

Government of Jammu and Kashmir
Public Works (R&B) Department
Civil Secretariat, Kashmir/Jammu
(HRM Section)

Subject: -Initiation of Regular Departmental Action against 1) Fareed Ahmad Chowdary, then Superintending Engineer, MED Circle Srinagar, 2) Din Mohammed Bhat, then Executive Engineer Mechanical Division Srinagar and 3) Shafat Ahmad Jeelani, then Technical officer to Chief Engineer MED Kashmir. (Verification No. SLK-47/2011)

Government Order No. 119 PW(R&B) of 2023
Dated: 23 .03.2023

Sanction is hereby accorded to the appointment of Er. P.C Tanoch, Engineer in Chief, PW(R&B) Department, J&K as Inquiry Officer to enquire into the allegations levelled against the subject. Er.Jahan Ara, I/c Executive Engineer, Mechanical Division Srinagar PW(R&B) department, Kashmir, shall be the Presenting officer.

The Inquiry Officer shall submit his report/findings to the Administrative Department along with recommendation within 15 days from the date of issuance of this order.

Any modification in posting shall not debar Inquiry Officer and Presenting Officer of performing their duties vide this order.

By order of the Government of Jammu and Kashmir

Sd/-

(Shailendra Kumar) IAS

Encs: 14 pages

Principal Secretary to the Government

No. PWD-HRM1/232/2022-05-PWD R&B DEPARTMENT (C.No. 7074344) Dated:- 23, 03.2023

Copy to the:-

1. Commissioner/ Secretary to the Government, General Administration Department.
2. Director Anti Corruption Bureau, J&K.
3. Er. P.C Tanoch, Engineer in Chief, PW(R&B) Department, J&K. The copy of memorandum along with article of charges/statement of imputation and other allied documents are also enclosed herewith for perusal and further action.
4. Er.Jahan Ara, I/c Executive Engineer, Mechanical Division Srinagar PW(R&B) department, Kashmir. The copy of memorandum along with article of charges/ statement of imputation and other allied documents are also enclosed herewith for perusal and further action.
5. Private Secretary to Principal Secretary to the Government, PW (R&B)Department.
6. Government Order file/Stock file/Monday Return.

Copy also to the Joint Secretary (J&K), Ministry of Home Affairs Government of India.


(Dr.Zeba Solomon) JKAS 23

Under Secretary to the Government

Draft Article of Charges

Whereas you (1) Er. Fareed Ahmed Chowdary the then Superintending Engineer, Circle Srinagar, Mechanical Engineering Department Kashmir are hereby charged of following violations:-

Whereas, you remained posted as Superintending Engineer, Circle Srinagar in Mechanical Engineering Department Kashmir during year 2009-10

Whereas, you were designated as a member of departmental Purchase Committee in Mechanical Engineering Department (MED), under the Chairmanship of Chief Engineer MED Kashmir, for procurement of snow clearance equipments/Vehicles etc. for Mughal Road Project.

Whereas, that gross violations of departmental procedures, rules & norms have been committed by the Departmental Purchase Committee, you being a member, in the procurement of machinery/equipments/vehicles, besides wasteful expenditure made on maintenance of purchased machinery/vehicles as enumerated hereunder:-

✓ Irregularity/Violations of departmental procedures/wasteful expenditure in purchase of Dozers BD-80 (6 Nos.):-

1 That national tenders were invited by the Departmental Purchase Committee for procurement of D-80 Dozers vide Chief Engineer's NIT No: CEMK/Tender/2009-10/7 dated: 15.02.2010.

2 That in response to above cited NIT, two tenders were received from -(i) M/s Kranacx Pvt Ltd; Haryana and (ii) Larson & Toubro, New Delhi.

3 That Cover I (pre Qualification Bid) and Cover II (Technical Bid) of the above mentioned NIT were opened by the Purchase Committee on 16.06.2010. As per the technical specifications submitted by M/s Kranacx Ltd the make of the engine differed from the list of approved makes (Konatsu/Cummins/Cat/pillar) while the firm has quoted for BEML make engine and has ensured that the Diesel Engine of "BEML" make fitted with the Dozer was as per the design and Technical features, developed on the basis of agreement for transfer of technology with M/s Komatsu, Japan. Moreover, as per the bidder M/s Kranacx Ltd. in his communication to MED stated that the earlier model BD80 bulldozer was fitted with Cummins Engine Model N743 but in 2001 Cummins stopped manufacturing model N743 as the same had got less life in higher altitudes. BML then started fitting its own indigenously developed BML Engine which has many superior features over Cummins engine with respect to Horsepower/Fuel Consumption, noise and smoke level and can operate at high altitudes easily as well can start from -20°C without cold start kit. The qualities as claimed by the supplier company have not been cross verified by the Departmental Purchase Committee, and has agreed to include "BEML" make engine. The Departmental Purchase Committee decided to open cover II (Price Bid) of both tenderers despite change in specifications of the engine of the BEML make dozer. Tender of M/S Kranacx Pvt Ltd. Haryana was liable to be rejected for not fulfilling the technical specifications at condition No.9

regarding Engine, as the Engine of BEML Dozer was of BEML make rather than Komatsu/Cummins/Caterpillar as sought in the tender by the department. However, tender of M/s Kranacx Ltd has been accepted.

4 That M/s Kranacx Pvt. Ltd Haryana has quoted a rate of Rs 1,04,70,000/- per dozer F.O.R Consignee Store at Srinagar inclusive of all taxes, duties, insurance, transportation, entry tax and commissioning of machine at site whereas M/s Larsen & Toubro Ltd, New Delhi has quoted a Rate of Rs 68,97,510/- per dozer F.O.R Chennai port.

5 That Departmental Purchase Committee in consultation with M/s State Trading Corporation, New Delhi after evaluating various charges on account of transportation from Chennai port to Srinagar and other taxes/charges calculated the total price of a dozer by M/s Larsen & Toubro Ltd, New Delhi as Rs 1,20,36,403/- This way M/s Kranacx Pvt. Ltd Haryana emerged as the lowest tenderer with a rate of Rs 1,04,70,000/-.

6 That Supply Order for BEML make Dozers amounting to Rs 6,28,20,000/- was issued in favour of M/s Kranacx Pvt Ltd, Haryana vide No:CEMK/TS/2010-11/34 Dated 20-10-2010 for supply of 06 units of dozers model BD-80 (against tendered quantity of 01 Unit only with the condition that the delivery shall be made within 8-10 weeks from the date of allotment order i.e upto ending December 2010. 90% of the payment was to be released against receipt of machines and balance 10% to be released within 30 days from the date of commissioning of equipment at site.

7 That Departmental Purchase Committee despite fully knowing requirement of six number of dozers as projected in the initial DPR, floated ambiguous tenders for only one unit of the Dozer to confer undue advantage to the supplier. Had the full number of required dozers been floated the department would have received low price offers and may be some more bidders.

8 That the minimum turning radius sought in the tender was mentioned as 3200 mm which was being complied by the BD-80 Dozer provided by M/s L&T whereas, the BD-80 Dozer of BEML as per brochure/communication from BEML company has only minimum turning radius of 3100 mm but the Departmental Purchase Committee has changed the actual turning radius from 3100mm to 3200mm by making insertion in the column which shows clearly the malafide intentions to favour the supplier company. It is also worthwhile to mention that a communication dated. 21.09.2010 of M/s Kranacx Ltd addressed to Chief Engineer, MED Kashmir wrongly projects and confirms minimum turning radius as 3200mm in violation of the technical specification mentioned by the company.

9 That six Dozers have been received on 05.03.2011 at Divisional Store Pampore vide No.GR/T&P/13 of 2011 dated 05.03.2011. However as per condition No. 06 of the supply order No. CMK/TS/2010-11/34 dated 20.10.2011 the delivery of the equipments was to be made FOR Srinagar on or before 30th of December-2011. In case of failure as per condition No. 07 of the supply order 10% of the total cost of the contract was to be imposed as penalty which amounts to Rs. 10,47,000/- per dozers and Rs 62,82,000/- for six dozers which has not been imposed by the Departmental Purchase Committee as the delivery was made after a delay of two months and five days. The full payment has been made by the purchase Committee to M/s Kranacx Pvt Ltd.

Haryana in 2011 in lieu of the receipt of the six Dozers without imposing penalty on belated supply.

10 That the clutch system in the BD-80 Dozer of M/s L&T Ltd is hydraulically activated compared to hand operated system of BEML engine in terms of condition No.10 of the tender, which is much superior as compared to the manual clutch and the same has been sought in the tender notice. This has not been given any consideration by the Departmental Purchase Committee in deciding the tender.

11 That at condition No.2 of the tender, the minimum travel speed of 10 Kms per hour in the forward gear is criteria whereas BD-80 Dozer of M/s L&T Ltd. has joystick control of gears with three forwards with speed of 0 to 10.6 Km/hour and three reverse with speed of 0 to 13.4 Km/hour, which is preferable compared to 10 Km/hour only in the 5th forward gear compared to BD-80 Dozer of BEML.

12 That the Cabin of BD-80 Dozer of M/s L&T is fitted with air conditioner cum Heater providing defrosting during extreme cold conditions not necessitating the requirement of Defrosting Nozzles compared to only Steel cabin with AC heater BD-80 Dozer of BEML and thus BD-80 Dozer of M/s L&T Ltd is preferential in terms of condition No. 12 of the tender. This has also not been considered by the Purchase committee.

13 That while comparing the cost component of the two participant firms in the financial comparative statement of offers (cover 3rd), the rates of M/S L&T have been invoked as per STC schedule (rather than seeking rates for seven dozers that too from sales Head of L&T in India)

14 That in violation of condition No 05 of the Annexure-B of tender document regarding submission of cover 01 containing Earnest Money Deposit (EMD) @ Rs 5 Lac for one BD-80 Dozer in the shape of CDR, the bank guarantee from Canara Bnk 35-B Chandigarh (having head office at 112-JC Road Bangalore) has been accepted by the Purchase Committee on behalf of M/S Kranacx and in terms of condition no 16 of the tender, the offer of M/s Kranacx Ltd was liable to be rejected at the very onset. The Purchase Committee did not advertise the actual requirement of 06 dozers which would have attracted more competitors and would have definitely received lower prices for the machinery/equipments. Besides the Purchase Committee has also given undue advantage to the successful bidder who was supposed to furnish Rs30 lacs as EMD for 06 dozers and as per his financial accounts the firm was likely to fail in this regards as it had a total turnover of about Rs 9 lacs only, as per his sales tax returns filed with Excise and Taxation Department Delhi.

15 That participant firms / dealers were supposed to provide the list of customers to whom they have sold the BD-80 Dozer earlier, as per sub clause iv of condition No.5 of Annexure B of the tender and surprisingly M/S Kranacx Pvt Ltd, Haryana had only supplied these six dozers in his whole dealership period and thus lacked any experience/customer List. On this count also the purchase Committee of M/S Kranacx Pvt Ltd, Haryana

16 That six Dozers have been found stored at Divisional MLD store Pampore for about 04 years and were not handed over/utilized on Mughal Road, which deteriorated their conditions. Due to static dumping of the Dozers, and additional amount of Rs. 11,16,000/- has been found spent for

their servicing & activation, which is a wasteful expenditure and corresponding loss to the State Exchequer.

✓ Irregularity/wasteful expenditure in procurement of Snow Cutters/blowers-3000 Rolba (03 Nos.):

1 That global tenders were invited by the Departmental Purchase Committee for procurement of Snow cutter blower (heavy duty) with cleaning output of 4500-5000 MT/HR vide No: CEMK/Tender /2009-2010/08 dated. 17.02.2010.

2 That the cover I (Pre-Qualification bid) and the Cover II (Technical Bid) were opened by the Purchase Committee on 07-05-2010 as submitted by two firms – (i) M/s ZAUGG AG EGGIWIL, Switzerland and (ii) M/s ASH AEBI Schmidt International, Germany, projecting their respective models namely Roba 3000 and Supra 5001 Schmidt respectively.

3 That both the firms were at par with the specifications of NIT in terms of modifications projected by them to the terms and conditions of the NIT. However, intended for delivery within six months instead of four months.

4 That price bid was opened by the Purchase Committee on 30-09-2010 and M/s ZAUGG AG EGGIWIL, Switzerland was found to be lowest tenderer quoting rate of Rs 2,41,59,200/- CIF Mumbai compared to Rs 2,53,43,945/- at CIF Mumbai port of the Schmidt wintendienst Germany.

5 That subsequently Supply order was issued to M/s ZAUGG AG EGGIWIL, Switzerland vide NO: CEMK/Ts/2010-11/30 dated: 10-10-2010 for supply of 03 Units of snow Blower Model Rolba-3000, whereas in the tender rates have been sought for one unit only. Thus cost for three units could have been negotiated to a better term by mentioning three units in the tender itself instead of one unit.

6 That 100% payment in CHF representing total CIF value have Shiva, India has been made through State Trading Corporation, New Delhi, India in favour of M/s ZAUGG AG EGGIWIL, Switzerland through letter of credit well in advance.

7 That the Departmental Purchase Committee has received insufficient EMD from both the participants to the tune of Rs 10 Lac only whereas 2% of the allotted cost of supply order for three units works out at least to the tune of Rs 20 Lac.

8 That the machines were received at MEX stores on 16-07-2011 vide GR No: GR/T&P/19 of 2011 dated. 16.07.2011, though they were to be supplied up to 12.04.2011 under the modified delivery period of six months as per offer given by the supplier. Thus delivery of machines as per the terms and condition no 14 of the supply order was to be made F.O.R Srinagar within 06 months from the date of opening of letter of credit in favour of supplier/manufacturer i.e. on or before 12.04.2011. In case of failure as per condition No.18 of the supply order 10 % of the total cost of the contract was to be imposed as penalty which amounts to Rs 24,15,920/- per equipment Rs 72,47,760/- for three, which has not been imposed by the Purchase committee as the delivery was made after a delay of three months and four days. The irrevocable Bank guarantee of 10% value of the contract pledged to Ex. Eng MED Sgr valid up to 31.12.2012 or till machine clocks 500 hours of working. Which is earlier, tested on full load and satisfactory performance established by the department was already lying with STC in terms of condition NO 10 of Annexure D of supply order (terms of payment) , the provision of which has not been utilized by the Purchase Committee for imposing the penalty.

9 That three snow cutters should have been installed and commissioned at the destined sites on the stipulated dates in light of the terms and conditions of the supply order while as they were stored at Divisional Mechanical Store Pampore for about 04 years. Due to static positioning of the Snow Cutters an additional amount of Rs 8,79,000/- had to be expended for servicing

activation of these three snow cutters causing wasteful expenditure and corresponding loss to the State Exchequer.

→ **Loss of Warranty in vehicle stallion LRV4X4 Ashoka Leyland Make:**

1 That 02 Units of Ashoka Leyland Stallion LRV4X4 were purchased vide Chief Engineers Allotment Order No: CEMK/TS/2009-10/01 Dated: 03-04-2010 from OEM Ashoka Leyland Ltd, Chandigarh for an amount of Rs 36,68,376/-

2 That the above vehicles stand delivered to MED Shalteng in 2010 but were not used for Mughal Road assignments for many years which led to inactivation of machinery as well as loss of Warranty.

✓ **Wasteful expenditure on activation of Pick & Carry Crane Escorts (03 Nos.):**

1 That 03 Units of MAC i214 Pick & Carry type Crane were purchased vide Chief Engineer Supply Order NO: CEMK/TS/2010-11/39 Dated: 26-10-2010 from OEM Escorts Ltd, Haryana for an amount of Rs 65,86,519/- through M/s Evergreen.

2 That the supplies have been received at Divisional Mechanical Store Pampore on 12.03.2011 as per P&T goods received Sheet and have remained stationed there for about 02 years. An additional amount of Rs. 2,50,000/- had to be utilized for their servicing / activation which is again a wasteful expenditure.

✓ **Irregularity in procurement of Snow Plough (03 Nos)**

1 That 03 Nos. of V Blade Type Variable PRV-260 snow Plough were purchased by the Purchase Committee vide Chief Engineers Allotment Order No: CEMK/TS/2009-10/36 Dated: 01.03.2010 from M/s BEILHACK VORAHS, Germany for an amount of Rs 80,53,959 after floating global tenders vide NIT No: CEMK/TS/Tender/2009-10/04 Dated: 07.11.2009

2 That 03 snow Ploughs have been found procured which is against the approved Project Report for the Mughal Road which had provision of only two snow ploughs.

✓ **Irregularity in procurement of Scorpio vehicle**

1 That vehicle VLx4WD HE Euro III Scorpio has been purchased in pursuance to Departmental Purchase Committee decision dated 18.05.2010 and Chief Engineer MED Supply Order NO: CEMK/TS/2010-11/13 Dated: 22.05.2010 from M/s Mahindra & Mahindra, Chandigarh for an amount of Rs 9,93,194/- The Scorpio vehicle has been shown purchased as an inspection vehicle.


2 That the payment has been made by M/s State Trading Corporation of India Ltd, New Delhi in favour of supplier out of funds sent to them by MED Srinagar for procurement of Machinery for Mughal Road. The vehicle has been delivered to consignee i.e Executive Engineer MED, Srinagar, who had neither any role in implementation of Mughal Road Project nor had any assignment in Mughal road except the delegated power of procurement of Machinery. The Executive Engineer MED Srinagar has utilized the vehicle for his departmental use and not for any activity / work of Mughal Road.

3 That there is no mention of procurement of Scorpio vehicle either in the Project Report of Mughal Road nor any Administrative approval has been obtained from Administrative department/Mughal Road Organization in the matter.

Whereas you by acting in the aforesaid manner have misused/abused your official position which warrants departmental action against you as envisaged under Rule 33 & 34 of J&K Civil Services, Classification, Control and Appeal rules 1956 r/w provisions of Public Servants (Enquiry Act 1977)

In this way you failed to maintain honesty and integrity in discharge of your official duties and have thus acted in a manner unbecoming of a public servant thereby violating the provisions of Rules (3) of J&K Government Employees, Conduct rules 1971 for which disciplinary proceedings are recommended as contemplated under rule 33 of J&K Civil Services (CCA) Rules 1956.

Now, therefore you are hereby called upon to furnish your reply to the above said charges within 15 days time from the date of receipt of the Article of charges failing which it shall be presumed that you have nothing to say in your defense.


4.1.2023
(Dr. Zeba Suleman) JKAS
Under Secretary to the Government
Public Works R&B Department.

Er. Farced Ahmad Chowdary
The then Superintending Engineer
MED Circle Srinagar

Statement of Imputations:-

On receipt of a written complaint with allegations of misappropriation of government funds by officers / officials of Mechanical Engineering Department Kashmir (MED) & others in procurement of machinery for Mughal Road Project, an enquiry vide Verification No.47/2011 was conducted by State Vigilance Organization (VOK, SLK Wing). The enquiry so conducted has revealed as under:-

1. That Superintending Engineer, Mughal Road Project, Srinagar has conveyed to Chief Engineer, MED Kashmir vide letter no: SE-MRP/1232-34 Dated:-03-11-2007 regarding submission of proposal for snow clearance equipment with estimated cost as per the survey conducted and data furnished by M/s RITES Ltd (A Govt. of India Enterprise) .
2. That in response, the Chief Engineer, MED Kashmir forwarded a detailed list of machinery and allied equipments amounting to Rs 49.62 Crores which envisaged various types of snow clearance machines besides allied equipments which mainly included:
 - (i) D-50 Dozers:- 03 No's
 - (ii) D-80 Dozers:- 07 No's
 - (iii) Snow Cutter-1500:- 03 No's
 - (iv) Snow Cutter-5000:- 06 No's
 - (v) Snow Plough:- 02 No's
 - (vi) Salt Spreading Machine:- 04 Nos
 - (vii) Tippers:- 08 No's
 - (viii) Crane-20 T:- 02 No's
 - (ix) D.G Sets:- 04 No's
3. That after obtaining approval from the concerned quarters, the MED Kashmir has invited tenders for procurement of machinery.
4. That an amount of Rs 25.00 Crores was transferred by the Executive Engineer, Mughal Road, Shopian Division (Rs 10 Crores in Feb-2010 and Rs 15 Crores in March 2010) to the Executive Engineer, Mechanical Division, Srinagar for purchase of machinery.
5. That a revised estimate vide letter no: CEMK/TS/5759-63 Dated: 29-03-2010 amounting to Rs 55.00 Crore, based on price index of 2010 was forwarded by Mechanical Eng Deptt (MED). However the Superintending Engineer, Mughal Road Project informed the MED that funds of Rs 35 Crores have been envisaged for the purpose out of which Rs 3 Crores are meant for construction of 02 No's of Snow DETS and balance 32 Crores only are meant for procurement of machinery.
6. That gross violations of departmental procedures, rules & norms have been committed by concerned officers of MED Kashmir in the procurement & maintenance of the purchased machinery/equipments/vehicles which are enumerated hereunder:-

Irregularity in purchase of Dozers BD-80 (6 Nos.):

1. That national tenders were invited by Mechanical Eng Dept Kmr for procurement of D-80 Dozers vide Chief Engineer's NIT No: CEMK/Tender/2009-10/7 Dated:15-02-2010.

2. That in response to above cited NIT, two tenders were received from - (i) M/s Kranacx Pvt Ltd; Haryana and (ii) Larsen & Toubro, New Delhi up to due date.
3. That Cover 1 (Pre Qualification Bid) and Cover 11 (Technical Bid) of the above mentioned NIT were opened by TOC in the office of Chief Engineer, MED, Kashmir on 16-06-2010. As per the technical specifications submitted by M/s Kranacx Ltd the make of the engine differed from the list of approved makes (Komatsu/Cummins/Caterpillar) while the firm has quoted for BEML make engine and have ensured that the Diesel Engine of "BEML" make fitted with the Dozer is as per the design and Technical features developed on the basis of agreement for transfer of technology with M/s Komatsu, Japan. Moreover, as per the bidder M/s Kranacx Ltd. in his communication to MED stated that the earlier model BD80 bulldozer was fitted with Cummins Engine Model N743 but in 2001 Cummins stopped manufacturing model N743 as the same had got less life in higher altitudes. BML then started fitting its own indigenously developed BML Engine which has many superior features over Cummins engine with respect to horsepower/fuel consumption, noise and smoke level and can operate at high altitudes easily, as well can start from -20°C without cold start kit. The claim of M/s Kranacx Ltd has not been cross verified by the department. The T.O.C has agreed to include "BEML" make engine keeping in view that BEML Dozers are in use in the Department for a very long time. The TOC decided to open Cover 11 (Price Bid) of both tenderers despite change in specifications of the engine of the BEML make dozer. Tender of M/S Kranacx Pvt Ltd, Haryana was liable to be rejected for not fulfilling the technical specifications at condition No. 9 regarding Engine, as the Engine of BEML Dozer was of BEML make rather than Komatsu/Cummins/Caterpillar as sought in the tender by the department. However, tender of M/s Kranacx Ltd has been accepted.
4. That M/s Kranacx Pvt. Ltd Haryana has quoted a rate of Rs 1,04,70,000/- per dozer F.O.R Consignee Store at Srinagar inclusive of all taxes, duties, Insurance, Transportation, Entry Tax and commissioning of machine at site; whereas M/s Larsen & Toubro Ltd, New Delhi has quoted a Rate of Rs 68,97,510/- per dozer F.O.R Chennai port.
5. That MED Kashmir in consultation with M/s State Trading Corporation, New Delhi after evaluating various charges on account of transportation from Chennai port to Srinagar and other taxes/charges calculated the total price of a dozer by M/s Larsen & Toubro Ltd, New Delhi as Rs 1,20,36,403/-. This way M/s Kranacx Pvt. Ltd Haryana emerged as the lowest tenderer with a rate of Rs 1,04,70,000/-
6. That Supply Order for BEML Make Dozers amounting to Rs 6,28,20,000/- was issued in favour of M/s Kranacx Pvt Ltd, Haryana vide no: CEMK/Ts/2010-11/34 Dated: 20-10-2010 for supply of 06 units of dozers model BD-80 (against tendered quantity of 01 Unit) with the condition that the delivery shall be made within 8-10 weeks from the date of Supply Order i.e. upto ending December 2010. 90% of the payment was to be released against receipt of machines and balance 10% to be released within 30 days from the date of commissioning of equipment at site.
7. That MED Kashmir despite fully knowing the requirement of six number of Dozers as projected in the initial DPR, floated ambiguous tenders for only one

unit of the Dozer to confer undue advantage to the supplier. Had the full quantity of required Dozers been floated the department would have received low price offers and may be some more bidders.

8. That the minimum turning radius sought in the tender was mentioned as 3200 mm which was being complied by the BD-80 Dozer provided by M/s L&T; whereas, the BD-80 Dozer of BEML as per brochure/ communication from BEML company has only minimum turning radius of 3100 mm but the actual turning radius has been changed from 3100mm to 3200 mm by making insertion in the column which shows clearly the mala fide intentions to favour the said participant company. It is also worthwhile to mention that a communication dated 21st September 2010 M/S Kranacx Ltd addressed to Chief Engineer, MED Kashmir wrongly projects and confirms minimum turning radius as 3200 mm in violation of the technical specification mentioned by the company.
9. That six Dozers have been received on 05.03.2011 at Divisional Store Pampore vide No. GR/T&P/13 of 2011 dated 05.03.2011. However as per condition No. 06 of the supply order No.CMK/TS/2010-11/34 dated 20.10.2011 the delivery of the equipments was to be made within 8 to 10 weeks from the date of the placement of the order. Thus delivery as per the terms and conditions of the supply order was to be made FOR Srinagar on or before 30th of December-2011. In case of failure as per condition No. 07 of the supply order 10% of the total cost of the contract was to be imposed as penalty which amounts to Rs.10,47,000/- per Dozer and Rs. 62,82,000/- for six dozers which has not been invoked by the MED authorities as the delivery was made after a delay of two months and five days. The full payment has been made by MED Authorities to the M/S Kranacx Pvt Ltd, Haryana in 2011 in lieu of the receipt of the six Dozers without imposing penalty on belated supply.
10. That the clutch system in the BD-80 Dozer of M/s L&T Ltd is hydraulically actuated compared to hand operated system of BEML engine in terms of condition No. 10 of the tender, which is much superior and cost intensive as compared to the manual clutch and the same has been sought in the tender notice. This has not been given any consideration while comparing the cost of two bidders.
11. That at condition No. 2 of the tender, the minimum travel speed of 10 Km per hour in the forward gear is criteria whereas BD-80 Dozer of M/s L&T Ltd. has joystick control of gears with three forwards with speed of 0 to 10.6 Km/hour and three reverse with speed of 0 to 13.4 Km/hour, which is preferable as compared to 10 Km/hour only in the 5th forward gear Dozer of BEML. This specification has also not been given any consideration by the Purchase Committee.
12. That the Cabin of BD-80 Dozer of M/s L&T Ltd is fitted with air conditioner cum Heater with heater providing defrosting during extreme cold conditions not necessitating the requirement of Defrosting Nozzles compared to only Steel cabin with AC heater BD-80 Dozer of BEML and thus BD-80 Dozer of M/s L&T Ltd is preferential in terms of condition No 12 of the tender. This has not been recorded anywhere or considered by the Purchase committee.
13. That while comparing the cost component of the two participant firms in the financial comparative statement of offers (cover 3rd), the rates of M/S L&T have

been invoked as per STC schedule (rather than seeking rates for six dozers that too from sales Head of L&T in India).

14. That in violation of condition No 05 of the Annexure-B of tender document regarding submission of cover 01 containing Earnest Money Deposit (EMD) @ Rs 5 Lac for one BD-80 Dozer in the shape of CDR, the bank guarantee from Canara Bank 35-B Chandigarh (having head office at 112-JC Road Bangalore) has been accepted by MED authorities on behalf of M/S Kranacx and in terms of condition No 16 of the tender, the offer of M/s Karnacx Ltd was liable to be rejected at the very onset, as also confirmed from Accounts officer VOK. As already detailed out the department did not advertise the actual requirement of dozers which would have attracted more competitors and would have definitely received offer of low prices. Besides, the department has also given undue advantage to the successful bidder who was supposed to furnish Rs30 lacs as EMD for six Dozers and as per his financial accounts the firm was likely to fail in this regards as it had a total turnover of about Rs 9 lacs as per his sales tax returns filed with Excise and Taxation Department Delhi. A letter from the Excise & Taxation officer Cum Assessing Authority Panchkula Haryana is also on record which mentions that Gross turnover of the M/S Kranacx Pvt Ltd, Haryana as on 16.5.2005 are only Rs 9,66,281 /- with closing stocks of Rs 22,220 at the close of year. This too dates back to year 2005 and is more than five years old and by no means was to be relied upon while allowing the firm to participate.
15. That participant firms/dealers were supposed to provide the list of customers to whom they have sold the BD-80 Dozer and surprisingly M/S Kranacx Pvt Ltd, Haryana has only supplied these Six dozers in his whole dealership period and thus lacked any experience/customer as per sub clause iv of condition No 5 of Annexure B of the tender and even on this count the MED authorities could have checked the financial/infrastructural capabilities of M/S Kranacx Pvt Ltd, Haryana.
16. That six Dozers have been found stored at Divisional MED Store Pampore for about 04 years and were not handedover / put to use at Mughal Road. Due to static positioning of the Dozers, an additional amount of Rs. 11,16000/- has been found spent for their servicing & activation, which is wasteful expenditure and corresponding loss to the State Exchequer.

Irregularity in procurement of Snow Cutters/blowers-3000 Rolba (03 Nos.):

1. That global tenders were invited for procurement of Snow cutter blower (heavy duty) with cleaning output of 4500-5000 MT/HR vide No: CEMK/Tender/2009-2010/08 Dated: 17-02-2010.
2. That Cover I (Pre-Qualification bid) and Cover II (technical bid) of the above mentioned Global NIT were opened in the office chamber of Chief Engineer, MED, Kashmir on 07-05-2010 of the two firms - (i) M/s ZAUGG AG EGGIWIL, Switzerland and (ii) M/s ASH AEBI Schmidt International, Germany who had offered their tenders projecting their respective models namely Rolba 3000 and Supra 5001 Schmidt.
3. That both the firms were at par with the specifications of NIT in terms of modifications projected by them to the terms and conditions of the NIT. However, intended for delivery within six months instead of four months.

4. That price bid was opened by T.O.C on 30-09-2010 and M/s ZAUGG AG EGGIWL, Switzerland was found to be lowest tenderer quoting rate of Rs 2,41,59,200/- CIF Mumbai compared to Rs.2,53,43,945/- at CIF Mumbai port of the Schmidt wintdienst Germany.
5. That subsequently the allotment order was issued to M/s ZAUGG AG EGGIWL, Switzerland vide no: CEMK/Ts/2010-11/30 Dated: 12-10-2010 for supply of 03 Units of Snow Blower Model Rolba-3000. However, in the tender only rates have been sought for only one unit of Snow Blower. Thus cost for three units could have been negotiated to a better term by mentioning three units in the tender itself instead of one unit.
6. That 100% payment in CHF representing total CIF value Nhave Shiva, India has been made through State Trading Corporation, New Delhi, India in favour of M/s ZAUGG AG EGGIWL, Switzerland through letter of credit well in advance.
7. That MED has received insufficient EMD from both the participants to the tune of Rs 10 Lac only whereas 2% of the allotted cost of supply order for three units comes out at least to the tune of Rs 20 lac.
8. That the machines were received at MED Stores on 16-07-2011 vide GR No: GR/T&P/19 of 2011 Dated: 16-07-2011, though they were to be supplied up to 12-04-2011 under the modified delivery period of six months as per their own offer. Thus delivery of machines as per the terms and condition No 14 of the supply order was to be made F.O.R Srinagar within 06 months from the date of opening of letter of credit in favour of supplier/manufacturer i.e. on or before 12.04.2011, although time duration of delivery of 04 months in the Tender Notice was changed in the supply order to six months on acceptance of the offer of both participants to extend the delivery period from four months to Six months. In case of failure as per condition No. 18 of the supply order 10% of the total cost of the contract was to be imposed as penalty which amounts to 52000CHF(Franc) or Rs 24,15,920- per equipment and Rs. 72,47,760/- for three which has not been imposed by the MED authorities as the delivery was made after a delay of three months and four days. The irrevocable Bank guarantee of 10% value of the contract Pledged to Ex.Eng. MED Sgr valid up to 31.12.2012 or till machine clocks 500 hours of working, which is earlier, tested on full load and satisfactory performance established by the department was already lying with STC in terms of condition No 10 of Annexure D of supply order (terms of payment), the provision of which has not been utilized by the MED authorities for imposing the penalty.
9. That the three snow cutters should have been installed and commissioned at the destined sites on the stipulated dates in light of the terms and conditions of the supply order while as they were stored at Divisional Mechanical Store Pampore for about 04 years. Due to static positioning of the Snow Cutters an additional amount of Rs. 8,79,000/- had to be utilized for servicing /activation of these three Snow Cutters, causing wasteful expenditure and corresponding loss to the State Exchequer.

Irregularity in procurement of Snow Cutters/blowers-1500 Rolba (03 Nos.):

1. That the department has also purchased 03 snow cutters of 1500 Rolba vide supply order No.CEMK/TS/2009-10/27 dated 24.02.2010 from M/s Bucher Guyer Neiderwenigen.
2. That the above said supply was obtained in terms of an earlier tender notice No.CEMK/Tender/2007-08/03 dated 16.02.2008 read with corrigendum dated 04.03.2008 and the earlier supply order No.CEMK/TS/2008-09/49 dated 25.03.2009 for two snow cutters of Rolba-1500 obtained from M/s Bucher Guyer Neiderwenigen and no fresh tenders were invited.
3. That the supply was obtained as a repetition of the earlier order mentioned above pertaining to a previous financial year approved vide DPC decision dated 20.02.2010 at point No. 4 wherein it was decided that in terms of approval from the Administrative Department to purchase three snow cutters blower Rolba-1500 with further directive from Financial Advisor/CAO of PWD to decide the issue about their purchase on its own by MED department in departmental purchase committee meeting subject to availability of funds on the terms and conditions of the previous supply order to the said supplier who has in turn also agreed to supply the same on the same rates upto March-2010. The practice of placing supply orders on previous agreements is in violation to governing rules in vogue.
4. That the machines were delivered to the consignee on 12-03-2011. While as in terms of DPC decision dated 18.02.2010 they were to be delivered within 7 to 8 months from the date of supply order by the supplier M/s Bucher Guyer Neiderwenigen vide supply order No.CEMK/TS/2009-10/27 dated 24.02.2010. No penalty has been found imposed on belated supply. Payment of Rs 8,35,18,305 stand paid to STC Ltd on account of three Rolba 1500 Snow Cutters.
5. That these three snow cutters should have been installed and commissioned at the destined sites on the stipulated dates in light of the terms and conditions of the supply order while as they have been found dumped at Divisional Mechanical Store pampore for about 02 years. Due to static positioning of the Snow Cutters an additional amount of Rs. 6,75,000/- had to be utilized for servicing /activation of three Snow Cutters, causing wasteful expenditure and corresponding loss to state exchequer.

Wasteful expenditure on 8.5 Cubic mtr Tipper Ashoka Leyland Make (06 Nos).

1. That 06 Units of Ashoka Leyland Comet 1613 H/I Tippers have been purchased vide Chief Engineers Supply Order No: CEMK/TS/2009-10/39 Dated: 06-03-2010 from OEM Ashoka Leyland Ltd, Chandigarh for an amount of Rs 75,05,364/- .
2. That these tippers have been found dumped at Divisional Mechanical Store pampore on 26.10.2010 for about 04 years as per P&T Goods received Sheet and were not utilized on Mughal Road. Due to static positioning of the tippers, an additional amount of Rs. 4,14,000/- had to be utilized for their servicing/activation, which amounts to wasteful expenditure.

Loss of Warranty/inactivation of CF161311 Cowl Chasis Ashoka Leyland Make (02 Nos):

1. That 02 Units of Ashoka Leyland CF161311 Cowl Chasis have been purchased vide Chief Engineers Allotment Order No: CEMK/TS/2009-10/38 Dated: 04-03-2010 from OEM Ashoka Leyland Ltd, Chandigarh for an amount of Rs 18,53,916/-
2. That vehicles stand delivered to MED Shalteng on 25.10.2010 through AMCO Automobiles Pvt Ltd, but were not used for Mughal Road assignments for many years which led to inactivation of machinery as well as loss of Warranty.

Loss of Warranty/inactivation of Stallion LRV4X4 Ashoka Leyland Make:

1. That 02 Units of Ashoka Leyland Stallion LRV4X4 have been purchased vide Chief Engineers Allotment Order No: CEMK/TS/2009-10/01 dated: 03-04-2010 from OEM Ashoka Leyland Ltd, Chandigarh for an amount of Rs 36,68,376/-.
2. That the above vehicles stand delivered to MED Shalteng in 2010 but were not used for Mughal Road assignments for many years which led to inactivation of machinery as well as loss of Warranty.

Wasteful expenditure on Pick & Carry Crane Escorts Make (03 Nos).

1. That 03 Units of MAC-1214 Pick & Carry type Crane have been purchased vide Chief Engineers Allotment Order No: CEMK/TS/2010-11/39 Dated: 26-10-2010 from OEM Escorts Ltd, Haryana for an amount of Rs 65,86,519 /- through M/s Evergreen.
2. That the supplies have been received at Divisional Mechanical Store pampore on 12.03.2011 as per P&T Goods received Sheet and have remained stationed there for about 02 years. An additional amount of Rs. 2,50,000/- had to be utilized for their servicing /activation which is again a wasteful expenditure.

Irregularity in procurement of Snow Plough (03 Nos):

1. That Units of V Blade Type Variable PRV-260 Snow Plough were purchased vide Chief Engineers Allotment Order No: CEMK/TS/2009-10/36 Dated: 01-03-2010 from M/s BEILHACK VORAHS, Germany for an amount of Rs 80,53,959 after floating global tenders vide NIT No: CEMK/TS/Tender/2009-10/04 Dated: 07-11-2009.
2. That 03 snow Ploughs have been found procured which is against the approved Project Report for the Mughal Road which had provision of only two Snow ploughs.

Irregularity in procurement of Scorpio vehicle:

1. That vehicle VLx4WD HE Euro III Scorpio has been purchased vide MED Kashmir Chief Engineer Allotment Order No: CEMK/TS/2010-11/13 Dated: 22-05-2010 from M/s Mahindra & Mahindra, Chandigarh for an amount of Rs 9,93,194/-.

2. That the Scorpio Vehicle has been shown purchased by the Mechanical Engineering Department as an inspection vehicle.
3. That the said procurement has been made on the basis of proforma invoice obtained from M/s Mahindra & Mahindra, Chandigarh, with approval through DPC decision dated 18-05 2010.
4. That the payment has been made by M/s State Trading Corporation of India Ltd, New Delhi in favour of supplier out of funds sent to them by MED Srinagar for procurement of Machinery for Mughal road. The vehicle has been delivered to consignee i.e. Executive Engineer MED, Srinagar, who had neither any role in implementation of Mughal Road Project nor had any assignment in Mughal Road except the delegated power of procurement of Machinery. The Executive Engineer MED Srinagar has utilised the vehicle for his departmental use and not for any activity /work of Mughal Road.
5. That there is no mention of procurement of Scorpio vehicle either in the Project Report of Mughal Road nor any Administrative approval has been obtained from Administrative department/ Mughal Road Organization in the matter.

Whereas by acting in the aforesaid manner, the concerned officers of Mechanical Engineering Department i.e. Departmental Purchase Committee Chairman/members namely - (i) Mr. R.K. Handoo the then Chief Engineer MED Kashmir (Retired) (ii) Mr. Farooq Ahmed Wani the then Chief Engineer MED Kashmir (Retired) (iii) Mr. Fareed Ahmad Chowdary the then Superintending Engineer, MED Circle Srinagar (iv) Mr. Din Mohammed Bhat the then Executive Engineer Mechanical Division Srinagar (v) Mr. D.K. Razdan the then Executive Engineer Mechanical Division Anantnag (Retired) (vi) Mr. Mohd Maqbool Bhat the then Executive Engineer Mechanical Division Baramulla (Retired) (vii) Mr. Shafat Ahmad Jeelani the then Technical officer to Chief Engineer MED Kashmir (viii) Mr. Ghulam Nabi Ahangar the then Accounts officer MED Kashmir (Retired) have misused their official positions and have committed gross irregularities, violations of rules and norms, for which departmental action as contemplated under Rules 33 & 34 of J&K Civil Service (Inquiries) Act Svt. 1977 has been decided to be initiated against the in-service delinquent officers.

Hence Statement of Imputations is submitted for further necessary action.

Enquiry Officer