



**ALL INDIA ESIC SC/ST OFFICERS' & EMPLOYEES' FEDERATION**

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(Regd.No. S/27858 of 1995)

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KULDEEP KUMAR  
KAILASH CHAND

F.No. AIESIC.SC/ST.FED/2011/153

Dated : 29<sup>th</sup> January, 2014.

To,

Dr. Manmohan Singh ji,  
Hon'ble Prime Minister,  
Government of India,  
North Block,  
New Delhi – 110001.

**(THROUGH PROPER CHANNEL)**

**Subject : Large Scale Corruption in EISC/Ministry of Labour and Employment, Govt. of India in Transfer, Posting, Recruitment and in Awarding/Implementation of big projects of ESIC valuing to the tune of Rs. 30,000 Crores.**

Respected Sir,

With due regard, I would like to represent before your good office as Secretary General of "All India ESIC SC/ST Officers' and Employees' Federation" which represents the interest of nearly over 5,500 members of its member associations. The Federation had been actively raising issues of harassment caused to its members with the authorities which persistently failed to bring justice to the aggrieved persons..

I would further like to submit that during last few years the ESIC diversified in to the field of Medical Education and providing Medical facilities to public in large. With this progressive approach ESIC ventured into field of large scale exuberant construction projects, IT project and other Repair and Maintenance project of existing Buildings

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with ever increasing DOP of the Director General. These unguided projects were grossly manipulated for personal gains. The GFR and GOI guidelines were kept at bay and projects were allotted at whims and fancies by adopting thumb rules either by the competent officers or through Government constructions agencies. The supreme corporate body of ESIC and Standing Committee of ESIC had been kept in dark while doing these gross irregularities and many times the direction of Standing Committee was also kept at bay. The projects were distributed to public sector construction agencies on the basis of their capabilities to manipulate contract awarding process with out following open tender process.

These manipulation were made by our Senior Officers who had got tainted mind and due consideration was not given to facts which are otherwise taken into consideration while starting any project. In order to manage such tasks the strong and committed officers were removed from crucial posts. Those officers who did not cooperate with the tainted designs of these officers were made to suffer by spoiling their ACRs on fictitious grounds. These adverse communications could not withstand the test of time and later expunged.

Those officers who were manipulative and adjusting according to the requirement of Senior Officers were kept in key postings. These officers acted on whims and fancies of Sr. Officers and in return they managed their remaining subject to their own advantage and to the advantage of their seniors. With the help of these officers the corrupt officers of ESIC and private parties gained unreasonable benefits and unjust enrichment.

In view of the large scale corruption prevailing in ESIC it was decided that these incidences of gross irregularities and corruption prevailing in ESIC/Government of India should be examined and brought to the notice of law enforcing authorities.

In view of above, I would like to submit following facts in two parts for your sympathetic consideration. The first part will explain the course of corruption involved in General Administration and the Second part will explain the course of corruption in awarding and implementation of mega construction/repair and maintenance projects totaling to nearly Rs. 30,000 Crores.

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**Corruption in General Administration of ESIC.**

1. The power of transfer and posting of the officers up to the rank of Deputy Director has been delegated to Insurance Commissioner being the Divisional head (**Annexure - I**). The power of transfer and posting of the officers up to the rank of Assistant Director has been delegated to Additional Commissioner (P & A) in consultation with principal officer concerned (**Annexure - II**). In spite of the DOP the Additional Commissioner (P & A) and Insurance Commissioner were made to submit the case of transfer posting of Social Security Officer/Assistant Director/Deputy Director to the HOD who has never bothered to implement transfer policy.
2. The transfer and posting of SSOs/Assistant Director/Deputy Director is being decided by the HOD and in case any employee has got grievance against such transfer posting he can visit a committee of senior officers headed by one of the Officer of the rank of Insurance Commissioner (**Annexure - III**). Hence, the decision of the HOD is being made to be reviewed by officers subordinate to the HOD. It is just mockery of justice process only.
3. As per the Rule 16(2) of the ESI (Central) Rules, 1950 the HOD is empowered to delegate his powers or duties to any person subordinate to him with only such restrictions, limitations and conditions, if any as the HOD may, with the approval of Standing Committee, impose. Thus withdrawal of DOP of IC and AC (P & A) without approval of SC is ultra virus.
4. This grievance redressal process adopted by ESIC is grossly violative of the Transfer Policy which clearly prescribes that the decision of transfer and posting of officers of ESIC will be reviewed by a Grievances Committee consisting of the DG, IC, FC, MC and AC (P&A) (**Annexure - V, VI and VII**).
5. Earlier the post of Insurance Commissioner was only one and he was the principal officer looking after the work of General Administration of ESIC and reporting to the HOD. In order to manipulate the General Administration of ESIC four more posts of Insurance Commissioner were created in the disguise of cadre restructuring.

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The subjects of General Administration were divided among these officers as per the convenience of the HOD and all these Insurance Commissioner are reporting directly to the HOD contrary to the method adopted in the General Administration of Medical Side of ESIC which is headed by one principal officer whereas nearly 150 officers are working in same (SAG) Grade (Annexure – IV – list as per situation prevailing on 2012). Hence, the General Administration of ESIC is made to function without a principal officer as per the convenience of the HODs of ESIC.

6. The transfer policy for Group 'A' and 'B' non medical officers in the ESI Corporation circulated vide letter No. A-22(13)1/2002-E.I(A) dated 29.05.2003 (Annexure – V) issued in signature of the then Principal Officer was grossly violated. Members of SC/ST community were transferred and posted to disadvantageous locations and far away locations against this policy. This policy was again circulated vide letter No. A-22(13)1/2002-E.I dated 17.03.2005 (Annexure – VI) by the then Principal Officer also. The Transfer Policy for Medical Officers in the ESI Corporation circulated vide A-22(13)1/2003-DM(Hq) dated 29-05-2003(Annexure - VII) are also violated. The Transfer Policy for Social Security Officer in the ESI Corporation circulated vide File No. A-22(13)1/2002-E.I dated 20-07-2006(Annexure - VIII) are also violated. We have written nearly two dozen letter to the HOD highlighting specific detail of violation of transfer policy which are accessible in our official website <http://www.myesic.com> at IP address : <http://www.myesic.com/html/penissue.html>. Since, justice is on sale in ESIC, none of the cases raised by me was accepted by the authorities.
7. In order to have his undisputed control over the decision making in transfer and posting, the HOD had made administration spineless. The officer having grade pay of Rs. 5400/- is proposing the file, which is seconded by the Insurance Commissioner (P & A) (Grade Pay Rs. 10,000/=). These proposal are approved by the HOD.
8. The HOD in order to have full control of field unit in his hands and not in hands of principal officers have withdrawn the powers of principal officer to report APAR of officers in charge of field offices (Annexure – IX).
9. In order to stop misuse of power by ESIC officers, our federation had requested the DG to merge the post of Assistant Director and Deputy

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Director as both are doing qualitatively and quantitatively similar duties and the same has been recommended by Col. Nirmal Singh Committee also in his Report (Annexure - X). The Regional Office In-charges have a tendency to misuse the availability of two cadres as substitute for each other for ulterior motives, but the same was also not accepted.

10. The post of Deputy Director (Finance) and Post of Deputy Director (Admn./Insurance/Training) has got different Recruitment Rules as both the fields require different kind of skills. Both these cadres have got further promotional posts. For Dy. Director (Finance) promotional avenues are available in ESIC for the posts of Joint Director (Finance), Director (Finance) and Additional Commissioner (Finance). For Dy. Director (Admn./Training) promotional avenues are available in ESIC for the post of Joint Director, Director, Additional Commissioner and Insurance Commissioner. Though the posts at lowest feeder cadre level were filled separately by different Recruitment Rules but a common seniority is maintained and to higher grades the posts of finance and administration were filled in by common seniority against the prevailing laws to fulfill the corrupt tendencies. Recently, the post of Deputy Director (Finance) and Deputy Director (Admn./Training) has also been merged and now forth ESIC will not get CA/ICWA/SAS qualified finance person to monitor the functioning of ESIC, which will promote corrupt tendencies as the finance wing of ESIC and thus the wing is not only made weak but virtually removed.
11. In this regard, I have written innumerable letter but none of the letters was acted upon and the Management preferred to keep silent on these letters.
12. I regularly receiving information from various sources that the transfer and posting in ESIC are being done after receiving large gratifications and the matter was reported to the HOD vide my letter bearing No. AIESIC/SC/ST.FED/2011/150 dated 26<sup>th</sup> September, 2013 (Annexure - XI) informing him that the conduits are demanding following rate for transfer posting of following grades of officers in ESIC:
  - a) For Group 'A' officers seeking posting of choice Rs. 25 lakhs.
  - b) For Group 'B' officers seeking posting of choice Rs. 15 lakhs.
  - c) For Group 'A' officer seeking posting in choice state Rs. 5 lakhs.

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- d) For Group 'B' officers seeking posting in choice state Rs. 2 lakhs.
  - e) For Group 'C' SSO seeking posting in choice region Rs. 2 lakhs.
  - f) For Inter Regional Transfer of Group 'C' staff Rs. 1 lakh.
13. The Management failed to be pro-active to remove gross irregularities of corruption had showed inactiveness by responding the undersigned by writing a letter bearing No. A-22/13/1/2013 (Misc)-E.I dated 22.10.2013 (Annexure – XII) stating the undersigned to submit verifiable documents/facts/representation in support of my serious allegations regarding gratification for transfer posting in ESIC. Since, catching such conduits in open is not possible for even vigilant watch dogs of Government also it is not known as to how it was expected that a junior officer of ESIC will provide verifiable documents for supporting his allegations. Since, I have got some pertinent information about various irregularities which has promoted corruption in ESIC, hence, I am bringing these facts to the knowledge of your kind office.
14. Our federation has repeatedly brought these irregularities before the HOD but they have ignored our communications as a result, our members were transferred and posted to far distant locations and were not provided justice even after our raising voice against these discrimination.
15. There is a complaint of one of our member who was allowed voluntary retirement but was not allowed terminal benefits even after lapse of five years of his retirements. The matter was raised before the Office of PM also but action is still awaited.
16. There was a complaint of non-conducting of DPC and denying promotion to Sr. Administrative Grade to our members. The issues was raised with Hon'ble Minister but still there is no remedial action. The case is pending in spite of the fact that even the Hon'ble CAT has pronounced its judgement in favour of our members.
17. Recently, Ltd. Departmental Competitive Examination was conducted to the post of Social Security Officers in which some of the Assistants were not allowed to appear as they were not fulfilling the laid down eligibility criteria. Since, in the RR there was a provision that in case junior officer is fulfilling the eligibility criteria the officers senior will also be

considered eligible. Hence, the seniors were wrongly not allowed to appear in the LDCE thereby denying genuine right.

18. Four requests for conducting review DPC three at UPSC level and one at Ministry level are still pending causing injustice to our members. In spite of relief from Hon'ble courts the DPCs are not being conducted in time. The past DPCs of last ten years of SAG grade officers in Medical side had been conducted in shabby manner by two members DPC without having other members of the DPC (SC/ST Representative, Women Representative and Minority Representative).
19. One of our members who has withdrawn advance for treatment of his wife was unlawfully made to return the money in spite of the fact that the expenditure was met out in destined purpose. The DOPT instruction on the subject was grossly violated. The issue was taken with top level since last four five years with no fruitful results.
20. All my communications addressed to the HOD and various other constitutional authorities are accessible in our official website <http://www.myesic.com> at IP address : <http://www.myesic.com/html/penissue.html>.

#### **Corruption in Mega Projects of ESIC.**

In year 2010, our federation received unconfirmed information that while awarding various projects of ESIC a large scale kick back was being received by our Sr. Officers and the projects are being awarded arbitrarily to known ones. We received unconfirmed information that for awarding and Commissioning of ESIC Model Hospital, Gurgaon a payment kickback of Rs. 5. Crore was made to some of the officers of ESIC. The way things were being done it is clearly established that there is large scale irregularities in awarding of work to the tune of Rs. 30,000 Crores. The only hurdle in way was that the unjust enrichment to private party was not clearly visible.

In order to get clear view of modus operandi in the case our federation considered to conduct public scrutiny of documents relating to ESIC Model Hospital, Gurgaon with the help of RTI and a lot of gross irregularities were detected which clearly proved that the Construction Agency engaged by ESIC

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was awarded work with out following the mandate given in GFR, 2005. The Construction Agency further awarded the work to favoured vendors who were otherwise not eligible to get the work.

The facts highlighting gross irregularities are as follows :

1. Following proposals were put before the Standing Committee of ESIC in its 166<sup>th</sup> meeting as Agenda Item No. 8 for purpose of seeking approval for construction of ESIC Model Hospital Gurgaon (Annexure - XXII) :
  - a) Construction of 100 bedded hospital at Gurgaon with provision for future expansion for another 100 beds.
  - b) Project Cost of Rs. 18,41,17,901/-.
  - c) Engaging M/s National Buildings Construction Corporation (NBCC) Ltd as Project Management Consultant for the project.
  - d) Payment of 7 % agency charges to NBCC as Project Management Consultants already including the project Cost.

The Standing Committee decided only to appoint NBCC as the Project Management Consultant (PMC) for the project at a payment of 7 % Agency charges and a) and b) were not accepted (Annexure - XXIII).

**Irregularities found :**

- a) The Standing Committee was kept in dark that the agency is engaged without following mandatory requirement of going for open tender process as laid down in Rule 150 of GFR, 2005.
- b) The process as laid down in Rule 154 of GFR, 2005 of single tender enquiry was also not followed as the circumstances of the case does not warranted single tender enquiry.
- c) The Standing Committee approved to engage vendor as Project Management Consultant (PMC) for the project at a payment of 7 % Agency charges (Annexure - XXIII). But from available records it is clear that the payment made to the Agency was not just 7 % but it was full payment (Annexure - XIII) which clearly prove that the

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agency was in place of being engaged as Project Management Consultant (PMC) was engaged not only as Project Management Consultant but also as Construction agency. The work of close monitoring of project is retained by the work awarding organisation and the project Management Consultants are always engaged for consultancy purposes to regulate such projects.

2. Following proposals were put before the Standing Committee of ESIC in its 167<sup>th</sup> meeting as Agenda Item No. 10 for purpose of seeking approval for construction of ESIC Model Hospital Gurgaon (Annexure - XXIV) :

- a) The revised plans and estimates for Rs. 14,75,26,000/- are placed before the Standing Committee for consideration and approval.

The Standing Committee decided that the proposal as contained in the Memoranda was approved subject to the inclusion of two officers of ESIC in the Tender Evaluation Committee of NBCC who has been appointed as PMC (Annexure - XXV).

**Irregularities found :**

- a) None of the ESIC officer was nominated as member to Tender Screening Committee (Annexure - XXXIV) grossly in violation of direction of Standing Committee giving free hand to Construction Agency-cum-Project Management Consultant to manipulate the Tender Process. The Minutes of Tender Screening Committee dated 24-12-2007 is Annexure - XXXVI. The Minutes of Tender Screening Committee dated 02-01-2008 is Annexure - XXXVII.
3. Following proposals were put before the Standing Committee of ESIC in its 170<sup>th</sup> meeting as Agenda Item No. 12 (Annexure - XXVI) :
- a) It is submitted for consideration and approval of the Standing Committee that in modification of the earlier approval given in 166th meeting held on 8.6.04, the project may be entrusted to the NBCC who has prepared the drawing, estimate etc. and who is the designated as construction agency for Haryana, on the earlier system, namely as deposit work on the line of existing agreement, which provides for a maximum mobilisation advance and corresponding Bank Guarantee of 5 % of the estimate cost subject to Rs. 20 lakhs

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and all other standard terms and conditions as per the draft model agreement executed between PSUs and the ESIC in other capital projects.

The Standing Committee decided that the proposal as contained in the Memoranda was approved. However, the following points were made during the discussion (Annexure - XXVII) :-

- i) While awarding work to different construction agencies it should be ensured that no construction agency has a monopoly over work in ESIC.
- ii) There should be proper coordination between the ESIC and constructions agencies.
- iii) The possibility of involving reputed construction agencies in the private sector should also be explored.

**Irregularities found :**

- a) The Standing Committee was kept in dark that the agency is engaged without following mandatory requirement of going for open tender process as laid down in Rule 150 of GFR, 2005.
- b) The process as laid down in Rule 154 of GFR, 2005 of single tender enquiry was also not followed as the circumstances of the case does not warranted single tender enquiry.
- c) The Standing Committee approved to engage vendor as Project Management Consultant (PMC) for the project at a payment of 7 % Agency charges (Annexure - XXIII). But from available records it is clear that the payment made to the Agency was not just 7 % but it was full payment (Annexure - XIII) which clearly prove that the agency which was in place of being engaged as Project Management Consultant (PMC) was engaged not only as Project Management Consultant but also as Construction agency. The work of close monitoring of project should have been retained by the work awarding organisation i.e. ESIC and the project Management Consultants are always engaged for consultancy purposes to regulate such projects. Since, the Vendor was entrusted with the Construction

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project the work of Project Management Consultant should have been withdrawn from the Vendor which was not done.

- d) While going through information available it is clearly established that the Agency was allowed monopoly over all the construction work as eight different works for same hospital were awarded to the same agency (Annexure - XIII).
  - e) There was no proper coordination between the ESIC and construction agencies as none of the ESIC Officer was nominated as member of Tender Screening Committee held on 24-12-2007 and 02-01-2008 grossly in violation of direction of Standing Committee (Annexure - XXXVI & Annexure - XXXVII).
  - f) The direction of Standing Committee for exploring the possibility of involving reputed construction agencies in the private sector was grossly negated by awarding all eight works under this project to same agency (Annexure - XIII).
4. Following proposals were put before the Standing Committee of ESIC in its 175<sup>th</sup> meeting as Suppl. Agenda Item No. 03 (Annexure - XXVIII) :
- a) The preliminary estimates were technically checked and have been vetted for Rs. 20.69 crores. Since the preliminary estimates are for an amount of Rs. 20.69 crores sanctioning of the same is beyond the power of DG. Therefore the matter is placed for consideration and approval of the Standing Committee.

The Standing Committee decided that the proposal as contained in the Memoranda is approved (Annexure - XXIX).

Following proposals were put before the Standing Committee of ESIC in its 177<sup>th</sup> meeting as Suppl. Agenda Item No. 01 (Annexure - XXX) :

- a) Since, the detailed estimates is for an amount of Rs. 22.42 crores, sanctioning of the same is beyond the powers of the Director General. Since the project has already been much delayed, the Director General has approved the estimate in anticipation of the approval of the Standing Committee so that time is not lost further. The detailed estimates of Rs. 22.42 crores is placed for consideration

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and ex-post factor approval of the Standing Committee.

The Standing Committee decided that the proposal as contained in the Memoranda is approved (Annexure - XXXI).

**Irregularities found :**

- a) The Standing Committee was again on both these occasion kept in dark that the agency is engaged without following mandatory requirement of going for open tender process as laid down in Rule 150 of GFR, 2005.
- b) The process as laid down in Rule 154 of GFR, 2005 of single tender enquiry was also not followed as the circumstances of the case does not warranted single tender enquiry.
- c) The Standing Committee earlier approved to engage vendor as Project Management Consultant (PMC) for the project at a payment of 7 % Agency charges (Annexure - XXIII). But from proposal before the Standing Committee it is not clear as to what exactly the Vendor will charge for his service as Construction agency-cum-Project Management Consultant. In the proposal placed before 170<sup>th</sup> meeting it was informed that departmental charge in case of departmental work and fees for PMC is the same at 7 % of estimate (Annexure - XXVI).
- d) The approved estimate of Rs. 22.42 Crores also included 3 % contingency charges over and above the approved 7 % as agency charges (Annexure-XXXIV) which does not have the approval of standing committee. Further to it is also evident that contract between NBCC and ESIC envisages reimbursement of work contract tax to NBCC over and above Rs. 22.42 crores which does not have the approval of standing committee also.
- e) The Rule 204 sub rule (viii) (ix) clearly prescribes that "Contracts should include provision for payment of all applicable taxes by the contractor or supplier". Whereas, in ESIC while signing agreement we commit to pay applicable taxes over and above the agreed price

*Annexure-XXXIV*

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5. The Corporation conveyed sanction of DG, ESIC for the detailed estimate for an amount of Rs. 22,42,22,536/- vide their letter bearing No. Pt. W-11/13/6/4/2004-PMD dated 07-12-2007 with the approval of Standing Committee of ESIC (Annexure - XIV).
6. The Corporation conveyed sanction of DG, ESIC for the detailed estimate for an amount of Rs. 15,76,88,759/- vide their letter bearing No. Nil dated 09-07-2008 without approval of Standing Committee of ESIC even though it was just an extension of Construction work of 100 bedded Gurgaon Hospital given to same party under same agreement (Annexure - XV).
7. The Corporation conveyed sanction of DG, ESIC for the detailed estimate for an amount of Rs. 14,46,88,410/- vide their letter bearing No. W-11/13/6/4/2004-PMD dated 30-07-2009 without approval of Standing Committee of ESIC even though it was extension of Construction work of 100 bedded Gurgaon Hospital given to same party under same agreement (Annexure - XVI).
8. The Corporation conveyed sanction of DG, ESIC for the detailed estimate for an amount of Rs. 67,42,976/- and Rs. 93,50,910/- vide their letter bearing No. W-11/13/6/4/2004-PMD dated 16-11-2009 without approval of Standing Committee of ESIC even though it was extension of Construction work of 100 bedded Gurgaon Hospital given to same party under same agreement (Annexure - XVII).
9. The Corporation conveyed sanction of DG, ESIC for the detailed estimate for an amount of Rs. 41,12,899/- vide their letter bearing No. W-11/13/6/4/2004-PMD dated 26-03-2009 without approval of Standing Committee of ESIC even though it was extension of Construction work of 100 bedded Gurgaon Hospital given to same party under same agreement (Annexure - XVIII).
10. The Corporation conveyed sanction of DG, ESIC for the detailed estimate for an amount of Rs. 24,18,285/- vide their letter bearing No. W-11/13/6/4/2004-PMD dated 20-07-2010 without approval of Standing Committee of ESIC even though it was extension of Construction work of 100 bedded Gurgaon Hospital given to same party under same agreement (Annexure - XIX).

11. The Corporation conveyed sanction of DG, ESIC for the detailed estimate for an amount of Rs. 2,70,12,448/- vide their letter bearing No. W-11/13/6/4/2004-PMD dated 28-10-2010 without approval of Standing Committee of ESIC even though it was extension of Construction work of 100 bedded Gurgaon Hospital given to same party under same agreement (Annexure - XX).
12. The Corporation conveyed sanction of DG, ESIC for the detailed estimate for an amount of Rs. 2,45,20,372/- vide their letter bearing No. W-13/13/5/4/2004-PMD dated 16-03-2011 without approval of Standing Committee of ESIC even though it was extension of Construction work of 100 bedded Gurgaon Hospital given to same party under same agreement (Annexure - XXI).
13. The original project of Rs. 22,42,22,536/= approved with the approval of the Standing Committee ultimately ended with a big amount of Rs. 59,40,13,720/= and all work was allotted to M/s NBCC without floating Open Tender against Rule 150 of GFR, 2005 for which a big amount of Rs. 5 crore is said to be paid as kick back.
14. The Federation conducted public audit of one of the tender process of awarding of work against initial grant of estimated of Rs. 22,42,22,536/=. The tender document of remaining tender process of awarding of work was not provided by the Vendor. The finding of the public audit are indicated in undermentioned paras.
15. The work under initial grant of approval of estimate of Rs. 22,42,22,536/= was awarded to M/s YMC Buildmore Pvt. Ltd., 701, Merchantile House, 15 KG Marg, Cannaught Place, New Delhi inspite of the fact that the company was not fulfilling the required parameters of the project.
16. Sealed tender were invited from eligible contractors on item rate/percentage basis for the construction of 100 bedded ESIC Hospital & Staff quarters at Gurgaon (Haryana) vide Notice Inviting Tender No. 44/2007 dated 20<sup>th</sup> November, 2007 (Annexure - XLIII). An amendment to this NIT was issued vide Amendment - 1 to NIT No. 44/2007 was issued on 28<sup>th</sup> November, 2007 (Annexure - XLIV). An amendment to this NIT was further issued vide Corrigendum/Amendment - 2 to NIT No. 44/2007 was issued on 12<sup>th</sup> December, 2007 (Annexure - XLV).

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17. As per the requirement published in Tender Document published under cover of NIT No. 44/2007 dated 20th November, 2007 the eligibility condition of bidding contractors as follows (Annexure - XXXV)
- "Should have satisfactorily completed at least three works / supplies of similar nature each costing not less than 40 % of the estimated cost OR two works of 50 % of the estimated cost OR one work of 80 % of the estimated cost during the last seven years calculated from 31.12.2006 with any Central Government Authorities/ Public Sector / State government or Local Bodies. The successful completion certificate issued by Client should contain date of start, date of completion, value on completion etc."
18. The favoured party has not done any work prior to 31.12.2006 with any Central Government Authorities/ Public Sector / State government or Local Bodies. The favoured party has submitted a Completion Certificate of his own commercial complex at Laxmi Nagar. The completion Certificate submitted to NBCC was issued to favoured party by M/s Gian P Mathur & Associates Pvt. Ltd., New Delhi valuing to Rs. 77.91 Crore on behalf of the favoured party. Hence, in this case the certificate issuing authority and certificate receiving party are common hence illegal.
19. The information made available by MCA21 website clearly states that the favoured party M/s YMC Buildmore Private Limited which was registered in the office of ROC Kanpur with CIN No. U45201UP2003PTC027238 (Annexure - LI) and later registered in the office of ROC Delhi with CIN No. U70101DL2003PTC128221 (Annexure - XLIX) has authorized capital of Rs. 15 Crore and paid up capital of Rs. 4.01 Crore. The date of incorporation of this firm is 10-02-2003. The available facts raises serious question on the claim of favoured party that he has completed work valuing to Rs. 77.91 crore in his own land. How a company which <sup>has</sup> started with a paid up capital of Rs. 4.01 Crore in February, 2003 be expected to purchase a multi crore land in prime location in Delhi and undertake a work valuing to Rs. 77.91 crore ?
20. During tender process it is observed that the favoured party's financial bids were not opened on 24-12-2007 on the ground that the party has not submitted EMD of Rs. 19.34 lakhs which seems to be grossly incorrect as the favoured party has submitted two cheques of Rs. 17 lakh

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dated 12-12-2007 and 2.34 lakhs dated 22-12-2007 in second tender process. From dates of both these DD it is clear that the DDs were ready by 22-12-2007. If DDs were ready on 22-12-2007 then the question needs to be answered that why the same was not submitted on 24-12-2007 ? Whether there was some kind of manipulation ? (Annexure XXXIX & XL)

For work of Rs 15.76  
crosses also.

21. While going through detail of vendors who were awarded work under this project it was noticed that a one more vendor was engaged by name of M/s Gahoi Buildwell Ltd which was also a company of same group having common address (Annexure - XIII). The files and tender documents were not provided by NBCC. However, from a document which is made available it is quite clear that a Notice Inviting Tender No. 21/2008 dated 13 May, 2008 was issued for inviting sealed tender from eligible contractors on item rate/percentage basis for execution of various finishing items for on going construction of 100 bedded ESIC Hospital & Staff Quarters at Gurgaon Hospital. From list of vendor it is found that the letters were sent to eligible contractors of far away location and out of nearly two and half dozen contractors only four contractor were from NCR remaining were from very distant location.
22. The work contract of Rs. 19,97,01,003=75 which was awarded to M/s YMC Buildmore Pvt. Ltd (Annexure - XXXVIII) was also ultimately completed by M/s Gahoi Buildwell Ltd (Annexure - LIII). From public source it is found that M/s YMC Buildmore Pvt. Ltd and M/s Gahoi Buildwell Ltd were amalgamated.
23. Now the company has again changed its name as M/s V3S Infratech Ltd. The company has also been awarded the construction of Regional Office, Kokatta also.
24. Apart from above it is also found that the ESIC has engaged not only Construction Agencies by whimsy fashion but they have awarded work to Architects on exorbitant commission of 3 % of project cost in same pattern by engaging in unfair practice and forgoing the requirement of the General Financial Rules, 2005.
25. It is also observed that ESIC while approving the estimates or bided price is violating the provision as laid in Rule 204 sub rule (viii) (ix) which clearly prescribes that "Contracts should include provision for payment


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of all applicable taxes by the contractor or supplier". Whereas, in ESIC debarring the IT Enablement Project of ESIC in all project while signing agreement we commit to pay applicable taxes over and above the agreed price causing loss to ESIC to the tune of nearly Rs. 1000 Crores.

In view of above, it is quite clear that the Corporation is losing a lot of money for unwanted reasons. Opening of Medical Colleges is a welcome decision but using this as medium to engage in corrupt practice and causing harm to fund collected from Crores of poor beneficiaries is a sin which no one should do.

In view of above, it is my humble submission to the Hon'ble Prime Minister of India to kindly issue directions / order to conduct a CBI Inquiry in these irregularities and take appropriate action for disobeying the direction of Standing Committee of ESIC and forgoing the mandate given by GFR 2005.

Yours faithfully,

  
( Heera Singh )  
Secretary General