	1
133.	SCOPE	1	0
134.	Shipping Corporation of India	1	0
135.	Sports Authority of India	3	5
136.	State Bank of Bikaner & Jaipur	12	2
137.	State Bank of Hyderabad	13	0
138.	State Bank of India	90	15
139.	State Bank of Indore	12	0
140.	State Bank of Mysore	13	2
141.	State Bank of Patiala	8	4
142.	State Bank of Saurashtra	5	2
143.	State Bank of Travancore	60	5
144.	State Trading Corporation	2	0
145.	Steel Authority of India Ltd.	1	0
146.	Super Bazar	0	1
147.	Tea Trading Corporation of India	0	1
148.	TRIFED	1	0
149.	UCO Bank	3	7
150.	Union Bank of India	36	7
151.	United Bank of India	8	2
152.	United India Insurance Co. Ltd.	10	13
153.	Vijaya Bank	23	11
154.	Visakhapatnam Port Trust	2	2
	Total	2413	1200

ANNEXURE - XII
(Para 6.8.1)

**LIST OF ORGANISATIONS WHICH HAVE NOT FURNISHED STATISTICAL
RETURNS FOR ANY QUARTER DURING THE YEAR 2000**

S. No.	NAME OF ORGANISATION
1.	All India Institute of Medical Sciences
2.	Andaman & Nicobar Admn.
3.	Assam Rifles
4.	Banking Division
5.	Bharat Process & Mechanical Engineers Ltd.
6.	Border Security Force
7.	British India Corporation
8.	Central Public Works Department
9.	Central Council For Research in Ayurveda & Sidha
10.	Central Industrial Security Force
11.	Central Institute of English & Foreign Languages
12.	Central Pulps & Paper Research Institute
13.	Coir Board
14.	Cycle Corporation of India Ltd.
15.	D/o Animal Husbandry & Dairying
16.	D/o Culture
17.	D/o Economic Affairs (Ins. Wing)
18.	D/o Expenditure
19.	D/o Heavy Industry
20.	D/o Legal Affairs & Legislative Department
21.	D/o Revenue
22.	D/o Tourism
23.	D/o Women & Child Development
24.	D/o Youth Affairs & Sports
25.	E.T.T.D.C.
26.	Exports Credit Guarantee Corporation
27.	G.B. Pant Himalayan Environment & Dev.
28.	I.I.M., Lucknow
29.	I.I.M., Kolkata
30.	I.I.T., Mumbai
31.	I.I.T., Chennai
32.	Indian Council of Agricultural Research
33.	Indian Council of Forestry Research & Education
34.	Indian Council of Social Science Research
35.	Indian Institute of Mass Communication
36.	Indian Museum
37.	Indian Rare Earths Ltd.
38.	Indo-Tibetan Border Police
39.	Intelligence Bureau
40.	International Instt. For Population Sciences
41.	Kendriya Bhandar
42.	Lagan Jute Machinery Co. Ltd.
43.	Lakshadweep Admn.

44.	M/o Civil Aviation
45.	M/o Environment And Forests
46.	M/o Health & Family Welfare
47.	M/o Information & Broadcasting
48.	M/o Labour
49.	M/o Power
50.	M/o Surface Transport
51.	MMTC Ltd.
52.	National Bal Bhavan
53.	National Commission For Minorities
54.	National Council For Cement & Buldg. Materials
55.	National Council of Science Museums
56.	National Fed. of Fishermen's Coop. Ltd.
57.	National Film Dev. Corporation Ltd.
58.	National Instt. For Rehabilitation Training & Res.
59.	National Instt. of Adult Education
60.	National Instt. of Homeopathy
61.	National Instt. of Rural Development
62.	National Instt. of Urban Affairs
63.	National Power Training Instt.
64.	Navodaya Vidyalaya Samiti
65.	NCR Planning Board
66.	P.G. Instt. of Medical Education & Research, Chandigarh
67.	Pharmacy Council of India
68.	Planning Commission
69.	PM's Office
70.	Rashtriya Sanskrit Vidyapeeth
71.	Regional Computer Centre, Kolkata
72.	Rehabilitation Industries Corporation Ltd.
73.	Repatriates Coop. Finance & Dev. Bank Ltd.
74.	Richardson & Cruddas (1972) Ltd.
75.	Salar Jung Museum
76.	School of Planning & Architecture
77.	Software Technological Parks of India
78.	Sports Authority of India
79.	Staff Selection Commission
80.	Super Bazar, New Delhi
81.	Tata Memorial Centre
82.	Tea Trading Corp. of India Ltd.
83.	Technical Teachers Trg. Instt., Kolkata
84.	Technical Teachers Trg. Instt., Chennai
85.	Tobacco Board
86.	Tribal Coop. Mktg. Development Fed. of India
87.	University of Hyderabad

ANNEXURE -XIII
(Para 6.9.1)

WORK DONE BY CHIEF VIGILANCE OFFICERS DURING THE PERIOD 1.1.2000 TO 31.12.2000

1. Col.2 indicates the ministry including departments & public sector undertakings attached to it, except when such departments/ public undertakings are indicated separately.
2. F.D.= For Disposal; (3) D= Disposed off; (4) Inv.= Investigation; (5) Inq.= Inquiry; (6) Rpt. = Report.

S. NO.	DEPARTMENT	NO. OF COMP AGAINST ALL CATEGORIES		CASES INVOLVING GAZ. & EQUIVALENT OFFICERS								OTHER OFFICERS			
				UNDER INV.		INV.RPT.		UNDER ORAL INQUIRY		ACTION AFTER PROCEEDINGS		UNDER INV. & FOR ACTION ON INV. REPORT		UNDER ORAL INQ.&FOR ACTION ON PROCEEDINGS	
				F.D.	D.	F.D.	D.	F.D.	D.	F.D.	D.	F.D.	D.	F.D.	D.
1.	AGRICULTURE	51	42	38	22	34	24	16	3	14	10	37	35	70	55
2.	ATOMIC ENERGY	77	72	3	2	2	0	19	4	7	6	138	98	102	56
3.	BANKS	3879	3733	880	764	1101	849	1114	477	1618	1280	5929	4863	5440	3604
4.	C.&A.G. OF INDIA	3	3	2	2	3	3	2	2	4	4	0	0	0	0
5.	CHEM & PETROCHEM.	137	134	2	1	1	1	0	0	0	0	219	160	87	57
6.	CIVIL AVIATION	263	263	6	4	4	4	25	3	27	19	718	556	271	143
7.	COAL	1513	1299	38	21	41	32	28	12	24	20	1925	1397	730	306
8.	COMMERCE	308	243	57	39	45	28	20	5	18	12	494	318	276	195
9.	CUSTOMS & EXCISE	1028	596	518	86	122	99	242	62	179	115	729	232	542	183
10.	DEFENCE	657	586	192	111	273	119	52	23	44	37	679	592	250	155
11.	N.C.T., DELHI	4365	3840	313	233	264	247	93	64	286	202	3362	2504	1827	1424
12.	EXTERNAL AFFAIRS	2	1	15	14	14	10	1	0	8	3	28	26	24	12
13.	FERTILIZERS	141	138	10	8	11	11	4	0	5	5	396	281	140	98
14.	FINANCE	5	3	3	1	1	1	1	1	2	1	9	6	62	30
15.	FOOD & CONSUMER AFFAIRS	52	50	4	1	1	1	0	0	0	0	141	99	66	50
16.	FOOD CORPN. OF INDIA	767	767	6	2	2	2	3	0	0	0	1524	1193	1564	1056
17.	HEALTH & FAMILY WELFARE	14	14	5	4	4	4	1	0	0	0	9	4	38	23
18.	HOME AFFAIRS	642	540	138	84	154	68	71	36	73	36	319	177	167	98
19.	HUMAN RESOURCES DEVELOPMENT	54	51	51	16	32	20	31	16	28	24	37	10	8	0
20.	I & B	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21.	INCOME TAX	2128	1235	262	151	210	169	72	29	115	47	950	718	191	51
22.	INDUSTRIAL DEVELOPMENT	31	31	33	14	15	14	3	0	8	4	26	17	3	2
23.	INSURANCE	705	705	64	60	90	69	60	26	82	64	1767	1319	1096	709
24.	LABOUR	57	57	2	0	1	0	12	9	22	0	140	45	275	145
25.	MINES	126	121	16	9	14	14	6	1	2	2	206	176	165	112
26.	PETROLEUM	705	649	35	20	50	39	8	4	12	9	2147	1364	487	271
27.	POSTS	0	0	0	0	0	0	0	0	0	0	4	4	1	1
28.	POWER	254	252	9	7	8	8	10	2	7	4	657	418	183	114
29.	HEAVY INDUSTRY	620	597	13	3	6	3	8	4	6	3	974	786	327	183
30.	RAILWAYS	20518	19792	664	272	331	270	235	126	446	256	32070	30290	20058	13167
31.	RURAL DEVELOPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32.	S.A.I.L.	588	457	5	5	6	6	1	0	0	0	318	236	227	167
33.	SCIENCE &	129	116	98	44	55	39	30	9	20	9	79	42	135	65

	TECHNOLOGY														
34.	STEEL	155	142	5	5	5	5	1	0	0	0	182	167	109	85
35.	SUPPLY	37	37	58	13	28	13	3	1	2	2	0	0	5	1
36.	SURFACE TRANSPORT	1039	911	83	31	33	32	15	8	24	13	1277	1181	874	625
37.	TELECOMMUNI- CATIONS	4046	3732	990	798	1189	815	112	96	232	207	3037	2341	868	510
38.	TOURISM	238	238	0	0	0	0	0	0	0	0	277	203	93	23
39.	URBAN AFFAIRS	3249	2284	498	284	677	107	130	30	244	85	1726	213	450	226
40.	WATER RESOURCES	82	79	45	33	35	27	13	5	10	6	156	91	119	87
41.	MISCE- LLANEOUS	257	197	199	96	148	103	27	14	41	22	274	167	150	84
	TOTAL	48922	44007	5360	3260	5010	3256	2469	1072	3610	2507	62960	52329	37480	24173

PENDENCY WITH CHIEF VIGILANCE OFFICERS

(1) Column 2 indicates the Ministry including departments under it and public undertakings attached to it except when such Departments/Public undertakings are indicated separately.

(2) Inv.= Investigation; (3) Rpt. = Report; (4) Inq. = Inquiry; (5) < =means less than;
(6) > = means more than; (7) m = months.

S. NO.	DEPARTMENT	NO. OF COMP AGAINST ALL CATEGORIES		CASES INVOLVING GAZ. & EQUIVALENT OFFICERS								CASES INVOLVING OTHER OFFICERS			
				UNDER INV.		INV.RPT.		UNDER ORAL INQUIRY		ACTION AFTER PROCEEDINGS		UNDER INV. & FOR ACTION ON INV. REPORT		UNDER ORAL INQ.&FOR ACTION ON PROCEEDINGS	
				<1m	>1m	<3m	>3m	<3m	>3m	<6m	>6m	<3m	>3m	<3m	>3m
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
1.	AGRICULTURE	0	9	4	12	3	7	8	5	0	4	1	1	7	8
2.	ATOMIC ENERGY	0	5	1	0	2	0	0	15	0	1	4	36	10	36
3.	BANKS	58	88	53	63	62	190	272	365	151	187	497	569	954	882
4.	C & A.G. OF INDIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5.	CHMICAL & PETRO-CHMICAL	1	2	1	0	0	0	0	0	0	0	4	55	18	12
6.	CIVIL AVIATION	0	0	0	2	0	0	9	13	2	6	64	98	59	69
7.	COAL	17	197	2	15	1	8	4	12	0	4	159	369	141	283
8.	COMMERCE	0	65	2	16	14	3	1	14	3	3	58	118	37	44
9.	CUSTOMS & EXCISE	41	391	95	337	3	20	45	135	22	42	132	365	127	232
10.	DEFENCE	14	57	30	51	53	101	4	25	3	4	41	46	54	41
11.	N.C.T., DELHI	119	406	41	39	9	8	21	8	16	68	109	749	237	166
237	EXTERNAL AFFAIRS	1	0	0	1	0	4	0	1	1	4	1	1	0	12
13.	FERTILIZERS	0	3	0	2	0	0	3	1	0	0	27	88	22	20
14.	FINANCE	1	1	2	0	0	0	0	0	0	1	0	3	6	26
15.	FOOD & CONSUMER AFFAIRS	0	2	1	2	0	0	0	0	0	0	25	17	10	6
16.	FOOD CORPORATION OF INDIA	0	0	0	4	0	0	1	2	0	0	114	217	367	141
17.	HEALTH & FAMILY WELFARE	0	0	0	1	0	0	1	0	0	0	0	5	9	6
18.	HOME AFFAIRS	14	88	17	37	18	68	11	24	12	25	32	110	6	63
19.	HUMAN RESOURCES DEVELOPMENT	0	3	11	24	0	12	3	12	4	0	7	20	5	3
20.	I & B	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21.	INCOME TAX	0	893	3	108	2	39	3	40	5	63	17	215	27	113
22.	INDUSTRIAL DEVELOPMENT	0	0	2	17	0	1	2	1	3	1	0	9	1	0
23.	INSURANCE	0	0	0	4	3	18	16	18	10	8	118	330	214	173
24.	LABOUR	0	0	2	0	0	1	3	0	2	20	23	72	42	88
25.	MINES	1	4	5	2	0	0	1	4	0	0	20	10	22	31
26.	PETROLEUM	1	55	4	11	3	8	4	0	1	2	180	603	111	105
27.	POSTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28.	POWER	0	2	0	2	0	0	7	1	3	0	78	161	37	32
29.	HEAVY INDUSTRY	4	19	2	8	1	2	0	4	0	3	84	104	97	47
30.	RAILWAYS	134	592	106	286	17	44	55	54	59	131	780	1000	4288	2603
31.	RURAL DEVELOPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32.	S.A.I.L.	35	96	0	0	0	0	1	0	0	0	40	42	47	13
33.	SCIENCE & TECHNOLOGY	0	13	19	35	1	15	8	13	4	7	11	26	19	51
34.	STEEL	0	13	0	0	0	0	0	1	0	0	6	9	19	5
35.	SUPPLY	0	0	10	35	6	9	1	1	0	0	0	0	1	3
36.	SURFACE TRANSPORT	4	124	9	43	0	1	1	6	1	10	22	74	116	133
37.	TELE-COMMUNICATIONS	2	312	89	103	213	161	12	4	12	13	306	390	315	43
38.	TOURISM	0	0	0	0	0	0	0	0	0	0	27	47	28	42

39.	URBAN AFFAIRS	85	880	29	185	141	429	24	76	36	123	401	1112	49	175
40.	WATER RESOURCES	0	3	2	10	3	5	3	5	4	0	3	62	17	15
41.	MISCELLANEOUS	6	54	20	83	12	33	6	7	5	14	31	76	19	47
	GRAND TOTAL	538	4377	562	1538	567	1187	530	867	359	744	3422	7209	7538	5769

ANNEXURE – XV
(Para 7.2.5)

**LIST OF ORGANISATIONS WHICH CELEBRATED VIGILANCE
AWARENESS WEEK DURING THE YEAR 2000**

S.No.	(A) Government Department
1.	M/o Water Resources
2.	D/o Food and Public Distribution
3.	D/o Agriculture and Cooperation
4.	D/o Indian Systems of Medicine & Health
5.	M/o Information & Broadcasting
6.	M/o Textiles
7.	D/o Legal Affairs
8.	Central Vigilance Commission
9.	Andaman & Nicobar Administration
10.	Central Ground Water Board
11.	Central Water Commission
12.	Ordnance Factory Board
13.	Central Board of Excise & Customs
14.	Central Public Works Department
15.	Employees Provident Fund Organisation
16.	High Commission of India, Islamabad
17.	Directorate of Marketing & Inspection
18.	Prasar Bharati, Kota
19.	Development Commissioner of Iron & Steel
20.	D/o Supply, DGS&D, Mumbai
21.	Appellate Tribunal, Lucknow
	(B) Boards, Institutes and Authorities
1.	Calcutta Port Trust
2.	Mumbai Port Trust
3.	Tuticorin Port Trust
4.	Haldia Dock & Port Engineers Ltd.
5.	Vishakapatnam Port Trust
6.	Jawaharlal Nehru Port Trust
7.	Marmugoa Port Trust
8.	National Institute of Port Management
9.	Airports Authority of India
10.	Geological Survey of India
11.	Postgraduate Institute of Medical Education & Research
12.	Khadi & Village Industries Commission
13.	All India Institute of Medical Sciences
14.	Jawaharlal Nehru University
15.	College of National Civil Security
16.	Technical Training Teachers Institute
17.	Board of Practical Training
18.	Institute of Physically Handicapped

19.	Indian Renewable Energy Development Agency
20.	Marine Products Export Development Authority
21.	Narmada Control Authority
22.	Brahmaputra Board
23.	National Institute of Hydrology
24.	Central Soil and Materials Research Station
25.	Sardar Sarovar Construction Advisory Committee
26.	Central Water and Power Research Station
27.	Betwa River Board
28.	Ganga Flood Control Commission
29.	National Water Development Agency
30.	Bansagar Control Board
31.	Farrakka Barrage Project
	(C) Public Sector Companies and Corporations
1.	National Projects Consultants Corporation
2.	National Handloom Development Corporation
3.	Kochi Refineries
4.	Air India
5.	Mineral Exploration Corporation Ltd.
6.	Delhi State Industrial Trading Corporation Ltd.
7.	Food Corporation of India
8.	Hindustan Cables Ltd.
9.	Rashtriya Chemicals Fertilizers Ltd.
10.	National Fertilisers Ltd.
11.	Bharat Dynamics Ltd.
12.	Hindustan Antibiotics Ltd.
13.	Chennai Petroleum Corporation Ltd.
14.	Hindustan Petroleum Corporation Ltd.
15.	Cement Corporation of India Ltd.
16.	Metal Scrap Trading Corporation Ltd.
17.	Pyrites, Phosphates & Chemicals Ltd.
18.	Kudremukh Iron Ore Company Ltd.
19.	Indian Oil Corporation
20.	Hospital Services Consultancy Ltd.
21.	Hindustan Zinc Ltd.
22.	Bharat Electronics Ltd.
23.	Manganese Ore (India) Ltd.
24.	Indian Airlines
25.	Bharat Earth Movers Ltd.
26.	Oil India Ltd.
27.	Damodar Valley Corporation
28.	Hindustan Aeronautics Ltd.
29.	Power Grid Corporation of India Ltd.
30.	Rashtriya Ispat Nigam Ltd.
31.	Hindustan Organic Chemicals Ltd.
32.	ITI Ltd.
33.	MECON Ltd.
34.	Goa Shipyard Ltd.
35.	National Mineral Development Corporation Ltd.
36.	Semiconductor Complex Ltd.

37.	Eastern Coalfields Ltd.
38.	Hindustan Copper Ltd.
39.	Electronic Test & Development Centre
40.	Telecommunications Consultants India Ltd.
41.	Power Finance Corporation Ltd.
42.	Bharat Wagon & Engineering Co.
43.	NEPA Ltd.
44.	Madras Fertilisers Ltd.
45.	Andrew Yule & Co.
46.	Hindustan Latex Ltd.
47.	CAPART
48.	Bharat Gold Mines Ltd.
49.	MMTC
50.	Bongaigaon Refineries & Petrochemicals Ltd.
51.	Water & Power Consultancy Services Ltd.
52.	Smith Stanistreet Pharmaceuticals Ltd.
	(D) Banks
1.	Reserve Bank of India
2.	National Housing Bank
3.	State Bank of India
4.	State Bank of Hyderabad
5.	State Bank of Mysore
6.	State Bank of Bikaner & Jaipur
7.	State Bank of Saurashtra
8.	Allahabad Bank
9.	Syndicate Bank
10.	United Bank of India
11.	Union Bank of India
12.	Bank of India
13.	Dena Bank
14.	NABARD
	(E) Insurance Companies
1	National Insurance Company
2.	United India Insurance Company

ANNEXURE - XVI
(Para 9.3.1)

PERFORMANCE OF VARIOUS BANKS AND THEIR STAFF STRENGTH
(Rupees in Crores)

BANKS	ASSETS	DEPOSITS	ADVANCES	NET PROFIT	NO. OF OFFICERS	
					MMGS- III & ABOVE	BELOW MMGS- III
STATE BANK OF INDIA	2,61,505.00	1,96,821.00	98,102.00	2051.00	11,280	48,194
PUNJAB NATIONAL BANK	54,129.00	47,483.00	22,572.00	408.00	2,411	14,410
SYNDICATE BANK	27,162.80	23,655.42	12,206.31	215.65	1,756	6,918
BANK OF BARODA	58,605.16	51,308.19	24,392.91	502.77	3,570	10,234
CANARA BANK	54,402.49	48,001.36	23,546.73	236.05	2,440	13,581
CENTRAL BANK OF INDIA	41,474.09	35,871.71	15,804.92	150.69	1,320	13,959
BANK OF INDIA	56,065.00	47,744.00	25,231.00	173.00	4,718	7,694
INDIAN OVERSEAS BANK	27,620.90	24,317.75	11,573.20	40.34	1,498	7,086
VIJAYA BANK	12,792.10	11,592.88	4,687.61	52.84	786	3,532
INDIAN BANK	19,919.00	19,114.00	8,203.00	*427.00	1,448	7,538
UNION BANK OF INDIA	34,985.54	31,105.36	14,613.23	101.24	1,233	7,935
PUNJAB & SIND BANK	676.59	10,555.98	5,067.58	61.44	600	4,387
ALLAHABAD BANK	19,711.49	17,642.10	8,240.06	69.33	1,044	5,769
ANDHRA BANK	15,803.45	14,417.95	5,573.60	120.59	646	4,507
BANK OF MAHARASHTRA	15,227.00	13,407.00	5,252.00	90.00	633	3,330
CORPORATION BANK	16,762.28	14,279.63	7,777.47	232.44	443	3,074
DENA BANK	16,851.00	13,287.00	7,118.00	62.87	463	3,711
ORIENTAL BANK OF COMMERCE	24,541.20	22,095.21	9,325.53	278.62	950	3,963
UNITED BANK OF INDIA	19,508.00	16,788.00	4,563.00	31.00	737	5,037
UCO BANK	23,558.36	18,359.95	8,596.93	36.64	1,042	7,014
SBBJ	12,469.00	9,074.00	4,401.00	120.00	937	2,492

SBH	15,508.00	12,527.00	6,088.00	127.80	1,178	2,971
SBIN	6,278.96	5,096.37	2,841.53	45.25	539	1,302
SBM	8,284.91	6,632.35	3,495.10	48.24	705	1,825
SBP	12,311.00	10,182.00	5,775.00	131.00	762	2,341
SBT	12,434.58	10,182.60	5,131.21	66.44	902	2,200
SBS	7,534.47	5,772.89	3,199.73	86.47	484	1,591
TOTAL	8,21,718.88	7,37,314.70	3,53,378.65	5112.71	44525	1,96,595

(*) - Net Loss

ANNEXURE - XVII
(Para 9.3.2)

NUMBER OF ADVICES TENDERED TO VARIOUS BANKS DURING 1999

BANKS	FIRST STAGE	SECOND STAGE	RECONSIDERATION
STATE BANK OF INDIA	157	203	32
PUNJAB NATIONAL BANK	65	119	15
SYNDICATE BANK	18	13	-
BANK OF BARODA	72	65	5
CANARA BANK	37	44	2
CENTRAL BANK OF INDIA	27	16	4
BANK OF INDIA	78	43	3
INDIAN OVERSEAS BANK	20	10	2
VIJAYA BANK	19	29	1
INDIAN BANK	48	65	22
UNION BANK OF INDIA	50	34	4
PUNJAB & SIND BANK	40	13	10
ALLAHABAD BANK	25	17	3
ANDHRA BANK	21	4	1
BANK OF MAHARASHTRA	28	21	4
CORPORATION BANK	12	9	-
DENA BANK	10	23	2
ORIENTAL BANK OF COMMERCE	18	13	-
UNITED BANK OF INDIA	6	4	-

UCO BANK	24	63	3
SBI ASSOCIATES	122	77	21
TOTAL	897	885	134

ANNEXURE - XVIII
(Para 9.3.3)

NATURE OF LAPSES COMMITTED IN VARIOUS BANKS

BANKS	No. of Advice tendered	A Pre Sanction	B Post Sanction	C Both A&B	D Kite Flying	E Merchant Banking	G Misc.
STATE BANK OF INDIA	392	91	40	133	12	7	109
PUNJAB NATIONAL BANK	199	18	29	89	8	4	51
SYNDICATE BANK	31	9	1	11	1	2	7
BANK OF BARODA	142	36	11	55	3	4	33
CANARA BANK	83	21	16	24	2	1	19
CENTRAL BANK OF INDIA	47	15	2	8	2	3	17
BANK OF INDIA	124	31	17	48	2	2	24
INDIAN OVERSEAS BANK	32	13	4	8	-	1	6
VIJAYA BANK	49	8	8	24	1	1	7
INDIAN BANK	135	30	30	49	2	2	22
UNION BANK OF INDIA	88	22	13	36	1	1	15
PUNJAB & SIND BANK	63	22	9	22	1	2	7
ALLAHABAD BANK	45	13	6	18	1	1	6
ANDHRA BANK	26	7	1	7	-	1	10
BANK OF MAHARASHTRA	53	12	5	16	1	1	18
CORPORATION BANK	21	2	1	6	-	1	11
DENA BANK	35	7	2	12	-	1	13

ORIENTAL BANK OF COMMERCE	31	6	1	14	-	1	9
UNITED BANK OF INDIA	10	3	1	4	-	-	2
UCO BANK	90	25	6	39	1	-	19
SBI ASSOCIATES	220	43	30	93	3	9	42
TOTAL	1916	434	233	716	41	45	447

ANNEXURE - XIX
(Para 9.3.4)

NATURE OF ADVICES TENDERED DURING 1999

BANKS	FIRST STAGE		SECOND STAGE	
	MAJOR	MINOR	MAJOR	MINOR
STATE BANK OF INDIA	72	68	95	45
PUNJAB NATIONAL BANK	27	25	37	19
SYNDICATE BANK	8	6	10	2
BANK OF BARODA	50	18	50	9
CANARA BANK	21	3	21	7
CENTRAL BANK OF INDIA	16	1	11	3
BANK OF INDIA	37	20	24	9
INDIAN OVERSEAS BANK	13	4	6	2
VIJAYA BANK	10	4	20	6
INDIAN BANK	22	6	42	6
UNION BANK OF INDIA	28	4	21	10
PUNJAB & SIND BANK	20	3	10	1
ALLAHABAD BANK	20	4	14	1
ANDHRA BANK	12	2	2	1
BANK OF MAHARASHTRA	18	1	17	1
CORPORATION BANK	7	1	6	3
DENA BANK	3	1	16	4
ORIENTAL BANK OF COMMERCE	9	3	10	1
UNITED BANK OF INDIA	3	-	2	1
UCO BANK	16	3	33	15

SBI ASSOCIATES	39	31	39	10
TOTAL	451	208	486	156

ANNEXURE - XX
(Para 9.3.5)

**ANALYSIS OF FIRST STAGE ADVICE TENDERED AND POSITION OF CASES
RECEIVED FOR RECONSIDERATION DURING 1999**

BANKS	MAJOR	MINOR	TOTAL ADVICE (*)	% OF MAJOR PENALTY PROCEEDINGS IN TOTAL ADVICE	REC. PROPOSAL RECEIVED	AGREED	% AGREED
STATE BANK OF INDIA	72	68	157	45.86	8	7	87.50
PUNJAB NATIONAL BANK	27	25	65	41.54	7	4	57.14
SYNDICATE BANK	8	6	18	44.44	-	-	-
BANK OF BARODA	50	18	72	69.44	2	1	50.00
CANARA BANK	21	3	37	56.76	1	1	100.00
CENTRAL BANK OF INDIA	16	1	27	59.26	3	2	66.67
BANK OF INDIA	37	20	78	47.44	2	1	50.00
INDIAN OVERSEAS BANK	13	4	20	65.00	1	-	0.00
VIJAYA BANK	10	4	19	52.63	1	-	0.00
INDIAN BANK	22	6	48	45.83	13	6	46.15
UNION BANK OF INDIA	28	4	50	56.00	2	2	100.00
PUNJAB & SIND BANK	20	3	40	50.00	6	4	0.00
ALLAHABAD BANK	20	4	25	80.00	2	1	100.00
ANDHRA BANK	12	2	21	57.14	1	-	0.00
BANK OF MAHARASHTRA	18	1	28	64.29	3	2	66.67
CORPORATION BANK	7	1	12	58.33	-	-	-
DENA BANK	3	1	10	30.00	2	-	0.00

ORIENTAL BANK OF COMMERCE	9	3	18	50.00	-	-	-
UNITED BANK OF INDIA	3	-	6	50.00	-	-	-
UCO BANK	16	3	24	66.67	2	1	50.00
SBI ASSOCIATES	39	31	122	31.97	11	5	45.45
TOTAL	451	208	897	50.28	67	37	55.22

(*) - INCLUDES ADVICES FOR CLOSURE/ADMN. ACTION

ANNEXURE - XXI
(Para 9.3.5)

**ANALYSIS OF SECOND STAGE ADVICE TENDERED AND POSITION OF CASES
RECEIVED FOR RECONSIDERATION DURING 1999**

BANKS	MAJOR	MINOR	TOTAL ADVICE (*)	% OF MAJOR PENALTY IN TOTAL ADVICE	REC. PROPOSAL RECEIVED	AGREED	% AGREED
STATE BANK OF INDIA	95	45	203	46.80	24	22	91.67
PUNJAB NATIONAL BANK	37	19	119	31.09	8	5	62.50
SYNDICATE BANK	10	2	13	76.92	-	-	-
BANK OF BARODA	50	9	65	76.92	3	-	0.00
CANARA BANK	21	7	44	47.72	1	-	0.00
CENTRAL BANK OF INDIA	11	3	16	68.75	1	-	0.00
BANK OF INDIA	24	9	43	55.81	1	-	0.00
INDIAN OVERSEAS BANK	6	2	10	60.00	1	-	0.00
VIJAYA BANK	20	6	29	68.97	-	-	-
INDIAN BANK	42	6	65	64.62	9	5	55.56
UNION BANK OF INDIA	21	10	34	61.76	2	2	100.00
PUNJAB & SIND BANK	10	1	13	76.92	4	2	50.00
ALLAHABAD BANK	14	1	17	82.35	1	-	0.00
ANDHRA BANK	2	1	4	50.00	-	-	-
BANK OF MAHARASHTRA	17	1	21	80.95	1	1	100.00
CORPORATION BANK	6	3	9	66.67	-	-	-
DENA BANK	16	4	23	69.57	-	-	-

ORIENTAL BANK OF COMMERCE	10	1	13	76.92	-	-	-
UNITED BANK OF INDIA	2	1	4	50.00	-	-	
UCO BANK	33	15	63	52.38	1		0.00
SBI ASSOCIATES	39	10	77	50.65	10	6	60.00
TOTAL	486	156	885	54.92	67	43	64.18

(*) - INCLUDES ADVICES FORCLOSURE/ADMN. ACTION

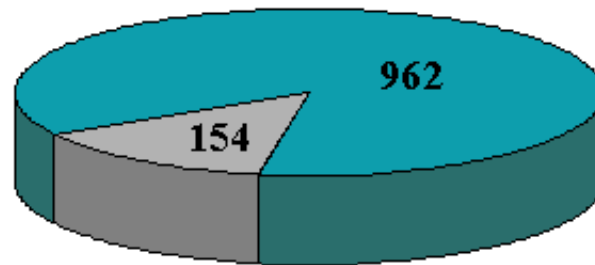
ANNEXURE - XXII
(Para 9.3.6)

ANALYSIS OF ADVICES TENDERED DURING 1999

NAME OF THE BANK	TOTAL ADVICE TENDERED		BANKWISE POSITION OF CREDIT RELATED LAPSES		BANKWISE STRENGTH OF OFFICERS UNDER CVC'S JURISDICTION	% SHARE IN TOTAL NUMBER OF OFFICERS	DEVIATION IN 2 FROM 6
	NUMBER	SHARE IN %	NUMBER	SHARE IN TOTAL LAPSES			
	1	2	3	4			
STATE BANK OF INDIA	392	20.46	264	67.35	11280	25.33	-4.87
PUNJAB NATIONAL BANK	199	10.39	136	68.34	2411	5.41	4.98
SYNDICATE BANK	31	1.62	21	67.74	1756	3.94	-2.32
BANK OF BARODA	142	7.41	102	71.83	3570	8.02	-0.61
CANARA BANK	83	4.33	61	73.49	2440	5.48	-1.15
CENTRAL BANK OF INDIA	47	2.45	25	53.19	1320	2.96	-0.51
BANK OF INDIA	124	6.47	96	77.42	4718	10.60	-4.13
INDIAN OVERSEAS BANK	32	1.67	25	78.12	1498	3.36	-1.69
VIJAYA BANK	49	2.56	40	81.63	786	1.77	0.79
INDIAN BANK	135	7.05	109	80.74	1448	3.25	3.80
UNION BANK OF INDIA	88	4.59	71	80.68	1233	2.77	1.82
PUNJAB & SIND BANK	63	3.29	53	84.13	600	1.35	1.94

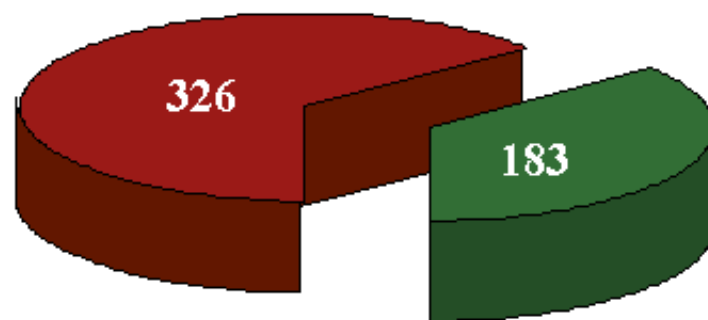
ALLAHABAD BANK	45	2.35	37	82.22	1044	2.34	0.01
ANDHRA BANK	26	1.36	15	57.69	646	1.45	-0.09
BANK OF MAHARASHTRA	53	2.77	33	62.26	633	1.42	1.35
CORPORATION BANK	21	1.10	9	42.86	443	0.99	0.11
DENA BANK	35	1.83	21	60.00	463	1.04	0.79
OBC	31	1.62	21	67.74	950	2.13	-0.51
UNITED BANK OF INDIA	10	0.52	8	80.00	737	1.66	-1.14
UCO BANK	90	4.70	70	77.78	1042	2.10	2.60
SBI ASSOCIATES	220	11.48	166	75.45	5507	12.37	-0.89
TOTAL	1916		1383		44525		

CASES REGISTERED BY CBI IN 2000



- AGAINST PUBLIC SERVANTS
- AGAINST PRIVATE PERSONS/FIRMS

CONVICTIONS BY COURTS DURING 2000



- CONVICTIONS
- ACQUITTALS



PLEDGE

We, the public servants of India, do hereby solemnly pledge that we shall continuously strive to bring about integrity and transparency in all spheres of our activities. We also pledge that we shall work unstintingly for eradication of corruption in all spheres of life. We shall remain vigilant and work towards the growth and reputation of our organisation. Through our collective efforts, we shall bring pride to our organisation and provide value based service to our countrymen. We shall do our duty conscientiously and without fear or favour.



Pledge to be taken every year
at the commencement of the Vigilance Awareness Week
on Sardar Vallabh Bhai Patel's birthday on October 31