

**ESTIMATES COMMITTEE  
(1969-70)**

**HUNDRED AND NINTH REPORT  
(FOURTH LOK SABHA)**

**MINISTRY OF HOME AFFAIRS**

**[Action taken by Government on the recommendations contained in the Seventy-eighth Report of the Estimates Committee (Fourth Lok Sabha) on the Ministry of Home Affairs--Central Bureau of Investigation]**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**February, 1970/Phalguna, 1891 (Saka)**

*Price: Re 0.62*

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA  
SECRETARIAT PUBLICATIONS**

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
<b>ANDHRA PRADESH</b>					
1.	Andhra University General Cooperative Stores Ltd., Waltair (Visakhapatnam).	8	12.	Charles Lambert & Company, 101, Mahatma Gandhi Road, Opposite Clock Tower, Fort, Bombay.	30
2.	G.R. Lakshminpathy Chetty and Sons, General Merchants and News Agents, Newpet, Chandragiri, Chittoor District.	94	13.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.	60
<b>ASSAM</b>					
3.	Western Book Depot, Pan Bazar, Gauhati.	7	14.	Deccan Book Stall, Ferguson College Road, Poona-4.	65
<b>BIHAR</b>					
4.	Amar Kitab Ghar, Post Box 78, Diagonal Road, Jamshedpur.	37	15.	M/s. Usha Book Depot, 585/A, Chira Bazar, Khan House, Girgaum Road, Bombay-2 BR.	5
<b>GUJARAT</b>					
5.	Vijay Stores, Station Road, Anand.	35	<b>MYSORE</b>		
6.	The New Order Book Company Ellis Bridge, Ahmedabad-6.	63	16.	M/s. Peoples Book House Opp. Jaganmohan Palace, Mysore-1.	16
<b>HARYANA</b>					
7.	M/s. Prabhu Book Service, Nai Subzimandi, Gurgaon, (Haryana).	14	<b>RAJASTHAN</b>		
<b>MADHYA PRADESH</b>					
8.	Modern Book House, Shiv Vilas Palace, Indore City.	13	17.	Information Centre, Government of Rajasthan, Tribolia, Jaipur City.	38
<b>MAHARASHTRA</b>					
9.	M/s. Sunderdas Gianchand, 601, Girgaum Road, Near Princess Street, Bombay-2.	6	<b>UTTAR PRADESH</b>		
10.	The International Book House (Private) Limited, 9, Ash Lane, Mahatma Gandhi Road, Bombay-1.	22	18.	Swastik Industrial Works, 59, Holi Street, Meerut City.	2
11.	The International Book Service, Deccan Gymkhana, Poona-4.	26	19.	Law Book Company, Sardar Patel Marg, Allahabad-1.	48
<b>WEST BENGAL</b>					
			20.	Granthaloka, 5/1, Ambica Mookherjee Road, Belgharia, 24-Parganas.	10
			21.	W. Newman & Company Ltd., 3, Old Court House Street, Calcutta.	44
			22.	Firma K. L. Mukhopadhyay, 6/1A, Banchharam Akur Lane, Calcutta-12.	82
			23.	M/s. Mukherji Book House, 8B, Duff Lane, Calcutta-6.	

## CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE .. .. .	(ii)
COMPOSITION OF THE STUDY GROUP 'D' .. ..	(v)
INTRODUCTION .. .. .	(vii)
CHAPTER I— Report .. .. .	1
CHAPTER II— Recommendations which have been accepted by Government .. .. .	2
CHAPTER III— Recommendations which the Committee do not desire to pursue in view of Government's reply .. .. .	18
APPENDICES	
I. Revised curriculum for the Study Course for Officers of Economic Offences Wing of CBI .. .. .	22
II. Letter No 21/14/66-PD dated the 3rd July, 1969 from Assistant Director (P), CBI to all Superintendents of Police, D.S.P.E. Division of the CBI indicating guidelines for registration of cases by Economic Offences Wing .. .. .	27
III. Letter No. 21/14/66-PD dated the 7th July, 1969 from the Assistant Director (P), CBI to all Superintendents of Police, D.S.P.E. Division indicating guidelines for registra- tion of cases by CBI .. .. .	29
IV. Letter No. 21/37/58-PD dated the 24th May, 1969 from the Deputy Inspector General of Police, (P), CBI to all Superintendents of Police, D.S.P.E. Division regarding exami- nation of a case registered by the CBI before the case is closed .. .. .	31
V. O.M. No. 222(3)/69-AVD.II. dated the 17th June, 1969 from the Ministry of Home Affairs to Department of Supply etc. ..	32
VI. Analysis of the action taken by Government on the recommendations contained in the 78th Report of Estimates Committee (Fourth Lok Sabha) .. .. .	33

## ESTIMATES COMMITTEE

(1969-70)

### CHAIRMAN

Shri M. Thirumala Rao.

### MEMBERS

2. Shri K. M. Abraham.
3. Shri S. A. Agadi.
4. Shri B. Anjanappa.
5. Shri R. S. Arumugam.
6. Shri Bedabrata Barua.
7. Shri Brijraj Singh Kotah.
8. Shri Dalbir Singh Choudhari.
9. Shri Hem Raj.
10. Shri Hukam Chand Kachwai.
11. Shri M. Kamalanathan.
12. Shri Bhanudas Ramchandra Kavade.
13. Shri H. Ajmal Khan.
- \*14. Shri Zulfiqar Ali Khan.
15. Shri Samarendra Kundu.
16. Mahindra Bahadur Raja Kamakhya Prasad Singh Deo.
17. Shri Masuriya Din.
18. Shri Kartik Oraon.
19. Shri Sarjoo Pandey.
20. Shri Manubhai Patel.
21. Shri Shashi Bhushan.
22. Shri Ramavatar Shastri.
23. Shri Shiv Kumar Shastri.
24. Shri Nugehalli Shivappa.
25. Shri Arangil Sreedharan.
26. Shri S. Supakar.
27. Shri K. N. Tewari.
28. Shri Gunanand Thakur.
29. Shri Tula Ram.
30. Shri Ramesh Chandra Vyas.

### SECRETARIAT

Shri B. B. Tewari—*Deputy Secretary.*

Shri Y. Sahai—*Under Secretary.*

---

\*Elected w. e. f. 22. 12. 1969 *vice* Shri G. G. Swell resigned on 9. 12. 1969.

**STUDY GROUP 'D'**  
**ESTIMATES COMMITTEE**  
**(1969-70)**

**CONVENER**

Shri Nugehalli Shivappa.

**MEMBERS**

2. Shri K. M. Abraham.
3. Shri B. Anjanappa.
4. Shri Dalbir Singh Choudhari.
5. Shri Hem Raj.
6. Shri Hukam Chand Kachwai.
7. Shri M. Kamalanathan.
8. Shri H. Ajmal Khan.
9. Shri Masuriya Din.
10. Shri Kartik Oraon.
11. Shri Shashi Bhushan.
12. Shri Shiv Kumar Shastri.
13. Shri S. Supakar.
14. Shri K. N. Tewari.

**SECRETARIAT**

Shri B. B. Tewari—*Deputy Secretary.*

Shri Y. Sahai—*Under Secretary.*

## INTRODUCTION

1. The Chairman of the Estimates Committee having been authorised by the Committee present this Hundred and Ninth Report of the Estimates Committee on the Action taken by Government on the recommendations contained in the Seventy-eighth Report of the Estimates Committee (Fourth Lok Sabha) on the Ministry of Home Affairs—Central Bureau of Investigation.

2. The Seventy-eighth Report was presented to the Lok Sabha on the 26th March, 1969. Government furnished their replies indicating the action taken on the recommendations contained in this Report between 16th October, 1969 and 20th December, 1969. The replies were examined by the Study Group 'D' of the Estimates Committee at their sittings held on the 2nd December, 1969 and 30th January, 1970. The draft Report was adopted by the Committee on the 23rd February, 1970.

3. The Report has been divided into the following Chapters :—

I. Report.

II. Recommendations which have been accepted by the Government.

III. Recommendations which the Committee do not desire to pursue in view of Government's reply.

4. An analysis of the action taken by Government on the recommendations contained in the Seventy-eighth Report of the Estimates Committee (Fourth Lok Sabha) is given in Appendix VI. It would be observed therefrom that out of 39 recommendations made in the Report, 36 recommendations *i.e.* 92 per cent, have been accepted by the Government and the Committee do not desire to pursue 3 recommendations, *i.e.* 8 per cent, in view of Government's reply.

NEW DELHI;  
February 26, 1970.  
Phalguna 7, 1891(S).

M. THIRUMALA RAO,  
Chairman,  
Estimates Committee.

## CHAPTER I

### REPORT

The Committee are glad to observe that the recommendations contained in their Seventy-eighth Report (Fourth Lok Sabha) on the Ministry of Home Affairs—Central Bureau of Investigation, have been replied to by Government generally to the Committee's satisfaction.

## CHAPTER II

### RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

#### **Recommendation (Serial No. 1, Para 1.19)**

The CBI at present derives its legal power of investigation from the Delhi SPE Act, 1946 under which its Investigation Division—called the Delhi SPE Division—is empowered to investigate offences, notified by the Central Government, in the States with the consent of the Governments of those States. Thus, if a State Government does not consent to the jurisdiction of the CBI over that State in respect of any offence, the CBI will not be able to investigate cases even against Central Government servants or cases relating to Central Acts within the territorial limits of that State. Moreover, the CBI's non-investigation Divisions like Crime Records, Statistics, Research and Policy Divisions, depend for the exercise of their functions upon the assistance extended by the State Police. There being no legal basis for these Divisions, such assistance has been forthcoming on an informal basis and is dependent on the goodwill of the Inspectors General of Police of the States. In the circumstances, the Committee feel that it is necessary to give a statutory basis to the CBI in order to place it on a firmer and sounder footing.

#### **Reply of Government**

The views of the Committee have been noted. Government have already accepted that it would be advantageous to provide legal cover to those sections of the Central Bureau of Investigation which are not covered by the Delhi S.P.E. Act, 1946. As regards the question of having a more permanent and clear cut arrangement in the sphere of crime investigation, the form and content of the proposed legislation would necessarily be determined by the limitations placed by the Constitution on the powers of the Parliament to legislate in such matters. This aspect of the matter is still under consideration of the Ministry of Law.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 20-12-1969.]

#### **Recommendation (Serial No. 2, Para 1.24)**

The Committee feel that the possibility of a divergence of opinion between the CBI and the State Police is inherent in the existing administrative understanding and working arrangement even though some guidelines have been laid down in regard to the type of cases to be handled by the CBI and communicated to State Governments. The fact that no difficulty in this regard has been felt so far does not rule out this contingency in future. There is also a possibility of overlapping of work between the two agencies inasmuch as the working arrangement depends merely on the goodwill and co-operation of the parties.

The Committee recommend that, in the interest of smooth working and to avoid duplication of effort and overlapping of functions, the jurisdiction of the CBI and the State Police should, as far as possible, be demarcated by making a provision in the proposed bill on CBI to that effect.



### **Reply of Government**

The suggestion has been noted.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 17-11-1969.]

### **Recommendation (Serial No. 3, Para 1.29)**

The Committee hope that the arrangements arrived at between the Ministries of Home Affairs and Finance in regard to sphere of activity of the Economic Offences Wing of the CBI *vis-a-vis* those of the enforcement agencies under the Ministry of Finance as a result of discussions held at series of meetings in May, 1968, will lead to a harmonious and concerted approach in dealing with cases. The Committee would, however, like Government to keep to close watch on actual implementation of the arrangements by the parties so as to ensure its successful working.

### **Reply of Government**

The recommendation has been accepted. The arrangements arrived at the inter-departmental meeting held in May, 1968, to which the Committee has referred in their above recommendation, also envisage the mechanism through which the actual implementation of the arrangements would be watched by the Government.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 20-12-1969.]

### **Recommendation (Serial No. 5, Para 2.13)**

The Committee are not convinced by the reasons advanced for following different procedures for setting up the Economic Offences Wing and the Food Offences Wing of the Delhi Special Police Establishment Division. They note that Food Offences Wing, like the Economic Offences Wing, had also been investigating and prosecuting cases, though on a restricted scale. They consider that in the case of the Food Offences Wing also, Government should have issued a Resolution laying down precisely the objectives, functions and jurisdiction of this Wing for the information of the public.

### **Reply of Government**

The above recommendation of the Committee has been noted by the Government.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 16-10-1969.]

### **Recommendation (Serial No. 6, Para 2.17)**

The Committee suggest that early steps should be taken to rationalise the work of the various non-Investigation Divisions of the CBI. In this connection, they would like to point out that, in building up the organisation of the CBI, undue reliance should not be placed on the organisational structure of the Federal Bureau of Investigation or Scotland Yard as the purposes and functions of these organisations are admittedly different from those of the CBI.

### Reply of Government

The matter has been examined carefully in the light of observations of the Estimates Committee. It is felt that while there is no actual overlapping of functions of the non-Investigation Divisions, such an impression is caused because of the lack of precise description of some of the subjects. Action is being taken by the C.B.I. to reword the subjects, wherever necessary, to bring out the exact nature of functions assigned to each Division.

2. Even though the functions of the Federal Bureau of Investigation and the Scotland Yard are different from those of the C.B.I., the technical aspects of their work do not differ very much. As an investigating organisation, the Central Bureau of Investigation will require the assistance of a Forensic Science Laboratory, Finger-Print Bureau, Crime Records and Statistics Division as well as a Research Division in the same way as are required by the Federal Bureau of Investigation and the Scotland Yard.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 20-12-1969.]

### Recommendation (Serial Nos. 7 & 32, Paras 2.24 and 5.17)

The Committee recommend that the Staff Inspection Unit of the Ministry of Finance should independently make a special study of the work load of the CBI and the staff needed to handle the same."

"The Committee have, in paragraph 2.24, already recommended that the Staff Inspection Unit of the Ministry of Finance should independently make a special study of the work load with the Central Bureau of Investigation and staff needed to handle the same. If, as a result of this study, it is found that the investigation or any other side of the Central Bureau of Investigation needs strengthening, the Committee have no doubt that Government will take prompt action to meet the situation.

### Reply of Government

The Staff Inspection Unit of the Ministry of Finance have included the Administration Division and Crime & Records Division of the Central Bureau of Investigation for study in the programme for the half-year ending July-December, 1969. For a proper appreciation of the work done in the other Divisions specialised experience is desirable. The question of the work-study of the other Divisions will be discussed by the Staff Inspection Team with the Director, Central Bureau of Investigation.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 16-10-1969.]

### Recommendation (Serial No. 8, Para 2.25)

They also recommend that the CBI should have a separate O&M Unit entrusted with the function of scrutinising all proposals for increase in staff, conducting studies in work procedures and periodically reviewing the performance of the various units of the CBI. The proposed O&M Unit should be headed by an officer of sufficiently high rank and be composed of personnel specially trained in O&M/Work Study. The CBI may for this purpose avail of the training facilities provided by the Ministry of Finance and other expert bodies in the field.

### Reply of Government

The above recommendation was considered in consultation with the Department of Administrative Reforms, Ministry of Finance (Department of Expenditure and Staff Inspection Unit). It has been decided that an O&M Unit may be set up in the CBI comprising one Junior Analyst and one steno-typist. An officer who is trained in the Work Study Course at the Secretariat Training School for Section Officers will be considered for appointment to the post of Junior Analyst. He would function under the Director CBI, or an officer of sufficiently high rank in the CBI. Areas where method simplification of procedure is to be undertaken would be settled with the approval of the Head of Department and copies of the study reports would be sent to the Department of Administrative Reforms and the Staff Inspection Unit of the Ministry of Finance.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 20-12-1969.]

### Recommendation (Serial No. 9, Para 2.29)

The Committee regret that even though the Delhi Special Police Establishment has been in existence for the last 26 years and the CBI for the last 6 years, it has not been possible to finalise the recruitment rules for all the posts in the CBI. The Committee recommend that recruitment rules in respect of all the posts in the CBI should be finalised and issued without delay.

### Reply of Government

Recruitment rules have since been finalised and notified for all posts in the Central Bureau of Investigation excepting the following :

- (1) Director
- (2) Additional Director
- (3) Joint Director
- (4) Technical Adviser (Accounts & Income-tax)
- (5) Chief Technical Officer (Accounts)
- (6) Junior Technical Officer (Income-tax)
- (7) Information Officer

2. Draft rules were prepared for all these posts in consultation with the Union Public Service Commission. Some amendments have been suggested and these are under consideration. Rules relating to posts referred to at (4) to (7), above are expected to be finalised shortly.

3. A draft scheme has now been drawn up for manning the senior appointments of Director, Additional Director and Joint Directors in the Central Bureau of Investigation which is under consideration in the Ministry of Home Affairs. When finalised this scheme would serve as the basis of recruitment to these senior appointments in the Central Bureau of Investigation.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 20-12-1969.]

### Comments of the Committee

The Committee hope that the Recruitment Rules in respect of the remaining posts and the scheme for manning senior posts of Director, Additional Director and Joint Directors in the Central Bureau of Investigation would be finalised by Government without any further delay.

#### Recommendation (Serial No. 11, Para 2.35)

The Committee also suggest that the Police Research Advisory Council should meet more often and at regular intervals, evaluate the researches/studies made by the CBI so far, select the subjects on which research/study should be undertaken by the CBI and lay down the purposes and direction of the research/study.

#### Reply of Government

The Police Research Advisory Council has been meeting at regular intervals (twice a year) and the programme of the Research Division of the CBI is generally based on the recommendations of the Council. Further, the reports of the studies made by the CBI are placed before the Council and their suggestions are also taken in the matter. The Government welcome the suggestions of the Estimates Committee that the Council should meet more often. In this connection, it may be mentioned that the Government are examining proposals for establishment of field research units in the Research Division of the CBI and for creation of a Police Research Fund for granting financial assistance to various universities/research institutions etc. which may be willing to undertake specific projects entrusted to them for study. When these proposals are sanctioned and the Council is also strengthened, it would indeed be desirable and necessary to convene the Council quarterly to review the progress of police research and to lay down a well-planned and coordinated programme.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 16-10-1969.]

#### Recommendation (Serial No. 12, Para 2.46)

The Committee note that the percentage of posts filled up by deputation varies from 30 per cent in the case of Sub-Inspectors to 100 per cent in the case of Director/Additional Director/Joint Director. The Committee further note that recruitment has also been made directly to certain grades in the Central Bureau of Investigation. They suggest that the percentage for filling posts by deputation may be reviewed in the light of requirements at intervals of say 3 to 5 years.

#### Reply of Government

Percentages for filling posts in the Central Bureau of Investigation by deputation or other methods were reviewed earlier from time to time but no time limits were fixed. In pursuance of the recommendation made by the Estimates Committee, it has been decided that, except when exigencies of public service so require, the review may be made every five years and the next review in 1970.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 16-10-1969.]

**Recommendation (Serial Nos. 13 & 14, Paras 2.47 and 2.48)**

The Committee also note that one of the main reasons advanced for taking persons on deputation is that they have field experience and can be reverted to the parent cadre if not found quite suited to the requirements of the organisation. By the same token, it would not be desirable to extend the deputation period of officers for unduly long periods as there is a risk of their developing a vested interest. The Committee therefore, suggest that the position regarding deputationists should be kept under review closely in the light of their performance."

The Committee consider that the existing arrangement for taking persons on deputation with the CBI or for extension of the term of their deputation needs to be improved. They recommend that CBI should have a properly constituted Establishment Board/Committee to consider such cases with atleast one Member from the Ministry of Home Affairs.

**Reply of Government**

The Government have accepted the two recommendations. It has been decided to set up a Committee consisting of the Joint Secretary in charge of the Police Division, Joint Secretary in charge of the Administrative Vigilance Division in the Ministry of Home Affairs and the Director, Central Bureau of Investigation, to consider (i) cases of persons taken on deputation to the Central Bureau of Investigation and (ii) cases of extension of the term of deputation.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 16-10-1969.]

**Recommendation (Serial No. 15, Para 2.53)**

The Committee recommend that the course of training for police officers in the Economic Offences Wing of the Delhi Special Police Division of the Central Bureau of Investigation should have wider coverage of subjects and be of a longer duration. The Committee hope that curriculum for this course would be revised suitably in consultation with the appropriate agencies of the Ministry of Finance and other Ministries concerned.

**Reply of Government**

In pursuance of the above recommendation, the curriculum of the course of training for police officers in the Economic Offences Wing of the C.B.I. has been revised. Small groups of officers will also receive training with selected Departments for fairly long periods. A copy of the revised curriculum is enclosed (Appendix I). The subjects for training have been selected in the light of experience of investigation of E.O.W. cases and the appropriate agencies of the Ministry of Finance and other Ministries concerned are consulted in the nomination of their specialists and experts to deliver lectures on specialised subjects.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 20-12-1969.]

**Recommendation (Serial Nos. 16 & 17, Paras 3.12 and 3.15)**

The Committee note that procedure for registration of cases has been rationalised recently and that references to Headquarters are now required

to be made only in the cases of Members of Parliament or of State Legislatures, Gazette Officers, Commissioned Officers, prominent persons etc. The Committee suggest that in the light of experience gathered in the registration of cases, suitable guidelines may be laid down. A watch should also be kept to ensure that such references received for registration of cases are expeditiously disposed of.

The Committee note that inspite of the recommendations of the Enquiry Committee on the Special Police Establishment (1949-52) and the instructions issued by Government in pursuance thereof, the CBI continue to engage themselves on trivial and petty cases. The Committee recommend that the instructions already issued by Government in this regard should be strictly followed to ensure that the capacity and resources of the CBI, which are by no means unlimited, are available for exposing cases of magnitude and importance including any big corruption in high places.

### **Reply of Government**

In the light of recommendations made by the Estimates Committee, the Central Bureau of Investigation have revised the guidelines for registration of cases by the Branches. A copy each of the two circulars issued by them, (1) No. 21/14/66-PD, dated the 3rd July, 1969 (Appendix II) and (2) No. 21/14/66-PD, dated the 7th July, 1969, (Appendix III) is enclosed for information.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 16-10-1969.]

### **Recommendation (Serial No. 19, Para 3.19)**

The Committee feel that there is need for more vigorous drive on the part of the Ministry of Home Affairs to publicise the functions of the CBI and the methods of their working so that common people could utilise the machinery provided by it for exposing and eradicating corruption and corrupt practices from public life. They feel that CBI should produce their brochures, pamphlets and publicity material in the regional languages also for local distribution by the Branches, the CBI should also made greater use of the media of Radio, Film and the Press for publicising their activities.

### **Reply of Government**

The recommendation has been accepted by the Government. The Central Bureau of Investigation will prepare an annual programme of various measures in the way of publicity through the available media to implement the recommendation.

[Min. of Home Affairs O.M. No. 226/17/69-AVD(II), dated 20-12-1969.]

### **Recommendation (Serial No. 19, Para 3.19)**

The Committee would also suggest that at the Branch level as well as at the Headquarters level, the CBI should arrange periodical meetings and hold discussions with representatives of the public at which suggestions for improving the working of the CBI may be invited and the cooperation of the public sought in mobilising opinion against corruption in public services.

### Reply of Government

The suggestion has been considered by the Government. CBI will convene meetings both at the Branches and Headquarters from time to time, as and when necessary. Representatives of the public and recognised associations will be invited at these meetings.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 20-12-1969.]

### Recommendation (Serial No. 20, Para 4.2)

The Committee are of the opinion that adequate arrangements for collection of intelligence relating to corrupt practices in various Ministries/Departments/Public Undertakings would not only lead to a greater detection of cases of corruption but would also enable the Central Bureau of Investigation in many cases to pass on information to the concerned authorities which might prevent loss to Government. They feel that the work in the filed of collections of intelligence should be intensified. They would therefore like arrangements for collection of Intelligence should be strengthened by deployment of staff commensurate with the work load and due importance attached to this function of the Central Bureau of Investigation.

The Committee need hardly stress that in the matter of collection of intelligence there should be close coordination between the Central Bureau of Investigation and State Intelligence Departments.

### Reply of Government

The recommendation has been accepted by the Government. All State Governments have been requested to communicate suitable instructions to the appropriate authorities in the State Government for permitting periodic exchange of intelligence relating to crime and corrupt practices between the State criminal/investigation departments and the Central Bureau of Investigation. In addition to this, the C.B.I. have also issued suitable instructions to the S.P.E. branches in this regard.

[Ministry of Home Affairs O.M. No. 226/17/69-AVD(II), dated 17-11-1969.]

### Recommendation (Serial No. 21, Para 4.7)

The Committee find that, while the original idea was to set up a small cell particularly for collection of intelligence regarding hoarding, black-marketing, smuggling and profiteering and for passing it on to the State Police, what actually came to be set up was a full-fledged organisation called the Food Offences Wing having, apart from the set up at the Headquarters, 15 Branches located in the various States. Headed exclusively by an Additional Director of the rank of Special Inspector General, this Wing had an overall sanctioned executive staff strength of 180. It was thus conceived as an organisation almost as big as the Economic Offences Wing which had a sanctioned executive staff strength of 179 (as on 1st April, 1968) and was headed by a Joint Director.

Notwithstanding the trappings of a full-fledged Wing, the performance of the Food Offences Wing has been, even in the sphere of collection of intelligence, unimpressive. The figures furnished to the Committee show no activity at all on the part of the Wing in this field during 1964 and 1965.

The performance during 1966 also has been far from satisfactory. In the field of investigation, the performance of this Wing is still more disconcerting.

The Committee consider that the setting up of the Food Offences Wing was without any prior planning as regards the work required to be done by it. The reason advanced for the poor performance in the Review of the activities of this Wing made in early 1968 also corroborates this. The result was that after 4 years of near dormant existence, the Wing had to be merged with the Economic Offences Wing. The Committee feel that if the Wing had been set up under a Government Resolution instead of by an executive order as was the case with the Economic Offences Wing, perhaps a greater amount of thought and scrutiny would have attended its creation.

The Committee hope that Government will learn a lesson from the unhappy experience in this regard and in future not set up organisations without adequate planning.

They also hope that the remnant staff of the erstwhile Food Offences Wing which is now a part of the Economic Offences Wing will now be gainfully employed.

### Reply of Government

The details of work done by the Food Offences Wing during the period from 1964 to 1967 have been intimated to the Lok Sabha Secretariat vide Ministry of Home Affairs O.M. No. 226/17/68-AVD.II, dated the 22nd March, 1969.

2. The recommendation of the Estimates Committee for setting up organisations with adequate planning has been noted.

3. The working of the Food Offences Wing has been reviewed periodically since its inception in 1964. As a result of the review made in 1967, the strength of the Food Offences Wing was reduced. The scope of its functions was also narrowed down and it was made a cell in the Economic Offences Wing.

4. A further review has now been made in consultation with the Ministries of Food & Agriculture and Finance. The main function of the Unit is to take up inter-State cases at the instance of the State Governments and the Central Government. In cases of violation of the Essential Commodities Act, the Central Government has to utilise the agency of the C.B.I. in cases which attract its special responsibility or bringing the offenders to book. Many fresh cases are expected to be brought up by the Food Corporation of India. It is felt that the Ministry of Food & Agriculture would be considerably handicapped in respect of inter-State crime and collection of information in the absence of the Food Offences Cell.

5. After considering carefully all the factors relevant to the food situation in the country and keeping in view the need for a central agency to ensure that the food controls that are in force in the country operate successfully, it has been decided to continue the existing reduced strength of this Cell upto 28-2-1970. The work done by this Cell would continue to be kept under observation and further continuance would be decided after a thorough and detailed assessment of the work now being done by the Cell.

[Min. of Home Affairs O.M. No. 266/17/69-AVD(II), dt. 17-11-1969.].



**Recommendation (Serial No. 22, Para 4.10)**

The Committee are of the view that the following categories of cases are really indicative of a certain stage of action by the Central Bureau of Investigation in regard to them being over:—

- (i) PEs pending conversion into RCs.
- (ii) PEs/RCs ripe for being reported for Departmental action/suitable action.
- (iii) RCs ripe for prosecution.

In view of the fact that some action in regard to these categories of cases is still required on the part of the Central Bureau of Investigation, the Committee feel that it would be more appropriate to include these cases in the relevant statement of the Annual Report in the category of cases "pending at the end of the year.

**Reply of Government**

This has been noted for compliance by the Central Bureau of Investigation. [Min. of Home Affairs O.M. No. 226/17/69-AVD(II), dated 16.10.1969].

**Recommendation (Serial No. 23, Para 4.11)**

The Committee consider that it is not appropriate to close a case registered with the Central Bureau of Investigation in the following circumstances if the cause of action is different for, after enquiry/investigation, the case may turn out to be fit for launching prosecution of the officers involved :—

- (i) the suspect officer is convicted in some other case.
- (ii) the suspect officer has been discharged, removed or dismissed from service or has resigned.

**Reply of Government**

The recommendation has been noted for compliance by Central Bureau of Investigation. A copy of instructions issued by the Central Bureau of Investigation to all branches *vide* circular No. 21/37/58-PD, dated 24th May, 1969, is enclosed for information (Appendix IV).

[Min. of Home Affairs O.M. No. 226/17/69-AVD(II), dated 16.10.1969].

**Recommendation (Serial No. 24, Para 4.12)**

They also consider that a case registered with the Central Bureau of Investigation should not be automatically closed if "a departmental enquiry has been started by the department on the basis of same allegations during the progress of enquiry". They feel that in such cases, Central Bureau of Investigation should examine whether the investigation of the case by them should have precedence over the departmental enquiry or not and take such action as may be deemed desirable in the light of such examination.

**Reply of Government**

Such cases are not automatically closed. The procedure actually followed is that the CBI investigation/enquiry proceeds and after completion of the case, if it is decided by the CBI that the departmental inquiry should proceed, the case is closed from CBI side and the Department proceeds with its enquiry.

[Min. of Home Affairs O.M. No. 226/17/69-AVD(II), dated 16.10.1969].

**Recommendation (Serial No. 25, Para 4.14)**

The Committee regret that the Ministry of Home Affairs should have taken a period of 4 months for approving the annual programme prepared by Central Bureau of Investigation for Vigilance and Anti-Corruption work during 1966 and in circulating the same to the Ministries concerned for implementation in cooperation with Central Bureau of Investigation. They hope that such abnormal delay will be avoided in future.

**Reply of Government**

The observations have been noted.

[Min. of Home Affairs O.M. No. 266/17/69-AVD(II), dt. 17-11-1969.]

**Recommendation (Serial No. 26, Para 4.27)**

The Committee note that C.B.I. have not been able to do much in discharging their responsibility for keeping a watch on undesirable contactmen or unscrupulous contractors, suppliers, firms and clearing agents who are suspected of indulging in corrupt practices because of the limited staff at their disposal. The Committee attach great importance to this part of their activity and recommend that C.B.I. should have adequate machinery, trained manpower and resources for this purpose.

**Reply of Government**

The method and procedure of watching undesirable contactmen and unscrupulous persons are being reviewed so as to ensure better coverage. The staff requirements etc. of the C.B.I. are under examination.

[Min. of Home Affairs O.M. No. 226/17/69-AVD(II), dated 20-12-1969.]

**Recommendation (Serial No. 27, Para 4.35)**

The Committee find that, in respect of each selected Department/Public Undertaking, the CBI is making three different types of studies, the objects of which are more or less the same, viz:—

- (i) a study of the points and places where corruption exists in substantial measures;
- (ii) an appreciation report which also contains *inter alia* the points and places of corruption;
- (iii) a vigilance scheme for pulgung the loopholes.

Since all these studies are closely inter-related, the same ground has to be covered over and over again. The Committee, therefore, recommend that the Ministry of Home Affairs should examine whether it is possible to combine these separate studies into a single comprehensive study so as to avoid possible duplication or overlapping.

**Reply of Government**

As recommended by the Estimates Committee, every effort will be made to combine the Appreciation Report with the Vigilance Scheme as far as possible.

As regards the points and places where corruption exists in substantial measure, the lists of points, are jointly prepared by the C.B.I. and selected

Departments/Undertakings concerned for implementing the Annual programme of Vigilance and Anti-Corruption work. After these lists are prepared, actions are taken both by the Department and the C.B.I. during the year. These will be kept as Part-II together with the Appreciation Report.

[Min. of Home Affairs O.M. No. 226/17/69-AVD(II), dated 16.10.1969].

#### **Recommendation (Serial No. 28, Para 5.8)**

The Committee are unhappy to note the inordinately long time being taken by Central Bureau of Investigation both in investigation at the Branch level and in the processing of the Final Report of the Branch at the Head Office. The Committee appreciate that some of the delays may be partly due to circumstances beyond the control of the Central Bureau of Investigation. They nevertheless feel that the time taken in investigation at the Branch level can be reduced if adequate supervision and control are exercised at all levels. The instructions issued to the Zonal Deputy Inspectors General that they should visit the Branches more often seems hardly sufficient to meet the situation.

In this connection, the Committee would recommend that :—

- (i) Central Bureau of Investigation should have a fresh look at the existing work procedures with a view to further streamline them, if possible. Reasonable time limits should be laid down for investigation and legal scrutiny of a case at the Branch level and the various stages involved in the processing of the Branch Final Report of the case at the level of the Deputy Inspector General, in the Legal Division and at other levels. The prescribed time limits should normally be adhered to. Where it is, for any reason, not possible to do so, extension of time should be applied for stating the reasons therefor and approved by the Deputy Inspector General concerned.
- (ii) The Zonal Deputy Inspectors General and Deputy Inspectors General incharge of the Branches in the metropolitan cities should be made personally responsible for the time taken in the investigation of cases by the Branches under them. The annual assessment of their work should be based on the quality and speed in different fields of activity maintained by the branches under them. This should lead to stricter control and supervision by these officers over the work being handled in the Branches under them.
- (iii) There should be periodical meetings of the Director/Additional Director/Joint Director with each Zonal/Branch Deputy Inspector General, say once in two months, at which the progress of investigation of cases pending in the Branches under them for over one year should be reviewed. The Director/Additional Director/Joint Director should provide guidance and assistance to the Zonal/Branch Deputy Inspector General in removing the impediments to speedy investigation of such cases.
- (iv) Individual cases of delay in investigation for over one year should be reported to the Ministry of Home Affairs with reasons for the delay for their information.
- (v) Ministry of Home Affairs should take appropriate action if the delay in investigation exceeds 18 months.

### Reply of Government

The recommendation has been accepted by the Government. The Central Bureau of Investigation have issued necessary instructions to the SPE branches in this regard. In the C.B.I., Director and Additional Director hold monthly meetings with Deputy Inspectors General in regard to old cases. In addition to this, monthly meetings of the officers of the Home Ministry and the C.B.I. are now held in which cases pending investigation over 12 months are discussed with a view to expedite investigation.

[Min. of Home Affairs O.M. No. 226/17/69-AVD(II), dated 16.10.1969].

### Recommendation (Serial No. 29, Para 5.12)

The Committee are unhappy that Central Bureau of Investigation should have occasion to complain that their investigations are often hampered because of the delay on the part of the Ministries/Departments in making available to them the relevant documents and tapers. According to instructions issued by the Ministry of Home Affairs and the Auditor General, the documents should be made available to the Central Bureau of Investigation normally within one month. These instructions should be strictly followed by the Ministries etc. and the Accountants General. In case any particular document or a portion thereof is required by the Ministry etc. or the Audit Office concerned, the C.B.I. should make arrangement to obtain photostat copies thereof so that investigation of the case is not held up on that account.

### Reply of Government

A Directive has been issued in consultation with the Comptroller and Auditor General of India to all Ministries/Departments on 25th June, 1969. It has been laid down that the records required by the S.P.E. be made available to them ordinarily within a fortnight and positively within a month from the date of receipt of the request. Further, a provision has been made for bringing the matter to the notice of the Chief Vigilance Officer concerned if the time-limit specified is not adhered to.

A proposal for providing internal facilities at important branches of the C.B.I. for taking photostat copies of documents is under consideration.

[Min. of Home Affairs O.M. No. 226/17/69-AVD(II), dt. 17-11-1969.]

### Recommendation (Serial No. 30, Para 5.14)

The Committee consider it of utmost importance that the opinions of technical experts are made available to the Central Bureau of Investigation expeditiously. The Committee recommend that all cases of delay beyond two months should be immediately reported by the Central Bureau of Investigation to the Ministry of Home Affairs who should then pursue such cases with the Administrative Ministry concerned at a sufficiently high level.

### Reply of Government

The recommendation has been accepted by the Government. The Central Bureau of Investigation have issued necessary instructions to the SPE branches in this regard. Ministry of Home Affairs will pursue at a sufficiently high level cases of delay beyond two months with the Administrative Ministry concerned as and when they are reported by the Central Bureau of Investigation.

[Min. of Home Affairs, O.M. No. 226/17/69-AVD(II), dated 16-10-1969.]

### **Recommendation (Serial No. 31, Para 5.15)**

They also recommend that the staff position of the technical organisations concerned with giving opinion in Central Bureau of Investigation cases, should be reviewed periodically and norms of work for different classes of experts determined.

### **Reply of Government**

The recommendation of the Estimates Committee has been brought to the notice of all Ministries/Departments who are concerned with the technical organisations giving opinion in Central Bureau of Investigation cases. A copy of Ministry of Home Affairs Circular O.M. No. 222/3/69-AVD.II, dated 17th June, 1969, issued in this connection, is enclosed (Appendix V).

[Min. of Home Affairs, O.M. No. 226/17/69-AVD(II), dated 16-10-1969.]

### **Recommendation (Serial No. 33, Para 5.24)**

In this connection the attention of the Committee is attracted to the opinion expressed by the Committee on Prevention of Corruption (Santhanam Committee) in para 10.47 of their Report that the scale of pay prescribed for Assistant Public Prosecutors was not adequate enough. They had suggested that in order to secure better type of candidates for direct recruitment, the rank of Assistant Public Prosecutor should be abolished and there should be only two ranks viz. Senior Public Prosecutor and Public Prosecutor.

The Committee regret that although the shortage of staff on the legal side has been persisting for quite some time and holding up the progress of cases requiring legal scrutiny, so far nothing tangible has been done to remedy the situation. Evidently, the main reason for a number of vacancies both in Branches and at the Head Office in the rank of Assistant Public Prosecutor, Public Prosecutor and Senior Public Prosecutor is that on the present pay scales it is difficult to get suitable persons who have to be Law Graduates with some years' practice at the Bar. Yet it is only recently that proposals are said to have been formulated by the Central Bureau of Investigation for upward revision of the pay scales of these posts and for improving the terms and conditions of their service so as to attract suitable candidates. The Committee trust that early decision will be taken by Government on the aforesaid proposals of the Central Bureau of Investigation.

### **Reply of Government**

The question of revision of pay scales for the prosecutors attached to the CBI is being pursued with the Ministries of Law and Finance.

[Min. of Home Affairs O.M. No. 226/17/69-AVD(II), dated 20-12-1969.]

### **Recommendation (Serial No. 34, Para 5.29)**

The Central Vigilance Commission is also concurrently under examination of the Committee. The delays taking place in the disposal of cases in that organisation have attracted the notice of the Committee and will be suitably commented upon in their report on that organisation. They however, take this opportunity to emphasise the importance of expeditious disposal of cases by the various authorities concerned including the Central Vigilance Commission which is a vital link in the chain. They hope that Central Bureau of

Investigation will in future have no occasion to cite the delay in the Central Vigilance Commission as a contributory factor in the finalisation of their cases.

### **Reply of Government**

The Ministry of Home Affairs have brought the above recommendation of the Estimates Committee to the notice of the Central Vigilance Commission.

[Min. of Home Affairs, O.M. No. 226/17/69-AVD(II), dated 16-10-1969.]

### **Recommendation (Serial No. 36, Para 5.39)**

The Committee understand that one of the important factors which holds up the progress of disciplinary proceedings is the absence of legal authority with the enquiry officers to compel the production of records and attendance of witnesses. They, however, regret that although recommended by Santhanam Committee in 1964, Government have not so far been able to introduce legislation in Parliament to so empower enquiry officers in disciplinary proceedings. The Committee hope that early steps will be taken by Government to implement this recommendation of the Santhanam Committee.

### **Reply of Government**

A Departmental Enquiries (Enforcement of Attendance of Witnesses and Production of Documents) Bill, 1969, has been drafted and the Draft is under examination. The Bill is expected to be introduced in Parliament shortly.

[Min. of Home Affairs, O.M. No. 226/17/69-AVD(II), dated 16-10-1969.]

### **Recommendation (Serial No. 37, Para 5.40)**

The Committee are distressed to find that unconscionable delays continue to occur in Ministries/Departments in the issue of sanctions for prosecuting officers serving under them. They urge that the Ministry of Home Affairs should issue instructions to all the Ministries etc. drawing their pointed attention to this lapse on their part and requesting them to issue the sanctions within a specified time. In exceptional cases, where it is, for any reason, not possible to adhere to the specified time limit, the matter should be brought to the notice of the Secretary or head of the Department/Public Undertaking concerned in writing and his specific approval for extension of time limit obtained.

### **Reply of Government**

The above recommendation of the Estimates Committee has been brought to the notice of all the Ministries etc., for compliance requesting them to adhere to the proscribed time limits.

[Min. of Home Affairs, O.M. No. 226/17/69-AVD(II), dated 16-10-1969.]

### **Recommendation (Serial No. 38, Para 5.45)**

The Committee are perturbed at the mounting arrears of CBI cases pending trial/disposal in Courts year after year. The analytical study of some old pending cases reveals that CBI is not free from blame in this matter. The delay in production of documents under Section 173 Cr. P.C. shortage of prosecuting staff and delay in the service of summons are matters which have to be attended to by the C.B.I.

### **Reply of Government**

The Central Bureau of Investigation have taken steps to ensure that copies of the documents and statements of witnesses as contemplated under Section 173 Cr. P. C. are prepared as expeditiously as possible.

As regards shortage of prosecution staff, a proposal is under consideration to revise the scales of pay to attract suitable persons. Efforts are also being made by the CBI to fill in the existing vacancies by either direct recruitment/ deputation of officers from States.

The C.B.I. have also taken steps to ensure prompt service of summons.

[Min. of Home Affairs O.M. No. 226/17/69-AVD(II), dated 20-12-1969.].

### **Recommendation (Serial No. 39, Para 5.46)**

As regards other factors contributing to the delay in the disposal of cases in Courts, the Committee recommended that the Ministry of Home Affairs should continue to impress upon the State Governments the need for expeditious disposal of CBI cases and urge them to take suitable measures with a view to remedy the situation. The Committee have no doubt that the position will improve if a vigorous and concerted drive is made by CBI and the Ministry of Home Affairs on the lines suggested above.

### **Reply of Government**

The recommendation has been noted and also brought to the notice of the State Governments/Union Territories with the request that they may give due consideration to the observations of the Estimates Committee while considering further measures for expediting the disposal of pending cases in courts. They have also been requested to consider the desirability of writing to the High Courts in this matter in order to ensure the expeditious disposal of these cases.

[Min. of Home Affairs O.M. No. 226/17/69-AVD(II), dated 20-12-1969.].

## CHAPTER III

### RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

#### Recommendation (Serial No. 4, Para 1.30)

The Committee note that notwithstanding the issue of Standing Order No. 3/67 regarding the sphere of work of the Economic Offences Wing in consultation with the Ministry of Finance, differences continued to occur between the CBI and the enforcement agencies under the Ministry of Finance. They feel that the possibility of difference of opinion in regard to individual cases is inherent under the existing arrangements. The only sure way to avoid conflict of jurisdiction and duplication of effort would be for the Government to lay down precisely in consultation with each of the Ministries concerned, the jurisdiction of the CBI vis-a-vis that of the enforcement agencies under those Ministries, preferably in the proposed Bill on CBI so that they all act in concert and not in conflict with one another and do not develop a rivalry complex amongst themselves.

#### Reply of Government

It is desirable that legislation in this regard should confer only enabling powers without introducing an element of rigidity. Want of flexibility will give rise to complications in actual working. A water-tight demarcation would be self-defeating and may provide an unintended legal defence to the law-breaker. An illegal transaction/economic offence often involves breach of more than one law and if joint investigation by all enforcement agencies concerned is made mandatory, no single agency would be able to function strictly according to law. Exclusion of one in preference to another may tend to create an impossible situation at times. Working arrangements should not, therefore, be imparted legal rigidity. There will of course have to be a proper distribution of work and this can be achieved through administrative action in mutual consultation between the enforcement agencies concerned.

[Ministry of Home Affairs, O.M. No. 226/17/69-AVD (II), dated 20-12-1969.]

#### Comments of the Committee

The Committee do however feel that under the existing arrangement there is likely to be conflict of jurisdiction, over-lapping and duplication of effort between the Central Bureau of Investigation and other enforcement agencies covering the same field. They therefore recommend that clear guidance should be formulated in consultation with each of the Ministries concerned which should be followed by the Central Bureau of Investigation and other enforcement agencies.

#### Recommendation (Serial No. 10, Para 2.34)

The Committee recommend that subjects for research and studies by the CBI should be such as have a close bearing on the functions and activities of the CBI and the research/study should not be merely of an



academic character but should have an operational bias showing how modern crime detection methods could be applied in the area dealt with so that the research/study could be of use to the CBI in tackling the problems that come in the way of performance of its duties.

### **Reply of Government**

At the time of formation of the Central Bureau of Investigation in 1963, a Research Division was created in the Bureau to carry out certain functions specified in Annexure to Appendix I contained in the said Report. The reason for creating this Division in the CBI was that expertise relating to crime and legal affairs, with which the Research Division was to be primarily concerned, was already available in the CBI. Moreover, the CBI itself was visualised as the main coordinating agency under the Central Government in police matters, particularly those relating to crime, criminal investigation and legal affairs. Therefore, from its inception the Research Division of the Bureau has been concerning itself with the problems of general police interest and it did not restrict itself to matters of interest to CBI only.

The objectives and functions of the Research Division of the CBI have to be viewed in the context of the development of the CBI as an instrument of coordination in matters of criminal investigation, police and legal affairs. Its functions are complementary to the other non-investigative units of the CBI, particularly, the Crime Records Division, which is responsible for the maintenance of records of inter-State and international criminals and dissemination of information, the Statistics Division, which compiles the statistics of crime and other data of police interest on an all India basis, and the Interpol Division, which is the agency for international cooperation. All these units function not for the limited purpose of the CBI but to provide, on a national scale, service to various police departments, which have no facilities for coordinated effort. In view of the rapid developments in communications and technology, which facilitate criminals to operate across many inter-State borders on a large-scale, the need for such coordinated policy becomes imperative. But in view of the constitutional and jurisdictional issues involved, this cooperation is sought to be obtained on a voluntary basis.

It may further be stated that the subject of Police Research and Planning was discussed in the 36th Session of the General Assembly of the International Criminal Police Organisation (INTERPOL) at our instance in 1967. The General Assembly stressed that the main objectives of police research are to establish more closely integrated police processes, to secure improvements in police methods, procedures and techniques so as to achieve greater efficiency, to ensure maximum effectiveness of manpower and equipment resources and to provide the public with the highest standards in police services for the prevention of crime and the protection of life and property.

In view of the position explained above, the Government of India feel that at this time when the need for research and planning in the police is an accepted fact, it would be desirable to allow the CBI to function as the main source of police knowledge, technology, research, experimentation in new fields of police methodology as well as a fountain of all development and modernisation; any limitation on the subjects for research and studies by the CBI to only those subjects as have a bearing on the func-

tions and activities of the Bureau would have a vacuum in the police system in India in the field of development, research and modernisation.

As regards the recommendation of the Estimates Committee that the research/studies undertaken by the Research Division should not merely be of an academic character but should have an operational bias, due note has been taken of it for implementation. The CBI have been asked to implement this part of the recommendation.

[Min. of Home Affairs, O.M. No. 226/17/69-AVD(II), dated 16-10-1969.]

### **Recommendation (Serial No. 35, Para 5.38)**

The Committee are deeply concerned to note the large number of Central Bureau of Investigation cases pending with the Ministries/Departments for disciplinary action; quite a substantial portion of these have been pending for a long time. Apart from the fact that delays in disciplinary proceedings whittle down the deterrent effect of punishment, the more prolonged the proceedings the greater is the difficulty experienced by the witnesses and greater still is the hardship to the public servant involved. The Committee would suggest that reasonable time limits for the disposal of a disciplinary case at each stage in the Ministries should be fixed which should normally be adhered to. In exceptional cases, where it is, for any reason, not possible to adhere to the prescribed time limits, extension of time should be applied for by the authority concerned stating the reasons therefor and approved by the next higher authority.

### **Reply of Government**

The rules for the conduct of disciplinary proceedings against Central Government employees were revised in 1965 in the light of the recommendations made in the report of the Committee on Prevention of Corruption and the revised rules namely, the Central Civil Services (Classification, Control and Appeal) Rules, 1965 were introduced with effect from 1st December, 1965. These rules provide for time-limits to be observed at certain stages of the disciplinary proceedings so as to ensure that the delinquent official does not adopt dilatory tactics and thus delay the proceedings. The question whether the time limits already provided are excessive or reasonable and whether any further time-limits should be prescribed in order to ensure that the disciplinary proceedings are not delayed will be examined on receipt of the data on the subject being collected from the various Ministries/Departments. In prescribing such time-limits, it is to be ensured that the time-limits so prescribed are not arbitrary and that the delinquent official is offered a reasonable opportunity to defend his case.

2. It is felt that it may not be possible to prescribe any uniform time-limits for the disposal of matters which come up before the Disciplinary Authority/Inquiring Authority during the various stages of disciplinary proceedings. The time taken by these authorities for such matters will depend upon the complexity of each case. The functions of the Disciplinary Authority and the Inquiring Authority under the CCS(CCA) Rules, 1965 are important and these functions have to be discharged by the respective authorities, keeping in view the need for affording reasonable opportunity to the Government servant to defend his case and the need for ensuring that justice is not only done but also seems to be done.

3. Instructions were issued to the various Ministries/Departments in 1952 enjoining upon them the need for speedy disposal of disciplinary cases. The recommendations of the Estimates Committee are being brought to the notice of all the various Ministries/Departments in continuation of the earlier instructions to ensure that no inordinate delay occurs in the disposal of disciplinary cases by the Disciplinary Authority/Inquiring Authority.

[Min. of Home Affairs, O.M. No. 226/17/69-AVD(II), dated 16-10-1969.]

NEW DELHI;

February 26, 1970

Phalguna 7, 1891(S)

M. THIRUMALA RAO,

*Chairman,*

*Estimates Committee.*

## APPENDIX I

(See reply to Recommendation No. 15)

*Revised curriculum for the Study Course for Officers of Economic  
Offences Wing of CBI*

Subject 1	Duration of Lecture 2
<b>I. Foreign Exchange Regulations Act</b>	
(i) Foreign Exchange Regulation Act and Foreign Exchange Manual .. .. .	1 Hr.
(ii) International Cooperation in cases of breaches of the Foreign Exchange Regulation Act. ..	
(iii) Switch Trade .. .. .	1 Hr.
(iv) Problem of Foreign Exchange violations in India. Study of a few important foreign exchange violation cases .. .. .	2 Hrs.
(v) Devaluation and its effect on economic offences .. .. .	1 Hr.
(vi) India's Tourist trade and sources of leakage of foreign exchange and their means of prevention .. .. .	1 Hr.
(vii) Collection of information and pointers to be kept in view in the investigation of offences of smuggling cases committed by organised gangs. .. .. .	1 Hr.
<b>II. Customs</b>	
(i) Customs Act, Central Excise Act & Rules ..	1 Hr.
(ii) Study of problem of smuggling in India ..	1 Hr.
(iii) Organisation and functions of Department of Revenue & Insurance, Customs and Central Excise .. .. .	1 Hr.
(iv) Coordination of the activities of various enforcement agencies .. .. .	1 Hr.
(v) Investigation of smuggling cases .. ..	1 Hr.
<b>III. Company Act and Rules</b>	
(i) Company Act & Rules .. .. .	1 Hr.
(ii) Joint Stock Companies and their organisation .. .. .	} 2 Hrs.
(iii) The role of Company Law Board and Tribunals	
(iv) Usual malpractices in floating and raising of Public subscription and dealing in shares. ..	

1	2
<b>IV. Income Tax</b>	
(i) Provision relating to evasion of Income-tax. . .	1 Hr.
(ii) Black money, organisation of Income-tax department and its functions . . . . .	1 Hr.
(iii) Collection of information and pointers to be kept in view in the investigation of Income-tax offences committed by organised gangs . .	1 Hr.
<b>V. Industries (Development and Regulation) Act</b>	
(i) Provisions of the Act. . . . .	1 Hr.
(ii) Industrial Policy, its purpose and main features	1 Hr.
(iii) Free Trade Zones, their importance and effect on the Industry and economy . . . . .	1 Hr.
(iv) India's Industrial development and import policy with reference to this . . . . .	1 Hr.
(v) Collection of information and pointers to be kept in view in the investigation of company law offences committed by organised gangs . .	1 Hr.
<b>VI. Gold Control</b>	
(i) Statutory Gold Controls and their relationship with economic offences. . . . .	1 Hr.
(ii) Gold Control Act and Rules. . . . .	1 Hr.
<b>VII. Narcotics</b>	
(i) Dangerous Drugs, opium, Ganja and other dangerous drugs—study of. . . . .	1 Hr.
(ii) Narcotics Commissioner's Organisation. . .	1 Hr.
(iii) Dangerous Drugs Control. . . . .	1 Hr.
(iv) State Excise Departments and Local Police functions in relation to Narcotics and Dangerous Drugs. . . . .	1 Hr.
(v) Collection of information and pointers to be kept in view in the investigation of offences committed by organised gangs.	1 Hr.
<b>VIII. Counterfeiting Currency</b>	
(i) Counterfeiting offences and their <i>modus operandi</i> , organisation and functions of Nasik Security Press and Mints. . . . .	4 Hrs.
(ii) Law on counterfeiting. . . . .	1 Hr.
<b>IX. Import and Export</b>	
(i) Import Trade Control Act and Rules. } (ii) Executive Instructions and the Red Book. }	1 Hr.

1	2
(iii) International Trade—outlines of the subject.	} 3 Hrs.
(iv) Need for controls and the functions of the various Government agencies.	
(v) Malpractices connected with imports and exports specially over invoicing and under invoicing.	
(vi) C.C.I. & E.'s organisation and set up.	
<b>X. Mal-practices in Textile Organisations</b>	
(i) Organisation and set up of Textile Industry. . .	1 Hr.
(ii) Mal-practices practised by licensees. . .	1 Hr.
(iii) Measures to combat them. . .	1 Hr.
<b>XI. General</b>	
(i) Address by the Director, Jt. Director . . . . .	2 Hrs.
(ii) C.B.I. organisation and set up and functions. }	1 Hr.
(iii) C.B.I. Circulars. }	
(iv) D.S.P.E. Act and various Notifications and orders under it. . . . .	1 Hr.
(v) Important points in investigation of EOW cases.	
(a) Impex Cases. . . . .	1 Hr.
(b) Foreign Exchange cases. . . . .	1 Hr.
(vi) Collection of intelligence in EOW and setting up of informations. . . . .	1 Hr.
(vii) Interpol—Its history and present organisation, functions and procedure. . . . .	1 Hr.
(viii) Forward Market (Control) Act. . . . .	2 Hrs.
[(ix) Stock Exchange role in country's economy and malpractices. . . . .	1 Hr.
(x) Outlines (Money)—Inflation and monetary policies. . . . .	1 Hr.
[(xi) Reserve Bank Law, Organisation and functions in relation to Country's economy. . . . .	1 Hr.
(xii) Banking, its development and organisation—documents used in transactions like bills of exchange, cheques, bank drafts, travellers' cheques. . . . .	3 Hrs.
(xiii) Port Trusts. . . . .	1 Hr.
(xiv) Shipping organisation and set up of shipping Corporation of India. . . . .	1 Hr.
(xv) Recession and its impact on our international trade. . . . .	1 Hr.

1	2
(xvi) Essential Commodities Act. . . . .	1 Hr.
(xvii) Foreigners Registration Act and rules and Indian Passport Act . . . . .	1 Hr.
(xviii) Opium Act, Laws on Ganja, Dangerous Drugs Act. . . . .	1 Hr.
(xix) EOW of C.B.I., its creation-Guide Lines, Role of Crime and Research Division. . .	1 Hr.
(xx) Extradition Act (Rules and Procedure) Passport Act, Foreigners Act and Orders. . .	1 Hr.
(xxi) Internal borrowing and lending-International Monetary Fund/World Bank/Asian Development Bank. . . . .	1 Hr.
(xxii) Rupee Trade. . . . .	1 Hr.
(xxiii) Five Years Plans. . . . .	1 Hr.

## XII. Training in the different Departments

### (i) Office of the Narcotics Commissioner.

Field studies—visits to the departmental field units and factories for acquainting with the methods of control on Narcotics. . . . . 7 days.

### (ii) Department of Civil Aviation.

Air-craft familiarisation programme . . . . . 16 days.

### (iii) Office of the Chief Controller of Imports and Exports.

Study of general licensing policy and procedures, training in R.M. Division at Headquarters dealing with D.G.T.D. units), training in Capital Goods Division at Headquarters, training in *Ad hoc* Licensing Division at Headquarters (dealing with D.G.S.&D. Contractors, Hospitals, Educational Institutions etc.), study of procedures in the Enforcement Division (dealing with cases involving contravention of Import Control Regulations), Training in Export Promotion Division (dealing with issue of import licences against exports), Training in Established Importers Section and general discussion with Senior Administrative Analyst at Headquarters on matters connected with Policy and procedures and their implementation. . . . . 25 days.

### (iv) Income-tax Department

- |   |            |
|---|------------|
| <ul style="list-style-type: none"> <li>(i) Income-tax Act, 1961.</li> <li>(ii) Issue of statutory notice.</li> <li>(iii) Maintenance of important registers, G.I.R., D.C.R., D.C. etc.</li> </ul> | } 22 weeks |
|---|------------|

- 
- (iv) Scrutiny of Returns of Income-tax etc.
  - (v) Calculation of tax on different kinds of income (simple exercises).
  - (vi) Preparation of I.T.S. & ND, Challans and issuing of adjustment memos.
  - (vii) Advance exercises in computing total income and tax thereon including :
    - (a) Calculation of depreciation.
    - (b) Rebates and reliefs e.g. Life Insurance Policy, Provident Fund, donations etc.
    - (c) Calculation of interest etc.
  - (viii) Wealth-tax Act.
  - (ix) Gift Tax Act.
  - (x) Estate Duty Act.
  - (xi) Expenditure Tax Act.
  - (xii) Other Acts, viz. Criminal Procedure Code, Indian Penal Code, Evidence Act, Registration Act, Court Fee Act, Stamp Act, Succession Act, Trust Act, Hindu Law (such chapters as are indicated in the syllabus of Departmental Examination for Income-tax Inspectors).
  - (xiii) Finance Act (Rates of Tax and recent changes in law).



## APPENDIX II

(See reply to Recommendations No. 16 & 17)

Letter No. 21/14/66-PD dated the 3rd July, 1969 from Assistant Director (P), CBI to all Superintendents of Police, D.S.P.E. Division of the CBI indicating guidelines for registration of cases by Economic Offences Wing.

Subject :—Guidelines for registration of cases by E.O.W.

The Estimates Committee 1968-69, of the Fourth Lok Sabha in their 78th Report have suggested that in the light of experience gathered in the EOW, suitable guidelines should be laid down for the registration of cases by EOW in order to ensure that the time of the staff is properly utilised and is not wasted over unnecessary enquiries and investigation.

In this connection your attention is invited to CBI, EOW, Standing Order No. 3/67 dated 20-3-1967 which gives the categories and types of cases to be dealt with by this Wing. In particular it will take up investigation in following types of cases :—

- (a) Cases involving more than one Department which would have to be handled by more than one Enforcement Agencies under the Ministry of Finance.
- (b) Cases where organised gangs are involved.
- (c) Cases which are otherwise considered important or complicated for any other reason, say political.

Note : (i) Only selected cases under this category will be taken up by EOW.

- (ii) Except in respect of cases coming under category (b) & (c) above EOW will not investigate cases where the amount involved is less than Rs. 5 lakhs.

E.O.W. will deal with following categories and types of cases :—

- (a) Cases under the Customs Act, Central Excise Act, The Income Tax Act, Opium and Dangerous Drugs Act, Company Law Act, Gold Control Rules, and other similar enactments involving economic offences.
- (b) Cases of smuggling having wide ramifications or international connections.
- (c) Important cases of income tax evasion.

1. As regards smuggling offences, the following types of cases will be taken up :—

- (1) Smuggling of goods by organised gangs with inter-State/international ramifications;
- (2) Large scale organised smuggling of goods by Indians and/or foreigners;
- (3) Under invoicing and over-invoicing of goods and connected offences under the Customs Law;
- (4) Smuggling with political motives e.g. smuggling of counterfeit currency into India.

2. As regards narcotics offences, EOW will not take up investigation of illicit traffic or narcotics in India unless it is of a serious type and is being carried on by important organised gangs with inter-State ramifications.

Smuggling from or into Pakistan will not be treated as international smuggling for purposes of EOW investigation.

3. As regards foreign exchange violations, EOW will take up investigation of important and serious cases viz. large scale or wide-spread rackets systematically conducted by organised gangs or cases involving gross under-invoicing and over-invoicing or big frauds under the Export Promotion Incentive Schemes etc.

4. As regards income tax evasion cases, if the Ministry of Finance or Directorate of Inspection refer cases of EOW for investigation such cases can be registered and investigated into after discussion with the concerned officers and examination of the relevant documents.

5. As regards Gold Control violations, cases referred by Ministry of Finance and Directorate of Inspection for investigation, the cases should normally be registered after verification of records and discussion with the concerned officials.

6. As regards counterfeiting of currency notes, EOW should take up investigation of those cases in which inter-State and/or international gang is involved or the amount of counterfeit currency is large. Cases which are referred by the Ministry of Finance or Reserve Bank of India or State CIDs will be taken up for investigation after scrutiny of records and discussion with concerned officials.

7. As regards Company Law frauds, the EOW will take up investigation of cases which are referred by the Company Law Board or the concerned Ministry or cases in which after a check by the Company Law Board it is found that serious criminal offences involving I.P.C. sections and distinct from Company Law Offences or in which a number of different categories of offences as under the Customs Act, under-invoicing or over-invoicing etc. are involved. Only those cases which have wide ramifications and are complicated or which are important or serious will be taken for investigation by the Fraud Squad which will form part of EOW to handle such cases.

8. As regards Imports and Exports Control Act, 1947, and Import and Export Control Order, 1955, normally EOW will take up investigation of fairly important cases involving import licences of the value of Rs. 10,000 and above. If the work of a gang is suspected, cases below the value of Rs. 10,000 can also be taken up for investigation. Otherwise in these less important cases departmental action by C.C.I. & E. should suffice. Anonymous and pseudonymous complaints will be referred to the C.C.I. & E. or J.C.C.I. & E. for scrutiny and check. Cases which are very old will not be taken up for investigation except for special reasons.

R.Cs. will be registered in all impex cases as private parties are involved and documents have to be seized and scrutinised.

9. As regards Essential Commodities Act, no action should be taken on anonymous and pseudonymous applications. Cases, which have inter-State ramifications or which are referred to by the Ministry/Department concerned or by the State Governments will be taken up for investigation after discussion and scrutiny of records.

## APPENDIX III

### Recommendations

(See reply to Recommendations No. 16 & 17)

*Letter No. 21/14/66-PD dated the 7th July, 1969 from Assistant Director (P) CBI to all Superintendents of Police, D.S.P.E. Division indicating guidelines for registration of cases by CBI.*

**Subject :—**Guidelines for registration of cases by the CBI.

The Estimates Committee (1968-69) of the 4th Lok Sabha, in their 78th report, have suggested that in the light of experience gathered in the registration of cases, suitable guidelines should be laid down in order to ensure that the capacity and resources of the CBI are available for investigating important cases of corruption in high places.

2. So far as guidelines for registration of cases are concerned, your attention is invited to IGP's circular No. 87, dated 28-11-62, this office letter No. 40/24/60-C.III dated 18-12-1962, Circular No. 6/67/64-Disc. dated 13-6-67, and this office letter No. 23/3/60-PD dated 17-1-1968. All these instructions emphasise that the energy and resources of the Organisation should not be frittered away on petty cases.

3. Ordinarily no enquiry should be made in the following categories of informations or complaints except for special reasons :—

- (i) Informations or complaints containing vague and general allegations.
- (ii) Allegations relating to minor service matters or trivial or insignificant in nature which can be more appropriately looked into by the Departmental Authorities.
- (iii) Allegations relating to ordinary crime not involving bribery or corruption or otherwise falling within the purview of the S.P.E. which can be better dealt with by the local Police.

2. The following are a few illustrations of the types of cases which should not be generally taken up by the S.P.E. :—

- (i) Cases relating to Rly. Claims, movements or delivery of consignments without Rly. Receipts etc. except when bribe is being paid directly and a trap can be laid.
- (ii) Cases relating to minor thefts or loss of stores.
- (iii) Cases relating to promotions or similar departmental matters where no element of corruption is involved.
- (iv) Cases relating to misuse of Rly. passes or obtaining passes on false pretence.
- (v) Cases relating to Life Insurance involving non-medical test or non-accounting of premia, unless the amount involved is very large or there are a number of instances over a prolonged period.
- (vi) Cases relating to false T.A. unless false claims of TA have been preferred repeatedly.

- (vii) Cases registered and investigated by local Police unless they are handed over very soon after registration.
- (viii) Cases relating to departmental irregularities, where Department itself is conducting an enquiry and taking necessary action against the delinquent.
- (ix) Cases relating to mis-use of staff cars or Govt. vehicles unless such misuse is extensive and repeated.
- (x) Cases relating to shortage of stores unless stores found short are of considerable value and a criminal offence is suspected.

3. As regards P. & T. Department, the P. & T. authorities have to report all cases to the State Police except those in which there are allegations against employees of the P. & T. Department :—

- (i) of bribery or illegal gratification in any shape or form;
- (ii) of causing or securing pecuniary advantage by corrupt or illegal or by abusing official position; and
- (iii) of criminal breach of trust or cheating involving loss of sums not less than Rs. 500/-.

4. It has further been decided that in P. & T. Department, only those cases should be reported in which the loss exceeds Rs. 2000/-.

5. So far as Extra Departmental employees of P. & T. are concerned, loss involving above the amount of Security Deposit (Rs. 400/-) are to be reported to the local police.

6. In addition to the above noted instructions, the following financial limits may also be kept in view before registering cases :—

- (i) In P. & T. cases money order frauds, Savings Bank misappropriation, Postal Frauds, the amount involved should not be below Rs. 2000/-.
- (ii) In Railway cases the cases arising out of shortages of stores, the loss should not be below Rs. 2000/-.
- (iii) In cases involving demurrage, claims etc. the amount involved should not be below Rs. 2000/-.
- (iv) In Public Undertakings no case of fraud below Rs. 15,000/- may be taken up for investigation.

## APPENDIX IV

(See reply to Recommendation No. 23)

*Letter No. 21/37/58-PD dated the 24th May, 1969 from the Deputy Inspector General of Police, (P), CBI to all Superintendents of Police, D.S.P.E. Division regarding examination of a case registered by the CBI before the cases is closed.*

**SUBJECT :—**Examination of a case registered by the CBI before the case is closed.

The Estimates Committee in considering the reasons of closure of cases have observed that it is not appropriate to close a case in the following circumstances if the cause of action is different for, after enquiry/investigation, the case may turn out to be fit for launching prosecution of the Officers involved :—

- (i) the suspect officer is convicted in some other case.
- (ii) the suspect officer has been discharged, removed or dismissed from service or has resigned.

2. Although at present, cases are examined from the stand point stated by the Estimates Committee, before they are closed, the SPE Branches are requested to keep in view the observation of the Estimates Committee when deciding to close a case taken up by the CBI for investigation.

## APPENDIX V

(See reply to Recommendation No. 31)

*O.M. No. 222(3)/69-AVD.II dated the 17th June, 1969 from the Ministry of Home Affairs to Department of Supply etc.*

**SUBJECT :—**78th Report of the Estimate Committee—Delay in the investigation of cases by the Central Bureau of Investigation.

The Estimates Committee while commenting upon the causes of delay in investigation of the cases by the Central Bureau of Investigation, have observed in paras 5.14 and 5.15 of their 78th Report (4th Lok Sabha) as follows :

“5.14. The Committee consider it of utmost importance that the opinions of technical experts are made available to the Central Bureau of Investigation expeditiously. The Committee recommend that all cases of delay beyond two months should be immediately reported by the Central Bureau of Investigation to the Ministry of Home Affairs who should then pursue such cases within the administrative Ministry concerned at a sufficiently high level.”

“5.15. They also recommend that the staff position of the technical organisations concerned with giving opinion in Central Bureau of Investigation cases, should be reviewed periodically and norms of work for different classes of experts determined.”

2. The Central Bureau of Investigation have furnished a list of research centres/technical organisations whose assistance is generally obtained by them, namely :—

1. Government Test House, Alipore, Calcutta.
2. Forest Research Institute, Dehradun.
3. Central Forensic Science Laboratory, Calcutta.
4. Central Food Laboratory, Calcutta.
5. Director-General of Supplies and Disposals, New Delhi.
6. Government Examiner of Questioned Documents, Simla, Calcutta and Hyderabad.
7. Central Public Works Department and subordinate offices thereunder.
8. Chief Technical Examiner's Organisation, Central Vigilance Commission, New Delhi.
9. India Security Press, Nasik.
10. Railway Vigilance Cells.
11. C.T.E. (M.E.S.)
12. Directorate of Inspection, Income-Tax and Central Excise, New Delhi.

3. The Department of Supply etc. are requested to note the observations of the Committee mentioned in para 5.15 of the Report for necessary action in respect of the institution(s) with which they are concerned.

## APPENDIX VI

(Vide Introduction)

*Analysis of the action taken by the Government on the recommendations contained in the 78th Report of the Estimates Committee (Fourth Lok Sabha)*

I.	Total number of recommendations.	39
II.	Recommendations which have been accepted by Government (vide recommendations at S. Nos. 1—3, 5—9, 11—34, 36—39)	
	Number	36
	Percentage to total	92
III.	Recommendations which the Committee do not desire to pursue in view of Government's reply (vide recommendations at Sl. Nos. 4, 10 and 35)	
	Number	3
	Percentage to total	8

---

© 1970 BY LOK SABHA SECRETARIAT

PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND CONDUCT  
OF BUSINESS IN LOK SABHA (FIFTH EDITION) AND PRINTED BY THE  
MANAGER GOVERNMENT OF INDIA PRESS, FARIDABAD.

---