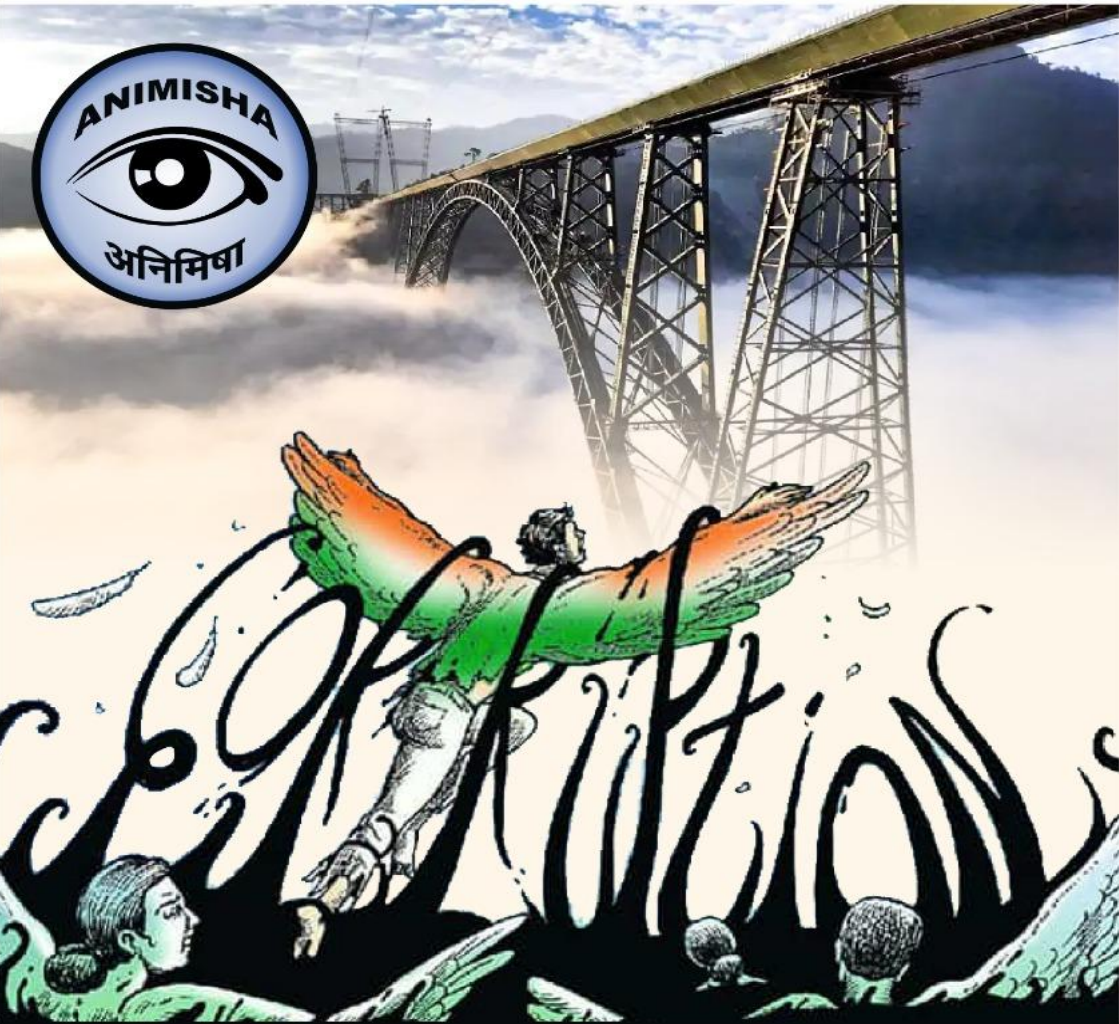




दक्षिण मध्य रेलवे South Central Railway

75
Azadi Ka
Amrit Mahotsav



भ्रष्टाचार मुक्त भारत - विकसित भारत
Corruption free India - for a developed Nation

सतर्कता बुलेटिन
VIGILANCE BULLETIN

2022

अंक/No.
55

विनय कुमार त्रिपाठी
VINAY KUMAR TRIPATHI



अध्यक्ष एवं मुख्य कार्यकारी अधिकारी,
रेलवे बोर्ड
पदेन प्रमुख सचिव, भारत सरकार
रेल मंत्रालय
CHAIRMAN & CHIEF EXECUTIVE OFFICER,
RAILWAY BOARD
EX OFFICIO PRINCIPAL SECRETARY
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS

MESSAGE

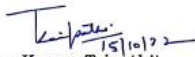
Vigilance Awareness Week is celebrated every year to emphasize the importance of morality and integrity in public life. I am glad to know that Ministry of Railways is observing Vigilance Awareness Week from 31st October to 06th November, 2022. For this year's Vigilance Awareness Week, the Central Vigilance Commission has chosen the theme "Corruption free India for a Developed Nation".

Ministry of Railways has been making valuable contributions in spreading awareness against corruption and also taking measures for its prevention and eradication. Corruption crumbles the vitals of the economy creating hurdles for development of nation. Indian Railways contributes substantially in the economy of the country and thus assumes greater responsibility in development. So, it becomes the pious duty of each railwayman not only to uphold the professional integrity and honesty to perform duties but also to assist in eradication and prevention of corruption in and around.

Ministry of Railways endeavor to promote integrity, transparency and accountability in public life to eradicate corruption in achieving the aim for a New India as a developed nation. It can be done only with the active support and participation of each of the railway employees and other stakeholders as public participation plays a very vital role in fighting corruption.

During this occasion, let's unite and take solemn pledge to eradicate corruption and to build a New India together.

I wish all success in this endeavor for making our system free from corruption and malpractices.


(Vinay Kumar Tripathi)

Rail Bhawan, Raisina Road, New Delhi-110 001.
Tel.: 011-23384010, Fax : 011-23381453, Email : crb@rb.railnet.gov.in



अरुण कुमार जैन
ARUN KUMAR JAIN



महाप्रबंधक (प्रभारी)
दक्षिण मध्य रेलवे
रेल निलयम, सिकंदराबाद - 500 025
General Manager (In-Charge)
South Central Railway
Rail Nilayam, Secunderabad - 500 025



Message

We will be observing Vigilance Awareness Week this year from 31st October to 06th November 2022. It is heartening to see that Vigilance department of South Central Railway has planned a gamut of outreach activities during this period to spread awareness about vigilance roles and functions.

The theme for this year is "Corruption Free India for a Developed Nation". Indeed, our experience of the past 75 years as an independent nation has shown that the biggest impediment to our development has been the scourge of corruption. We must understand that corruption not only leads to unjust aggrandizement of a few but also a severe impoverishment of the society as a whole. I hope that all the proud members of team SCR would work to eradicate corruption from our organization and contribute to the task of nation building.

I congratulate the Vigilance Department for bringing out the 55th edition of Vigilance Bulletin with Articles and case studies relevant to the theme along with system improvements that have been implemented in the recent past. I am happy to know that the Bulletin shall also be available online so that even the last man in the organization can have an access to it. I hope this will help the railway employees in efficiently and correctly discharging their duties.

I wish all success for the observance of Vigilance Awareness Week.

(Arun Kumar Jain)
General Manager (In-Charge)

Telephone: 040-27822874, Fax: 040-27833203

Chandra Vir Raman
Principal Exec. Director (Vig.)
&
Chief Vigilance Officer



MESSAGE

The Central Vigilance Commission observes the Vigilance Awareness Week each year to emphasise the significance of probity and integrity in public life. The theme chosen this year by the Commission **"Corruption Free India for a Developed Nation"** is very relevant as corruption adversely affects the growth & development of the nation. Accordingly, like every year, Indian Railways will also carry out activities with the motive to weed out corruption and ensure integrity in public life.

Vigilance Organisation of Ministry of Railways endeavours to promote integrity, transparency and accountability in public life with the ultimate objective to bring about improvements in governance, which will facilitate ease of living and ease of doing business.

The observance of such events helps in developing awareness about the consequences of corruption and educating the public to create a corruption-free society.

We will make every effort to promote integrity and to eradicate corruption with the active support and participation of all stakeholders. I do believe that public participation plays a pivotal role in combating corruption and in nation building. Outreach activities for dissemination of anti-corruption measures and stressing the necessity of vigilant India would lead to developed India.

Publication of special edition of vigilance bulletin on this occasion would really help in spreading awareness amongst all Railwaymen and go a long way in making corruption-free India.


(Chandra Vir Raman)
12/10/22



FOREWORD

On the occasion of Vigilance Awareness Week 2022, being observed from 31st October to 6th November, 2022, it gives me immense pleasure to present before you the 55th edition of Annual Vigilance Bulletin of South Central Railway, "**Animisha**". An attempt has been made to bring out the ethical issues and procedural pitfalls that confront us all in our work, through articles, case studies and system improvements included in this bulletin.

This year the CVC has chosen "**Corruption free India for a developed Nation; भ्रष्टाचार मुक्त भारत - विकसित भारत**" as the theme of the Vigilance Awareness Week. This is a very appropriate and topical theme. Corruption is a scourge that hinders the proper development of any nation. For our country to develop to its full potential, it is necessary to eliminate corruption. Indian Railways being the lifeline to the nation has a particularly key role to play in this task of nation building. Indian Railways indeed has, over the years, shown its unwavering commitment to efficiency, transparency and accountability in its processes. We have used almost all tools available at our disposal to try and eliminate any scope for corruption.

But eradicating corruption would also require the promotion and encouragement of integrity and ethics both in the personal value systems and the organizational ethics. Vigilance Department of South Central Railways has been making sincere endeavours to spread awareness about these issues and to inculcate ethical values within the organisation. However, these efforts cannot bear fruit without the collective support from all the stakeholders, which I am sure we would continue to receive. As citizens of this country with a rich ancient heritage, it is our responsibility to fight corruption and to contribute to the growth of our country by promoting honesty, integrity and transparency so that India finds its rightful place in the comity of nations. Let us all strive together to move towards a corruption free India.


(Chandrima Roy)

टिप्पणी

इस बुलेटिन का प्रयोजन पूर्ण रूप से दिशा-निर्देश देना है और यह केवल सरकारी उपयोग के लिए है तथा इसे किसी भी सरकारी संदर्भ में प्राधिकारी के रूप में उद्धृत न किया जाए और न ही किसी अदालत में प्रस्तुत किया जाए। जब कभी आवश्यक हो इस विषय पर मूल आदेशों को देखा जाए

NOTE

This Bulletin is purely for the purpose of providing guidelines and is intended for official use only and should not be quoted as authority in any official reference or produced in a court.

A reference, whenever necessary, should always be made to the original orders on the subject.

Contents

Sr. No	Description	Page No
1.	जो आया है, जाएगा - श्री विक्रम गुप्ता मुख्य इंजीनियर, निर्माण-7	1
2.	अंतः मन की पीड़ा - श्री ए.के.सिंह मुख्य परियोजना मैनेजर/ गतिशक्ति/ हैदराबाद	3
3.	Earthing arrangement in TRD installations: Safety & Vigilance Perspective - Sri Sahitya Kumar Gupta, Chief Vigilance Officer/S&T	6
4.	Corruption and Development - Ms Anita Barik Dy. Chief Vigilance Officer/Traffic	11
5.	Conflict of Interest: Sources and Solutions - Sri Ankur Srivastava Dy. Chief Vigilance Officer/Stores	17
6.	Corruption Free India for a Developed Nation - Sri B. Ramakrishnan Dy. Chief Vigilance Officer/Accounts	27
7.	Corruption Free India! - Sri B SrinivasRao Sr. Vigilance Officer/Personnel	31
8.	Use of Technology – Reduction in Corruption - Sri G. Sreenivasa Babu SO/IT/Vigilance	35

9.	A Corruption Liberated India transforming itself into a Developed India - Sri B.Phani Vinayak Rao CVI/Accounts	40
10.	My Vision for Corruption free India - Sri Jaswanth Konatham CVI/Engg	46
11.	नींबू - श्री आशुतोष कुमार वरिष्ठ वाणिज्य निरीक्षक, नांदेड़	53
12.	System Improvements	56-93
13.	Vigilance Case Studies ➤ Accounts ➤ Engineering ➤ Electrical ➤ Mechanical ➤ Medical ➤ Personnel ➤ S&T ➤ Stores ➤ Traffic	95 97 102 105 108 110 119 122 128

जो आया है, जाएगा

❖ विक्रम गुप्ता
मुख्य इंजीनियर
निर्माण 7

कौन बचा, जो बच पाएगा ,
एक दिन तू भी मर जाएगा ।
सृष्टि का तो नियम यही है,
जो आया है जाएगा ।

नोटों के अम्बार लगा ले,
बंगला गाड़ी कार बना ले ।
कोई भी दीवार बना ले,
सब रखा रह जाएगा ।
जो आया है जाएगा...

इसको लूटा, उसको लूटा ,
लालच से पीछा न छूटा ।
आखिर कितना खाएगा,
खा खा कर मर जाएगा ।-
जो आया है जाएगा...

ये भी मेरा, वो भी मेरा ,
मेरा मेरा । मेरा , मेरा
कितना बोझ बढ़ाएगा,
दब कर न मर जाएगा ।
जो आया है जाएगा...

इसको दे दे, उसको दे दे ,
कम वक्त है सबको दे दे ।
मीठी यादें, मीठी बातें ,
क्या पुण्य नहीं कमाएगा ।
जो आया है जाएगा,

जो आया है जाएगा ।

अंतः मन की पीड़ा

❖ ए.के.सिंह

मुख्य परियोजना मैनेजर
गतिशक्ति/ हैदराबाद

खुद से नज़र मिलाने में शर्मति हैं,
बे धड़क औरों पर धाक जमाते हैं।

खुद से खुद के कर्मों का,
हिसाब कहाँ लेते हैं !
जो करते हैं शराफत से काम,
उन्हें करने कहाँ देते हैं !

कोई काम हो या न हो, इनको
फर्क कहाँ पड़ता !
खुद की खातिर सब जायज़ है,
भाड़ में जाए जनता !

ऊपर से चाहे हों जैसे,
अंदर से पूरे खोखले हैं !
भाषण तो देते बड़े-बड़े,
असल में सबके सब थोथले हैं।

दाँतों में खुजली क्या,
कभी किसी को लगती है !
ये मोहमाया की लालसा क्या,
कभी किसी की बुझती है!

बनते हैं ताकतवर, जानें क्यों !
कमजोर मगर पड़ जाते हैं !
खुद के हितों को सर्वोपरि रखकर,
राष्ट्रहित वो भूल ही जाते हैं ।

कहीं मगर ऐसा न हो कि,
आने वालीं नस्लें थूकें !
हों शर्मिदा अपने पूर्वजों पर,
और वो फिर हमको कोसेँ !

हो कुछ भी यारा लेकिन, गद्दारी
हमसे नहीं ही होगी ।
राष्ट्र प्रगति की खातिर हमदम,
न्यौछावर सब खुशियाँ होंगी ।

सुधरेंगे,
जो कमी रह गयी, बदलेंगे।
ऊबड़-खाबड़ राहें हो कितनी ही,
मार्ग सत्य का पर चुन लेंगे।

बहुत जी लिए खुद की खातिर,
आओ अब औरों के लिए जियें।
जरा सा ही सही,
देश की प्रगति में कुछ तो योगदान करें।

@अक्स

Earthing arrangement in TRD installations: Safety & Vigilance Perspective

❖ **Sahitya Kumar Gupta**

Chief Vigilance Officer/S&T

Provision of adequate earthing in Electrical installations is essential for the safety of operating personnel as well as of equipment. It is also necessary for better functioning of the system. By means of earthing, electrical equipment is connected to the general mass of the earth, which has a very low resistance. Therefore, a good earth connection improves service continuity and avoids damage to equipment and danger to human life.

In standard household circuits, our outlets and switches carry around 15 or 20 amps current, depending on the load of house. Whereas, in 25kv ac Traction system, there is a very high range of voltages and current (ranging in hundreds of Amperes). Therefore, proper earthing and bonding is highly essential in 25kv ac Traction system, since poor earthing has serious implication on human lives working near such installations, in addition to the financial loss to the Indian Railways in terms of frequent faults of equipment & periodical replacement.

In 25kv ac Traction system, there are generally following earthing systems:

- (a) Earthing for Power Supply Installations(PSI), e.g. SSP, SP, TSS & AT stations etc.

- (b) Earthing for OHE installations e.g., Overhead equipment masts, structures and associated rails of railway track, for which earthing is provided.



System Earthing



Earth Electrode



Equipment earthing

Accordingly, to meet the requirement of earthing, separate code on earthing has been defined in manuals and by RDSO, which should be scrupulously followed. As per these guidelines, the combined resistance of the earthing system shall not be more than the following values as per the specifications & code of practice for earthing:-

Name of station	Limit of combined earth resistance in ohms
TSS	0.5
SSP/SP	2.0
Auxiliary Transformer	10.0

Wherever required, various arrangement such as connecting earth electrodes in parallel, use of electrodes longer than 4 metres, chemically treating the earth surrounding the electrodes etc., are prescribed in technical spec. & code of practice for earthing, if earth resistance as specified above are not achieved.

However, various deficiencies were observed during the vigilance checks in earthing arrangement at various TrD installations, as summarized under:

- (a) Measurements of schedule item (**“extra for special embedment of earth electrode”**) were recorded by SSEs, without operating this item at site, causing substantial financial loss to the Railway. Vigilance also observed that this item was not described in detail in the contract e.g., details such as, meaning for special embedment of earth electrode, **the condition under which this item** to be operated, requirement of materials in this item, reference drawing etc.
- (b) Earth electrode length of 3.1 meters were used as a customary practice at various locations of PSIs against requirement of 4 meters as per earlier tech spec as well as latest RDSO tech. spec. for earthing of PSI, i.e., **TI/SPC/PSI/ERTHING/0210, dtd.25.08.21**, as per that required length of earth electrode at all switching stations & auxiliary transformer is 4.0m. Vigilance observed that length of earth electrode of 4 meters was not specifically mentioned in the description of earthing item in the contract schedule. **This has serious safety & financial implications.**
- (c) Required length of earth electrode for OHE installations (e.g., COP/FOB/ROB/buried rail earthing at switching stations, etc.) is 3.1mtrs and is 4 mtr for SP/SSP/TSS/AT stations. However, same contract items of earth electrode having length of 3.1 mtrs were operated at SSP/SP/AT

stations as well as for OHE installations, **causing infructuous expenditure to Railway.**

- (d) Chambers and RCC top covers were not of required sizes and earth resistance values were not painted. Periodical measurements dates were not painted. Records were not properly maintained.

Following measures are, therefore, recommended to avoid the above systematic deficiencies in earthing arrangement of TrD installations.

(a) Detailed description of earthing items (including **length & Size of earth electrode etc.**) in contract schedule to be incorporated for clarity to the SSEs and contract agencies. RDSO specification/Drg. no. of earthing is also to be mentioned in its description/explanatory notes in addition to the present practice of mentioning all such drawing nos. of OHE/PSI at one place in the contract.

(b) Schedule Item **“extra for special embedment of earth electrode”** should be operated at needy locations duly recording the reasons for its operation. This item should be clearly spelt out in its description in the contract.

(c) Earth electrode and related materials should be inspected by SSEs duly test checked by in-charge officer, before installing the same at site, since same cannot be checked after its erection. Consignee inspection certificate should also be signed.

(d) As the length of earth electrode is 4 mtr. for **SSP, SP, TSS & AT stations** and 3.1mtr for COP/FOB/ROB/buried rail

earthing at switching stations, etc., separate earthing item duly reducing its cost in the contract for 3.1mtr earth electrode, to be given in contract to avoid infructuous expenditure.

(e) Periodical visual inspection & tests of all earth electrodes should be done as per its periodicity along with maintaining its records. Periodically pouring of water as prescribed may be done wherever required. Replacement/Improvements should be planned in time to ensure its value within prescribed earthing resistance limits.

(f) Proper awareness is to be brought out amongst all SSEs/JEs regarding requirement of length of earth electrode as 4 mtr.against the customary practice of using 3/3.1mtr earth electrode for **SSP, SP & AT stations**. All divisions & executing agencies to follow latest technical specifications for earthing arrangements of power system installations and OHE installations as issued from time to time.



Corruption and Development

❖ **Ms. Anita Barik**

Dy.Chief Vigilance Officer/Traffic

Corruption is a major challenge to development. While fighting corruption is a global concern because corruption is found in both rich and poor countries in different forms and magnitudes, the impact of corruption is adverse in the case of the poorest people in developing countries. Corruption is across-cutting development issue. Evidence shows that corruption and underdevelopment are intrinsically linked and likely to reinforce each other. Corruption is likely to flourish where there is widespread poverty, high gender inequality, few institutional checks on power, an obscure decision-making process, a weak civil society, and economies that have suffered low economic growth. Further, the efforts being made to tackle these problems are themselves obstructed by corrupt practices. In an environment where favoritism, nepotism, and grand and petty corruption are endemic, corrupt practices come to be seen as a routine part of life, creating a vicious circle that takes systematic and long-term efforts to break. It is evident that corruption also contributes to governance failure. It contributes to instability, poverty, and the eruption of conflict over resources in a number of countries.

It is therefore not surprising that in the post-cold war era and in the wake of globalization, international actors — businesses, pressure groups, multilateral institutions, and regional security blocs among others — have increased pressure

on developing countries to contain corruption, to avoid the further erosion of public institutions and the exacerbation of poverty, which could obstruct sustainable development and have spillover effects on neighboring countries. Corruption is principally a governance issue and a challenge to democratic functioning. It is a failure of both institutions and the larger framework of social, judicial, political, and economic checks and balances needed to govern effectively.

Causes of Corruption:

A key principle is that corruption can occur where rents [profits or returns] exist —typically, as a result of government regulation — and public officials have discretion in allocating them. In addition, low public sector wages, greed, and weak or absent regulatory policies have also frequently been cited as causes of corruption.

The most cited causes of corruption include: (1) the absence of rules, regulations, policies, and legislation;(2) weak systems of enforcement; (3) weak systems of oversight (i.e., the absence of a vigilant institution);(4) lack of accountability; (5) lack of transparency;(6) lack of checks and balances in the system (e.g. institutional weaknesses in the legislative and judicial systems); (7) lack of integrity; (8) monopoly of power;(9) high degree of discretion; (10) low salaries; (11)high rewards compared to risks; and (12) low detection rate.

Corruption and Economic Growth:

Over the years, the negative impact of corruption on development has been increasingly recognized. Economic research shows that although corruption occurs both in rich and

poor countries, its impact is often greater in developing countries where the problem is endemic at every level and hurts the most vulnerable sections of the population.

Corruption deepens poverty and inequality by increasing the price of public services and lowering their quality, as well as generally distorting the allocation of public expenditure. Corruption also creates uncertainty in the market through discretion in decision-making and the continuous change of rules. Corruption undercuts government capacity and reduces its ability to deliver social services. Corruption increases the costs of bureaucracy and also leads to the lowering of production standards. Corruption reduces spending on health care and education.

Corruption hinders economic growth in various ways. It discourages foreign and domestic investment by increasing opportunities for rent-seeking, creating uncertainty, and reducing incentives for both foreign and domestic investors. The World Bank Investment Climate Survey confirms the argument that corruption reduces economic growth through reduced private investment.

The World Bank Investment Climate Survey also shows that the smaller the firm, the more likely it is to be affected by corruption. The survey also shows that small enterprises pay a higher percentage of annual revenues in bribes to public officials and make additional payments to get things done much more frequently than large companies.

Corruption has a negative impact on entrepreneurship partly because entrepreneurs and innovators require licenses and permits and paying bribes for these goods cuts into profit margins. Corruption encourages risky practices (e.g. risky lending) and thus deters innovation by reducing economic growth in the long run.

Corruption lowers the quality of public infrastructure by diverting public resources to private uses and also by waiving standards. It also decreases tax revenue. Although the economic costs of corruption vary according to the scale and frequency of corrupt transactions, many correlation analyses clearly show that corruption almost always negatively impacts growth and income.

It is also important to note that the Corruption Perception Index (CPI) developed by Transparency International also has a very high correlation with the World Economic Forum's Global Competitiveness Index (GCI). This suggests that higher levels of corruption are associated with lower levels of competitiveness measured in terms of the institutions, policies, and factors that sustain current and medium-term levels of economic prosperity.

Corruption and poverty usually reinforce each other. Countries afflicted by structural poverty are likely to be suffering from systemic corruption because corruption is among the exacerbating conditions of poverty in countries already struggling with the strains of economic growth and democratic transition. Alternatively, countries experiencing chronic poverty could naturally serve as breeding grounds for systemic corruption due to persistent social and income inequalities and perverse economic incentives. Poor countries may not be able to devote sufficient resources to setting up and enforcing effective legal frameworks. Similarly, people in need are also more likely to abandon their moral principles. Furthermore, corruption is likely to aggravate income inequality which is associated with slower economic growth. Corruption affects poverty by first impacting economic growth factors, which, in turn, impact poverty levels. Corruption turns investment away from socially valuable services

such as education and healthcare and impairs access to, and the quality of existing services and infrastructures.

Corruption and governance:

In spite of differences in the mandates, perspectives and priorities of different countries, members of the development community are increasingly in agreement that there is a causal connection between governance and development. Corruption is increasingly seen as the product of poor governance, and a common language has been evolving in recent years linking the issues of corruption with governance and development.

Governance is broadly understood as the process of making and implementing decisions. It is defined as a set of values, policies, processes, and institutions through which a social group manages its economic, political, and social affairs including interactions between the state, civil society, and the private sector. Thus, 'good governance and democratic governance are marked by the following important characteristics: participation, transparency, effectiveness and efficiency, responsiveness, accountability, consensus, equity and inclusiveness, and the rule of law.

Conclusion:

Public sector accountability requires that a wide range of stakeholders - such as anti-corruption offices, private sector organizations, end-users, civil society, academia, the media, and the general public - participates in public sector processes and in the procurement process in particular. Participation of citizens is especially important in this regard, including in the procurement context.

When approaching anticorruption at various levels, it is also important to put in place institutional systems and incentives to prevent corruption from occurring in the first place. Prevention also calls for credible deterrence, relying on accountability and enforcement mechanisms sufficiently strong to send a message to potential wrongdoers of the potential cost of their misconduct.



Conflict of Interest: Sources and Solutions

❖ **Ankur Srivastava**

Dy. Chief Vigilance Officer/Stores

In his celebrated book “Sapiens”, Harari posits that social groups comprising of more than a few dozens of people would not have been possible in the course of human evolution without the so called, “imagined realities” that we have created for ourselves. Trust is one such imagined reality that underpins almost every social interaction among humans. From the insignificant sale on credit to the management of large companies on behalf of its shareholders, trust pervades human belief, thought and action.

Over the centuries trust has truly become the centerpiece of commerce. There was a time when commercial transactions were settled pre-dominantly with negotiable instruments which are nothing but promises. The fiduciary money itself derives its value from the sovereign promise. Probably more pervasive, and definitely more important, than the above “transactional trust” is the case of “agency trust”. Trade and commerce even today is managed through extensive agency relationships of various kinds within and across the political borders, in which the principal gives the agent the authority to take decisions on its behalf, with the trust that the agent, as a fiduciary of the principal, shall take decisions in the best interest of the principal. The importance of these promises and the need to enforce them has been well established in the societal ethos as well as legal enactments in almost all jurisdictions.

Conflict of interest refers to a situation where the matter on which the agent is called upon to make a decision may also affect the personal interests of the agent. We can see such conflicts even

in the most simple of commercial transactions. An example would be a case where an interior designer, called upon to plan the furnishing of a house, is paid as a percentage of the total cost incurred in actual furnishing of the house. In this case, the interior designer has an interest in the total cost of the project and may like to inflate the costs so as to increase his own remuneration. He might also suggest a particular brand of furnishings, which is offering commission to the designer on sales made out of this particular project. Evidently both these actions on part of the designer would profit him but at the cost of his employer. It must be highlighted here that conflict of interest does not need that such a decision actually be taken. We might have an honest designer who would not succumb to such lures, but the mere fact that there is a potential for such eventuality indicates that there exists a conflict of interest.

If conflict of interest can exist in such a simple transaction, we can very well imagine the extent of conflicts of interests that can arise in operations of huge organizations that engage in a myriad of activities across the spectrum of its operations. Thus, for such organizations, it would be naïve to assume that all conflicts of interest can be prevented. It would rather be better to accept the fact that conflicts can arise, identify them and plan for effectively managing such conflicts of interest.

A categorization of conflicts of interest can help us better understand its source, which in turn can guide us to effective ways of managing such conflicts. Conflicts of interest can be broadly divided into three categories:

1. Conflict of interest of an employee/agent when discharging his duties for the employer
2. Conflict of interest of a business partner vis-à-vis other business partners

3. Conflict of interest of a contractor when acting under the contract for another party

Conflicting Interests of an Employee/Agent (The Principal Agent Problem):

An employee may have a subsisting personal interest in the decisions of the organization. A very common example of this situation is the decision regarding performance bonus to be paid to key managerial personnel of a company. In most cases the key managerial personnel themselves decide the quantum of such bonuses and thus there is a potential conflict of interest of key managerial personnel, vis-a-vis the company they work for.

A conflict of interest can also arise when an employee has an interest in the affairs of any other organization which has business dealings with his employer. For example, an employee working in organization 'A' may also be a director or substantial shareholder of a company 'B', which has business dealings with 'A'. In such a case, the employee would be interested in a business deal which is favourable to 'B'. If the employee is the decision making authority on any such deal, there is a clear conflict of interest.

There is also a possibility of employees intentionally creating an interest in affairs of the company so as to obtain benefits from their own decisions. There have been cases where CXOs of companies have conducted substantial transactions in the shares of their company shortly before release of a major price sensitive information. In the public sphere, such actions would rightly be termed corrupt practice.

While the above examples highlight the interests of the employee himself/herself, it must be remembered that such a subsisting or created interest can also be that of a close associate or relative of the employee. These conflicts of interest are equally important and must be adequately handled in a similar fashion.

Conflicting Interest of Business Partner vis-a vis other business partners (The Principal - Principal Problem)

The rise of organized businesses is presaged upon individuals coming together for a common enterprise with a view to sharing the risks and rewards of such an enterprise. Shareholders of companies, partners of limited liability partnerships or other partnerships, joint ventures etc pool together their resources for a common objective. However, this cooperation also creates possibility of a few partners reneging on their commitments or taking more than fair share of profits. This is also seen in companies where majority shareholders at times take decisions that are detrimental to the interests of minority shareholders.

In cases where all partners of enterprise are active, such a blatant “taking for ride” of other partners is usually difficult. Infact, clauses in partnership deeds often specify the distribution of costs and profits amongst partners so as to avoid such a scenario. However there is still a possibility of a joint venture partner aggrandizing itself at the cost of the other. For example, a technical partner in a JV may engage in sub-contracts, on behalf of the JV, with its own associates and at terms that are favourable to such associates, at the cost of the JV. This aspect is often lost sight of at the inception stage which leads to disputes at a later stage.

Conflicting Interests across multiple roles (The Agent Agent Problem):

A conflict of interest may also arise where the same individual or entity is tasked with two roles with conflicting demands. An example can be a contractor who has access to confidential information about one of its client, firm 'A', which it can potentially use for the benefit of its other client, at the cost of 'A'. These are situations of ethical dilemma for the individual which, in the absence of clear guidelines, may create a conflict of interest.

In this context, the possible conflict of interest in a consultancy contract merits special mention. In a consultancy contract, the consultant acts in a fiduciary capacity, advising the procurer on the most efficient course of action. As the consultant often has access to sensitive information of the procurer, and the procurer relies upon the advice of such consultants, it is imperative that consultant maintain confidentiality and impartiality in its behavior. However, several situations can adversely impact these requirements. These include situations where:

1. The consultant or its employee may use operational and strategic information of present and former clients for self benefit or may leak the information causing harm to the interests of the client.
2. The consultant may be influenced by undue gratification to give a recommendation which is not in the best interest of the procurer, or
3. Consultant may frame its recommendations in such a fashion so as to benefit itself or its associates in any subsequent contract arising out of the consultancy. For example, a consultant hired to design a machine may

suggest a design that can only be procured from one of its associates.

Solutions to manage Conflict of Interest:

A situation where conflict of interest exists may lead to inefficient decision making because of two reasons. First, the decision maker may actually take a wrong decision with the intention to profit. However, even if the intentions of the decision maker are not in question, there can still be an unconscious bias which may lead to a wrong decision. Any solution to manage conflicts therefore needs to handle both these possibilities.

The first step to a solution is identification of conflict and the best person to assess a potential conflict of interest is the decision maker himself. Hence the first solution to managing conflicts is to insist on declaration of any conflict of interest by the decision maker himself.

Such declaration helps in two ways. First, the principal is better aware of the conflict and so can manage the decision making process (by oversight, special guidelines etc) so as to ensure that the conflict does not lead to inefficient decisions. Second, the act of declaration makes the decision maker consciously aware of the potential conflict and therefore helps him to avoid any inadvertent error due to inherent biases. As an example from the domain of public procurements, the serving employees evaluating tenders have to mandatorily declare, as per CVC guidelines” any personal interest that they may have in the proceeds of the tender. This includes interest of a relative or close associate as an employee/agent of any of the tenderers or interest of the government official and his relatives as a director or substantial owner of any of the tendering entity.

However, mere declaration may not be sufficient in all cases. In this section, we will discuss a few strategies, beyond declaration, that have been adopted to manage the conflicts of interest. In case of companies, the key managerial personnel are often beyond the effective control of shareholders, especially where shareholders are many and scattered. In such cases, government agencies like SEBI have stepped in and legislated steps like caps on remuneration to key managerial personnel and prohibition of insider trading.

The duty of declaration can be cast not only on the decision maker but also the other entity which is the source of such conflict. For example, conditions are included in bid documents of railways to cast similar responsibility on the tenderer. Para 17(b) of Tender Form annexed to GCC for works provides that

“Should a tenderer or contractor being an individual on the list of approved Contractors, have a relative(s) or in the case of partnership firm or company of contractors one or more of his shareholder(s) or a relative(s) of the shareholder(s) employed in gazetted capacity in the Engineering or any other department of the Railway, the authority inviting tenders shall be informed of the fact at the time of submission of tender, failing which the tender may be disqualified/rejected or if such fact subsequently comes to light, the contract may be rescinded in accordance with provision in Clause 62 of Standard General Conditions of Contract.”

To avoid creation of a conflict of interest during the execution of the contract a similar provision has also been provided in para 18(2) of GCC for works

“The Contractor shall not lend or borrow from or have or enter into any monitory dealings or transactions either directly or

indirectly with any employee of the Railway and if he shall do so, the Railway shall be entitled forthwith to rescind the contract and all other contracts with the Railway”

As far as the principal-principal problem is concerned, the law usually presumes that both parties have willingly consented to the association and thus would have devised their terms of association in a suitable manner. Hence, it is advisable that potential conflicts of interest be identified and managed with suitable clauses in the agreement itself. This may include clauses related to managerial oversight, pre-emptive rights etc.

However, considering the asymmetry of information and control between majority and minority shareholders of public companies, protective devices like minority shareholders’ rights against oppressive acts have also been prescribed in Companies Act. In the new Companies Act, provisions regarding disclosure of related party transactions have also been incorporated that serve to address the problem of lack of information with minority shareholders.

In the domain of public procurements, we face a unique situation where conflict of interest arises between different tenderers (as principals) participating in a tender. The same person, for example may be a partner in two different entities participating in the tender and hence, there exists a conflict of interest due to multiple roles of the individual which may hamper the competitive determination of rates in the tender. For this purpose, certain protective clauses have been added in GCC for works. Para 65.3 provides

“A member of JV Firm shall not be permitted to participate either in individual capacity or as a member of another JV Firm in the same tender.”

Similar provisions are also available in General tender conditions adopted for procurement of goods. Some public procurement conditions (though not commonly used in railway procurements) even bar offers which share a common director or substantial shareholder.

The problem of conflicting interests across multiple roles can be addressed through contractual clauses. For example, most consultancy contracts include confidentiality clauses to avoid data pilferage. Clause for declaration of conflict by consultant firm or individual consultants is also frequently used. Interestingly, bribery and corruption clauses are also commonly included in consultancy contracts to guard against the consultant being unduly influenced for giving its recommendations in a particular manner.

Another very important clause in consultancy contracts is to place a bar on the consultant to be associated with any subsequent contracts arising out of the consultancy can also be included. This again prevents recommendations being made that provides advantage of the consultant/consultancy firm in any subsequent contract. These clauses are a norm in most public procurement contracts for consultancy.

Conclusion

Conflict of interest cannot be wished away and must be effectively managed for the best interests of the organization. In public procurements, the first step in this direction would be to incorporate suitable protective clauses in the bid document and the contract itself. At the same time, we must not lose sight of the fact that any contractual clause is only as good as its enforcement. Hence, the organization must also be vigilant to check the compliance of its business partners or employees with

the contractual commitments and internal policies respectively. The organization must also ensure that effective remedies are available to it in case of any non-compliance.

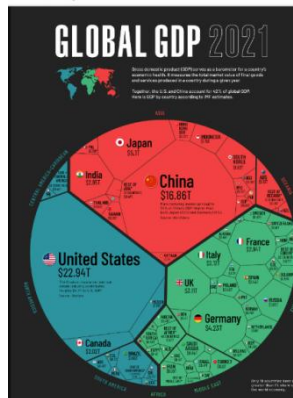


Corruption Free India for a Developed Nation

❖ **B. Ramakrishnan**

Dy. Chief Vigilance Officer/Accounts

As India celebrates its 75th year of Independence, it is necessary to look back at what has been done in these 75 years and what has to be done in future to make it a developed nation. In 1947 i.e. in the year of independence, India's per capita Income was \$60 per year and it was the 6th largest economy in the world. Now, after 75 years, India is the 5th largest economy with GDP of 3.5 Trillion dollars and with a per capita Income of \$2300. India has recently overtaken UK to become the 5th largest economy in the world.



From the Pie Chart alongside, it can be seen that India's share in the World GDP is 3.07% even though India's population constitute 15% of the world population. USA and China together have almost 42% of the World GDP. So, India has a long way to go to achieve the status of a developed country.

From the below table, it can be seen that India was at rank six in 1950 and we were still at rank six in 2020. India's development path has been reshaped in this period. 60s and 70s were a terrible time for India. We re-entered the development phase from 1980s.

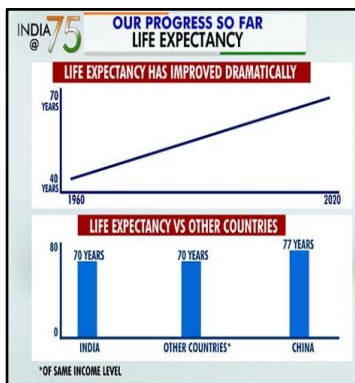
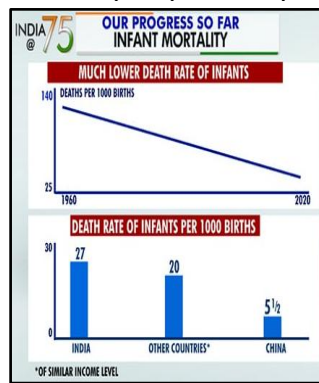
INDIA @ 75		INDIA COMES FULL CIRCLE 1950-2020 WORLD RANKINGS BY NOMINAL GDP							
	1950	1960	1970	1980	1990	2000	2010	2020	
1	USA	USA	USA	USA	USA	USA	USA	USA	
2	UK	UK	GERMANY	JAPAN	JAPAN	JAPAN	CHINA	CHINA	
3	FRANCE	FRANCE	JAPAN	GERMANY	GERMANY	GERMANY	JAPAN	JAPAN	
4	GERMANY	CHINA	FRANCE	FRANCE	FRANCE	UK	GERMANY	GERMANY	
5	CHINA	JAPAN	UK	UK	ITALY	FRANCE	FRANCE	UK	
6	INDIA	CANADA	ITALY	ITALY	UK	CHINA	UK	INDIA	
7	CANADA	ITALY	CHINA	CANADA	CANADA	ITALY	BRAZIL	FRANCE	
8	ITALY	INDIA	CANADA	BRAZIL	SPAIN	CANADA	ITALY	ITALY	
9	BRAZIL	AUSTRALIA	INDIA	SPAIN	RUSSIA	MEXICO	INDIA	CANADA	
10	JAPAN	BRAZIL	BRAZIL	MEXICO	BRAZIL	BRAZIL	CANADA	S. KOREA	
11									
12					INDIA				
13				INDIA		INDIA			

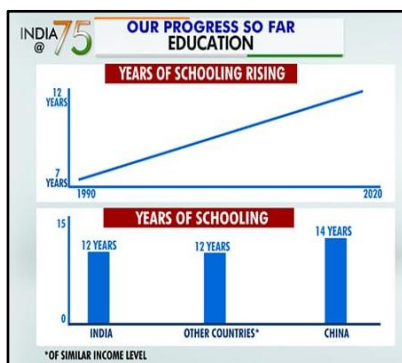
Source: Maddison Project Database (2020), World Bank, Haver, Breakout Capital Calculations

Human Development Index (HDI)

The following are the HDI indicators and they indicate the progress made by the country on the key parameters like:-

- 1) Life Expectancy at Birth
- 2) Mean years of schooling
- 3) Expected Years of
- 4) Gross National Income (GNI) Per Capita





In 2021-22, India's HDI ranking is 0.632 ("1" Indicates the most developed nation and "0" the least) and it ranks 132 out of 205 countries and comes under "Medium Human Development". The highest ranking nation is Switzerland with a HDI Index of 0.962 as can be seen from the table below: -

Rank			HDI	
2021 data (2022 report) ^[2]	Change since 2015 ^[19]	Nation	2021 data (2022 report) ^[2]	Average annual growth (2010–2021) ^[19]
1	—	Switzerland	0.962	▲ 0.19%
2	—	Norway	0.961	▲ 0.19%
3	—	Iceland	0.959	▲ 0.56%
4	▲ (3)	Hong Kong	0.952	▲ 0.44%
129	▲ (11)	Bangladesh	0.661	▲ 1.64%
130	▼ (2)	Tuvalu	0.641	▲ 0.36%
131	▼ (1)	Marshall Islands	0.639	NA ^[a]
132	▼ (1)	India	0.633	▲ 0.88%

Corruption Perception Index (Source: Transparency International)

From the table below, it can be seen that more the Human Development Index of a country, the less is the corruption.

Corruption Perception Index Human Development Index

Score	Country	Rank	Country	HDI	Rank
88	Denmark	1	Denmark	0.948	6
88	Finland	1	Finland	0.940	11
88	New Zealand	1	New Zealand	0.937	14
85	Norway	4	Norway	0.961	2

Download the report 2021

Score	Country	Rank
41	Belarus	82
41	Timor-Leste	82
41	Trinidad and Tobago	82
40	India	85

Country	HDI	Rank
Belarus	0.808	60
Timor-Leste	0.607	141
Trinidad & Tobago	0.810	57
India	0.633	132

To conclude, for India to become a developed nation, it would be necessary to improve the Human Development Index (HDI) which can only be achieved if India is free from the menace of corruption.



Corruption Free India!

❖ **B Srinivasa Rao**

Sr.Vigilance Officer/Personnel

Is that Impossible? Can we do it together?

India is a land of great beauty. The richness of the cultural heritage, her landscapes, the people, their art work and values, the ancient history, the intellectual contributions of Indians, all these makes us proud. Above all, it is here that the Lord Almighty has given us beautiful life to blossom & bear fruit. We love our nation.

Many tourists also fall in love with India, but, many return with horrible experiences encountered during their brief stay here with us. They carry images of untidy habits, dirty roads, spitting, defecating, not to talk about rampant cheating, alcoholism that destroy families & future generation. Corruption is the biggest hidden thief among all these evils.

Corruption is dishonest or fraudulent conduct by those in power, typically involving bribery, violation of the go comma goals for personal gains are corrupt.

Grand corruption is defined as corruption that occurs at the highest level of organization in a manner that requires significant subversion of the political, legal & economic systems.

Bribery is so common that no official work gets done without greasing the palm. Everyone from top to bottom gets a 'cut' & are happy. The same runs into all walks of life. Poor quality of roads,

jobs done with improper or no skills can easily be traced to corruption.

Then what would be the cause of it?

In short, it can be said that people want to amass wealth by illegal unethical, incorrect short cuts. Those, who want their work done, add a little weight to their file. The team, over time, becomes calloused. How true it is! Love of money is the root of all evil. The one who has is never satisfied & wants more & more. That leads to corrupt practices. The people also have become callous & thick skinned saying that without money nothing works. So everyone promotes their evil silently & deliberately.

Can we root out this evil - If so what steps should we take?

When each one of us decides or makes up our mind never to take part in any corrupt practice, stick to our guns & may be willing to pay the price, then, we can create a pure peace, serenity & pure delight around us.

Yes, others will laugh & snigger. But, all will know that here is a giant who bows only to the Eternal God & no one can shake him or her.

Secondly, not just individuals, but also families, offices & communities can slowly get transformed, because of the impeccable lives lived by every authority. We must remind ourselves – we even have an Anti Corruption Bureau it has all been said & put down in paper. But in practice it needs to be enforced too. For actions alone speak louder than words.

The good culture should be spread. But it is the heart of people that is wicked & far more evil. So this evil rooted deeply in the heart of people must be weeded, pulled out & destroyed. Therefore, it is not opening a department to root out corruption, or make laws against it or send an army to fight. For here the

enemy is unseen & he operates in secret. He is the moral enemy & if we do not overcome him, then surely he will send out his tentacles to defeat us.

So, is it impossible? No, the answer is clear & correct. No. What may be difficult, time consuming, long winding or simply 'impossible' we are happy to declare is 'possible' with the Lord Almighty. That is where we pin our hope, we celebrate; we seek inner cleaning & outer joy & we walk in freedom. Yes not just 'independence' but true freedom from the bondages of the evil. Surely, the battle can be won.

In order to ensure a corruption free India we need to cooperate, pay attention & move forward. A few of these steps are outlined below:

1. Determine: Each one of us must decide & determine that we will not support or be involved in any corrupt practice.
2. Stay firm in taking bold and correct decisions.
3. Find a support group. Be with likeminded group of people encourage each other.
4. Wherever one comes across people who indulge in corruption, stay away from them. Do not involve. Do not pay and do not support.
5. Enjoy the peace-nothing else in the whole world is equivalent to this peace & satisfaction from a clear conscience.
6. Stay blessed. The Lord Almighty who sees what you are doing would definitely bless you.

Evaluation of Corruption

All countries have been evaluated on the basis of their corruption free or transparency level .This gives us the Corruption Perception Index or CPI. On this scale, countries are rated &

evaluator on various factors, these evaluations are carried out for improving transparency.

Also Global Corruption Index ranks 196 countries. The countries that score higher, nearer to 100 are clean & less corrupt while those with low scores are most corrupt. Of the 180 countries highest score is 88 & the countries scoring 88 are Finland, New Zealand & Denmark, Norway, Singapore, Sweden 85 and Switzerland Scores 84. On the low end the most corrupt countries are Afghanistan, Venezuela, Somalia & South Sudan. India stands at 87th place with a score of 40.

So we have a long way to go. Let us join ourselves and strengthen the group to fight, stop and restrict such evil elements from our nation and be a part of a developed nation.



Use of Technology – Reduction in Corruption

❖ **G.Sreenivasa Babu**
SO/IT/Vigilance

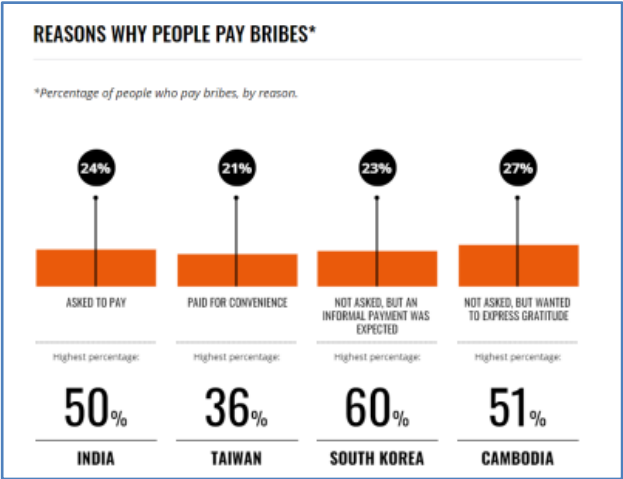
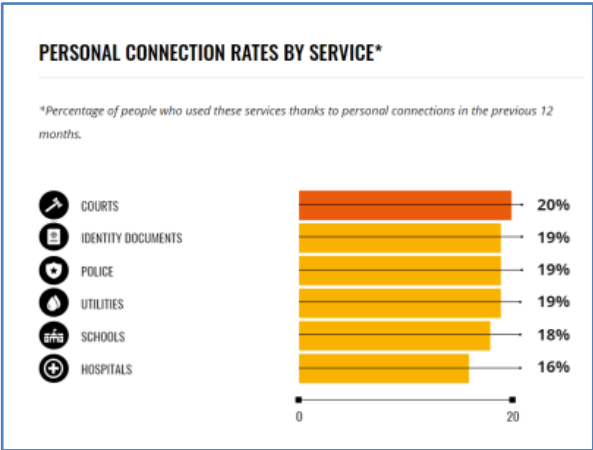
In his Independence Day speech on August 15, 2022, the Prime Minister of India said, “*We must work towards turning India into a developed nation by 2047.*” And to achieve this ambition, very dedicated and focused efforts would be required from all the stakeholders, the Government and citizens, the public institutions as well as the private sector, right from the policymaking to its execution.

Although, India is world’s sixth largest economy with a GDP of US\$ 3 trillion, it is classified as a developing nation. There is no all-agreed definition of a developed country.

Coming to the word “corruption”, it is often associated with the high-profile scams, but the everyday petty corruption is the most rampant. Its omnipresence has standardized it to the extent that we see it as a minor inconvenience, a necessary evil to get the job done. To put it into perspective, a survey of 2lakh people conducted by Transparency International India in 2019 found that 51 per cent Indians had paid bribe in the preceding 12 months from the survey. A more recent study by the organization reported that India has the highest overall bribery rate (39%) and the highest rate of citizens using personal connections (46%) out of 17 countries surveyed in Asia. Last year, India ranked at 85 among 180 nations in the Corruption Perception Index. It was 86 in 2020, 80 in 2019, 78 in 2018.

Bribery vs. personal connections:

Nearly one in five people who accessed public services like health care and education paid a bribe in the preceding year. Similarly, more than one in five people (22 per cent) who accessed public services used personal connections to receive the service they needed. More than 1 in 5 people who used a public service in the previous 12 months used personal connections.



The simple reason that petty corruption occurs is that citizens do not have complete information. Institutions have the responsibility of eliminating information asymmetry and thereby create transparency and reduction in the transaction cost of accessing services. However, when institutions themselves are involved in corruption, or in other words, when corruption becomes systemic, it cannot be tracked and attacked.

However, if citizens are given access to complete information, they can hold the institutions and governments accountable. The Right to Information Act 2005 is a classic example of how citizens can monitor and hold governments accountable if they are given access to information.

Use of Technology:

Now, the question is, how can technology help? Firstly, technology has ushered the age of information, so that information can be seamlessly disseminated. Institutions can leverage technology to make vital information regarding public services readily available in the public domain, and thus improve transparency. In addition, data is a critical asset today, which can be used to power Technological innovations that boost integrity systems. According to a World Economic Forum study, data can make it possible “to detect and deter fraud risks, complex networks and corrupt practices” by way of cross-referencing public databases.

Technology can also cut red tape through automation of bureaucratic processes. With no opportunities for face-to-face interactions between citizens and public officials, digital processes substantially reduce the opportunities for demanding or accepting bribes.

These claims can be supported by the success of Direct Benefit Transfer (DBT) schemes. The 'JAM Trinity' of the Jan Dhan-Aadhaar-Mobile significantly eliminated intermediaries, made it easier to detect and deter fraud risks and therefore, prevented leakages in the system. As a result, 351 schemes deploying the DBT model were reported to have saved Rs 1.70 lakh crore from falling into the hands of middlemen. The backbone of the system was the Aadhaar digital ID program.

Introducing digital processes in tax filing has also helped reduce tax evasion. Since the GST filings are mandatorily done electronically through the GST Network which is also linked with the Aadhaar system it has minimized the face-to-face interaction between taxpayers and tax officials, bringing greater transparency to the process.

Indian Railways has also implemented a no. of digital processes such as e-platforms like IREPS, iMMS, IPAS, e-Office system, UDM, HRMS etc.

However, technology can only be leveraged to tackle corruption if the larger population is equipped with the skills to use it. Despite means to access information, many mobile users in rural India do not have the capability to access essential information. As a result, public distribution systems are not completely immune to fraudulent practices.

The pandemic, like any other crisis, became a fertile ground for fraudulent practices, and highlighted the gaps in the system. Although the government announced relief entitlements under the Pradhan Mantri Garib Kalyan Yojana (PMGKY), the lack of information about the scheme prevented many beneficiaries from availing it. Further, e-mitras and bank correspondents as intermediaries left open the gaps for fraudulence and corruption, signaling that rural India has not completely realized the vision of Digital India.

To conclude, India is on an upward trajectory in terms of digitalization, although there are more grounds to cover in rural India. Meanwhile, digitization of internal processes of the government and data-driven tech innovations are areas that should be explored to further strengthen the integrity systems and disrupt corruption risks.



A Corruption Liberated India Transforming Itself into a Developed India

❖ **B.Phani Vinayak Rao**
CVI/Accounts

भ्रष्टाचारः = (दुष्टिः = Corruption) (Sanskrit)= dishonest or fraudulent conduct by those in power, typically involving bribery.

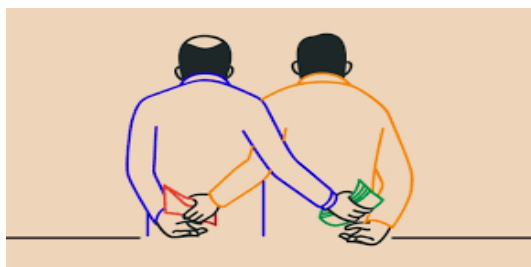


Corruption is often stated by the corrupt as a grease(as in - ing the palm), which smoothenes the working process and motivates the government personnel to take self interest in completion of the nominated work.

Nothing could be farther from truth. Indeed the few that give bribes can have their way and get their work done promptly, but at what cost. The result of such “motivated” actions often results in siphoning of government money by a few at the cost of the common masses. The “few” get richer and live lives of luxury whereas the ordinary citizens lose out on basic necessities. Further, this emboldens the corrupt officials to intentionally delay the works of other genuine citizens in the hope that such delays can be used to force them to shell out illegal gratification. If the required amount is paid, the rules are overlooked and work of the citizen is completed speedily. But if payment of such a bribe is refused, rules are shown to delay the normal processing of the work. After a certain lapse of time, the trend is set for the

citizens, to make them pay extra(Bribe) to get their work done, with a Damocles sword of delay, incompleteness and more extra money to be paid for the second approach, if not paid at the first time. An honest citizen feels helpless and unable to fight the prevalent system and made to adopt one of the paths i.e. 1) Pay Bribe 2) refuse and be harassed 3) complain and be harassed even more.

This situation can be seen in almost all the departments which have an interface with the citizens, contractors at state level and central level. The corrupt system becomes so strong that the tentacles reach various levels and it becomes difficult to dislodge or reform the system.



CORRUPTION PERCEPTION INDEX-2021 - As per Corruption Perception Index – 2021, India is ranked 85th with a score of 40. The CPI uses a scale from 0 to 100[100 is very clean and 0 is highly corrupt].

The CPI ranks 180 Countries around the world by their perceived levels of public sector corruption.

Despite multiple commitments, 131 countries have made no significant progress against corruption in the last 10 years. 2/3rds of the countries score below 50, showing that they have serious corruption issues. Also, Corruption has a direct linkage to human rights and democracy, as countries having robust civil liberties score higher on the CPI over others. Covid-19 had also

thrown a spanner in the efforts, as basic freedom and important checks and balances were put on the backburner. Authoritarian regimes tend to be less accountable in both political and private areas. Lack of government transparency tends to increase corruption both in the political elite and government personnel, impacting all aspects of citizens' livelihood.

➤ **Are developed nations totally corruption free?**

Not totally, though for the 3rd year running, the top 7 countries in the CPI 2018 consist of the 4 Nordic nations – Denmark, Finland, Sweden and Norway and New Zealand, Singapore and Switzerland. As these consist of strong institutions, rule of law and high levels of economic development. As a measure of **public sector corruption**, the CPI rewards countries where rates of bribery, diversion of public funds, conflicts of interest and other forms of corruption are perceived to be lowest within government. The CPI shows only part of the picture, as Private Sector corruption and cases of money laundering are another segment. But broadly speaking, the developed nations are also the nations that have a lower CPI. It is a food for thought whether the low CPI is a result of their developed status or a cause for it.

➤ **Why India should be Corruption free country to become a developed Nation?**

India is still facing many issues like poverty, economic imbalance among the people in the society, social disparities, and inequalities among a broad cross section of the society. For India, corruption becomes a virus, which eats the vitals of development, cornering the money in a few hands, detrimental to the larger good of the people. Corruption imposes a burden on the common man, who has to access the government departments and its schemes for basic needs. Corruption leads

to disenchantment with the government, its leaders and society at large. Corruption leads to growth in rebellion among the common man, who is unable to rise above the repression of the few, who command the power, to dictate the flow of work.

Corruption creates resentment in a large section of the people, against the influential few in the society. Corruption is exploited by the anti-social, anti-national sections existing in the society for their own gains and purposes, thereby putting national integrity at stake. Corruption, thus, is very dangerous in the long run for a nation and its people. If we compare the two nations, which were partitioned in 1947 i.e. India and Pakistan; we see a vast difference in the overall growth and development of both the nations, which is in large part because of a single difference the rampant corruption in Pakistan. Though India was rocked with many scandals in the 20th century like Bofors, Coalgate, 2G scam and Commonwealth games scam, we have made some good progress in keeping a check on corruption and a great difference in the general wellbeing of the Indian people in the last decade or so.

Remedies:

- Those areas of breeding corruption should be identified and extra attention paid to weed out the menace.
- Monitoring system should be strengthened both by way of utilizing the Information Technology and inculcating the principles of ethics and responsibility towards the Nation.
- Independent institutions which act as watchdogs should be created and strengthened so as to maintain the impartiality and instil the fear of identification.
- Punishment should be swift and not delayed so as to bring about a real time change in the whole system.
- The benefit of Government schemes should be reachable to the common man, and help him facing the adverse situations

like natural calamities, seasonal changes, development schemes, children educational schemes. The Government schemes should not become breeding grounds of corruption, wherein the few who disburse these schemes on behalf of the government, corner the part of amounts for their own benefits.

Initiatives:

- GOI has been utilizing the Digital technologies to bring about more Transparency and accountability.
- PIDPI which was introduced in India, is a great initiative, wherein these and alike should be created and strengthened, and any loopholes noticed should be plugged in.
- Law against Corruption - The Prevention of Corruption Act, 1988 (No. 49 of 1988) is an Act of the Parliament of India enacted to combat corruption in government agencies and public sector businesses in India has been existing in India.

An amendment -**Prevention of Corruption (Amendment) Act 2018** – India against corruption was brought to address the supply side of corruption, which punishes anyone who gives a bribe or promises to give a bribe or any undue advantage as a reward to the public servant for improper performance of the duty; such person shall be punishable with imprisonment of seven years or fine or with both.

Prevention of Corruption Amendment Bill 2018



- The Direct Benefit Transfer (DBT) scheme seems to have curtailed a quantum of corruption to a major extent with Government benefits completely reaching the common man.

One must remember though, that the corrupt would be reinventing themselves by looking at circumventing the protective screen and continuing their schemes of corruption. We have to strive to keep one step ahead of the corrupt and ensure that no opportunity is available to the corrupt to play out their nefarious designs. Only when India becomes corruption free would it become a truly developed nation.



My Vision for Corruption free India

❖ **Jaswanth Konatham**
CVI/Engineering

Corruption is a worldwide phenomenon and is ubiquitous. It is rightly said that when a character is lost, everything is lost. Corruption has increased by leaps and bounds which is in direct relation to our lust for money, power, moral degradation, devaluation of human values, and destruction of character. No country is immune from corruption. There can be some difference of degrees but as far its pervasiveness, quality and gravity are concerned, there is no difference.

Corruption In India

In India, corruption is rampant and is present in every nook and corner starting from business, education, security and research, politics, public life and administration. There are scams and scandals from the Taj heritage corridor scandal to the Bofors scandal. In India it is quite difficult to bring the corrupt persons to trial, where there are easier ways in few developed countries. It is the principal feature of Indian corruption which allows it to survive and thrive.

Corruption has almost become a way of life in India. Due to lack of political will, there is no effective check. Nepotism, manipulation and money have thwarted several investigations in matters related to corruption. Gratifications, kickbacks, commissions and bribes are the order of the day. Students pay grants for admission in professional courses, job-seekers buy positions in the administration; greedy contractors pay bribes to the executives to use sub-standard material for contractual constructions and lastly, businessmen offer illegal gratification to

government officials for the smooth running of their illegal operations. The corruption is so rampant that even god-fearing and honest officials are not able to muster the courage to point out and criticize the corrupt.

Where does the Problem Exist?

While looking at the reasons for corruption, we can identify two levels at which corruption happens:

1. At the administrative level, so called white-collar level: which is normally not felt in our day-to-day lives, but affects policy making and is the root cause of the country's economic and administrative problems
2. at clerical or blue-collar level: the everyday incidents of corruption faced by the common man.

While we make this distinction, we assume that all the acts of corruption boil down to actions not in accordance with the principles of ideal conduct at some or the other level of governance. Even the private sector, if it indulges in corruption at some level and makes money by colluding with a government functionary, will also be termed corrupt.

The factors fostering Corruption in India

1. Lack of Leadership

One of the causes of corruption is lack of proper leadership. Leadership plays a significant role in eliminating various social evils and there is urgent need of good leaders. These leaders can lead people towards development, growth and progress of the nation. However, there is dearth of good and honest leaders in the country. Even the few that we have, find it difficult to

survive in the politics. It is a sorry state of affairs that even the common people do not consider it important to support such leaders and are rather more interested in improving their personal lives instead of protecting the country and raising their voices against malpractices.

2. Mismanagement & Unemployment

Mismanagement has led to weak control of the workings of different departments which led to lack of power and coordination among various levels in an organization. This unsupervised and uncontrolled administration led to large-scale corruption. Hike in prices and the crisis in the economy lead to unemployment and change in one's lifestyle. People lose their patience for again working hard, so they indulge in various unscrupulous means to get a lucrative salary and post.

3. Unemployment and Corruption: A vicious circle

A vast number of educated youth is unemployed and is ready to pay a hefty amount for a stable job. The greedy employers take a bribe and provide appointment letters. Now persons appointed this way will very likely use all illegal and legal means to recover the lost money (and more) as soon as possible. Thus, the rituals of corruption continue from generations without any control and check.

How can corruption be Tackled

Here are some checkpoints where corruption commonly happens and some suggestions to effectively cover those loopholes:

1. **Elections** in India are generally accepted as breeding ground of corruption. A political leader spending enormous amount of money to win an election, would likely do so with the hope of making multiples of that while in power. An effective remedy to counter corruption at this early level and to encourage honest contestants, who lack monetary support, can be **state funding of elections**. Since the state can't finance all candidates, a mechanism can be put in place by either linking the assistance to necessary minimum vote percentage or only extending it to candidates of the national parties.
2. Indian **Tax structure requires reforms that are long overdue**, and often advocated by economists, industrialists and administrators alike. Efforts should be made to wipe-out multi-level surcharges levied on different taxes which make the calculation process cumbersome. This encourages people to evade taxes illegally and, in collusion with the concerned officials, and thus become a harbour for corruption. It must also be said that people dislike paying taxes partly because they don't see their tax money resulting in any improvement whether it is health, education or basic infrastructure. The government can encourage people to act honestly at the ground level by acting honestly at the top.
3. **Bring in Transparency:** Transparency is the biggest enemy of corruption. By putting up details of tenders/agreements/tender proceedings etc. of Government/PSU companies which don't affect their working & confidentiality on respective websites. Also, the role of the politicians in decision making in of working

government/PSUs should be minimized with low discretionary powers to avoid favouritism to some parties.

4. **An effective system of performance-based incentives and exemplary punishments for corrupt acts:** This will bring out the efficiency of the officials to improve their performances. Also, for officials found indulging in corruption, there should be exemplary monetary punishment or imprisonment rather than suspension or enquiries.
5. **Enforcing reasonable and contemporary laws** and doing away with outdated or unwanted laws that encourage people to circumvent them. Also, there are certain laws which are too complex for a common man to understand, making him vulnerable to harassment by officials who extort money by enforcing such laws. Goal should be to move towards a system where the role of government in day-to-day lives of people is minimized to the bare essential and laws are simple, comprehensible for a common man.
6. **Free police and investigating agencies from political influence:** Investigating agencies are often unduly influenced by political pressures. It would be better if these agencies can work freely and fairly in every case. A strong organisation which works independently of the government can be an effective alternative to the present system.

7. **Responsibility of Supervisors/administrators:**
Whenever there is a case of corruption in government/PSU organisation by an official, the supervisors/administrators of the concerned official should also be held atleast partly **responsible for corruption taking place in their department.**
8. **Property market is the hot bed for Black-money:** A stricter vigilance & checks on property transactions, particularly involving government officials has to be there to discourage land and property deals which are far undervalued in documentation.
9. As suggested by the honourable Supreme Court, auction **should be the only way for allocating scarce natural resources** like coal, spectrum etc.
10. Last and perhaps the most important, we as the citizens of this progressive country have to pledge not to pay bribes. This sounds Utopian, but if there is no one to pay bribes, none will be able to get it. It is easy to blame our politicians for the state of the country, but we should not forget that they are part of the society and in a way reflect our collective character.

Conclusion

Corruption is a social phenomenon rather than a political or administrative one. The society, with its collective conscience can rise to weed out the root of corruption.

With these suggestions I have made an attempt to present my perspective on the issue. I believe some of these have the potential to improve, if not transform the picture and help build a **CORRUPTION FREE INDIA.**



नींबू

❖ आशुतोष कुमार

वरिष्ठ वाणिज्य निरीक्षक

नांदेड़

महलों का राजा मिला के रानी बेटी राज करेगी,
खुशी-खुशी कर दो बिदा तुम्हारी बेटी राज करेगी।

दयाकर्ण दीवार से सटकर बैठे थे और आँखों से अश्रुधारा बह रही थी। आज उसकी प्यारी बिटिया की शादी के उपरांत विदाई जो थी।

बेटी की शादी गरीब परिवार में हुई थी, जिसके लिए वे स्वयं द्वारा की गई गलतियों को जिम्मेदार मान भाव-विह्वल हो फफक-फफक कर रो रहे थे। आँखों के सामने जीवन के सम्पूर्ण पल एक-एक कर दृष्टिगोचर होते चले गए।

पिता के मृत्योपरान्त पार्सल बाबू के पद पर उनकी नियुक्ति हुई थी। अपने पिता की तरह ही दयाकर्ण ईमानदार, मिलनसार और तेजतर्रार थे। महीने भर की कमाई खर्च करने पर भी घर में हमेशा किल्लत बनी रहती थी। दयाकर्ण खाने-पीने के शौकीन थे। एक दिन उन्होंने खाने के समय दाल में डालने हेतु नींबू की मांग की, पत्नी झल्ला उठी, केवल फरमाइश करते हो, लाकर भी रखा करो। दयाकर्ण बोल पड़े - पार्सल में 10-20 नींबू तो हमेशा गिरे- पड़े रहते हैं। पत्नी बोल पड़ीं- लाते क्यों नहीं।

आज पार्सल से लौटते समय दयाकर्ण ने हमाल से कहा- ये गिरे-पड़े दो चार नींबू मेरे थैले में डाल दो। साहब गिरे-पड़े क्यों ! धन्ना के बोरी से अच्छे- अच्छे 10-15 नींबू डाल देता हूँ। आज तो शिमला मिर्च की भी बुकिंग हुई है, थोड़ा वो भी भाभी के लिए देता हूँ, घर लेकर जायें। एक बार जो ये सिलसिला शुरू हुआ,

दैनिक क्रियाकलाप में तब्दील हो गया। कहते हैं , पतन की राह चिकनी होती है। धीरे-धीरे सब्जी तो क्या घर में किसी चीज की कमी न रह गई, ऊपरी आमदनी जो होने लगा था आजकल। दयाकर्ण के ठाठ – बाट देख लोग हैरान थे।उनका उठना बैठना बड़े लोगों के साथ होने लगा था। एक दिन एक दोस्त ने कहा मुझे 500 रुपये उधार दीजिए, शाम को वापस कर दूँगा।सो पूछ बैठे- क्या काम है? दोस्त ने कहा- लॉटरी में एक नम्बर लगाना है, आज वही नम्बर खुलने वाला है, जितने पर 500 के 4500 रुपये मिलेंगे।वादे के मुताबिक दोस्त ने शाम को रुपये वापस किये और पार्टी के लिए आमंत्रित किया सो अलग। अब दयाकर्ण खुद भी दाव लगाने लगे, दिमाग तो तेज था हीं, सब हार जायें पर दयाकर्ण का गणित फेल न होता। अब तो वे इन्टरनेट पर भी रम्मी खेलने लगे थे।उनके शौक दिन-प्रतिदिन बढ़ते जा रहे थे। हमेशा नशे में धुत रहते थे , हर पाँच मिनट पर सिगरेट का सेवन करते।घर में भी सबके लिए ज्यादातर खाना होटल से हीं मंगवा देते थे। पत्नी को भी हमेशा पाँच-दस हजार रुपए रखने देते, सो पत्नी भी अब कुछ न बोलती। घर आने-जाने का कोई निश्चित समय न रहा।

पिछले कुछ दिनों से वे प्रायः तीन-चार दिनों पर घर आने लगे थे।इधर 6-7 दिनों सेघर न आये थे, लगातार जुआ ही खेले जा रहे थे।दाव लगाते-लगाते पिछले 6-7 दिनों के पार्सल कार्यालय की रकम भी हार गये। बुरे कर्मों की महक दवे-पाँव दूर तक पहुँच जाती है। सर्तकता विभाग को इसकी भनक लगी, छापे डाले गए, गबन के आरोप में दयाकर्ण को जेल हो गई।

14 वर्षों की सश्रम कारावास के बाद बिटिया की शादी के दिन हीं ,आज रिहा होकरआये, परंतु मन की अदालत में आज भी कैदी थे। बिटिया को आशीर्वाद तो दूर ग्लानि, क्षोभ और लज्जा से अपना सिर न उठा सके थे। वे मन हीं मन सोच रहे थे- एक नीबू ने उनके जीवन में इतनी खटास भर दी जिनकी खटास मरणोपरांत भी कम न होगी। परअब पछताए होत क्या जब चिडियाँ चुग गई खेत।

वास्तव में परिस्थितियां कितनी भी भयावह क्यों ना हो, हमें अपने नैतिक मूल्यों से तनिक भी समझौता नहीं करना चाहिए एवं किसी भी तरह के भ्रष्टाचार से

बचकर रहना चाहिए। भ्रष्टाचार हमारे जीवन भर की कमाई गई मान-सम्मान, प्रतिष्ठा को पल भर में मिट्टीपलीद कर देती है।



System Improvements

List of System Improvements Suggested by Vigilance

Sl. No.	System Improvement	Dept.	Page Nos.
1.	System Improvement on Bringing economy in Concrete Design mixes by optimizing Cement content	Engineering	59
2.	System Improvement about Guidelines on concrete mix design and its approval	Engineering	61
3.	System Improvement on Test checks to be carried out in Track Machine Organization.	Engineering	62
4.	System Improvement for Usage of reinforcement Steel in Construction Projects	Engineering	64
5.	System Improvement on Guide lines for dealing with supply of plants/ purchase of saplings	Engineering	66
6.	SI on Avoiding subjectivity in dealing with Contracts	Engineering	67
7.	System Improvement on drawings & Specification for Platform walls & VDC Platform surface	Engineering	68
8.	SI on Variations in Zonal Contracts	Engineering	70
9.	SI on Penalty for Non Establishment Of Site Laboratory by Agency	Engineering	71
10.	SI on Dealing variations in Contracts entered with USSOR-2010	Engineering	73
11. 57	SI on Special condition in Safety related Track works VAW-2022 ANMISHA	Engineering	74

12.	SI on Anti-corrosive painting of rails in construction Projects.	Engineering	76
13.	System Improvement on Revision of rates for Anti-corrosive Painting of Rails& restriction of item in Non - corrosive areas	Engineering	78
14.	System Improvement on Implementation of Store module in TMS	Engineering	79
15.	System Improvement on Uploading of non-RDSO structural drawings in Website	Engineering	81
16.	System Improvement on Re-fixation of Delivery period/Extension of DP without LD	Stores	82
17.	System Improvement on Floating of bids on GeM	Stores	83
18.	System Improvement on Procurement restricted to specific brands.	Stores	85
19.	System Improvement on Drawal of Salary during Child Care Leave (CCL).	Personnel	87
20.	System Improvement on Monitoring of Bills in Medical Department in prescribed proforma.	Medical	88
21.	System Improvement on Work contracts, recording and maintenance of measurement book and overlapping works vide PCSTE/SC Lr. No.SCR-HQ/78/2019 dt. 04.06.2022	S&T	90

1. Bringing economy in Concrete Design mixes by optimizing Cement content

Background: Cement is being paid separately for USSR items in works contracts. It has been noticed during vigilance preventive checks that high cement contents are being approved in concrete design mixes by field officials in both construction & open line works. The very purpose of mix design gets defeated once concrete is designed with more quantity of cement than that is essentially required.

Brief Description of system improvement: Usage high Cement quantity in design mixes more than required will adversely affect the durability of concrete apart from avoidable additional expenditure. On the advice of Vigilance, PCE office has issued a System improvement for bringing economy in concrete design mixes by specifying a range of cement content for various grades of concrete, which is in tune with an article published by CVC. The cement contents specified & instructions issued vide system improvement is as under:

Grade of Concrete	Cement content in Kg. per Cum	Average cement content in Kg. per Cum
M15	250 to 300	275
M20	300 to 330	315
M25	310 to 360	335
M30	340 to 390	365
M35	360 to 420	390

M40	380 to 450	415
M45 to M 55	400 to 450	425

- Efforts should be made to use minimum amount of cement in the above stated ranges at the time of approval of design mix.
- In cases cement content being approved is more than the average shown above, design mix needs to be approved by SAG level officer.

How the Vigilance risk has been reduced as a result of system improvement: This system improvement will facilitate proper proportioning of ingredients in design mix of concrete as per the respective codal requirements besides optimizing the cement usage. This will bring economy in cement concrete works.

Implementation: System improvement suggested is accepted by PCE & implemented all over SCR (both in Openline& Construction) vide letter No. W.416/Unified/SS/SSR/Vol.IV Dt: 09.02.2022.

Impact and Benefits: Prevents avoidable additional cost due to adoption of excess cement content. This system improvement complies with the CVC instructions on the subject.

Suggestion about other areas where the improvement can be utilized: This can be replicated in all other Zonal railways.

2. Guidelines on concrete mix design and its approval

Background: It has been noticed during preventive checks that no uniform special conditions for designing & approval of concrete design mixes are being adopted on the Railway. Contractors are getting design mixes prepared from private laboratories, adopting IRCBC for works other than bridges and test cubes are not being cast at site before approving of design mix.

Brief Description: Designing & approval of concrete mixes need to be done scientifically to achieve the objective of design mix. Until there is a uniform tender condition across all Divisions/ constn. units, it becomes difficult to monitor this aspect. PCE office has issued system improvement based on the advice of Vigilance, for implementation of uniform special conditions on concrete mix design throughout the Railway. The salient features of SI are –

- The Engineer shall advise the contractor the ruling design parameters for each grade of concrete. Contractor shall carry out the mix design (through Govt. Engineering Colleges/NITs/IITs only), following all relevant codes/specifications/guidelines duly preparing trial mixes.
- Field trials to be conducted by Engineer by casting & testing of cubes for 28 days strength before recommending to competent authority for approval of design mix.

How the Vigilance risk has been reduced as a result of system improvement: Due to this system improvement uniform special conditions regarding design & approval of concrete mix and its approval are implemented all over the Railway.

Preparation of design mixes from private laboratories is stopped and unscientific approvals by Engineers is regularized.

Implementation: System improvement suggested by vigilance is accepted by PCE & implemented all over the Railway vide PCE's No. W.416/Unified/SS/SSR/Vol.IVDt: 23.03.2022.

Impact and Benefits: Contractors are getting design mixes prepared through Govt. Engg. Colleges/NITs/IITs only and test cubes are cast & tested for 28 days strength before approving the same. This will streamline the procedures and assures strength of concrete before accepting the same.

Suggestion about other areas where the improvement can be utilized: This can be replicated in all other Zonal railways, wherever similar conditions exist .

3. Test checks to be carried out in Track Machine Organisation

Background: Track machine organization is procuring lot of costly materials, spares for machines & operating works / AMCs for POH / other Maintenance activities of track machines .It has been noticed during a preventive check that no test checks are being done in Track Machine Organisation while accepting the Stores supplies and POH activities, which are being done through Contracts, on the plea that instructions don't exist for doing so.

Brief Description: PCE office has issued system improvement based on the advice of Vigilance, regarding the minimum test checks to be carried out in Track Machine Organisation by various officials while dealing Works/AMC Contracts and Stores Contracts. The summary is as under –

In case of Works / AMC Contracts:

- JE/SSE will record the measurements. ADEN(TM)/XEN(TM) shall carry out TC for 20% of the bill value. DyCE/CPOH shall carry out TC for 5% of the bill value irrespective of agreement value.
- Dy.CE/TM/Lines shall carry out TC for 5% on the bill value recorded, if the bill value is more than 20% of the agreement value for agreement value exceeding Rs. 2.00Cr& 5% on bill value for alternate bills even though value of recorded bill is less than 20% of agreement value, for the works/AMCs of Dy.CE/TM/Lines.

In case of Stores Contracts: -

- Material shall be received by Stores in-charge. Consignee will carry out QC inspections. ADEN(TM) shall carryout 100% TC. Dy.CE/CPOH/RYP shall carryout TC for 5% of the bill value of the PO recorded, irrespective of PO value.
- Dy.CE/TM/Lines shall carryout TC for 5% of the bill value of the PO recorded if individual bill exceeds 20% of the PO value.

How the Vigilance risk has been reduced as a result of system improvement: Due to this system improvement, test checks to be conducted by various officials in Track Machine Organisation have been stipulated. This will facilitate checks by higher officials to detect intentional / unintentional irregularities.

Implementation: System improvement suggested by vigilance is accepted by PCE& implemented vide PCE office letter No. W.501/1/Misc Dt: 19.04.2022.

Impact and Benefits: Dy.CE/CPOH/RYP & Dy.CE/TM/Lines have since started conducting mandatory test checks for Works/AMCs/Supply contracts.

Suggestion about other areas where the improvement can be utilized: This can be replicated in all other TM units.

4. Usage of reinforcement Steel in Construction Projects

Background: It has been noticed during a preventive check that unbranded reinforcement steel of most common diameters has been used in a construction project, which is not produced by Primary producers of steel. This is against the agreement conditions. Further it was noticed that no independent testing was done in spite of stipulated agreement condition.

Brief Description: CAO/C office has issued system improvement based on the advice of Vigilance, regarding to usage of reinforcement / structural steel in construction projects throughout this Railway. The summary of SI is as under:

- All Reinforcement Steel and Structural Steel shall be procured as per specifications mentioned in BIS's documents – IS:1786 & IS:2062 respectively and a bill copy & manufacturer's test certificate is to be submitted at the time of supply of material. Independent
- The reinforcement steel and structural steel shall be procured from the established, reliable, indigenous & primary producers of steel having integrated steel plants.
- Certain reputed Brands of Steel have been short listed for usage in the projects.

How the Vigilance risk has been reduced as a result of system improvement: Due to this system improvement,

reinforcement steel / structural steel of PPS will only be used . This will ensure quality of materials. It discourages the usage of unbranded / re-rolled steel.

Implementation: System improvement suggested is accepted by CAO/C & implemented vide letter No. W.Con.496/PL/C/T&C/XIX/Vol.IX/Steel Usage Dt: 23.03.2022.

Impact and Benefits: Contractors are procuring reinforcement steel & structural steel from primary producers of steel having integrated steel plants, thus avoiding usage of unbranded steel in construction projects which further increases the quality of work executed.

f) Suggestion about other areas where the improvement can be utilized: -

5. Guide lines for dealing with supply of plants/ purchase of saplings

Background: It has been noticed during a preventive check that saplings were purchased through works contract instead of purchasing from Nurseries as per Item No. 34(A) part-A of MSOP-2018.

Brief Description: PCE office has issued system improvement based on the advice of Vigilance regarding purchase of plant items & saplings. Summary of the SI is as under:-

- The saplings/plants have to be purchased from Forest department/Horticulture department/other govt. agencies in terms of Item no. 34(A) Part-A of MSOP-2018.

- In case, it is not possible to purchase the seedlings/saplings from Forest department/Horticulture department/other govt. agencies, then the same can be purchased from other sources through works contracts with prior approval of ADRM.
- Divisions have been advised to maintain proper register/records for (a) Number of saplings planted, (b) Location wise details, (c) maintenance period & (d) Agency details.

How the Vigilance risk has been reduced as a result of system improvement: Due to this system improvement, saplings/plants will be purchased from Forest department/Horticulture department/other Govt. agencies, thus avoiding purchase from private nurseries who generally quote high rates.

Implementation: System improvement suggested by vigilance is accepted by PCE& implemented vide letter No. W.496/Policy/Vol.IXDt: 05.01.2022.

Impact and Benefits: Saplings/plants can be purchased at reasonable rate from Forest department/Horticulture department/other govt. agencies. This will also generate income to other Government agencies.

Suggestion about other areas where the improvement can be utilized: This can be replicated in all other Zonal railways.

6. Avoiding subjectivity in dealing with Contracts

Background: It has been noticed during a preventive check, that the rates for GI pipes have been awarded based on the comparison of rates between two popular brands of pipes. But, the same has not been mentioned in the LOA. The particular brand whose rate was considered in the TCP was not used in the actual execution, as executives are not aware of the discussion in TCP.

Brief Description: PCE office has issued system improvement based on the advice of Vigilance, to avoid subjectivity in procurement of materials while dealing with contracts. The summary of the SI is as under:-

- As far as possible, subjectivity should be avoided in dealing with tenders/contract agreements and IRU standard specifications should be followed.
- To mention very clearly in the LOAs regarding rate restrictions and other aspects, if the rates are awarded on the merits of the case where subjectivity is involved.

How the Vigilance risk has been reduced as a result of system improvement: Due to this system improvement, if any brand is mentioned in TCP while justifying rates, mentioning the same brand in the LOA, makes sure that field officials use same brand mentioned during execution of work.

Implementation: System improvement suggested is accepted by PCE& implemented vide PCE office letter No. W.416/Unified/SS/SSR/Vol.IVDt: 28.12.2021.

Impact and Benefits: Avoiding subjectivity leads to quoting of competitive rates by contractors and in special cases where specific brands are considered while finalizing rates, mentioning the same in the LOA/Agreement binds the executing officials to use the same brand for the particular item.

Suggestion about other areas where the improvement can be utilized: This can be replicated in all other Zonal railways.

7. Specification & drawings for Platform walls & VDC Platform surface

Background: For masonry Platform (PF) walls, a standard drawing has been issued by SCR Head Quarters. Similarly, RDSO standard drawings are available for precast PF walls. However, it was observed that in works related to construction of new platforms, or rising and extension of existing platform, either of these drawings are not being used in some cases. Instead, the field officials were changing the nature of PF wall from Masonry walls to cast-in-situ concrete walls at execution stage and developing new drawings for such concrete PF walls locally, as no standard drawings have been issued for such walls. In some units, field officials are found to be changing the grade of concrete in the approved drawings without approval of HQ. It was also observed that different grades of concrete were being used in open line & in construction units for vacuum dewatered Concrete (VDC) flooring as a platform surface. No standard drawing is available in SCR for VDC platform surface. This is leading to adoption of different grades of concretes and different thicknesses in the execution.

Brief Description: PCE office has issued system improvement based on the advice of Vigilance. The summary of SI is as under:

- Guidelines on the specification of materials to be used for construction of Platform walls, Platform surfaces and its related cross-sections for various categories of stations have been issued to ensure uniformity across SCR both in open line & construction organisation. Standard drawing for VDC flooring has been issued vide Drawing No.71/2022 which incorporates the guidelines issued by CAMTECH. A standard drawing for various types of PF walls has been issued vide Drawing No.70/2022. These are implemented across in all units of south Central Railway with effect from January 2022. It has been reiterated to strictly follow RDSO / RB guidelines on nature of surface to be provided at various categories of stations.

How the vigilance risk has been reduced as a result of system improvement: Uniform and clear guidelines along with standard drawing on the matter will reduce the possibility of ambiguity and scope of discretion, during execution of works.

Implementation: PCE office has issued guidelines and specifications vide letter No.W.351/Platforms/System Improvement dt.06.01.2022. Standard Drawing for PF walls with pre-cast RCC / stone masonry / brick masonry was issued on 17.3.22 vide drawing No.70/2022. Similarly, standard drawing for passenger PF flooring with VDC has been issued on 17.3.22 vide Drawing No.71/2022.

Impact and Benefits: As a result of the revised procedure, sizeable savings in construction cost of PF walls & floorings can be achieved besides having uniform practice of Construction.

Suggestion about other areas where the improvement can be utilized:-The standard drawings developed in SCR can be replicated across the other zones of Indian Railway.

8. Variations in Zonal Contracts

Background: As per Model SOP-2018, part-A item No.9, Note-12, the variations in Zonal contract should not exceed 25% of the contract value. During preventive check in one of the divisions, it has been noticed that, the variation clause incorporated in zonal agreement is “*variation should not exceed 25% of contract value or five lakhs whichever is higher.*” As a result it is observed that work orders are being issued for small value and later enhancing the value upto Rs 5 lakhs. This is in violation of SOP provisions. Further, it was noticed that substantial amount of Zonal contract is being spent in horticultural items.

Brief description: PCE office has issued system improvement in the form a special condition to be adopted in all Zonal tenders/contracts. This condition is in tune with SOP. The summary of SI is as under:-

- Variations in work orders shall not exceed (+) or (-) 25%. In case, the variation in schedule exceeds beyond (+) or (-) 25%, it should be with finance concurrence.
- Work order value shall not exceed Rs. 5 Lakhs including any variation.
- Schedules for maintenance of assets, brightening and jungle clearance should not be less than 80% of zonal contract value.

- Horticulture schedule shall normally be not more than 5% of zonal contract value, for HYB division it can be upto 10%
- Maximum limit of NS schedule for supply items shall normally be upto 15% of zonal contract value.
- There should be separate work orders for P.Way works, Bridge works and civil Works.

How the vigilance risk has been reduced as a result of system improvement: The discretionary power to increase work order value up to Rs 5 lakhs is withdrawn. Otherwise work orders with profitable items are likely to be enhanced upto Rs 5 lakhs, while bringing corresponding saving in other work orders.

Implementation: System improvement suggested by vigilance is accepted by PCE & implemented vide PCE office letter No. W.496/Policy/Vol.IX dated 06.01.2022

Impacts & Benefits: As a result of the uniform guidelines, savings can be achieved by restricting the operation of excess quantities of high-rate OR profitable items in zonal contracts.

Suggestion about other areas where the improvement can be utilized: -

9. Penalty for Non - establishment Of Site Laboratory by Agency

Background: As per the special conditions of works contracts being followed uniformly in SCR, site laboratory has to be provided by the agency to facilitate testing of materials at site. During vigilance checks it has been noticed that, site labs are not being set up in most of the open line worksites. At present there is no penalty clause, for non-establishment of site lab. As a result,

required QC tests on materials& on CC cubes are being done at outside laboratories. Dept. engineers have no access to witness the QC tests.

Brief description: PCE office has issued system improvement on advice of Vigilance in the form of a special condition to be incorporated in all works contracts on establishment of Site Laboratory by contractor. The condition has been implemented across all civil engineering units of SCR with effect from December 2022.The summary of SI is as under:

- The contractor should set up site laboratory within 45 days from the date of issue of letter of acceptance (LOA).If he/she does not setup site laboratory, the following penalty should be imposed.

Category	Value of work	Penalty per month in Rs.
a	Works costing uptoRs.	No penalty
b	Works costing uptoRs. 2.0Cr and up to Rs.	25, 000
c	Works costing above Rs. 5.0Cr	50,000

How the vigilance risk has been reduced as a result of system improvement: With the establishment of site labs, Dept Engineers can witness the tests & chances of accepting poor quality works based on fake test certificates by Private labs is avoided. The penalty clause encourages establishment of site lab.

Implementation: System improvement suggested by vigilance is accepted by PCE & implemented vide letter No.W.496/Policy/Vol.ix dated 28.12.2022

Impacts & Benefits: As a result of guidelines, quality tests on materials & on CC cubes can be done at site labs and it helps in monitoring the quality of works by field executives during their inspections.

Suggestion about other areas where the improvement can be utilized: This can be replicated in all zonal railways.

10.Dealing variations in Contracts entered with USSOR-2010

Background: All the detailed estimates& tender documents are being made based on USSR 2019 and DSR 2018 w.e.f.1.3.2020 in terms of ESO 84 dated 26.2.2020. It is observed that large number of contract agreements are in operation, which are based on USSR 2010 along with applicable NS items at that time. During vigilance checks it was noticed that no uniform practice is being adopted in dealing with introduction of new SSR/NS items in these agreements. These are being introduced indiscriminately as per local convenience resulting into adoption of different rates for same item.

Brief description: PCE office has issued system improvement on dealing contracts entered with USSOR-2010, based on vigilance intervention. These instructions have been implemented both in Openline & Construction with effect from January 2022.Summary of SI is as under:-

Introduction of additional SSR items:

- Additional SSR item for building and bridge works etc.shall be taken from USSOR-2010 only.i.e. any

additional SSR item in variation shall be taken from the parent SSR only.

Introduction of additional NS items:

- NS item may be introduced only after detailed rate analysis, duly vetted by associate finance and approved by ADRM/Technical in divisions and by nominated CE/Con in Construction organization.
- Practice of introducing NS items based on LAR(S), not backed up by detailed rate analysis, should be stopped forthwith.

How the vigilance risk has been reduced as a result of system improvement: These guidelines will reduce the anomalies in processing variations .

Implementation: System improvement suggested by Vigilance is accepted by PCE & implemented vide PCE office letter No.W.416/Unified/SS/SSR/Vol.IV dated 17.01.2022

Impacts & Benefits: Brings uniformity in dealing with variations in ongoing agreements & avoid subjectivity.

Suggestion about other areas where the improvement can be utilized: These instructions & logic can be replicated whenever further revision of USSR takes place.

11. Special condition in Safety related Track works

Background:-During a Preventive Check, it is revealed that Boxing of track has been executed under SSR 2019 item No.131270, in spite of having relevant separate item in the same

agreement under item No.081100. Execution of Boxing of track under item No.131270 has led to excess payment to agency. There are many P.Way items in USSR2019 under various chapters which are tangible in terms of output. Execution of such works under an intangible item like 131270 is not appropriate and there will be fair chances of excess payments. Similarly, it is noticed that Identity proof of the workers is not being mentioned in muster sheets to eliminate fictitious persons at site.

Brief Description:

On the advice of Vigilance, PCE office has issued a System Improvement in the form of a special condition to be incorporated in Safety related track works. Summary of the SI is as under:-

- All those track works which are tangible and covered under relevant SSR/NS items should not be executed under item No.131270.
- For identity proof of workers in muster sheet Aadhaar card/Voter ID/Ration Card/EPF number or any other admissible document of identity proof can be accepted duly indicating details in muster and keeping copies in official records to eliminate fictitious persons at site.

How the vigilance risk has been reduced as a result of system improvement:-The scope of all those track works which are tangible and covered in SSR/NS items will not be executed under item No.131270(manpower item).

Implementation:-System improvement suggested by Vigilance is accepted by PCE & implemented vide letter

Impact and Benefits:-Prevents intentional / unintentional wrong operation of tangible items of track under SSR 2109 item No.131270 and thus eliminates chances of excess payments.

Suggestion about other areas where the improvement can be utilized:-This can be replicated in all safety related track work agreements in other zonal Railways.

12. Anti-corrosive painting of rails in construction Projects

Background: Anti-corrosive painting of new rails is being done in all Construction projects irrespective of corrosion proneness of the area. Painting of rails is not required in non-corrosive prone areas in terms of para No. 613 (2) (a)(iii) of IRPWM. For new line / GC projects, corrosion prone areas shall be identified by CAO/C in consultation with PCE as per IRPWM. But such approvals are not being taken before doing rail painting in NL / GC projects. Special conditions being incorporated for Rail painting in Construction projects are not in tune with the special conditions being adopted in Openline works.

Brief Description: On the advice of Vigilance, CAO/C office has issued System improvement on 28.3.22. Summary of SI is as under:-

➤ Painting of rails shall be taken up henceforth only in

identified corrosion prone areas, as mentioned in ESO 59.

- For new lines and GC projects and any other corrosion prone locations painting of rails shall be taken up after obtaining the approval of competent authority.
- Revised special conditions(technical) for painting of rails are issued, which are in tune with policy letter issued by PCE office on 08.04.2004 for incorporation in all future tenders.

How the vigilance risk has been reduced as a result of system improvement:-Cost of painting rails in non-corrosion prone areas is avoided. The revised special conditions facilitate adequate checks in the process of painting and will help in ensuring quality of painting.

Implementation:-System improvement suggested by vigilance is accepted by CAO& implemented vide CAO/C/SC's letter No.Con.496/PL/C/T&C/XIX/Vol.IX/Painting of rails, Dt.28.03.2022.

Impact and Benefits:-Prevents execution of unnecessary item of Anti-corrosive painting of rails in non- corrosive areas.

Suggestion about other areas where the improvement can be utilized:-This can be replicated in all construction projects of other zonal railways.

13. Revision of rates for Anti-corrosive Painting of Rails& restriction of item in Non -corrosive areas

Background: Approval of two NS items for painting of rails with bituminous black paint has been conveyed vide PCE office Lr No.W.416/USSOR-2019, Dt 29.09.2020. The basic rate for painting of new 60Kg rails is Rs.81per RM and Rs75.63 **per RM** for painting of in- service rails. The corresponding rates as per previous NS item bank of 2018 are Rs.51.23 per RM for new rails and Rs70.59 **per TRM** for in service rails. There seems to be vast difference in basic rates of painting of rails and also it is noted that basic rates are quite high. Similarly, during PCs it is found that painting of new rails and in-service rails is being done in Openline in non-corrosive areas, which is in violation of para No.613 of IRPWM. Hence, PCE office has been advised on 2.2.2022 to review the rates and not to include rail painting in estimates of non- corrosive areas.

Brief Description: On the advice of Vigilance, PCE office has issued System improvement on 25.4.22. Summary of SI is as under:-

- Corrosion prone sections of SCR have been re-iterated.
- Keeping provision for anti-corrosive painting of new rails in all CTR(P) & TRR (P) works in non-corrosive prone areas is withdrawn.
- The basic rate for painting of rails with bituminous black paint for 60 Kg new rails is reduced from Rs.81per

RM to Rs.46.68 per RM and for 60kg in-service rails is reduced from Rs.75.63 per RM to Rs.64.23 per TRM.

How the vigilance risk has been reduced as a result of system improvement:-Cost of painting rails in non corrosion prone areas is avoided. This will result into savings in CTR / TRR works.

Implementation:-System improvement suggested by Vigilance is accepted by PCE& implemented vide Lr.No.SCR-HQ0ENGG(SOR)/8/2020-Dy CE/works/SCR Dt. 25.04.2022

Impact and Benefits:-With the revision of rates, there is a reduction of 56% in painting of new rails and 58% in painting of in-service rails. There will be a saving of around Rs.5 cr. per annum in CTR / TRR works due to the System Improvement.

Suggestion about other areas where the improvement can be utilized:-This can be replicated in all other zonal railways.

14. Implementation of Store module in TMS:

Background: During a preventive check conducted in a P.Way Unit, it has been observed that manual DMTRs and ledgers are being maintained in addition to Stores Module in TMS. The balances of certain materials are not tallying between TMS data and manual ledgers. With the introduction of Stores module in TMS, there is no need to maintain physical DMTRs / ledgers.

Brief Description: On the advice of Vigilance, PCE office has issued System improvement on 20.1.2022. Summary of SI is as under:-

➤ All divisions are advised to take necessary action to switch over to electronic mode of TMS store module by 31st of January 2022. However a few items which are not available in TMS module, manual ledgers can be maintained only for such items.

How the vigilance risk has been reduced as a result of system improvement: -Leveraging technology will bring transparency, facilitate quick managerial decisions, avoid duplicity of the work besides facilitating proper accountal of materials.

Implementation: -System improvement suggested by Vigilance is accepted by PCE& implemented vide letter No.W.311/Genl/Vol.XY-III/TMS/2018 Dt.20.01.2022

Impact and Benefits:-Prevents duplicity of the work besides facilitating proper accountal of materials. Reports can be generated for any given period of time from TMS and thus preparation of manual quarterly reports is avoided. Ground balance of various materials under each custodian can be known on real time basis. This will facilitate in supply / distribution of materials among the custodians.

Suggestion about other areas where the improvement can be utilized:-This can be replicated in all other Zonal railways.

15. Uploading of non-RDSO structural drawings in Website

Background: In one of the Vigilance checks, it has been noticed that fresh structural design is obtained from out sourced agency for the construction of a component shop shed and payments have been made. However, approved drawing is already available in CAO/C office for the same type of structure. Hence, CAO/C office has been advised on 24.2.2022 to upload all the approved non-RDSO drawings on SCR website or in any other digital platform, so that the field staff can directly adopt the required drawings without getting them freshly designed / approved on every occasion.

Brief description: On the advice of Vigilance, CAO/C office has uploaded all the approved non-RDSO drawings in “Google drive” of CAO construction with the mail id of designcaoc@gmail.com under the name of “Drawings List” in Excel sheet in the folder “Design Database”.

How the vigilance risk has been reduced as a result of system improvement:

- This will avoid duplicity of work.
- Facilitate adoption of most economical design for the given requirement.
- Field staff can directly download the drawings without making any reference to Headquarters.

Implementation: System improvement suggested by Vigilance is accepted by CAO/C& implemented vide Letter No. W.CON.77/A/D/VOL-III, dated 23.08.2022. While uploading the drawings in Google drive, uneconomical drawings have been weeded out.

Impacts & Benefits: As a result of system improvement the available structural drawings can be accessed directly by field

staff and can adopt suitable drawing without going for fresh designs. This will save time and expenditure.

Suggestion about other areas where the improvement can be utilized: This can be replicated in all zonal railways.

16. Re-fixation of Delivery period/Extension of DP without LD

Background: During preventative check it is observed that some of the Officers are utilizing these powers in routine fashion without understanding the implications.

As per the Model SOP, Part D" Stores Matters, SNo.5(N), Stores Officers are having full powers as per their power of acceptance for re-fixation of DP without Finance concurrence. Further as per SOP, Part "D Stores Matters, SNo.5(C), extension of Delivery Period without LD requires Finance concurrence

Brief Description:-PCMM office has issued System improvement on 23.06.2022. Summary of SI is as under:-

"Re-fixation of Delivery Period may be considered when there are administrative reasons and the firm is not responsible in any way. Whereas, extension of Delivery Period without LD may be considered when postponement of Delivery Period is required to be done for reasons where the supplier is responsible for the delay, but for reasons beyond their control or where delay can be condoned for specific reasons." Further, whenever re-fixation is done, proper reasons may be recorded.

17. Floating of bids on GeM

Background: Based on a complaint based investigation regarding floating of custom bids and irregular acceptance of GeM bid for procurement of safety jackets in one of the unit, following inadequacies were noticed:-

1) The indented item is required to be ISI marked. However, no prescription has been made in the GeM bid (under column "documents required from seller") for bidders to submit BIS license of manufacturer and authorization from such manufacturer, which would be a prudent step in case where ISI marked material is required for safety purpose.

2) Procurement from GeM is mandatory for common use items available on GeM platform. This procurement is to be made under the appropriate category of item. GeM also provides facility to float custom bid for items for which no appropriate category exists on GeM. However, it is observed in the said case that custom bid was floated even though category of the desired item (Safety Jackets to IS: 15809) was available on GeM. The non availability report in the case shows a verbose search using complete text description given in the indent which led to irrelevant search results getting generated. Proper scrutiny of the description along with product specifications available on GeM would have allowed procurement to be made from regular category rather than as a custom bid.

3) Further it is observed that purchase officer was trying to

fit the GeM specification as per the textual description submitted by the user department. The same error has also been noticed in an earlier case. Often, the user department may not be fully aware of the technical aspects of the item indented and the standard GeM specifications along with their allowed values can be a good guide for drawing specification. It is also seen that there were certain deficiencies in the indented description itself which could have been easily corrected if the description was framed based on category Specifications and allowed values of corresponding parameters, as available on GeM.

Brief Description: - PCMM office has issued System improvement on 07.10.2022. Summary of SI is as under:-

i) Wherever only ISI marked products are to be purchased, the bidders must be asked to indicate the BIS registration no (CM/L No) of the manufacturer and the purchase officer must check the validity of the said registration number on the BIS website Before accepting the offer. In all such cases, the BIS registration number (CM/Lno) of the material to be supplied must also be prominently displayed in the PO for ease of reference of receiving officials.

ii) On receipt of NS indent from the user, for searching the relevant category existing on GeM or for generating GeM availability report, stores officials should not copy the textual description verbatim from the indent. Search for available categories should instead be made using appropriate keywords extracted from the complete description. In cases where Is specification is provided in the indent description, search should also be made using the IS specification number.

iii) If the category of the item sought is found in GeM and

procurement through GeM bid/RA mode is intended, Stores department will download the category specifications and allowed values of each of the parameters. If desired, Stores officer may also select representative values of such golden parameters and compare three of the filtered offers. The category specification, allowed values for each of the selectable parameters and comparison sheet (if generated) may be forwarded to user department for technical comments. At this stage, suitability shall not be taken for the offers compared but for the allowed values selected for golden parameters. That is, the user department shall indicate the suitability of allowed values for each parameter in the category specification or, alternatively, indicate the correct allowed values to be selected for the same. Subsequent bidding on GeM shall be processed based on the allowed values decided in consultation with user department.

iv) Tender for item, for which category exists in GeM may be purchased from outside GeM only if none of the allowed values for a category specification is suitable for the user.

18. Procurement restricted to specific brands:

Background: Vigilance Department during checks conducted at Stores Depots on Depot/Divisional purchases observed that procurement is being restricted to specific brands in many cases and due care is not being taken while selecting brands. Ordinarily purchase should not be restricted to specific brands, but where it is absolutely necessary following instructions are to be

followed.

Brief Description: - PCMM office has issued System improvement on 23.06.2022. Summary of SI is as under:-

1. Against any indent, description where procurement is proposed to be restricted to particular brands, the user department must be asked to submit the following along with the indent: a. Justification for restricting procurement to specific brands. b. Certification that market survey has been done and no other reputed brands could be found.
2. The following conditions shall be added in the tender conditions: "In all cases where procurement has been restricted to specific brands, competitive offers for equivalent item in other brands can be accepted for a developmental order of up to 20% of net procurable quantity against the tender. For consideration of the offers for such developmental order, the tenderer must submit proof of past performance with Railways for the brand quoted, or other documents (eg:BIS registration, NABL certified lab test report etc.,) as evidence for the quality of product (brand) offered".
3. This condition shall not be applicable in cases where brands/makes have been restricted by any approving agency like RDSO, ICF, RCF, CLW and DLW.
4. To avoid infructuous small value developmental orders, the above conditions will be applicable only for tenders above Rs.5 Lakhs.

19. Drawal of Salary during Child Care Leave (CCL):

Present Practice:

A female Railway servant and single male Railway servant may be granted Child Care Leave for a maximum period 730 days during entire service for taking care of two eldest surviving children. Railway Board vide RBE No.64/2019 dated 23.04.2019 instructed that during the period of Child Care Leave (CCL), railway servant shall be paid 100% of the salary for the first 365 days and @ 80% of the salary for next 365 days and these amendments have retrospective effect from 14.12.2018

Deficiencies Observed:

- ❖ During Preventive checks, it was noticed that full salary is being paid to employees who have availed CCL for more than 365 days.
- ❖ Maintenance of Poor accountal of CCL availed particulars by the employees in most of the offices, which may lead to excess availing of CCL by the employees.
- ❖ No provision exists at the material time in the IPAS towards maintenance of CCL accountal.

Action Taken :

Over payment was recovered from the respective staff.

System Improvement:

- ❖ To maintain CCL availed particulars in the service register of respective employee.
- ❖ At the time of sanction of child care leave, the left over balance should be reflected in the office noting when put up by the dealing staff duly enclosing the CCL sheet which is

maintained in the SR, so that cross-check can be done by the sanctioning officer.

- ❖ Details of sanctioned CCL to be entered in the IPAS from the Cadre menu -> leave option -> special leave posting -> type of leave to be selected as CCL, so that 80 % of salary will automatically arrive as per the days entered.

20. Monitoring of Bills in Medical Department:

A complaint has been received from a firm stating that their bills were not passed even after two years from the date of supplies.

Irregularity detected

It was observed that the bill was pending due to a query raised by the concerned unit to the party through email which is cryptic and do not properly communicate what is actually required.

System Improvement suggested

A system improvement is suggested to PCMD to advise MD/CH/LGD and all other divisional hospitals to put in place a system of monitoring the bills by maintaining the reporting format (as given below), which will be put-up to Head of the Unit i.e. MD/CH/LGD or CMS of the divisions, as the case may be, every month to monitor the bills position.

Proforma

Opening Balance	Receipts during the month	Clearance during the month		Closing balance at the end of this month (No. of bills pending and the details of the oldest bill)
	No. of bills received during the month under each category such as Referrals, Supplies, Misc. etc.	Forwarded to Accounts department for payment	Returned to Vendors	

Action taken

Instructions were issued by PCMD to follow the system improvement suggested by Vigilance on 6.1.2022 duly circulating the proforma for monitoring of bills.

21. Work contracts, recording and maintenance of measurement book and overlapping works vide PCSTE/SC Lr.No.SCR-HQ/78/2019 dt.04.06.2022.

Based on the observations of Vigilance department on contracts following system improvement is issued
PCSTE/SC

1. MB should be recorded by the nominated supervisors and officers as per the nomination in the LOAs/Contracts. Practice of recording the measurements in MB by the recording officials based on the statement of executed quantities submitted by other officials should not be allowed. In this regard, **Para 10.3.3.(f) of SEM on instruction for maintenance of MBs**, may be referred.i.e.,“Entries of the measurements shall be made direct in to the MB at site of the work in presence of the contractor or his agent. The copying of entries from a rough note book or other record is forbidden”.
2. In order to prevent the instances of manipulation in quantity recorded in MB same to be recorded in words also. As per Para 10.3.3. (c) of IRSEM, "Entries shall be recorded continuously in MB. No blank pages shall be left. Any page left blank inadvertently shall be cancelled by diagonal lines drawn across the pages, the cancellation being attested."
3. Sr.DSTEs/Dy.CSTEs to ensure the maintenance of register of MB in their offices duly indicating the movement of each MB. Movement of MB from one office to another in personal custody of a responsible

person should be ensured with proper handing over/taking over details.

4. Accountal of materials supplied under schedule items of supply & installation/laying etc, should also be accounted in Store & inspected before using such materials-at-site. For the materials directly supplied at site, entries about the acceptance of material must be ensured in the Site Inspection Register after inspection and acceptance of material and before its use.
5. Released material from replacement /modification work should be accounted in Store duly providing DMTR no. before recording the measurements of such schedule items related to releasing activities. For this purpose, a list of items to be released and deposited in Railway Store should be made jointly with the supervisors of executing agency, contractor and open line supervisors.
6. In order to ensure that contractor has completed the work in all respect satisfactorily and the "Railway has no claim on contractor", **completion certificate and no claim certificate** should be signed by all the MB recording officials (i.e. SSEs& respective officers) before releasing the PG/SD as the case may be.
7. Divisions should plan the tenders of any work for the section of ongoing doubling/tripling works carefully in coordination with RVNL/RITES/CORE/Construction/Project units for works like Quad/OFC laying, new station/station modification works etc, so as to avoid duplicate works, multiple trenching etc. to avoid infructuous expenditure.

8. Tender schedules having supply items, either under supply portion or under labor portion of the tender schedule, should have warranty period as decided by the executive.
9. Inspection authority (whether RDSO/RITES/Consignee, as the case may be) should be mentioned invariably in tender schedule for all items covered under, supply portion/supply and installation/commissioning in labor portion (e.g. supply and laying of GI pipe, HDPE pipe, RCC route marker etc).

Case Studies

Accounts

Default in Remittance of GST by a Joint Venture Firm :

- During the investigation of a complaint, it was observed that a contract was awarded to a Joint Venture firm.
- The JV firm has received an amount of Rs.96 lakhs towards GST from Railways but has not remitted the same to GST authorities and also had not filed GST returns.
- GST authorities cancelled the GST number of joint Venture for default of payment of GST.
- Subsequently, the JV firm claimed Two bills with personal GST Number of the Lead Partner of JV firm, which is an offence under the GST Act.
- Vigilance has advised to withhold SD amount of Rs.92 lakhs till clearance of GST dues by the JV firm since the defaulted GST amount is recoverable by GST authorities from amounts due to the Party from Railway in terms of Section 79 (1)(i)(c) of GST Act.
- Based on Vigilance advice, Action was taken against the officials involved for processing two bills under different GST numbers.
- The following system Improvement was suggested in this regard -
- *"The Executive should insist upon production of the documentary proof of filing of GST returns of the previous quarter by the Contractor at the time of*

submitting the bills and the Accounts department should ensure such documentary evidence is enclosed with the physical bills forwarded by the Executive”

- System Improvement was agreed to and implemented on 22.3.22.

Engineering

Case Study – 1

Irregularity in execution of subway (RUB) work

- A preventive check was conducted over the work of – “provision of subway in lieu of manned LC gate” in one of the divisions. The work involves insertion of pre-cast RCC boxes, construction of retaining walls on all four sides and drainage arrangements.
- As on the date of vigilance check, boxes have been inserted, 3 retaining walls have been constructed. Strength of the retaining walls, RCC boxes have been checked. Adherence to agreement conditions is also checked.
- As the results are not satisfactory for retaining walls, 17 core samples have been collected and tested in a NABL accredited laboratory. Strength of the concrete in the retaining walls is found to be in range of 9.5 to 12.67 N/Sq.mm for M-25 concrete. An amount of Rs. 46.24 lakhs were paid towards the substandard retaining walls (including cement).
- On perusal of records, it is revealed that 1130 bags of cement is found to be less consumed and cement bills have been manipulated to tally with the theoretical consumption of cement.

- All the CC cubes cast during the execution of work were tested in a private college. Results were found to be suspicious. No cubes have been tested to ascertain 28 days cube strength, which is the acceptance criteria for concrete as per para No. 8.7.1.1 of IRCBC.
- Even though drainage arrangements are not completed, stage payment has been released for Rs. 15.19 lakhs in violation of the Agreement condition.
- Officers have not done mandatory test checks, while passing the bills.
- Payments have been made for transportation of Railway supplied material and no rental charges have been collected, in violation of Agreement conditions.
- Division has been advised to recover Rs. 15.66 lakhs from the agency besides re-construction of retaining walls as per terms & conditions of agreement.
- Vigilance case has been registered on the concerned officials.

CASE STUDY - 2

Manipulation of initial ground levels in Earth work

- One work for Construction of Minor bridges & Execution of earth work is awarded in one of the construction units in 2018. The work involves earth work in formation over 20 km length. The initial levels were taken in January 2019 and work was commenced physically in the Month of April/May 2019.
- Earth work, Blanketing has been completed as on the date of vigilance check. During investigation, it is established that initial ground levels have been manipulated exactly under the formation to a tune of 0.30m to 2.67m at different locations over a length of 1.60km.
- Saucer type profile has been created under the formation, against a gentle slope without any undulations on either side of the formation. It is also noticed that recorded profile has not merged with natural ground level at many cross-sections at toe and test checking officials have not put date of test Check in any of the 11 level books.
- Due to such intentional lowering of initial ground levels which are hidden measurements, Earth work (COE) quantities are magnified by 98,083 cum in the subject agreement and resulted into excess payment to a tune of Rs.1.31 Cr.
- Based on the Vigilance advice, Rs.1.31 cr. has been recovered.
- Vigilance case is registered on the concerned officials.

CASE STUDY -3

Utilization of extra Privilege Passes and wrong claiming of petrol imprest.

- During a complaint investigation in one of the Divisions , it was detected that SSE / P.Way has claimed reimbursement of petrol imprest through ADEN office. On scrutiny of records and cross checking with TMS data&site, it was noticed that welding of rail joints was not actually done. Thus it was established that reimbursement was drawn by producing wrong bills.
- SSE/P.way is eligible for 3sets of privilege passes and 4sets of PTOs for a particular year. In that year the SSE/P.way got punishment of withholding of 1 set PTO and thus he was eligible for only 3sets of privilege passes and 3sets of PTOs for that year. During the check it was revealed, that he has managed to get 4 sets of privilege passes and the extra set of pass was not entered in pass ledger and also the validation date not mentioned in the extra pass. Though he is admissible for only 3sets of PTOs in that particular year, hehas utilized 3½ sets of PTO and the extra half set of PTO is not entered in ledger. Being custodian of the PASS/PTO ledger the concerned official deliberately not entered the PTO and Passes issued in his favour and thereby unduly benefited himself using his power.
- The Pass and PTO issued to the employee were signed by SS of that station. Theconcerned SS neither

verified the Pass/PTO account of concerned employee nor verified the validation of pass.

- The Sr.CC of that station made reservation without verifying the fact that validation date of pass is not mentioned .
- Division was advised to recover Rs.1.50 lakhs towards the pecuniary loss caused to Railway administration by way of producing and claiming of wrong petrol bills and Rs.20,660/- towards misuse of Privilege pass & PTO from the employee and also D&AR action was initiated.
- DAR action was initiated on SS &Sr.CC for their lapses.

Electrical

Case study - 1

Irregularities in procurement of copper contact & catenary wires in OHE works contracts:

During PC conducted in one of the OHE contract work, it was observed that Copper contact wire 107 Sq.mm & catenary wire 65 Sq.mm were procured through works Tender, as a matter of practice in that division. However, as per RB Lr. 2005/RS (G)/779/12, dtd.19.11.09, **“Contact & catenary wires shall not be included as supply items in OHE works contracts & would be procured against supply contracts, except during inescapable reasons, these are included in works contracts, with GM’s personal approval & finance concurrence.”** Vigilance observed that procurement of such items through works contract instead of through store procurement, has serious financial implications on Railways. Hence, on vigilance advice, Instructions are issued by PCEE to all divisions / units vide letter No.E.207/TRD/Stores/Policy Matters/Vol.II, dtd.22.07.22 to procure such materials through store as per the above RB letter.

Case study 2

Irregularities in supply of Desktop Computers:

During a PC conducted in a division for supply of Desktop computers 15nos., it is observed that Indent was raised by

consignee for PCs with configuration of i3 processor & 4 GB RAM. However, GeM contract order was issued for supply of PC with i5 processor & 8 GB RAM. But, the firm has supplied PCs with lower configuration (i3 processor & 4GB RAM) than specified in the original GeM contract order and consignee accepted the same.

On detailed investigation, it was found that OS/stores, while generating the iMMS P.O., did not mention the Accepted make/model no. of PC in iMMS P.O as per GeM contract. Further, the downloaded copy of GeM contract order was manipulated to suit i3 processor & 4GB RAM and this manipulated copy of GeM contract was shared with consignee, since consignee did not have the separate user id to download GeM contract copy from portal directly. After receipt of the material by consignee, the OS/Store has generated the CRAC (Consignee Receipt & Acceptance Report) in GeM, duly using digital signature of Sr.DEE. There was same OS/Store, who processed the GeM contract order/generated the iMMS P.O and also generated the CRAC for payment. Digital signature was shared by the executives with concerned OS/Store.

Based on the above irregularities, the PO was canceled & DAR action was taken against OS/stores. It is suggested to create Separate user id & password, so that they can download the original GeM contract order copy at their end. Executive were advised not to share their digital signature with staff. System improvement is also suggested to store dept. duly covering these aspects.

Case study 3

Irregularities in returning of loaned OHE material by the contractor in OHE contractual works: - During PC conducted in one of the contractual work, it was observed that a lot of OHE materials were spared to the contractor on loan basis. As per the contract agreement, the contractor had to return the loaned material on receipt of supplies or within **06 months**, whichever is earlier, else recovery was to be made from any of the bill submitted by the contractor. It was however observed during the vigilance check that, even **after a lapse of almost 18 months**, the contractor did not return the loaned materials. After the Vigilance check, the contractor has returned the substantial part of loaned material. Penalty was imposed for the material returned beyond six months and for non-returned materials to tune of **Rs.7,69,412/-** and same was deducted from the contractor's bill. Executive advised to adequately counsel the field SSEs in this regard.

Mechanical

Case Study - 1

Irregularities in contract work of Maintenance of Fire Extinguishers:

During a PC conducted on contract work of maintenance of Fire Extinguishers, following irregularities were observed:

Contractor had failed to hand over the released material partly to the Railways during the maintenance of Fire Extinguishers.

Supervisor passed the bills, without ensuring the handing over of all the released material by contractor to Railways.

Action Taken: After the vigilance checks, the value of released materials worth of Rs.85,000/- were recovered from the contractual bills. Further, DAR action was also taken against the SSEs in-charge of the work, who recorded/certified the measurements.

Case Study - 2

Irregularities in execution of contract work of MCC:-

During a PC conducted on contract of Mechanized cleaning of coaches (MCC), following irregularities were observed:

1. Minimum stock of specified chemicals for cleaning of coaches for 15 days, were not maintained as per the contract, and usage of unspecified chemicals was observed. SSE concerned did not impose any penalty for these lapses.

2. SSE recorded the MB, certified and forwarded the bills without verifying the genuineness of ESI and EPF contribution, which were submitted by the contractor. In fact, Contractor submitted the EPF & ESI payment challans for the contract staff, who were not related to this contract.

Action taken: DAR action was recommended against the concerned SSEs. A penalty of Rs.63,900/- has been recommended to be recovered against the lapses under Sr.1 above. Executive has been advised to make recovery against ESI & EPF contribution to tune of Rs.7,69,093/- from the final contractual bill for the lapses against Sr.No.2 above.

Case Study 3

Irregularities observed on claims for Maintenance (train examination, sick and ROH) of private owned special purpose Wagons-BCCW:-

During one of the PCs conducted in one of the Workshops, it was observed that, Under Liberalized Wagon Investment Scheme (LWIS), one of the Railway entered in to agreements with M/S UTCL for operating /maintenance of wagons on payment basis to railway under four various contract agreements. **As per the contract conditions: -**

- (a) 5% of the cost of under frame per year shall be charged by the Railway as the maintenance charges. The firm has to pay the said amount in advance (quarterly) to Railways, in four equal quarterly instalments by 7th of the first month of the quarter. If the payment is not received by Railway from the firm, the company shall be liable to pay interest @12% per annum from the first day of the quarter till the actual day of realization.
- (b) Revision of maintenance cost shall be done once in 3 years as per Para 7 (vi) of the contract agreement and RB Lr. No. 2013/M(N)/951/7, dated 12.09.2014.

It was, however observed that, Revision of maintenance cost was not done from years 2012, 2012, 2015 and 2016 for 4 rakes respectively under these four contract agreements. Further, Interest for late payment of maintenance cost was not fully paid by the firm.

Action Taken: Substantial amount has been worked out, which is to be recovered from the firm against non-revision of the maintenance cost and interest against late submission of maintenance charges. Executive has been advised to examine the same and ensure the recovery from the firm on priority. Case is still in progress.

Medical

Overpayment in Local Purchases of medicines due to double taxation of GST

- In a Preventive Check conducted in one of the Divisional Railway Hospitals, Bills of Local Purchases made under SOP 7(a) were scrutinized.
- In the financial bid, the suppliers were asked to quote- “Discount % exclusive of GST” and Agreements were entered stating that “Discount on MRP excluding GST”, which implies that the discount shall be calculated after arriving Basic Price and then GST levied. But, GST was levied on MRP leading to double taxation and profiteering by these Agencies.
- 11 empanelled suppliers have resorted to such overbilling
- For instance –

MRP (inclusive of all taxes)	Rs.100/-
Discount 50%	Rs.50/-
MRP after Discount (Net MRP)	Rs.50/-
GST (18% on Net MRP)	Rs.9/-
Total Price	Rs.59/-

Charging GST of Rs.9/- on the net MRP arrived at after discount on MRP (Rs.50/-) would clearly mean charging and collecting ‘extra GST’ and amount to the legal plunder of “Double Taxation”. This amounts to Unfair Trade practice as well as deficiency in service on the part of the supplier.

➤ Overpayments detected

- (i) Overpayments made during the period 2017-19 - Rs.36.16 lakhs
- (ii) Overpayments made during the month Apr 2021 to Oct 2021 of MOU period 2021-23 - Rs.16.92 lakhs

- (iii) Advised Division to affect recoveries immediately - Rs.53.08 lakhs

*Out of the above, Rs.16.92 lakhs has been recovered till date

- (iv) Future overpayments averted due to Vigilance Check (at an average of Rs.2,41,714/- p.m. x 17) - Rs.41.09 lakhs
- (v) Total overpayments detected and taken as Vigilance Revenue - Rs. 94.0 lakhs

Personnel

Case Study - 1

Case study of Impersonation (Proxy employee)

During the check the following irregularities were observed.

- i. some of the employee's attendance being marked as 'X' in the attendance register, on enquiry OS of the office has stated that, those employees who attended office and cannot sign in the attendance are being marked as 'X' in the attendance register. On physical verification of employees with the attendance register it is observed that one employee by name "Y" was not available in the office and attendance was marked as present, further it is observed that one person by name "Z" who is not a Railway employee is working in the office, when enquired she has stated that she is working in place of her mother hence her mother attendance was marked as present. On enquiry she said that due to her mother's ill health she is working in the office of XXX in place of her mother. On further enquiry concerned OS has confirmed that Mrs "Z" is a daughter of "Y" and she is a sick patient and is suffering with health issues hence she is not coming to office and hence in her place "Z" is working in the office of "X".
- ii. On further enquiry "Z" daughter of "Y" stated that her mother is staying another place and taking rest, hence everyday she is coming to office and working in place of her mother since 2015.

- iii. The then Chief OS allowed her to work in the office and the same is being continued.
- iv. Knowing all facts about proxy employee present Ch.OS and OS also continued and allowed her to work in the office in place of her mother.
- v. Further “Y” has taken privilege passes signing as if her mother collected the pass.
- vi. Statements were drawn from all relevant staff and witness of the office.

Action Taken: Concerned employee, Ch OS and OS were taken up and issued with major penalty charge sheet.

Case Study - 2

Observation:-

During a preventive vigilance check in one of the office of SSE/P.Way/'X' unit attendance has been verified with the physical presences of staff and attendance register.

It is noticed that one outside women who is not a Railway employee is working in the office SSE/P.Way. On enquiry she has stated that that she has been engaged for the post of system operator. When she was asked how she was engaged for the

said post in the Government office i.e. SSE/P.WAY/"X" she has stated that, she approached SSE/P.Way for any vacancies available in the office to work, then he has stated that at present is no vacancies are available; further he told that he will call her if any vacancy arises in future, then she has given her phone number to SSE and left the office. After one month SSE/P.Way/"X" called her over phone and informed her that one system operator post is available and asked her verbally to join for work. Further he has stated that if she comes one day in advance, after testing her knowledge in computers she will be considered for the post.

As per instructions of SSE she met SSE/P.Way/"X", then he tested her typing knowledge on computer and engaged her to work in the government office of SSE/P.Way/"X" from DD.MM.YYYY for the post of system operator. Accordingly she has reported in the office of SSE/P.Way/"X" office, then SSE/P.Way showed one computer and advised to work on it, further he instructed one Junior Engineer (P.Way) to explain work to her, accordingly he explained the work to her and she was performing her assigned job. Further she has informed that she is getting Rs. 10000/- cash per month as salary and the said salary is being paid by SSE/P.Way/'X', sometimes salary was given by some agency person "Z" .

Action Taken

Concerned SSE/P.Way was taken up and issued with charge sheet for DAR action.

Case Study - 3

Secured the job in Railways by declaring wrong date of Birth

Observation

1. One person has passed SSC examination in 1993 wherein his date of birth year is 1978. Again he wrote SSC examination in 2011 from Open School wherein his date of birth was recorded his date of birth year 1989 (i.e. reduced by 11 years from actual DOB) and he secured the job through RRC duly submitting the new date of birth.
2. He has two daughters aged 22 years (Date of birth Year 1999) and 13 years (Date of birth year: 2008) but he has not submitted the names of his wife and two daughters in the nomination forms such as for PF, GIS, pass family declaration with a fear that his original age / DOB may reveal.
3. His elder daughter's D.O.B year is 1999; the difference between father and daughter is only 10 yrs which cannot be agreed.
4. He tried to gain undue advantage of 11 years more service beyond his normal superannuation further; he suppressed the material fact of original date of birth. Thus, he had cheated Railway administration by securing the job declaring wrong date of birth.

5. Vigilance investigated the case in detail and revealed that the employee actually studied in government high school from his village and passed 10th in the year 1993 wherein his date of birth was mentioned as 1978. Date of birth mentioned in the Aadhar cards/school certificates of the daughters born out of first wed lock was not matching with reference to his age. Similarly documents related to immovable properties was also not supporting to his new year of birth.

Action Taken :

SF – 5 has been issued to the Employee and the enquiry is under process.

Case Study - 4

Subletting of Railway Quarters:

Observation

A drive was conducted to check Railway quarters in a particular station in which around 60 quarters have been physical verified in a single day out of it 2 quarters were found sub-let by the employees. Similarly in another Preventive check 01 quarter was found to be sublet by the Employee. In another special drive around 03 employees were held for PART subletting.

Proceedings were drawn on the spot by the vigilance inspector in presences of other Railway staff representing from Works, RPF apart from neighbor residents.

Action Taken :

Advised concerned departmental officer to ensure the Recovery of damage rent along with issuance of charge sheet and Vacation of Quarters, which was done.

Calculation of Damage Rent in the case subletting of Quarters			
Month	Rate applicable	Example (Say for type II above 55 Sqmt plinth area) rent is Rs 290/- per month	Damage rent Amount
1 st	80 times	290×80	23200
2 nd	80 times + 10%	$290 \times 80 + 10\%$	25520
3 rd	80 times + 20%	$290 \times 80 + 20\%$	27840
4 th	80 times + 40%	$290 \times 80 + 40\%$	32480
5 th	80 times + 80%	$290 \times 80 + 80\%$	41760
6 th	80 times + 160%	$290 \times 80 + 160\%$	60320
7 th	80 times + 320%	$290 \times 80 + 320\%$	97440
8 th	80 times + 400%	$290 \times 80 + 400\%$	116000
9 th	80 times + 400%	$290 \times 80 + 400\%$	116000
10 th	80 times + 400%	$290 \times 80 + 400\%$	116000
			656560

Case Study –5

MACPS to the category of Station Masters:

Brief History:

Railway Board, vide RBE No.26/2020 has issued instructions that the promotion from the post of ASM in GP Rs.2800/- to SM in GP Rs.4200/- may not be reckoned for the purpose of MACPS and the said benefit shall be admissible w.e.f. 16.02.2018. It implies that the entry level or the minimum level of Station masters to be taken as level-6/GP Rs.4200 from the date of their regularization

to working post and 1st MACP in GP.4600/Level-7, 2nd in GP.4800/Level-8 and 3rd in GP.5400/Level-9 to be granted on completion of 10, 20 & 30 years of qualifying service (QS) respectively subject to fulfillment of other terms and conditions attached thereof.

Irregularities noticed:

During preventive check in one of the divisions of South Central Railway, it was noticed that 3rd MACPs was granted to the category of the station masters in GP.5400/Level-9 without completion of 30 years of qualifying service or 10 years from the last MACPs wrongly interpreted the instructions of RBE No.26/2020 which resulted arrears in lakhs have been paid to ineligible employees. 114 cases were identified in which MACPs granted to ineligible employees and immediate corrective measures were suggested to the division to avoid further financial losses to the organization.

Action taken:

Started recovery of overpayment to the tune of Rs.25,47,144/- in 19 cases so far duly issuing show-cause notices to the concerned employees and corrective action in remaining cases is also under way.

Case Study - 6

Case Study: Family Pension/Secondary Family Pension:

i. Family Pension

Facts of the Case:

As per Para 75(6)(i) of RS (Pension) Rules, 1993, family pension payable in the case of a widow or widower, up to the death or re-marriage, whichever is earlier.

Irregularities Observed :

A check was conducted in regard to family pension cases in one of the divisions, wherein in one case it was observed that one lady railway employee after expiry of husband, got re-married to other and informed railway administration about her re-marriage and change of surname. However, she continued to draw family pension even after her re-marriage till her expiry and the same was unnoticed by the administration.

Action Taken:

After vigilance intervention, the recovery of overpayment of FP was done from the settlement dues of the deceased employee to the tune of Rs.7,78,291/-.

ii. Secondary Family Pension:

Facts of the Case:

Secondary Family pension will be authorized to:

- i. Unmarried/Widowed /Divorced daughter.

- ii. Parents who were wholly dependent on the Railway employee
- iii. Dependent disabled siblings of a Government servant/pensioner.

Railway Board vide RBE No.22/2012 envisaged the list of documents to be submitted by the claimant for claiming SFP such as Aadhaar, PAN, Passport, Driving License, Voter, Ration, PPO copy, death certificates of both parents, Bank Pass Book, Income certificate, Matriculation Certificate, Divorcee decree, Death certificate in case of widow/widower etc.

Irregularities Observed:

On an investigation it has come to notice that in one of the divisions demanded for one surety bond under form CRP-28 duly notarized from the claimant of secondary family pension in order to process the case, due to which the claimant had to run from pillar to post to get the signature of the sureties, which became expensive as the middleman demanded undue amounts for the favour rendered.

The Railway board instructions issued in regard to family pension does not speak for submission of such bond for processing of family pension.

Action Taken:

On vigilance advise, PCPO/SC has re-iterated and issued necessary instructions to all divisions/workshops/units to follow Railway board instructions uniformly particularly w.r.t requisite documents to be submitted for processing the Secondary family pension. A JPO was issued jointly by Personnel and Accounts for dealing the secondary family pension cases.

S&T

Case Study 1

Irregularity in inspection of material: During a PC conducted in stores depot of a unit it was observed that one of the item 24F FMS was accepted with “**consignee**” inspection against “**RDSO**” inspection as per the contract. However, approval of competent authority for change of inspection clause from RDSO to Consignee and deduction against the inspection charges of the item were not ensured.

In the same check, there was an ambiguity with regard to mentioning the inspecting authority of a material, since as per inspection clause in schedule of the work, the inspecting authority was “**Consignee**”, whereas per technical explanatory notes in tender documents, inspecting authority was “**RDSO**”.

After the vigilance check, inspection charges @1% was deducted from the contractor’s on account bills with approval of competent authority, and all concerned officials were suitably counseled/advised on above irregularities.

Case study 2

Irregularities observed in execution of S&T works contracts:- During a vigilance check on pursuit of

quality in a S&T contract works, RCC route markers available at site were measured and found its size as 65(thickness) x300(breadth) x1000(height) mm against the stipulated dimension of 80X300X1000mm as per its drawing. Further for reinforcement of marker ordinary bond wires were used instead of 8 mm & 6 mm MS Bars as per standard drawing of RCC i.e., SK.12/10. These RCC markers were not inspected and no bills were paid before vigilance check. After vigilance check, these RCC cable route markers were rejected by the executive due to non-conformance with drawing and new RCC route markers got replaced as per the drawing. Concerned SSE/Sig was suitably counseled to ensure the compliance of technical specifications at the time of supply of materials and execution of work at site.

Case Study 3

Irregularities observed in Recording MB's: In one of the complaint investigation in a division, it is observed that, as per Sr.DSTE's letter issued during COVID pandemic, MBs were recorded by divisional SSEs based on the certified statements of executed quantities submitted by field SSE's. It was however observed that in few cases, SSEs who recorded MB, did neither ensuresuch original certified copies by field SSEs nor did take measurements by visiting the site, resulted the wrong/excess payment made to contract agency by recording inflated and false measurements for a considerable amount. It was also observed that one of the railway officials had made financial transactions with

outsiders without out intimation to the railway administration, violating railway service conduct rules.

Action taken-Major penalty chargesheet (SF-5)has been recommended against 03 railway officials and minor penalty charge sheet (SF-11) against 2 Railway officials and Recorded warning to OS/Bills. Other responsible official were also suitably recommended action as deemed fit. Necessary recovery for excess amount paid to contract agency was also recommended to recover. For various other irregularities with regard Recoding the MBs, releasing of SD/PG, inspection &accountal of materials and warranty periods in Contracts/tenders, System Improvement has been issued by PCSTE/SC vide Lr.No.SCR-HQ/78/2019 dtd 04.06.2022.

Stores

Case study - 1

Repeated purchases of BLDC fans:

During a preventive check conducted on repeated purchases made by one division for procurement of BLDC fans, it was noticed that 11 purchases were made in a span of one year for the same item repeatedly. Out of 11 purchases, 4 purchases were made through GeM and remaining through IREPS. Detailed scrutiny of the tender finalization in all the 11 cases revealed following serious irregularities:

(a) Indent stage:-

- (i) User department has failed to maintain uniform description across all the indents submitted by various consignees before forwarding to stores department for procurement and incorporated only specific brands duly excluding many reputed brands and last supplied brands in many of the indents. Even the brand restriction is not uniform across the indents.
- (ii) Clubbing of demands for same items was not done where possible before floating of tenders in some cases wherein the NS indents were received by the purchase dept. on same dates.
- (iii) Similarly in one case, two units have placed repeated indents within a short duration for the same item duly splitting the quantities without clubbing & obtain finance concurrence.

(b) Tendering Stage:-

- (i) Items available on GeM were not filtered based on indented specifications before generating Comparison sheet. As a result, many unsuitable items were selected for comparison.
- (ii) Tender was floated outside GeM merely because three offers selected in comparison sheet were held not suitable by user department, even though other suitable offers were available on GeM.
- (iii) Even where GeM bids were floated, the allowed values were not properly selected as per indent specifications.

(c) Acceptance Stage:-

- (i) In majority of the cases, Consignee has held offers received in IREPS tenders/GeM bids/GeM comparison sheets as technically unsuitable on unjustifiable grounds which had the result of passing over/rejection of otherwise valid offers. These include:
 - a. Rejecting offers without recording any reason
 - b. Rejecting offer based on specification that was neither part of the indent or bid specification
 - c. Rejecting offers on ground of brand quoted even though the said brand was one of acceptable brands as per indent specification
- (ii) The purchase department has also accepted the obviously wrong technical suitability. Further, they have floated Limited Tenders in IREPS even though GeM offers are in

line with tendered/indent specifications. The purchase officer has not questioned the technical suitability in these cases, even though the errors were obvious.

(d) Action taken:-

- (i) DAR Action has been suggested in the case against involved officers
- (ii) System improvement suggested regarding procedure for finalizing GeM bid specifications.

Case study - 2

Submission of Fake/Forged documents by firms:

(a) Ex-1:-

In a complaint based investigation, it was observed that NS indent was submitted for supply of box enclosure with plug, socket and MCB wherein brands for plugs and sockets were restricted to a few brands including “X” While all other included brands were well known, brand “X” was not known brand for plugs and sockets.

As per tender conditions, authorization from OEM and its BIS license was to be submitted by the tenderer. Firm ‘A’ submitted both these documents as agent of M/s ‘X’ brand of a Gujarat based firm.

However, the investigation revealed that ‘X’ is not a BIS licensed manufacturer for the item at all. Further investigation revealed that M/s ‘A’ had submitted fake BIS

license of M/s.'X' by manipulating (morphing) the photo of BIS license of another firm for a different item.

Action taken:-

- All purchase units have been advised to be careful when evaluating offers from firm 'A'.
- Banning of business has been suggested.
- Action has been recommended against indenting official for including "X" brand when it was not manufacturing plugs and sockets.

(b) Ex-2:-

An Indent submitted for supply of fuse links in which Brand was restricted to "EFEN" among others. Firm 'A' submitted authorization from EFEN Fusetec GmbH (USA). On scrutiny, it was found that firm has added a footer in the authorization (in small font) that it has no relation to EFEN GmbH, Germany. Thus, ambiguity exists as to whether "EFEN" make in indent refers to EFEN Germany, or EFEN Fusetec, USA.

It was also observed that the domain address of web site/email id mentioned in the authorization belongs to a stub website of only two pages. A search on internet also could not find any established company by the name EFEN Fusetec GmbH (USA). Evidently, firm has tried to pass off its offer as from an authorized agent of EFEN GmbH, Germany which is a reputed manufacturer of fuse links and which was the intended brand in the indent.

Action Taken:

Firm has tried to evade responsibility for any fraud by using a slightly different name and including a disclaimer in the letter. However, firm has used registered trade mark of EFEN GmbH, Germany in the authorisation letter submitted and on the website. Hence, action is being initiated to hold firm responsible under trade mark Act. Banning of business is also proposed for the fraudulent act

It has been suggested that whenever procurement is being restricted to specific brands, complete details of registered trade mark owner or manufacturer, as the case may be, must be provided by the indenter.

(c) Ex-3:-

A preventive check conducted on genuineness of documents submitted by a firm in a case of purchase of Churning fans, which is an imported item. Here again, the tenderer has submitted an authorization letter with the offer that mentions email id of a domain address belonging to a stub website. The said domain was created with similar looks to the website of the OEM with very minor variations so that the difference is not noticeable and hence did not raise any suspicion. Therefore email sent by Rly authorities for confirmation of genuineness of the authorization went to this email address and the confirmation was promptly received from this email address. Based on this confirmation, order was placed on the firm M/s XYZ

In view of the suspicious domain address, a joint check was conducted by the vigilance along with the actual OEM's representation office in India. During the check, it is found that the said authorization certificate is fake and not issued by the OEM at all. Further, the materials supplied along with the import documents submitted by the firm XYZ were all spurious.

Based on the above, an opportunity has been given to M/s.XYZ firm to furnish the reasons for submission of non genuine authorisation for the supply of materials against above said tender. The firm did not reply even after reminder.

In view of the fraudulent acts committed by the above said M/s.XYZ firm, banning of business with the firm has been proposed. Further a system improvement has also been advised to incorporate details of OEM and conditions of import in the PO for reference of the receiving officials.

Traffic

Case study –1

Irregularities in the transportation of granite blocks:

Introduction: Hon'ble MP has addressed a complaint to Hon'ble Minister of Railways on the illegalities and irregularities practiced by quarry agencies in transportation of granite blocks.

Brief of complaint: The allegations in brief are;

1. Irregularities in transportation of Granite block through goods train to shipyard harbour and sea ports by submitting categorical documentary proofs of quarry agencies.
2. There is a concerted effort of State Government and Granite owners to cover up their illegal mining activity further to evade penalties and taxes.

Investigation Methodology:

1. Checks were conducted to ascertain whether the due procedure stipulated under Railway Board LtrNo.TCR/1078/2010/11 dated 23/11/2010 and the JPO issued by Secunderabad Division while transporting the Granite blocks by Railways is being followed or not.
2. Scrutiny of Railway receipts with its corresponding documents of Granite loading stations was conducted.

Irregularity Noticed: On scrutiny of documents following discrepancies have come to light:

1. It was noticed that the rakes were loaded and booked before the issue of transit passes. Transit passes were collected

after the issue of RR which is contrary to the procedure order issued by Railway Board under LtrNo.TCR/1078/2010/11 dated 23/11/2010.

2. Discrepancy was noticed in the two rakes booked at a loading station, wherein Granite blocks were loaded in excess of the transit pass permitted quantity.
3. It is also observed that with the introduction of e-demand, the validated forwarding note are submitted after the registration of indent, this is also contrary to the Railway board procedure order which stipulates **“Indents for loading of ores would be accepted by Railways only if its Forwarding Note has been duly validated i.e signed and stamped by authorised officer of Mining Department of State Government”**.

System improvement introduced: Addendum-2 on Rates Master circular e-RD has been issued by Railway Board on 30.06.20, wherein modalities have been prescribed for e-demand in respect of Granite i.e linkage of FOIS with the Mining department of state government for transmission of allotment letter and transit pass. Till such time, customer has to upload the scanned copy of allotment letter issued by mining authorities of State Government while registering the indent electronically.

Vigilance Angle (identified and pursued): It is identified that there was procedural lapse in the Booking of Granite blocks. Such procedural lapse is contrary to Railway Board procedure order.

Follow up Action: On the advice of Railway Board following follow up action was pursued as detailed below;

1. Staffs responsible for allowing loading and issuing Railway receipts before the issue of transit pass were taken up under DAR.
2. Divisions were advised to instruct the concerned staff to strictly follow the procedure order of Railway Board.
3. The copy of Railway investigation report was submitted to the Director, State Vigilance and Mines and Geology for initiating necessary action.

Director General, State Vigilance & Enforcement directorate has advised that irregularities of declaring less volume of granite blocks by the quarry agencies has been identified in their check. Penal seigniorage fee were realised by state government to the tune of Rs. 750 crores.

Case Study – 2

Non- collection of haulage charges for the empty rakes that are travelling more than the loaded distance after unloading in LWIS

Brief of Case:

- A preventive check was conducted at a Siding (SCR) on the rakes procured by a Company under LWIS scheme. During the check, it was observed that the guidelines specified (New para C added in the Annexure-C of FM.

Circular No.11/2011) in Freight Marketing Circular No.19 of 2012 dt. 17-09-2012 for collection of empty freight charges for the empty rakes that are travelling more than the loaded distance after unloading was not being followed.

- On verification of rake movement details in FOIS, it was noticed that some of the rakes in empty condition have travelled more than the loaded distance. Railway staff working at unloading siding have not issued RR & subsequently not collected freight for the empty movement of these rakes when the distance travelled by the empty rake is more than the loaded run. Further the destination station receiving empty rakes for loading have also failed to ensure collection of freight charges for the empty rakes that are travelling more than the loaded distance after unloading.
- During the period 2019-2022 total of 825 rakes were loaded by the Company at the siding. On scrutiny of the data, it is noticed that 92 rakes for the above said period have travelled in empty condition, the distance of which is more than the loaded distance. As such an amount of Rs. 11.66 cr. was raised against the company for the period of 2019 to 2022 towards empty haulage charges where the empty haulage distance was more than the last loaded distance.
- After conducting this check, the instructions specified (New para C added in the Annexure-C of FM. Circular No.11/2011) in Freight Marketing Circular No.19 of 2012 dt. 17-09-2012 are being followed and till now 3 Railway Receipts are generated/issued at the unloading station for

the rakes that will be travelling more than the loaded distance after unloading.

System Improvement:

System improvement was also recommended in the Liberalized Wagon Investment Scheme are as follows.

- **“LWIS customer:** After unloading the consignment, if the customer intends to move the empty rake to another loading point other than unloading point or to the workshop/ maintenance depot / train examination point and back to the loading point they should submit/place an indent to commercial staff / in FOIS for movement of empty rake with full details. Otherwise these rakes should remain idle in customer premises / unloading point.

Commercial Branch: The commercial staff after receiving the indent from the customer through FOIS/Manually, should inform the indent details to the operating branch for movement of empty rake and immediately issue an RR with NIL charges for empty rake movement when the distance travelled by empties is less or equal the distance travelled by the train before unloading and on movement of empties from customer premises to the workshop/ maintenance depot / train examination point and back to the loading point **OR** Issue Normal RR by collecting 50 % of loaded freight of public tariff on carrying capacity of the wagons for additional distance travelled by empty rake when the distance travelled by empty rake is more than the loaded distance.

- At present there is no provision for issuing zero value RR in the FOIS for Empty movement of rakes when the

*distance travelled by empty rake is less or equal to the distance travelled by the train before unloading or for movement of empties from customer premises to the workshop/ maintenance depot / train examination point and back to the loading point. **As such it is recommended to carry out necessary modifications in the FOIS to enable uploading indent for movement of empty rakes and issue Zero value RR** for rakes operating under LWIS.”*



If a country is to be corruption free and become a nation of beautiful minds, I strongly feel there are three key societal members who can make a difference. They are the father, the mother and the teacher.

(Abdul Kalam)

**To prevent evil is the great end of
government, the end for which
vigilance and severity
are properly employed.**

**When good people in any country
cease their vigilance and struggle,
then evil men prevail.**

**True prosperity is the result
of well-placed confidence in our
selves and our fellow man.**



Published by

Vigilance Department, South Central Railway